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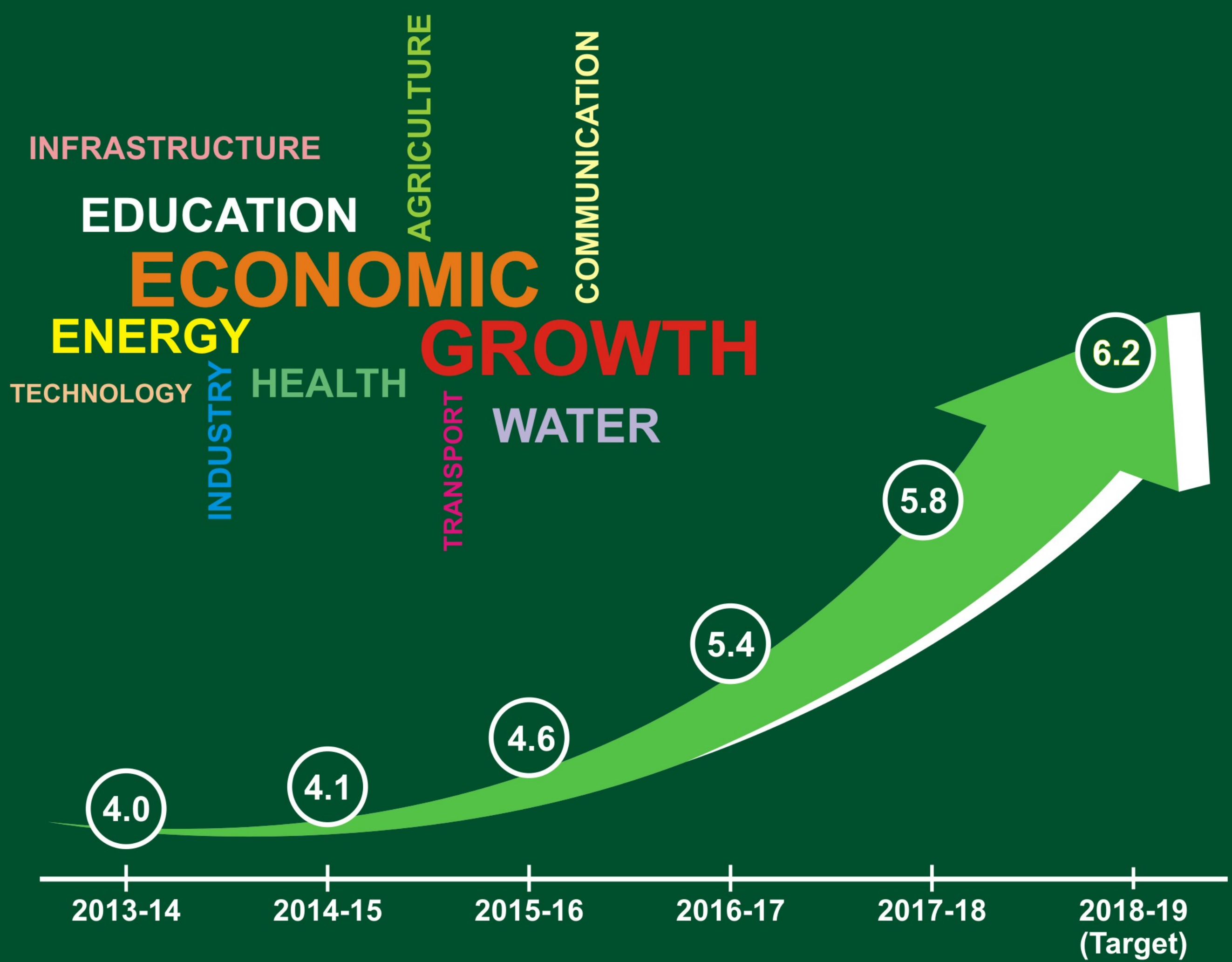

ANNUAL PLAN 2018-19

GOVERNMENT OF PAKISTAN
PLANNING COMMISSION
MINISTRY OF PLANNING, DEVELOPMENT & REFORM

Annual Plan
2018-19

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FOREWORD

Pakistan's economy has revived and shown positive growth over the past five years. When this government assumed charge in June 2013, the economy was struggling with stagnant growth, unsustainable fiscal and external deficits, flagging investment and a crippling energy scenario. These issues were systematically addressed by the government to create a conducive economic environment.

The growth rate of 5.8 percent registered in 2017-18 is the highest in past 13 years. The government raised $1bn through the sukuk and $1.5bn via the euro bond, indicating confidence of global capital markets in our economy. Stock market is reviving again after the turbulence observed during past few months. Average growth for the period 2013-14 to 2017-18 is around 4.8 percent compared to 2.8 percent during 2008-2013. Inflation has been contained at around 3.8 percent for July-March 2017-18. Low inflation and improved consumer confidence, according to Nielsen Global Survey of Consumer Confidence and Spending Intentions of January 2018, have helped Pakistan to become one of the top growing markets in the Middle East and Africa region.

Growth prospects in agriculture have improved as a result of government's support policies, CPEC investments and improved energy supply along with better law & order situation. The establishment of 'Special Economic Zones' also offer prospects for accelerated growth and investment in the country. CPEC also provides the opportunity to harness the youth bulge. Pakistan's demographic profile coupled with immense opportunities under CPEC can take Pakistan into a bright era of persistent growth and development. The challenge is to sustain macroeconomic stability and achieve higher GDP growth rate in order to overcome the problems of unemployment and poverty. Implementation of CPEC carries bright chances of providing decent jobs in construction, logistics, transport & communication and trade & commerce.

Pakistan's ranking in terms of Global Competitiveness Index (GCI) has improved. It was at 115th position in 2017-18 compared to 122nd position in 2016-17 out of the total 138 countries. Position on innovation pillar improved by 15 points from 75th to 60th spot, while our economy's rank in business sophistication moved up by 14 places from 95th to 81st in 2017. The overall investment climate in Pakistan is improving. This is testified by the latest Perceptions and Investment Survey of Overseas Investors' Chamber of Commerce and Industry (OICCI) which identified cement, non-metallic, food and the services sectors as promising for lucrative returns in Pakistan.

In this backdrop, economic growth prospects are positive for 2018-19 with the revival of agriculture sector, strong performance of the industry, pickup in private sector credit, macroeconomic and political stability coupled with improved security situation and enhanced energy supplies. The economy has moved forward from a decade old low-growth trap to high growth trajectory, but there is still a lot more to be achieved to realize the full economic potential of the country. The macroeconomic and growth targets set in the Annual Plan 2018-19 are, in my assessment realistic and achievable.

The document is an outcome of concerted efforts of a dedicated team of professionals at the Planning Commission. I wish to place on record my appreciation for the efforts of the Review Committee to ensure the quality and consistency of this document.

Sartaj Aziz
Deputy Chairman, Planning Commission

Islamabad, April 20, 2018

Review Committee

Sr. #	Name and designation	Status	
1.	Dr. Muhammad Nadeem Javaid Chief Economist	Chairman	
2.	Dr. Ali Bat Khan Joint Chief Economist	Member	
3.	Mr. Rai Nasir Ali Khan Joint Chief Economist	Member	
4.	Mr. Zafar Ul Hassan Chief	Member	
5.	Dr. Aamer Irshad Chief	Member	
6.	Mr. Shahid Naeem Chief	Member	
7.	Mr. Javed Sikandar Chief	Member	
8.	Dr. Muhammad Afzal Chief	Secretary and Convener	
9.	Mr. Abdul Ahad Assistant Chief	Coordinator	

EXECUTIVE SUMMARY

Executive Summary

Macroeconomic Framework

Economic recovery continued its journey towards higher growth trajectory and touched highest growth of 5.8 percent during the last 13 years. The growth was broad based and evenly contributed by all sectors i.e. agriculture (3.8 percent), manufacturing (6.2 percent) and services (6.4 percent). This economic recovery is efficiency driven as investment inched up slightly to 16.4 percent of GDP in 2017-18 against 16.1 percent during previous year while national savings remained at 12.1 percent of GDP in 2017-18.

GDP is targeted to grow by 6.2 percent during 2018-19 with 3.8 percent contribution from agriculture, 7.6 percent from industry and 6.5 percent from services. The growth targets are subject to favourable weather, continuation of prudent economic policies, revived agriculture sector, persistent growth in industrial sector, pick-up in private sector credit and planned execution of early harvest projects under CPEC will contribute to achieve the growth targets.

Public Sector Development Programme

Public Sector Development Programme (PSDP) is the driver of economic growth besides ensuring the equitable socio-economic development. Besides Federal PSDP, provinces, public sector enterprises and local authorities also invest their resources for development in the country. For 2017-18, the National Development Outlay was set at Rs2,113 billion, including Federal PSDP at Rs1,001 billion and Provincial ADPs at Rs1,112 billion.

The overall size of national development outlay for 2018-19 at Rs2,043 billion is with foreign assistance component Rs339 billion. The size of the federal PSDP is Rs1,030 billion while that of Provincial ADPs is Rs1,013 billion. Transport and communication sector has been given highest priority Rs400 billion followed by energy sector Rs237 billion to overcome shortage of power in the country. Substantial funds Rs135 billion are earmarked for social sectors education/ higher education Rs57 billion, Prime Minister's Youth Programme Rs10 billion, Rehabilitation of TDPs and Security Enhancement Rs90 billion and Gas Infrastructure Development Cess Rs5 billion have also been budgeted in federal PSDP 2018-19. An allocation of Rs62 billion has been made for Special Areas including AJ&K Rs22 billion, Gilgit-Baltistan Rs15 billion, and FATA Rs25 billion to formulate their Annual Development Programmes 2017-18. Rs10 billion has also been caped for FATA 10 years Plan.

Population

Population growth has emerged as a major challenge. Provisional results of the population census 2017 show that Pakistan experienced average population growth of 2.4 percent between 1998 and 2017. Persistent high population growth is diluting the benefits of economic growth and exerting pressure on existing resource base. To address this problem, Government is formulating a population policy in consultation with stakeholders. Provincial governments, international development partners and civil society organizations are expected to align their programmes to achieve the objectives of national population policy.

School and College Education

School and college education is facing multifarious challenges including low enrolment and completion rate, quality of education, outdated curriculum and examination standards inconsistent with job market. Government is committed to address these challenges through teachers' training, provision of missing facilities in school and colleges, updating curriculum and improving the system of examinations. Provincial governments need to play their role in improving the education service delivery and contribute to social and economic wellbeing. The education processes would be improved by investing more on the capacity building of teachers and education managers. Monitoring and evaluation system needs to be improved to achieve the targets of access, equity and quality of education.

Health

Major challenges in health include access to primary and secondary health care with necessary back up support in rural areas where all health outlets function as a focal point for the control of communicable / non-communicable diseases and improving family planning services. Improving governance is necessary to achieve efficiency of the public health spending. Government has strengthened the Health Information System with a view to have periodic update of the disease burden and monitor plans to address this issue. Civil Registration and Vital Statistics (CRVS) as the reporting tool for SDG 3 will also be strengthened.

Key initiatives to broaden health coverage include increase in the number of medical and paramedical staff, establishment of disease surveillance and response system, indigenous production of vaccines and enforcement of health regulations. Micro health insurance schemes would be made part of existing social safety nets to extend health coverage to vulnerable segments. Awareness campaigns for disease prevention will be launched to control incidence of preventable diseases, while hepatitis and cancer will be key therapeutic areas for capacity enhancement.

Labour & Employment

Unemployment has decreased from 6.24 percent in 2012-13 to 5.94 percent as per latest available LFS conducted in 2014-15. Higher GDP growth during last five years has helped absorb the unemployed workforce. Moreover, about 3.66 million Pakistani workers went abroad for jobs. Increased public spending under Federal and provincial development outlay in 2017-18 will lead to further employment generation. The planned initiatives skill development, higher economic growth and CPEC related investments in energy and infrastructure projects would help in reducing unemployment further. The Plan focuses on promoting technical and vocational training through public-private partnership in market led trades.

Skill Development

Skills development is one of the priority areas of the government to sustain growth and fulfil the vision of becoming a prosperous society. National TVET policy will help improve TVET sector and promote competency based technical training, efficiency in labour market and quality training to unemployed educated youth and disadvantaged groups. Prime Minister's youth training Programme and Prime Minister's Youth Skill Development Programme are being implemented all over the country to improve availability of trained workforce in the country.

Poverty Alleviation and Sustainable Development Goals

Pakistan's poverty headcount has persistently declined over the last decade. Poverty headcount based on national poverty line declined from 50.4 percent in 2005-06 to 29.5 percent in 2013-14. To ensure inclusive and balanced socioeconomic development, Pakistan has started reporting status of Multidimensional Poverty Index. The incidence of MPI also declined from 55.2 percent in 2004-05 to 38.8 percent in 2014-15. Targeted poverty reduction programmes like BISP, PM's Youth Initiatives, relative political stability, recovery of economic growth and targeted interventions under PPAF and strengthened provincial social protection apparatuses have been important drivers of decline in poverty. In 2018-19, both the federal and provincial governments are committed to continue their support for poverty alleviation efforts and expansion of social safety net programmes as well in the form of flagship programmes like BISP, Prime Minister's Programme for Youth, Prime Minister's Health Insurance Schemes etc.

Social Welfare

The plan focuses on providing enabling environment for sustainable community development, people participation, entrepreneurship opportunities and provision of need based social services in remote areas. Voluntary work and mobilizing local resources will be promoted by providing technical, social and financial assistance. Promotion of inclusive education, protecting senior citizens rights, day care facilities, human rights protection and promotion of entrepreneurship opportunities are important intervention area of the plan. The plan focuses on formulation of unified guidelines and standardized framework for welfare and empowerment of vulnerable. "Center for Social Entrepreneurship" will have social impact promoting and encouraging stakeholder's participation in employment generation and resolving social problems.

Gender and Women Development

Women's participation in socio-economic development through gender mainstreaming is another priority area. Right based approach to develop women's economic, social and development rights, entitlements and sensitization on gender issues is being encouraged. The representation of women in decision making bodies, participation in electoral process, opportunities for women entrepreneurship are promoted. The plan envisages implementation of goals and objectives outlined in Vision 2025 and SDGs.

Youth and Sports

Significant majority of Pakistan's population, around 63 percent, are youth. This energetic human resource need to be harnessed to achieve the growth targets. Youth would be productively engaged in sports, health and education, entrepreneurship, vocational training, culture and media to contribute in the economic and social development. An amount of Rs3,044.157 million was allocated for sports facilities during 2017-18, which has been enhanced to Rs2281.891 million in 2018-19.

Religious Pluralism and Interfaith Harmony

The diversity of the society signifies the need to develop a pluralistic society where people with different beliefs can live in peace and harmony. To promote interfaith harmony an equitable framework and national guidelines for identical development of all communities is being developed in consultation with stakeholders. Tolerance among different segments of society would be enhanced by promoting peace and harmony.

Mass Media Culture and National Heritage

To improve outreach and promote local culture, Rs811.788 were allocated for projects of PTV, PBC and the cultural institutions at federal level. In addition, funds were also allocated for up-gradation of studio and transmission of equipment of PTVC, institutional strengthening of PEMRA and implementation of code of conduct of PEMRA. In 2018-19, thrust has been given to speedy completion of the projects which are at advanced stage. Funds to the tune of Rs815.00 million have been allocated for the Mass Media and Culture Sector.

Fiscal, Monetary and Capital Market Development

During July-December 2017-18, fiscal deficit stood at 2.3 percent of GDP as compared to 2.5 percent during the corresponding period of last year. During 2018-19, the government will make efforts to adhere to the policy of fiscal consolidation to maintain fiscal deficit in manageable limits and within the ceilings of Fiscal Responsibility and Debt Limitation Act, 2005. The SBP changed its monetary policy stance and raised policy rate by 25bps to 6.0 percent in January 2018 in order to pre-empt overheating of the economy amid external sector pressures. Credit to private sector registered an increase of Rs469.2 billion as compared to its last year's expansion of Rs438.6 billion. Average CPI registered an increase of 3.8 percent during July-March 2017-18 compared to 4 percent during the corresponding period of last year. Average CPI inflation during 2018-19 is projected at around 6 percent. Capital market is expected to remain vibrant during 2018-19 as a result of the measures to be adopted by the SECP.

Trade and Commerce - Balance of Payments

Current account deficit is estimated to rise by 4.9 percent of GDP by the end of 2017-18. Exports grew at 13.1 percent while imports grew at 11.5 percent. Remittances registered a growth of 3.4 percent in 2017-18 while FDI increased by 21.9 percent. In the coming year, exports are targeted to increase by 12.5 percent while imports are projected to increase by 4.8 percent. Remittances are targeted to reach level of US$ 21.2 billion in 2018-19 while current account deficit is projected to remain at around 4 percent of GDP during 2018-19.

Balanced Development

An amount of Rs61.5 billion was allocated during 2017-18 to improve the socio-economic conditions of the people of special areas. Additionally, Rs90 billion were allocated for rehabilitation of TDPs. For 2018-19, an allocation of Rs64 billion is proposed for special areas (FATA, AJK & GB), with FATA having a share of 42 percent, whereas AJK and Gilgit Baltistan would share 34 percent and 23 percent respectively.

Physical Planning & Housing Section

Rapid urbanization has tremendously increased the urban challenges including shelter, access to improved water & sanitation services, besides, healthcare, education and recreation facilities. To address the urbanization issues and challenges in line with the Vision 2025, Rs22 billion has been allocated in 2018-19 to various ministries, divisions and departments. Important programmes include Sustainable Urban & Regional Development Plans and Smart

Cities, Planned Peri-Urban Development; and Establishment of Bureau of Infrastructure Development.

Governance and Institutional Reforms

Government has taken number of initiatives for making government open, transparent, accountable, and responsive to citizens. During the 2017-18 investments were made to enhance/ improve the capacity and service delivery of public sector especially in justice sector, revenue collection, and ease of doing business, regulatory framework, financial management, law and order, data collection, administrative structure and trade management system. These reforms initiatives will continue to strengthen and enhance the capacity of the institutions.

Energy

The overall energy supply situation has improved. 6,735 MW generation capacity and one billion cubic feet gas per day through import of LNG is expected to be added in national grid and Sui system respectively. For evacuation of additional power generation, the NTDC transmission system has been strengthened by adding 2,700 MVA and 4,340 MVA on 500 kV and 220 kV network respectively. To overcome the load of oil transportation on roads, Techno-Economic feasibility of White Oil Pipeline project envisaging 427 Km pipeline from Sheikhupura to Peshawar has been completed. Work on various blocks at Thar is going on by various companies.

Water Resources Development

The Annual Plan 2018-19, in line with National Water Policy 2018, Pakistan Vision 2025 and 12th Five Year Plan, aims at construction of small/medium and large dams and development of Irrigation & Drainage infrastructure to improve water use efficiency and modernize conveyance system. An amount of Rs42.636 billion is stipulated for water sector development projects in 2018-19. A target of 134.50 MAF of water availability at farm gate has been set for the year 2018-19 and Rs1,000 million has been allocated for the implementation of emergent small flood schemes under “Normal/Emergent Flood Programme”.

Agriculture and Food Security

Agriculture growth gained momentum after fall out in 2015-16. Recovery in agriculture growth is attributed to support provided by the public sector in the form of farmer’s relief package and policy backup. Upsurge in international commodity market increased the output prices in Pakistan to benefit the net incomes of the farmers and enabled them to make more investment on their crops. A growth of 3.8 percent has been targeted in 2018-19 from the agriculture sector. Major contributors of agriculture GDP i.e. livestock and crops are expected to grow by 3.8 percent and 3.6 percent, respectively. Government efforts to reduce the cost of production, improved regulatory measures and increased commodity prices would be instrumental to support the targeted growth rate of 3.8 percent.

Nutrition

Good nutrition leads to have healthy and prosperous life. Various nutrition programmes are being implemented in the provinces. The Federal Ministries are in the process of formulating nutrition programmes in order to improve the nutrition situation through innovative approaches and creating awareness and behaviour change. The NCHN will serve as think tank for evidence generation and innovative researches, capacity building and awareness hub to help in setting future planning and decision making for up scaling nutrition.

Climate Change and Environment

Pakistan is developing an investment framework to reduce GHG emission. 100 million new indigenous plants will be planted under Green Pakistan Programme for revival of forestry with an estimated cost of Rs3.652 billion. An amount of Rs738.9 million has been allocated for revival of wildlife. The total allocation for the development of sector stood at 1,423 million.

Manufacturing

Rs554.291 million have been allocated for development projects of GSP in PSDP 2017-18 for geological mapping of about 12800 sq. km. area in the country. Mineral exploration and Geological Mapping projects include iron ore, coal, copper, gold in Punjab and Balochistan, Lead-Zinc-Barite investigations in Balochistan, Khyber Pakhtunkhwa (KPK) and Sindh, limestone, iron occurrences, salt, phosphate, bio stratigraphic studies in Sindh and copper-gold prospects in Punjab, Sindh, Balochistan and KP.

Higher Education

The government allocated Rs35.663 billion for development projects for Higher Education Commission in the PSDP 2017-18. In addition, HEC also got Rs5.287 billion for PM's Laptop Scheme and Rs0.6 billion for Afghan Scholarship Scheme. Important initiatives in 2017-18 include access to higher education at district level, developing university infrastructure, relating academic research to industrial products and improving quality and governance of higher education institutions. In 2018-19 the focus will remain on continuing efforts for district level access to higher education by establishing more universities / campuses, providing about 1000 indigenous and foreign PhD scholarships to the fresh graduates' scholars and faculty members as well improving visibility of Pakistani universities at global level. An allocation of Rs25.5 billion has been made in PSDP 2018-19.

Science and Technology

The government allocated Rs2,538.727 million for 33 development projects, of which eight projects will be completed. Ministry of Science & Technology has an allocation of Rs2,503 million for the year 2018-19 for 44 projects. Important initiatives in 2017-18 related to infrastructure development, upgradation of R&D labs of organizations under MoST, research in cutting edge technologies, bridging gap between R&D organizations and industry, capacity building and incentivizing SMEs for certifications. The focus in coming year will remain on formulating S&T Policy, research in emerging technologies, developing R&D infrastructure, undertaking mega initiatives like electrics cars, indigenous satellites, crop varieties and awareness / framework for productivity, quality and innovation.

Information and Communication Technology

A phenomenal growth has been seen in telecommunication sector in the recent past. Yet there is still a huge untapped potential for growth to extend the coverage to the remote areas of the country. IT exports contribute meagre share in the overall exports compared to the potential in this sector. Initiatives such as Development of Technology Parks, Support Programme for enhancing IT exports and Innovation Fund Programme to kick-start development of low cost, high impact applications and systems in the public sector will pave the way for future and for rapid transformation of ICT sector in the country.

Transport and Logistics

Transport is a key driver of socioeconomic development. Transport adds value to goods brought to markets, links rural markets to cities and global supply chain and driving economic development. The Government, cognizant of this fact, has invested large amounts of human and financial resources into the development of the transport sector. Vision 2025 seeks to establish an efficient and integrated transportation system to facilitate the development of a competitive economy. The backbone of the economic corridor is transport infrastructure and connectivity on the basis of Transport Plan of CPEC (2014-2030). CPEC transport plan aims to connect Kashgar with Gwadar and Karachi through Kashgar, Gilgit, Islamabad, Lahore, Multan, Sukkur, Karachi, Peshawar, Quetta, D.I. Khan, Hyderabad, Karachi and Gwadar. The transport sector projects will facilitate the freight traffic movement from the SEZs in Pakistan & Western China along the economic corridor. National Transport Policy aims at achieving world class standards for Pakistan’s transport sector, guide the development in transport sector and sets priorities for the future long-term development of the sector. The PSDP for 2017-18 provided an outlay of Rs414.225 billion for the federal programme under Transport &Logistics sector, while an allocation of Rs303.976 billion has been made for the development programme in 2018-19.

Acronyms and Abbreviations

ADP	Annual Development Programme
AEDB	Alternative Energy Development Board
AMCs	Asset Management Companies
APCC	Annual Plan Coordination Committee
BISP	Benazir Income Support Programme
BPD	Barrels Per Day
CAMB	Centre for Applied Molecular Biology
CCI	Council of Common Interests
CDWP	Central Development Working Party
CCP	Competition Commission of Pakistan
CGT	Capital Gains Tax
CSF	Coalition Support Fund
CWHR	Council for Works and Housing Research
DEMP	Directorate of Electronic Media and Publications
ECO	Economic Cooperation Organization
ELTR	English Language Teaching Reforms
ERRA	Earthquake Reconstruction and Rehabilitation Authority
FDI	Foreign Direct Investment
FEG	Framework for Economic Growth
FRDL	Fiscal Responsibility and Debt Limitation
FP&RH	Family Planning and Reproductive Health
GAIN	Global Alliance for Improved Nutrition
GCI	General Cognitive Index
GDP	Gross Domestic Product
GNP	Gross National Product
GPI	Gender Parity Index
GSP	Geological Survey of Pakistan
ICT	Islamabad Capital Territory
HEC	Higher Education Commission
HIES	Household Intergraded Household Survey
ICT	Information and Communication Technology/Islamabad Capital Territory
IMF	International Monetary Fund
MoPD&R	Ministry of Planning, Development and Reform
MoIPC	Ministry of Inter-Provincial Coordination
MDGs	Millennium Development Goals
NAVTTC	National Vocational and Technical Training Commission
NAG	National Art Gallery
NDA	Net Domestic Assets

NEC	National Economic Council
NIE	National Institute of Electronics
NHSR&C	Ministry of National Health Services, Regulations and Coordination
NEPRA	National Electric Power Regulatory Authority
PAEC	Pakistan Atomic Energy Commission
PARC	Pakistan Agriculture Research Council
PBC	Pakistan Bureau of Statistics
PBC	Pakistan Broadcasting Corporation
PEMRA	Pakistan Electronic Media Regulatory Authority
PCRET	Pakistan Council for Renewable Energy Technologies
PCRWR	Pakistan Council of Research in Water Resources
PCSIR	Pakistan Council for Scientific and Industrial Research
PDHS	Pakistan Demographic and Health Survey
PDL	Petroleum Development Levy
PMD	Pakistan Meteorological Department
PNAC	Pakistan National Accreditation Council
PNCA	Pakistan National Council of Arts
PNRA	Pakistan Nuclear Regulatory Authority
PRI	Pakistan Remittance Initiative
PSDP	Public Sector Development Programme
PSEs	Public Sector Enterprises
PSF	Pakistan Science Foundation
PSLM	Pakistan Social and Living Standard Measurement Survey
PSQCA	Pakistan Standards and Quality Control Authority
PTVC	Pakistan Television Corporation
PTA	Pakistan Telecommunication Authority
OGRA	Oil and Gas Regulatory Authority
SAFTA	South Asian Free Trade Agreement
SDGs	Sustainable Development Goals
SROs	Statutory Regulatory Orders
SSGCL	Sui Southern Gas Company Limited
SNGPL	Sui Northern Gas Company Limited
SECP	Securities and Exchange Commission of Pakistan
SMEs	Small and Medium Enterprises
STFP	Strategic Trade Policy Framework
SECMC	Sindh Engro Coal Mining Company
TDS	Tariff Differential Subsidy
TDPs	Temporarily Dislocated Persons
WTO	World Trade Organisation

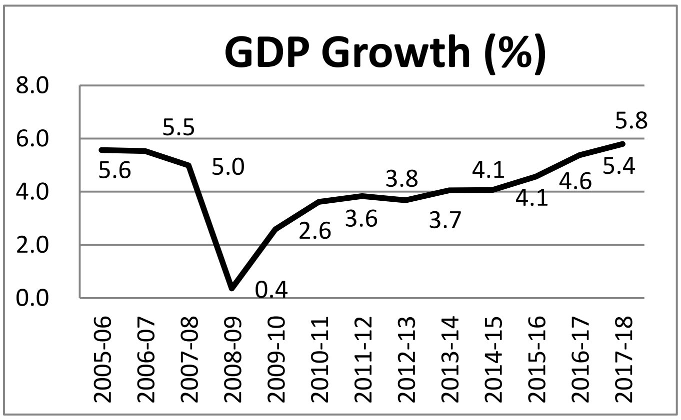
CHAPTERS

Chapter 1 | ECONOMIC FRAMEWORK– GROWTH, INVESTMENT AND SAVINGS

Economy sustained upward growth trajectory during 2017-18 with highest GDP growth in past 13 years. Macroeconomic indicators remained stable and depicted an optimistic economic outlook. Real sector showed strong performance on the back of significant growth in agriculture sector and steady growth in industry. Large Scale Manufacturing (LSM) accelerated and private sector credit grew steadily which led to spurred private sector activities. Average inflation was contained at around 3.8 percent and policy rate inched up slightly to 6 percent after staying at a multi-decade low level for the first half of 2017-18.

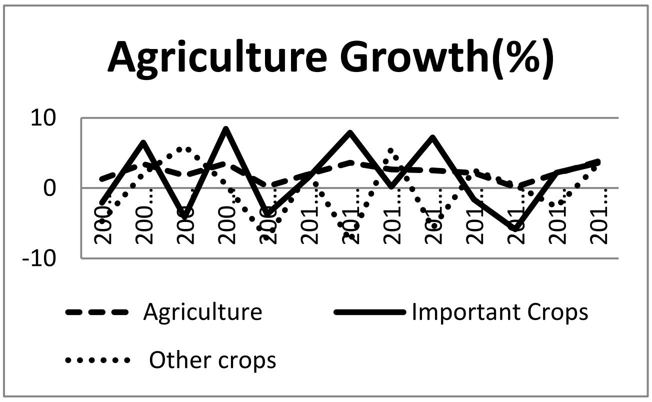
Review of Annual Plan 2017-18

The Annual Plan for 2017-18 targeted real GDP growth of 6 percent based upon sector-wise growth projections for agriculture, industry and services sectors at 3.5 percent, 7.3 percent and 6.4 percent, respectively. These growth targets were envisaged based on better performance in agriculture, large-scale manufacturing as well as improved energy supply, steps taken for creating investment friendly environment and implementation of CPEC and related projects. Resultantly, GDP grew at 5.8 percent which is the highest growth rate in past 13 years, though; it remained slightly below the target.



Agriculture

Agriculture sector contributes 19 percent towards GDP growth and employs around 42 percent of the labour force. There is enormous potential to enhance economic contribution of agriculture sector through improving productivity and value addition as Pakistan lags behind its regional competitors in terms of yield in many important crops.



During 2017-18, agriculture sector was targeted to grow by 3.5 percent on the basis of expected growth of important crops (2 percent), other crops (3.2 percent), cotton ginned (6.5 percent), livestock (3.8 percent), fishing (1.7 percent) and forestry (10 percent). Agriculture sector registered growth of 3.8 percent surpassing the target of 3.5 percent, the highest since 2004-05. Important crops grew by 3.6 percent while other crops registered growth of 3.3 percent. Livestock, Forestry and Fishing grew by 3.8 percent, 7.2 percent and 1.6 percent, respectively.

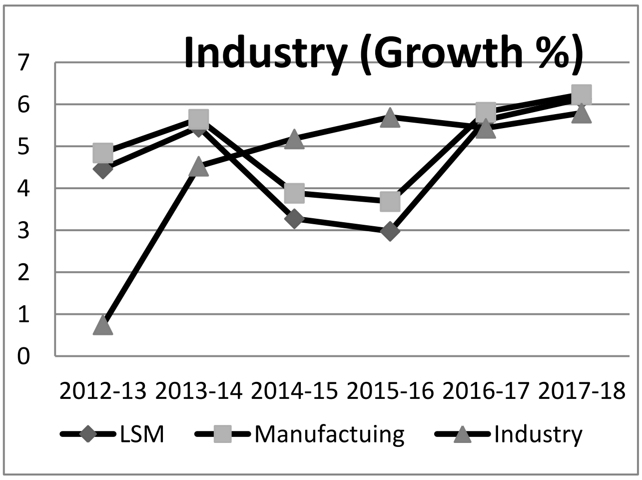
Wheat crop production was estimated at 25.5 million metric tons (MMT) for 2017-18. The wheat crop harvest for 2017-18 dropped by 4.4 percent compared to the last year due to unfavourable weather conditions - low rains in arid area and reduced area under wheat cultivation. Similarly, production of maize declined by 7 percent in 2017-18 compared to the last year.

Production of rice increased from 6.8 MMT in 2016-17 to 7.4 MMT in 2017-18, registering a growth of 8.7 percent, whereas production of sugarcane grew by 7.8 percent over the last year's production.

Cotton production registered a growth of 11.9 percent with 11.9 million bales in 2017-18. This growth emanated from improved pest control, better off take of fertilizers and pesticides, and increase in crop area due to lucrative prices. The sporadic pest infestations stressed crop yield to a limited extent due to vigilant management practices by the farming community. However, cotton from Punjab decreased as compared to last year. Sindh province achieved its maximum cotton arrivals during past 9 years at the level of 4.024 million bales with previous maximum arrivals of 3.65 million bales recorded during 2009-10.

Therefore, with strong contribution from its sub-sectors, agriculture sector registered a growth of 3.8 percent which is the highest in past 13 years. The fertilizer subsidy scheme reduced input cost for the farmer and had a positive impact on overall yield. The disbursement of institutional credit for agriculture was also 39.4 percent higher than that in 2016-17.

Industry



Industrial sector plays a significant role in the economic development of a country. It contributes 21 percent towards GDP and employs 23.4 percent of total employed labour force in Pakistan. The industrial sector registered a growth of 5.8 percent during 2017-18 against the target of 7.3 percent. Growth, however, remained a bit higher than the last year's growth of 5.4 percent. This is the highest growth since 2007-08 in industrial sector. Manufacturing sector was the major contributor to this growth followed by construction, mining & quarrying and electricity & gas distribution with their respective shares of 64.8 percent, 13.5 percent, 13.2

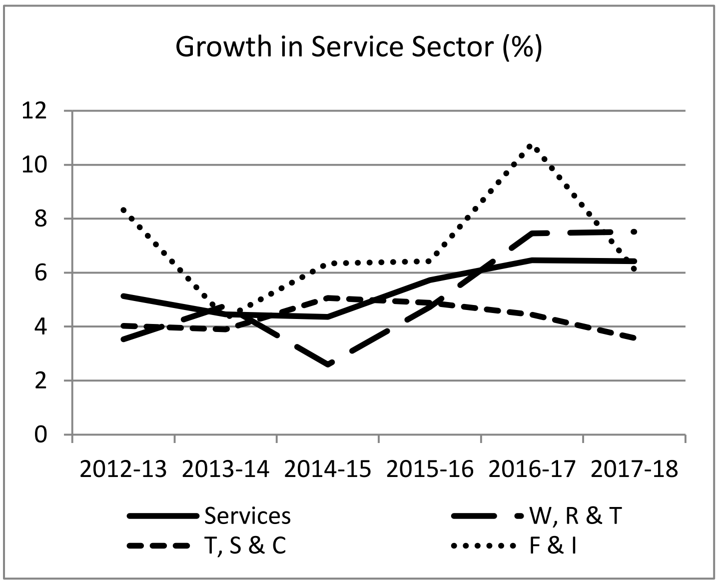
percent and 8.5 percent. Improved energy supply for industry, better law & order situation, availability of cheap finances, lower expenses on fuel consumption, and private sector credit off-take contributed to the industrial growth.

Manufacturing sector grew by 6.2 percent compared to the target of 6.4 percent set for 2017-18 and growth of 5.8 percent achieved in 2016-17. LSM grew by 6.1 percent and dominated the overall industrial sector as it accounts for 10.8 percent of GDP and 80 percent of manufacturing. The growth in LSM came from improved energy supplies, increased domestic demand for consumer durables, private sector credit pickup backed by expansionary monetary policy and growth in construction activities emanating from CPEC investments. The subsectors showing considerable growth included electronics (45.3 percent), iron & steel products (34 percent), automobiles (21.2percent), non-metallic mineral products (12 percent), coke & petroleum products (9.5 percent), paper & board (9 percent), rubber products (6.6 percent) and engineering products (5.6 percent). The growth in iron & steel products is attributed to increased activity in construction and infrastructure projects initiated under China-Pakistan Economic Corridor.

The growth in Large Scale Manufacturing was somewhat restricted by the negative growth in wood products (-3.8 percent), fertilizers (-7.3 percent) and leather products (-5.3 percent). The growth in textile sector and chemicals sector remained marginal at 0.5 percent and 0.08 percent respectively. Mining and Quarrying sector posted a growth of 3 percent for 2017-18 missing the target of 3.5 percent for the year. Small scale & household manufacturing achieved the targeted growth of 8.2 percent for 2017-18. Electricity & gas generation and distribution sector grew by 1.8 percent compared to the targeted growth of 12.5 percent. Though the production of electricity increased, but due to low tariff and high construction cost for new projects, the gross value addition was limited for the year. Construction sector showed growth of 9.1 percent in 2017-18 compared to the growth of 9.8 percent during 2016-17.

Services

Services sector continues to play a key role in the economy being the biggest sector in terms of its share in the GDP (around 60 percent) as well as in total employment (35 percent).



During 2017-18, services remained a leading sector in terms of growth as it met its target of 6.4 percent. Services sector contributed to GDP growth by 3.85 percentage points compared to the contribution of agriculture (0.73 percentage points) and industry (1.21 percentage points). Services sector growth was achieved due to strong growth in retail & wholesale trade (7.5 percent), general government services (11.4 percent), and finance & insurance (6.1 percent). Other private services showed steady growth of 6.1 percent whereas transport, storage & communication grew by 3.6 percent and housing services maintained the growth of 4 percent.

Investment and Savings

Infrastructure, construction and allied sectors remained vibrant in 2017-18, and encouraged investment in the country and fostered conducive environment for growth. Total investment for 2017-18 was recorded at 16.4 percent of GDP compared to 16.1 percent in 2016-17. Fixed investment to GDP ratio grew from 14.5 percent in 2016-17 to 14.8 percent in 2017-18 on the back of increased public investment. Though private investment registered growth of 9.8 percent in 2017-18, yet it has the potential to grow further due to the improved investment milieu and ongoing CPEC and related activities. Notwithstanding inflationary expectations, Government shifted borrowing from scheduled banks to State Bank to create space for credit to private sector.

National Savings grew at 11.5 percent of GDP compared to 12 percent during 2016-17. Increased consumption led to subpar growth of savings, given the inverse relationship between the two. Though commodity producing sectors have shown steady growth over the past three years, there is room for increased investment in these sectors for sustained growth. In order for investment to reach a level which accelerates growth beyond 6 percent, domestic savings need to grow at a faster pace. However, growth in savings lagged behind the required level. The lack of national savings led to increased reliance on external resources for investment. This transpired an increase in current account deficit.

Outlook 2018-19

The economy is envisaged to show positive growth in 2018-19 as well. Commodity producing sectors are expected to continue growing with agriculture maintaining its growth pace while industrial growth accelerating on the back of LSM. With persistent growth in agriculture and manufacturing, services sector will continue to provide impetus to overall growth. Inflation, though showing an upward trend, is expected to average at around 6 percent. Investment climate is expected to further improve by reducing cost of doing business and enhancing ease of doing business in Pakistan. Therefore, growth of GDP for 2018-19 is targeted at 6.2 percent with contributions of3.8 percent from agriculture, 7.6 percent from industry and 6.5 percent from services. The growth targets are subject to favourable weather and continuity of prudent economic policies.

Agriculture

Agriculture sector is targeted to grow by 3.8 percent on the basis of expected contributions of Important Crops (3 percent), Other Crops (3.5 percent), Cotton Ginned (8.9 percent), Livestock (3.8 percent), Fishery (1.8 percent) and Forestry (8.5 percent) [Annexure–I]. The production targets for Important Crops such as wheat and cotton are achievable given that the quality and quantity of agriculture inputs is ensured and weather conditions remain favourable. This includes timely availability of water, certified seeds, fertilizers, pesticides and agriculture credit facilities.

Sharif crops may be affected due to an expected shortage of water by 33 percent at the time of sowing and 11 percent later in Sharif period. However, cotton crop is expected to improve further over 2018-19 provided that the water intensive crop of sugarcane is discouraged in cotton producing areas. The revival in cotton prices in the international market has spurred prices in the domestic market. Resultantly, area under cotton cultivation is expected to increase due to the expectations of lucrative profit margins. Wheat is expected to meet its target in 2018-19, while sugarcane and rice are expected to grow at a slower pace after registering strong growth during 2017-18. In other crops, pulses have a substantial potential to grow. The production targets for 'mooing' and 'mash' are set higher to spur production, in particular, to substitute imports.

Industry

Industrial sector is targeted to grow by 7.6 percent during 2018-19. Manufacturing sector is targeted to grow by 7.8 percent with LSM growth rate of 8.1 percent, small scale & household manufacturing 8.2 percent, construction 10 percent and electricity generation & distribution and gas distribution by 7.5 percent. Major investments made in energy sector under CPEC arrangements are expected to result in increased production of electricity during the 2018-19. Mining and Quarrying sector is projected to grow by 3.6 percent. Industry is expected to show consistent growth in 2018-19, as its various subsectors showed encouraging growth in 2017-18.

The Industrial sector is expected to get boost from improved energy supply, public sector expenditure and the mega-initiatives under CPEC to develop infrastructure, energy resources, roads, railways and bridges. Credit to private sector expanded by Rs469.2 billion in July-March 2017-18 as against expansion of Rs438.5 billion in July-March 2016-17 showing steady credit uptake. Given that the private sector credit uptake gains momentum, the private sector investment in industrial sector is expected to rise in 2018-19. Similarly, construction in housing sector and the infrastructure projects, particularly those under CPEC, are expected to augment production of cement, iron and steel. Overall, it is expected that improved energy availability, higher public spending particularly on infrastructure projects, better law & order situation and lower interest rate will contribute towards achieving the target of industrial sector growth for 2018-19.

Services

Growth prospects for services sector are bright given the momentum it gained during past three years. Services sector is targeted to grow by 6.5 percent. Retail & wholesale trade, and transport, storage & communication, having share of 18.3 percent and 13.4 percent in total GDP, are closely associated with the commodity producing sectors of the economy. Any uptick in the economic activity of agriculture and manufacturing will translate into increased growth in wholesale & retail trade, and transport, storage & communication.

In this backdrop, wholesale & retail trade is targeted to grow at 7.8 percent. Rapid pace of digitization of financial services is expected to substantially increase the number of people having bank accounts and help document the true potential of economy. Thus finance & insurance is expected to grow at 7.5 percent. Tourism is another potential area for boosting growth in service sector. World Travel & Tourism council forecasts that Pakistan has the potential to earn 3 percent of GDP from tourism. There is potential for increasing the broadband penetration and cellular density as the Government is keen in technology upgrade, setting up IT parks and enhancing the capacity of IT & software industry. Thus transport, storage & communication sector is set to grow at 4.9 percent. General government services, other private services, and housing services are expected to grow at 7.2 percent, 6.8 percent and 4 percent respectively.

Investment and Savings

Investment target for the year 2018-19 is kept at 17.2 percent of GDP in order to achieve sustained and inclusive growth. Fixed investment is expected to grow by 15.6 percent of GDP in 2018-19. National Savings as percentage of GDP are targeted at 13.1 percent (Annex-II). The investment target is achievable given improvement in ease of doing business, affordable energy supply, and prospects of higher profits and enhanced capacity utilization rate. The spill over effect from public investment under CPEC is expected to catalyze private sector and foster public private partnership. The expected technology and innovation spill over from interaction of Chinese and Pakistani business will improve production in all sectors. Further, the lagged impact of current investments, including CPEC investments by Government, private local and foreign investors coupled with prudent monetary and fiscal policy is expected to bolster the economy.

Annex-I

Gross Domestic Product
(2005-06 Prices)

Items	percent Change			
	2016-17	2017-18		2018-19
	Revised	Target	Prov.	Target
A) Agriculture	**2.0**	**3.5**	**3.8**	**3.8**
Important Crops	2.2	2.0	3.6	3.0
Other Crops	-2.7	3.3	3.3	3.5
Cotton Ginned	5.6	6.5	8.7	8.9
Livestock	3.0	3.8	3.8	3.8
Forestry	-2.4	10.0	7.2	8.5
Fishery	1.2	1.7	1.6	1.8
B) Industry	**5.4**	**7.3**	**5.8**	**7.6**
Mining & Quarrying	-0.4	3.5	3.0	3.6
Manufacturing (I+II+III)	**5.8**	**6.4**	**6.2**	**7.8**
I) Large-Scale Manufacturing	5.6	6.3	6.1	8.1
II) Small & Household	8.2	8.2	8.2	8.2
III) Slaughtering	3.6	3.7	3.5	3.8
Electricity Generation & Gas Distribution	5.8	12.5	1.8	7.5
Construction	9.8	12.1	9.1	10.0
Commodity Prod. Sector (A+B)	***3.8***	***5.5***	***4.8***	***5.8***
C) Services	**6.5**	**6.4**	**6.4**	**6.5**
Wholesale & Retail Trade	7.5	7.2	7.5	7.8
Transport, Storage & Communications	4.4	5.1	3.6	4.9
Finance and Insurance	10.8	9.5	6.1	7.5
Housing Services	4.0	3.9	4.0	4.0
General Government Services	5.9	7.0	11.4	7.2
Other Private Services	8.0	6.7	6.1	6.8
GDP(BP)	**5.4**	**6.0**	**5.8**	**6.2**

Source: *Pakistan Bureau of Statistics; Planning Commission*

Annex-II

Macroeconomic Framework
(Current Market Prices)

(Rs billion)

Items	2016-17 Revised	2017-18 Prov.	2018-19 Target	2016-17 2015-16	2017-18 2016-17	2018-19 2017-18
				Growth (percent)		
GDP (BP)	**30,018**	**32,407**	**36,371**	10	8	12
Indirect Taxes (Net)	1,945	1,990	2,103	16	2	6
GDP (mp)	**31,963**	**34,396**	**38,474**	10	8	12
Net Factor Income from Abroad	1,745	1,817	1,908	-2	4	5
GNP (mp)	**33,707**	**36,214**	**40,382**	9	7	12
External Resources Inflow (net)	1,321	1,691	1,556	160	28	-8
Total Resources/ Uses	**35,028**	**37,905**	**41,938**	12	8	11
Total Consumption	**29,884**	**32,256**	**35,329**			
Total Investment	**5,144**	**5,649**	**6,609**			
Fixed Investment	4,633	5,099	5,993			
Public incl. General Govt.	1,427	1,728	1,850			
Private	3,206	3,371	4,143			
Changes in Stocks	511	550	616			
National Savings	**3,823**	**3,958**	**5,052**			
percent of GDP						
Total Investment	16.1	16.4	17.2			
Fixed Investment	14.5	14.8	15.6			
Public incl. General Govt.	4.5	5.0	4.8			
Private	10.0	9.8	10.8			
National Savings	12.0	11.5	13.1			
External Resources Inflow (net)	4.1	4.9	4.0			
Memo Items						
Inflation	4.1	4.0	6.0			
GNP (mp) Per Capita (Rs)	170,877	180,204	196,234			

Source: *Pakistan Bureau of Statistics and Planning Commission*

Chapter 2 | PUBLIC SECTOR DEVELOPMENT PROGRAMME

The Public Sector Development Programme (PSDP) is an integral part of public investment which plays a key role in resource utilization through an efficient and effective implementation of development projects and programmes to achieve targets as envisaged in Vision 2025. PSDP is formulated through broad consultations and active involvement of stakeholders with the objective to undertake development projects /programmes ensuring equal sectoral and regional distribution of resources.

Performance Review 2017-18

The National Economic Council (NEC) approved Public Sector Development Programme (PSDP) 2017-18 in May 2017 at Rs2,113 billion with federal component of Rs1,001 billion and provincial programmes (ADPs) at Rs1,112 billion. The PSDP 2017-18 included Rs357 billion of foreign aid (Rs162 billion in Federal PSDP and Rs195 billion in Provincial ADPs). While formulating PSDP 2017-18, priority was given to ongoing projects, projects financed with firm foreign aid commitment, CPEC projects, education including higher education, health and the projects of special areas.

The PSDP 2017-18 was prepared in consultation with all stakeholders while adhering to the following guidelines:

The PSDP 2017-18 was prepared in consultation with all stakeholders while adhering to the following guidelines:

- Projects falling under the sectoral priorities and those contributing to achieve goals set under Vision 2025 and 11th Five Year Plan were given priority.
- Projects having identifiable intended tangible outcome relevant to achieving SDGs by 2030, to which, Pakistan is a committed signatory were made part of PSDP.
- Full rupee cover was provided to foreign aided projects.
- Appropriate funds were allocated to on-going projects at fairly advanced stage of completion. The projects initiated under CPEC and projects supporting CPEC were also allocated required funds to ensure on time completion. Projects awarded on EPC contract were financed as per requirements of the contract within the available resources.
- The provisions of 18th Amendment in terms of division of subjects between the Federal and Provincial governments were also kept in view.
- Efforts were made to allocate atleast 20-25 percent of the total cost of new projects in the PSDP 2017-18.

Transport & Communications Sector remained government priority with an allocation of Rs411 billion followed by Energy Sector at Rs403 billion including self- financing by NTDC / GENCOs etc. of Rs316 billion. Health and Population Sectors were allocated Rs54 billion followed by Education Sector (Rs44 billion) including Higher Education, Physical Planning & Housing (Rs43 billion) and Water Sector (Rs38 billion).

The Ministry of Planning, Development and Reform undertook regular and quarterly review of PSDP 2017-18 twice. The Ministries/ Divisions were advised to share financial and physical progress of their ongoing projects and indicate projects likely to be completed by June 30, 2018. In the review meetings, it was emphasized inter-alia that:

- Maximum efforts be made to complete the ongoing projects by the end of FY 2017-18 so as to ensure that benefits of development reach to the people of Pakistan.
- Re-appropriations of funds be suggested from slow moving to the fast moving projects to ensure timely completion.
- Ministries / Divisions were requested that PC-Is of budgeted un-approved projects may be processed for approval for utilization of allocated funds.

It was assured to Ministries/ Divisions that Ministry of Planning, Development and Reform would support their proposals for adjustments/ re-appropriation within the sector to facilitate completion of the projects that are at an advance stage of implementation. Moreover, within the available fiscal space, additional funds were also provided in some cases to complete fast moving projects.

Accordingly, Ministry of PD&R authorized re-appropriation of Rs10 billion from 65 slow moving projects to 77 fast track projects through re-appropriations/ adjustments in the PSDP. Moreover, within the available fiscal space, additional funds were also provided to complete fast moving projects. As a result, it is expected that 54additional projects would be completed by June, 2018 having total cost of Rs32 billion.

Under release strategy of the Finance Division, 20 percent allocated funds were released in each of the first two quarters and 25 percent in the 3rd quarter. The remaining 35 percent of the allocation is being released in the 4thquarter of the financial year. As part of transparency, the project-wise rupee released amount is uploaded on weekly basis on the website of Ministry of Planning, Development and Reform. As of April 19, 2018, total release of funds stood at Rs623 billion (62 percent of allocation), of which rupee release has been at Rs483 billion (58 percent of Rupee allocation) compared to the admissible limit of 65 percent. Non-release of funds to un-approved projects and projects where Ministries could not complete codal formalities has been an issue. This gap may be filled as there is a likelihood of over disbursement of foreign aid as 86 percent of budgeted amount of foreign assistance has actually disbursed upto February, 2018. Total funds released / disbursed are given below:

Federal PSDP-Allocation and Releases (2017-18)

(Rs billion)

	Original Size	**Releases**	
Rupee Component	839	#483	58
Foreign Aid	162	*140	86
Total	**1,001**	**623**	**62**

*#Upto April 19, 2018 *February 28, 2018*

PSDP 2018-19

PSDP 2018-19 has been formulated in line with overall development agenda of the government and people friendly policies. The efforts have been made to align PSDP with development objectives as enunciated in the seven pillars of the Vision 2025 and for achieving Sustainable Development Goals (SDGs). The plan is people centric and promotes national integration. It has been formulated by adopting inclusive, consultative and participatory approach. The PSDP is in accordance with the division of subjects between the Federal and Provincial Governments in the post 18^{th} Amendment scenario.

The National Development Outlay 2018-19 has been approved by the National Economic Council at Rs2,043 billion including block allocation of Rs100 billion for new projects by next government. The break-up of approved National Development Outlay 2018-19 is in Table below.

National Development Outlay (2018-19)

(Rs billion)

	Rupee	F. Aid	Total
Federal PSDP	750	180	930
Provincial ADPs	854	159	1,013
Total	**1,604**	**339**	**1,943**
Block allocation for new projects by next government	100	-	100
Grand Total	**1,704**	**339**	**2,043**

The PSDP size including PPP mode financing has increased from Rs1,001 billion in 2017-18 to Rs1,030 billion in year 2018-19 which shows an increase of 3 percent. Provincial ADPs would be Rs1,013 billion. Federal government continues support to the Provinces even after 18^{th} amendment in the area of health, education and infrastructure will also boost provincial growth trajectory.

The Ministry of Planning, Development and Reform after detail discussions in bilateral meetings distributed the available resources among Ministries / Divisions keeping in view respective ongoing portfolio and future programmes. Ministries / Divisions were advised to prepare their development portfolio for 2018-19 in the light of following guidelines:

- Ensure that the projects fall under sectoral priorities and contribute to achieving high level goals set under Vision 2025 and 11^{th} Five Year Plan.
- Identify projects that may be undertaken on innovative modes of financing (PPP, community participation, cost sharing by NGOs).
- Include projects having identifiable and tangible outcome for achieving SDGs by 2030.
- Provide full rupee cover to foreign aided projects.
- Allocate appropriate funds to on-going projects which are at a fairly advanced stage of completion.
- The projects initiated under CPEC and supporting schemes may be allocated required funds to ensure on time completion. Projects awarded on EPC contract

should be financed as per requirements of the contract within the indicative ceiling for 2018-19.

- To follow provisions of 18th Amendment in terms of division of subjects between the Federal and Provincial governments.
- Allocate at least 20-25 percent of the total cost of new projects in the PSDP 2018-19 for taking a felt start.
- In case of lesser allocation, executing agencies would not start work without prior approval of the Ministry of Planning, Development and Reform.

A major portion of the Federal PSDP 2018-19 about 63 percent of the size has been earmarked for on-going projects. The Ministries / Divisions and the Executing Agencies would be required to process PC-I's of un-approved projects for approval of the competent forum by 31st August, 2018 so that allocated funds are utilized. Total number of schemes in the PSDP 2018-19 is 1235 including 726 ongoing and 509 new schemes.

Sector-wise allocation of the PSDP 2018-19 is as follows:

Sector-wise allocations in the Federal PSDP (2018-19)

Sector	**PSDP 2018-19 (Rs billion)**	**Share (percent)**
Infrastructure	**575**	62
- *Power*	80	9
Self-Financed (outside budget)	157	17
- *Transport and Communications*	400	43
- *Water*	65	7
- *Physical Planning and Housing*	30	3
Social Sector	**135**	14
- *Education (Incl. Higher Education)*	57	6
- *Health and Population Welfare*	37	4
- *Pak. SDGs Community Dev. Prog.*	5	1
- *Others*	36	4
Science and information Technology	**12**	1
Governance	**18**	2
Special Areas (AJ&K, GB, FATA)	**72**	8
Production	**5**	1
ERRA	**8**	1
TDPs and security enhancement etc. (managed by Finance Division)	**105**	11
Total	**930**	**100**
Block allocation for new project by next government	100	
Grand Total	**1,030**	

Ministry-wise details of development schemes included in the PSDP 2018-19 are given in Annex-I.

Following are the main features of PSDP 2018-19 with an overall view of development efforts made by the government since 2013.

- Infrastructure is very important not only to attract foreign investment but also to reduce the cost of doing business. Accordingly, infrastructure Sector has been allocated 62 percent of the total development budget. Highest priority has been accorded to transport and communications sector with an allocation of Rs400 billion. This includes Rs310 billion for national highways, Rs39 billion for Railways and Rs44 billion for other projects including Aviation schemes like Gwadar International Airport.
- In the transport sector, projects like Multan – Sukkur and Lahore – Abdul Hakeem Sections of Lahore – Karachi Motorways are at a fairly advanced stage of implementation, Thakot – Havelian, Dualization of Yarik – Mughalkot – Zhob Section of N-50, Jaglot – Skardu Road, Eastbay Expressway Gwadar and Mirpur – Mangla – Muzaffarabad – Mansehra Road are a few flagship projects initiated by the Government during its tenure.
- Railway which remained neglected for decades was given boost during the last 4-5 years whereby allocations (2013-2018) has increased from Rs16 billion to Rs43 billion. During 2018-19, government despite fiscal difficulties has financed railway main line, commonly known as ML-1 with modest allocation. This would not only modernize railways network but would also give boost to CPEC trade.
- To increase railway capability and modernize its infrastructure, new projects namely Establishment of Dry port near Havelian (2018-22) (CPEC) (Rs380.8 billion), Improvement of Infrastructure Maintenance Services (Rs06 billion) and Acquisition of Land for Gawadar Connectivity (Rs10.7 billion) will be initiated during 2018-19.
- Energy was the hardest hit sector of the economy before 2013. The menace of load shedding had brought about a collapse of all activities in trade, manufacturing and social life of the nation. This was really a gigantic challenge for the government in 2013 and subsequent years. During the period 2013-18 an allocation of Rs1.5 trillion in this sector add up 10,000MW Units electricity to the national grid.
- CPEC offers a 'game-changer' opportunity for economic growth and employment for our people and future generations. It would be a source of regional and national integration boosting trade opportunities and changing socio-economic fabric of the country. Special security requirement of CPEC projects are met by providing 1 percent cost of CPEC projects. CPEC related projects would enter into their third year of implementation during 2018-19. In FY 2018-19 new projects costing Rs835 billion will be added in the CPEC and its supporting projects. Thirty one projects for development of Gawadar are part of the PSDP 2018-19 with an estimated cost of Rs137 billion.
- Pakistan is facing acute water scarcity requiring special interventions. To conserve water and its augmentation during FY 2018-19, water sector allocation has been enhanced from Rs36 billion in CFY to Rs65 billion during 2018-19. Government has made special allocation to start construction of Bhasha Dam and Mohmand Dam (Rs23 billion and Rs2 billion, respectively). Others water sector projects includes 7 new schemes worth of Rs849 billion to be started in FY 2018-19 to conserve and augment the water resources. These new schemes are National Flood Protection Plan-IV, Diamer Basha Dam Project (Dam Part), CRBC 1st lift cum Gravity Project D.I.

Khan, Mohmand Dam Hydropower Project (Dam Part), Lining of K.B Feeder Upper Canal for Water Supply to Karachi City, Rehabilitation and Modernization of Sukkur Barrage (90 percent WB, 10 percent federal) and Construction of Feeding Canal to Manchar Lake to eradicate contamination.

- For fast track development of Special Areas, Rs62 billion (AJK Rs22 billion, GB Rs15 billion and FATA Rs25 billion), have been allocated. Special Areas have been authorized to ensure that fruit of development reach to the common man.
- Government assigns high priority to human resource development in the country. An amount of Rs57 billion has been allocated for Education Programmes including Higher Education. A few initiatives in the Higher Education Sector include Enterprise Resource Planning System and IT Training for 100,000 Youth, Modernization and up-gradation of Labs in Engineering Universities, Establishment of Center of Excellence in Cyber Security, Robotics & Automation and Establishment of Center of Cooperation of Civilizations.
- Availability of power has encouraged the entrepreneurs to expand production, thus creating surplus for export. To display export items and attract importers holding expos is very important. Beside construction of expo centers in Peshawar, Islamabad and Quetta, expo center of Karachi costing Rs8,000 million is proposed to be upgraded.
- The health and population subjects are the responsibilities of provincial governments after 18th amendment. However, in view of its importance, the federal government continued supplementing the efforts of the Provincial Governments to improve quality of life is financing major programmes of health and population with an allocation of Rs37 billion, Expanded Programme of Immunization, Control of Hepatitis, Malaria and Blindness programmes. Resources have been earmarked to finance Prime Minister National Health Programme Phase-II, Construction of Federal Medical College, Islamabad, Establishment of Centre for Neurosciences at PIMS, Islamabad and Cancer Hospital, Islamabad.
- Capacity issue in civil services needs attention. Therefore, to resolve capacity issues, a programme costing Rs500 million is being initiated for training of senior and middle level officers in international institutions of repute.
- To bridge the gap between demand and supply of financial resources, NHA has been requested to undertake projects of atleast Rs100 billion during 2018-19 on Public Private Partnership (PPP) mode of financing. To assist the private sector, government would finance the feasibility studies for which Rs5 billion have been allocated.
- To bring FATA in the mainstream, ten year FATA development plan with total outlay of Rs100 billion has been approved by the government. During 2018-19, an hefty amount of Rs10 billion has been made for implementation of the plan.
- Engaging youth in productive activities is very important to keep them away from undesirable activities. Programme to build 100 stadiums all over the country costing Rs2,500 million has been initiated in consultation with Provincial Governments on 50:50 cost sharing basis.

- Similarly, 400 vocational training institutes on cost sharing basis with the Provincial Governments are proposed to be set up all over the country. This would bridge the supply and demand gap of technical manpower required for CPEC projects.
- Development takes root in an environment of peace and security. Special development programme to enhance security and rehabilitating infrastructure to ease out resettlement of Temporarily Dislocated Persons (TDPs), initiated during 2015-16 will continue with an allocation of Rs105 billion.
- Funding has been done to support programmes on RBOD I, II and III, 5 Combined Effluent Treatment Plants in Karachi, K-IV and S-III.

PILLAR-I

Putting People First – Developing Human and Social Capital

Chapter 3 | POPULATION

Rapid population growth is a major problem that confronts Pakistan as it lies at the centre of the country's social, economic and political problems. The recent Population Census- 2017 has served as an eye – opener for the government and stakeholders to work on a rigorous population planning and strategy. With a population growth rate of 2.4 percent reported in Census-2017 with a total population of 207.774 million, it is of utmost importance for Pakistan to ensure resource mobilization in an effective manner to control the rapid population growth. The government is well aware of the high population growth rate and working to formulate a comprehensive action plan to deal with the challenging situation of country. Moreover, due to certain social barriers, it is sometime difficult to implement an aggressive population control action plan smoothly and effectively. Major findings of the Population Census-2017 are given in Table No. 1 and Table No -2 as under:

Table-1: Composition of Pakistan's Population

Administrative Units	House Holds	Population - 2017						Sex Ratio 2017	1998-2017 Average annual Growth Rate
		Male	Percent	Female	Percent	Transgender	Total Population		
Pakistan	32,205,111	106,449,322	51.23	101,314,780	48.76	10,418	207,774,520	105.07	2.40
Rural	20,012,797	67,300,171	50.91	64,886,593	49.08	2,767	132,189,531	103.72	2.23
Urban	12,192,314	39,149,151	51.79	35,428,187	46.87	7,651	75,584,989	107.47	2.70

Source: *Pakistan Bureau of Statistics*

The population growth rates of provinces give a very alarming picture and enforce the need for some concrete measures to be taken by the Provincial Population Welfare Departments and Special Areas. Despite the fact that after devolution, Population has been made a Provincial subject, but the Federal Government has extended every possible support to the population welfare programmes of the Provinces & Special Areas and allocated funds through the Public Sector Development Programme (PSDP) to the maximum extent. Following table provides a picture of provincial population growth rates.

Table-2: Population of Provinces, FATA, ICT and their Population Growth Rates

Provinces	Total Population	Provincial Growth Rate
Punjab	110,012,442	2.13
Sindh	47,886,051	2.41
Khyber Pakhtoonkhwa	30,523,371	2.89
Baluchistan	12,344,408	3.37
FATA	5,001,676	2.41
Islamabad	2,006,572	4.91

Source: *Pakistan Bureau of Statistics*

Performance Review 2017-18

The regional neighbouring countries of Pakistan have very effectively controlled the demographic and family planning indicators. Pakistan is confronted with a very high Total Fertility Rate (TFR) and very low Contraceptive Prevalence Rate (CPR). Pakistan's Crude Birth Rate (CBR), Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR) are also very high. The demographic indicators of Pakistan are as follows:

Table-3: Demographic Indicators

Indicator	2017
Population Growth Rate (Percent)*	2.40
Total Fertility Rate (TFR)**	3.57
Crude Birth Rate (Per 1000)**	27.3
Crude Death Rate (Per 1000)**	6.9
Contraceptive Prevalence Rate (percent)***	42.7
Unmet Need of Contraceptives (percent)***	20
Life Expectancy (Year)**	68.0
- Females	70.1
- Males	66.0
• Median Age	23
• Infant Mortality Rate (per 1,000)	61.4
• Maternal Mortality Rate (per 100,000)	165.6

** Population and Housing Census, 2017*
***NIPS: "Updating the Population Projections for Pakistan, Provinces, FATA & ICT (2016)"*
****Track20 Project (FP-2020) Office, Islamabad, Pakistan.*

Financial Review 2017-18

The Population Welfare Programme (PWP) is being executed by the Population Welfare Departments of the Provinces and other Federating units through the Federal PSDP. The Federal Government has supported the Provinces in allocating sufficient funding through the Federal Public Sector Development Programmes (PSDP). In this regard, an amount of Rs8,176.064 million was allocated for Provincial Population Welfare Programmes & Special Areas against which only an amount of Rs31.536 million was released and utilized by FATA, whereas the allocated funds for Population Welfare Programmes for AJ&K and G.B are yet to be released and out of allocated amount of Rs7,705.145 million no funds have been released for the Population Welfare Programmes of Provinces so far during the financial year showing utilization 0.385 percent of the total allocation of Rs8,176.064 million. Due to non-submission of PC-Is by all the Provincial governments and Special Areas in time and ultimately its approval by the competent forum, there exists a gap between the resource allocation and utilization of funds. Since the salary budget of their employed staff have been shifted to the current budget, except for FATA, so it is expected that non-salary components including operational activities may be addressed and tangible accomplishments would likely to be made by the Provincial governments and Special Areas.

Performance Review

Due to the execution of the Provincial Population Welfare Programmes projects at their level, following tangible accomplishments in the form of Service Delivery Centres have been made (Table-4).

Table-4: Physical Targets and Performance 2017-18

Service Delivery Outlet	Targets 2017-18	Performance 2017-18
Family Welfare Centres (FWC)	3685	3439
Reproductive Health Centre- A	332	261
Mobile Services Units (MSUs)	425	295
Reproductive Health-B Centres	230	209

Source: *Respective Population Welfare Departments*

The above table shows that the physical targets have not been achieved so far. The major reason is that outreach and service delivery in rural areas could not be extended. Moreover, due to major expenditure merely on salary component of employees of Population Welfare Departments and minimal investment in activities of population planning, the targets could not be achieved. A significant outcome can be achieved if added focus is made on capacity building of employees working in the Provincial Population Welfare Departments.

Outlook 2018-19

In order to sensitize policy makers about alarming population growth rate, the government is planning to formulate Population Commission of Pakistan and Population Task Force. The task force will work under the proposed Commission. The objectives are to have a consolidated forum of all stakeholders for devising plan of action according to national priorities of Pakistan by adhering to religious doctrines; to deliberate on population control mechanisms by effectively engaging stakeholders; to develop consensus on implementation of other priority areas of population as mentioned in Vision 2025, 12^{th} Five Year Plan (2018-23), London Summit on Family Planning 2012 and SDG's.

The Population Policy has been finalised and is expected to be notified within this year. For population planning, impact oriented approach has been adopted which would bear dividend in the long run. The Ministry of Planning, Development and Reform, UNFPA and UNDP have started joint project to deal effectively the population related SDGs. The objective of the UNFPA contribution is to mainstream population dynamics across core national and provincial development plans and strategies as this is consistent with Agenda 2030 and this will improve the general quality of development planning. This project will cover,

- Support in research and analysis including the impact of population growth and population dynamics on SDGs achievement in Pakistan.
- Technical support for integrating population priorities into SDGs frameworks, policy and planning processes and strategy developments across all sectors.
- Strengthening overall data ecosystem for SDGs and population including coordination, monitoring, reporting, capacity building, online data dissemination

and effective use of integrated statistical frameworks for advancing sustainable development.

Programmes for 2018-19

Financial Plan

Presently Population Sector has been accorded as a high priority sector by the government in order to control the accelerated population growth rate and to improve the demographic indicators. The Council of Common Interest (CCI) will decide about the future funding and amount to be allocated to Population Welfare Programme for 2018-19. The token money of Rs511 million has been allocated in the PSDP 2018-19 to this Programme.

Physical Targets

Some physical targets for the year 2018-19 for Pakistan are given in the following table. Some most important activities to be undertaken during the year are also proposed in the new initiatives.

Table-5: Physical Targets 2018-19
(Cumulative number)

Service Delivery Outlets	2018-19 (Targets)
Family Welfare Centres	3700
Reproductive Health-A Centres	350
Mobile Service Units (MSUs)	550
Reproductive Health-B Centres	260

Source: *Population Welfare Departments of provinces and Special Areas.*

In order to cope with the challenging Population situation in Pakistan, concerted efforts are needed on behalf of the Federal as well as Provincial governments. At the Federal level, the Ministry of National Health Services, Regulations and Coordination (M/o NHSR&C) is taking measures to ensure implementation of the Family Planning Programme with the support of all Provinces & Special Areas. Following are the initiatives which provide a glimpse of Programmes to be taken up during 2018-19.

New Initiatives 2018-19

The government intends to bring reforms in the Population Sector, so that a cross-cutting strategy is adopted and the Population Sector Organizations are revived for ensuring optimal efficiency. During the period of this Annual Plan, many historic and most important steps will be taken to tackle the Population and Family Planning situation in Pakistan. In this regard, the Provincial and Federating Units' government will be taken on board to achieve the desired objectives. These include:

Formation of Population Commission of Pakistan

The formation of Population Commission of Pakistan (PCP) is direly needed and proposed to be formed. It will have the highest commitments from the Federal and Provincial governments and all other Private Sector Population Stakeholders and Development Partners in matters related to Population, High Growth Rate and sustainable development. The lead role for coordinating and overseeing the Population and Family Planning issues will rest with the domain of the proposed Commission under the chairmanship of the Deputy Chairman of the Planning Commission and Ministry of Planning, Development and Reform will have its Secretariat and coordinating role. A comprehensive National Action Plan for Family Planning and to control the high population growth rate should be the prime task of the Commission. The role of the Planning Commission will be enhanced in population related matters as it has the foremost capacity to coordinate with the Provinces and Special Areas and to put them on the fast track for national priorities, better implementation of the Population Welfare Programme, for achieving goals of national and international commitments.

A National Task Force for Population and Family Planning

This Task Force will also be created under this Population Commission to devise Action Plan and its best implementation, tasks given by the Population Commission, to achieve the desired objectives and targets of the 12th Five Year Plan and to tackle the other issues from time to time. This task force will be headed by the Secretary, Ministry of Planning, Development and Reform.

Functional Integration of Provincial Health and Population Welfare Departments for Family Planning Services

Population Welfare Departments of the Provinces and Federating Units cannot meet the mammoth task of controlling the population explosion. So the action of urgent priority should be the integration and incorporation of Family Planning in Essential Package for Health Services in Primary Healthcare (EPHS). Availability of trained family planning staff, free provision of contraceptives and literature containing information about Family Planning (FP) and Mother and Child Health should be ensured at all Health Service Outlets of not only of the government but also of the semi-government organisations, corporations and autonomous bodies.

Revamping of Lady Health Workers Programme

The Lady Health Workers (LHWs) are country's best work force and LHWs Programme was initiated to promote and improve the services in Family Planning and Reproductive Health. But this Programme has lost its major focus and now involves in many activities like different vaccination programmes and dengue eradication etc and less importance is given to Family Planning and Reproductive Health (FP & RH). This Programme must be revitalised urgently and assign top priority to its original function to provide Family Planning (FP) & Reproductive Health Services. Through this Programme we can provide the services at the doorstep of masses as this was done in Bangladesh.

Advocacy and Awareness Campaign

A very strong and effective Advocacy and Awareness campaign at National level through print and electronic media for promoting Family Planning must be launched immediately in the same manner as previously was done for polio, dengue and measles.

Family Planning Education

Family Planning education in colleges and universities must be introduced particularly for the girls.

National Consensus Building for Population and Family Planning (FP)

Debate in the Parliament and other forums may be initiated for consensus developing mechanism or modalities and legislation for Family Planning. Parliamentarians can play very important role in social mobilization, which needs to be convinced of the importance of focusing on population issues and abnormally high population growth rate.

Ensure Funding for Population and Family Planning

Establishment of a National Fund on Family Planning (as committed by Minister of Finance statement at London FP-2020 Summit- 2012), which could be performance-based incentive allocations for best practices and better results.

Involvement of Religious Scholars

The religious Scholars can carry the message to the Union Council level, especially in rural areas. So we must encourage Family Planning from our mosques and 'madrasas'. Financial incentives may also be given to them.

Formation of Population and Family Planning Committees

Population and Family Planning Committees must be formed in every Union Council of the country to propagate and improve Service Delivery network of Family Planning. The district governments must be utilised and empowered in this regard.

Free Provision of Contraceptives and Family Planning (FP) Services

Provision of free good quality and wider range of Contraceptives and Family Planning Services at maximum, if not all, Health and Population Outlets for all eligible married couples in the country will be ensured. Otherwise government will provide subsidy on the purchase of long duration and standard contraceptives to the Private Sector, Social Marketing Organisations and NGOs.

Chapter 4 | SCHOOL AND COLLEGE EDUCATION

Education plays pivotal role in the development and progress of the society. The nations that prioritize education can produce such a productive human resource which can be a great cause of development, prosperity and real change in the society. The value system, knowledge, traditions can be transformed from one generation to another generation through education. Education can have great impact on political, social and economic dynamics of a country. It can severely affect on the class system already prevailing in the country. The input of all kinds can be properly processed through the initiatives of education. The allocation of more development budget in education sector can minimize the gap of access, equity and quality.

Out of School Children (OOSC)

It is the major challenge for education system prevailing in the country. Following table depicts the picture of OOSC at national level:

S. #	Level of education	Male	Female	Total
1.	Primary (Age 5-9+)	1,979,595	3,046,373	5,025,968
2.	Middle (Age 10-12+)	3,063,770	3,337,074	6,400,844
3.	High (Age 13-14+)	2,373,914	2,505,819	4,879,733
4.	Higher Secondary (Age 15-16+)	3,111,976	3,219,421	6,331,397
Total		**10529255**	**12108687**	**22637942** (22.64 million approx.)

Source: *Pakistan Education Statistics 2015-16, (Academy of Educational Planning & Management, Islamabad)*

Reasons for out of School Children

Some major reasons include gender disparity, rural-urban gap, poverty, child labour in primary school age group more than their nonworking group children, vulnerability of girls to early marriage and sexual harassment, lack of awareness of the importance of starting and continuing education, poor health, girls are required to help in the domestic work, shortage of schools particularly at pre-primary and lower secondary levels, insufficient school infrastructure and facilities like buildings, water supply, toilets for boys and girls, boundary walls and electricity, shortage of teachers, teachers training, textbooks, deficiencies in the teaching–learning process, corporal punishment. All these issues result as low quality of education as well. Low job opportunities after completion of education at certain level also make a mind of parents not to send their children to school.

Following tables reflect the picture of education in short:

Survival Rate (SR) to Grade-V

(percent)

S. #	Province/Area	Total	Male	Female
1.	Pakistan	66	67	65
2.	Punjab	70	69	71
3.	Sindh	62	62	62
4.	Khyber Pakhtunkhwa	64	71	56
5.	Balochistan	38	52	23
6.	AJ&K	81	80	82
7.	FATA	47	55	34
8.	Gilgit-Baltistan	77	78	76
9.	Islamabad Capital Territory (ICT)	100	100	100

Source: *Pakistan Education Statistics 2015-16, Academy of Educational Planning & Management, Islamabad*

Population that has ever attended school

	Urban			Rural			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Pakistan	**83**	**71**	**77**	**66**	**40**	**53**	**72**	**51**	**62**
Punjab	84	74	79	69	47	58	74	56	65
Sindh	83	71	77	57	25	42	71	50	61
Khyber Pakhtunkhwa	82	53	68	72	33	52	74	36	55
Balochistan	74	43	59	55	17	38	60	25	44

Source: *Pakistan Social and Living Standards Measurement (PSLM) Survey 2014-15*

Missing Physical Facility

(percent)

Type of missing physical facility	Provinces	Not-Available	
		Male	Female
Electricity	**Pakistan**	**46.38**	**28.49**
	Punjab	9.12	4.81
	Sindh	64.17	58.32
	Khyber Pakhtunkhwa	41.69	31.74
	Balochistan	80.01	69.32
	ICT, Islamabad	1.50	Nil
Drinking Water	Pakistan	**33.31**	**20.22**
	Punjab	0.34	0.32
	Sindh	48.06	49.31
	Khyber Pakhtunkhwa	30.82	18.52
	Balochistan	44.39	39.84
	ICT, Islamabad	1.00	12.04
Latrine	Pakistan	**33.52**	**16.80**
	Punjab	0.98	0.35
	Sindh	46.95	42.57
	Khyber Pakhtunkhwa	17.52	4.43
	Balochistan	79.06	59.17
	ICT, Islamabad	3.50	3.14
	Pakistan	**31.34**	**12.77**

Type of missing physical facility	Provinces	Not-Available	
Boundary Wall	Punjab	3.95	0.55
	Sindh	43.75	33.28
	Khyber Pakhtunkhwa	19.65	2.18
	Balochistan	63.92	32.99
	ICT, Islamabad	3.00	0.51

Source: *data derived from Pakistan Education Statistics 2015-16, AEPAM Islamabad.*

Summary of Key Indicators of Basic education

Category	2014-15		
Primary NER (Class 1-5 & age 6-10)	**Male**	**Female**	**Total**
Overall	**72**	**62**	**67**
Punjab	73	67	70
Sindh	67	54	61
Khyber Pakhtunkhwa	78	62	71
Balochistan	67	42	56
Middle NER (Class 6-8 & age 11-13)			
Overall	**39**	**34**	**37**
Punjab	39	38	38
Sindh	37	30	34
Khyber Pakhtunkhwa	48	31	41
Balochistan	31	19	26
Matric NER (Class 9-10 & age 14-15)			
Overall	**29**	**24**	**27**
Punjab	29	29	29
Sindh	29	20	25
Khyber Pakhtunkhwa	34	18	27
Balochistan	19	9	15
Literacy Rates (10 years and older)			
Overall	**70**	**49**	**60**
Punjab	71	55	63
Sindh	70	49	60
Khyber Pakhtunkhwa	71	35	53
Balochistan	61	25	44
Adult Literacy Rate (Age 15 years & older)			
Overall	**68**	**45**	**57**
Punjab	69	51	60
Sindh	70	46	58
Khyber Pakhtunkhwa	66	29	47
Balochistan	56	18	38

Source: *Pakistan Social and Living Standards Measurement (PSLM) Survey 2014-15*

Major Causes of Drop Out

- Low access in rural and far flung areas.
- Poverty issue with family.
- Low awareness regarding the benefits of education among parents.
- Missing physical facilities.

- Security issues for girls students.
- Less number of female teachers in primary schools.
- Less number of trained teachers particularly in science subjects.
- Lower number of Middle and High schools for effective transition particularly for girls.
- Low quality of education.
- Low job opportunities after completion of education at certain level.

Performance Review 2017-18

The 18th Constitutional amendment has made great impact on educational system of the country. Due to devolution of education subject, the policy, planning and execution relevant to education is major responsibility of Provinces. Federal Government is responsible for ICT, FATA, GB and AJ&K. Inter Provincial Education Ministers (IPEM) Conference has been working under the Ministry of Federal Education and Professional Training Islamabad. Education related issues are being settled in the meetings of this forum. National level Educational Conference was arranged in July 2017 to carry out reforms initiatives jointly by Ministry of Planning, Development & Reform and Ministry of Federal Education and Professional Training under the umbrella of Vision 2025. Basic aim of the conference was to discuss National Curriculum Framework, reforms in Governance and Assessment system and finally teacher's training programmes. Purpose of educational conference was to share reforms evolved through unprecedented levels of regional and provincial consultation. The initiatives under taken during 2017-18 include: Establishment National Curriculum Council, Modernization and Standardization of Examination System, Mainstreaming of Madrassahs, Establishment of Basic Education Community Schools, Improving Human Development Indicators in Pakistan, Establishment / Up-gradation of schools and colleges and Capacity building of Education Managers / Principals/ Heads of Institutions, National Endowment Scholarships for Talent (NEST) scheme to provide scholarships on merit to the needy-cum-talented students of Pakistan and Renovation & Rehabilitation of Physical Infra structure of 200 Educational Institutions under Prime Minsiter’s Education Sector Reforms Programme in ICT, Islamabad. The following table shows a glance of education indicators at the national level:

Pakistan Vision 2025, Pilller-1: Putting People First: Developing Human and Social Capital

Goals of Vision 2025	Benchmarks (2012-13)	Target in 12th Five-Year Plan	Current Status 2014-15
Increase Primary School enrolment to 100 percent (NER)	68 percent	80	67 percent
Increase (Primary Education) completion rate to 100 percent	67 percent	-	52 percent
Increase literacy rate to 90 percent	60 percent	70	60 percent
Improve Primary and Secondary Gender Parity Index (GPI) to 1	0.86 (P) 0.75 (S)		0.88(P) 0.87 (S)

Source: *Pakistan Social and Living Standards Measurement (PSLM) Survey 2014-15*

Indicator	Achievements against the targets by 2015-16			
	Male	Female	Total	GPI

Indicator	Achievements against the targets by 2015-16			
	Male	Female	Total	GPI
Literacy 10+	70	49	60	0.70
Youth Literacy 15+	81	64	72	0.79
GER Primary	105	90	97	0.86
Survival rate to Grade-5	67	65	66	0.96
GER Secondary	39	30	34	0.77

Source: *Pakistan Education Statistics 2015-16 (AEPAM, Islamabad)*

Federal PSDP 2017-18

Government of Pakistan got a comprehensive view to design and strengthen all the sectors pertaining to education system of the country. Government took effective initiatives of the development schemes which include:

- Improving Human Development Indicators in Pakistan with focus on SDGs relating to Education.
- National Curriculum Council to maintain uniform curriculum standards at the national level.
- Modernization and standardization of the Examination System to standardize the assessment system.
- Mainstreaming of the Madaris to formalize and align their system of education with the formal education system to make their children more productive and fruitful for society. 3216 students were enrolled in the 100 Madaris through this scheme.
- National Best Teacher Award to honour and incentivize teachers for their relentless services.
- Establishment of Smart Schools to introduce technology-based blended learning.
- Educational Leadership and Institutional Management Phase-IV for Capacity Building of Education manager.
- Establishment of Islamabad Model College for Girls, G-13/1, Islamabad.
- Capacity Building of Education Managers.
- Establishment of Islamabad Model College for Boys, G-15, Islamabad.
- National Education Reforms Initiative.

During 2017-18, a sum of Rs7,143.344 million was allocated in the Federal PSDP for basic and college education. An abstract of development projects in PSDP 2017-18 is as under:

Scheme	No. of projects	Total Cost	Allocation (Rs million)
Literacy, Curriculum, Mainstreaming of Madrassahs, Capacity Building of Teachers and Principals	12	7,426.67	2,945.70
Establishment / uplifting / Renovation / Physical up-gradation of schools and colleges	10	6,611.099	2,637.869
Cadet College Kharan	01	1,382.057	500.00

Scheme	No. of projects	Total Cost	Allocation (Rs million)
Digitization of the holding of National Archives of Pakistan and Improvement of Record Preservation	02	62.047	24.775
Establishment of F.G. Degree College Kohat	01	138.649	35.000
National Endowment Scholarships for Talent (NEST)	01	10,000.0	1000.0
Grand Total	**27**	**25,620.522**	**7,143.344**

Provincial Governments ADP 2017-18

During 2017-18, the Government of Punjab allocated Rs55,010.00 million, Sindh Rs16,250.00 million, Khyber Pakhtunkhwa Rs14,000.00 million, Baluchistan allocated Rs7,640.133 million, AJ&K allocated Rs877.671 million, FATA allocated Rs4,484.773 million and Gilgit Baltistan allocated Rs1,559.623 million which is equal to Rs99,822.2 million for the basic and college education. The sectors given preference by the Provincial Governments include: up-gradation of girls and boys primary school to middle, and secondary levels, improvement of the physical infrastructure, establishment of the IT and science labs in the Secondary and Higher secondary schools, Early Childhood Education (ECE) at the primary level, provision of missing facilities, provision of stipends to girls students up to the matriculation, construction of new boys and girls schools and colleges, provision of scholarships through endowment funds and scholarship schemes and strengthening of the Provincial Institutes of Teacher Education (PITE).

Recommendations to improve Quality of Education and retention of students

Following measures are recommended to improve quality of education and increase enrolment and retention:

- Special focus on children in rural areas, especially girls is needed.
- Awareness campaign should be started to convince parents to send their children particularly girls to schools for education.
- Basic physical facilities should be provided to encourage people to enroll their children.
- Security measures may be taken to enhance and retain enrolment for female children.
- Reduce distance to school through infrastructure development;
- Increase the provision of female teachers.
- Provision of social safety nets and linkage of social protection programmes to school attendance
- Introduction of flexible school hours particularly for working children
- Provision of skill training including formal education.

- Increase education budgets, especially in the areas where literacy is low.
- Increase the recruitment of female teachers in remote areas.
- Regularization of Early Childhood Education (ECE) and integrate ECE fully into the primary education cycle.
- Up-gradation of existing primary schools to lower secondary schools
- Development of such programmes that focus on potential dropouts and working children
- A separate cadre of Education Managers / Principals may be created for better management of the institutions.

Outlook 2018-19

The current democratic Government of Pakistan keeping in view the objective of a welfare state, knowledge society is intended. For this great objective more financial and human capital are being allocated for capacity building, more access to education for children belonging to low income and vulnerable areas, decrease gender as well as rural-urban disparity, improving quality of education for strengthening, attracting, retention of enrolled boys and girls to decrease dropout rate at all levels. These steps are being taken by the Government to reflect political commitment with the cause of education for sustainable development of the country. Being a signatory to the Sustainable Development Goals (SDGs) at international level, Pakistan has established a strong coordination mechanism needed with the federal ministries, provincial and area governments to achieve the targets set under SDGs. Private sector can play a vital role to achieve those targets for which necessary efforts are being taken by the Federal and Provincial Governments to increase their role as at present it contributes only 16 per cent of the total educational resources. Following is the table containing on Sustainable Development Goal 4: "Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all".

Sustainable Development Goals National Priority Targets National Priority SDG Indicator	Sustainable Development Goals National Priority Targets National Priority SDG Indicator	Sustainable Development Goals National Priority Targets National Priority SDG Indicator	National Baseline 2014-15	Target 2030	Required Policy Support
Quality Education Goal 4: Ensure inclusive and equitable	Target 4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to	4.1.1 Proportion of children and young people: (a) in grades 2/ 3; (b) at the end of primary; and (c) at the end of lower secondary achieving at	Total=57% Girls=53.0% Boys=60.0%	Total=100% Girls=100.0% Boys=100.0%	• Mandatory enrolment of all children; • Improvement of quality of education at all levels by establishing stringent quality

quality education and promote lifelong learning opportunities for all	relevant and effective learning outcomes	least a minimum proficiency level in (i) reading and (ii) mathematics, by sex			assurance at all levels of education; • Review incentive structure for female enrolment at all levels; • Food voucher scheme for out of school children; • Improve school infrastructur e at all levels; • Introduction of technology for classroom instruction; • Establish school monitoring committees at district level with multi-stakeholder representatio n for more inclusive learning environment that includes children with special needs, cultural sensitive girls, etc. policy for
	Target 4.5: By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.	4.5.1 Parity indices (female/ male, rural/ urban, bottom/ top wealth quintile and others such as disability status, indigenous peoples and conflict affected, as data become available) for all education indicators on this list that can be disaggregated	GPI Primary=0.87	GPI Primary=1.0	
	Target 4.6: By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy	4.6.1 Percentage of population in a given age group achieving at least a fixed level of proficiency in functional (a) literacy and (b) numeracy skills, by sex	Total = 60.0%, Female=49.0% Male=70.0%,	Total = 80.0%, Female=69.0% Male=90.0%,	
	Target 4.a: Build and upgrade education facilities that are child, disability and	4.a.1 Proportion of schools with access to: (a) electricity; (b) the Internet for	Primary School Infrastructure: Electricity = 53.0%; Drinking Water =	Primary School Infrastructure: Electricity = 53.0%; Drinking Water =	

	gender sensitive and provide safe, nonviolent, inclusive and effective learning environments for all	pedagogical purposes; (c) computers for pedagogical purposes; (d) adapted infrastructure and materials for students with disabilities; (e) basic drinking water; (f) single sex basic sanitation facilities; and (g) basic hand washing facilities (as per the WASH indicator definitions)	67.0%; Sanitation = 67.0%	67.0%; Sanitation = 67.0%	
	Target 4.c: By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States	4.c.1 Proportion of teachers in: (a) preprimary; (b) primary; (c) lower secondary; and (d) upper secondary education who have received at least the minimum organized teacher training (e.g. pedagogical training) pre-service or in-service required for teaching at the relevant level in a given country			

The development schemes “Establishment of Smart schools” will be implemented through IT based blended learning to increase analytical and cognitive skills, “Renovation / Rehabilitation of physical infrastructure of 200 Educational Institutions under Prime Minister’s Education Sector Reforms Programme in ICT, Islamabad” is under implementation. The objective of the project is to provide missing physical facilities in the public sector institutions of Islamabad to create student friendly environment. The students enrolled in Madaris, mostly, belong to vulnerable classes, the project titled, “Mainstreaming of Madaris” is under implementation to mainstream the Madaris students with the formal education so that they could prove themselves more productive for the society. Examination system of Pakistan up to Intermediate level needs improvements and some critical changes and reforms. For this objective a project titled, “Modernization and standardization of examination system” is under implementation. The same project is under consideration to replicate in all the boards of education in Pakistan under Federal PSDP with title “Standardization of National Examination System in the Country” to modernize and standardize the examination system. A state of the art “National Teachers Training Institute” is under consideration to be established in Islamabad for training of teachers. A project titled, “Capacity building of Education Managers” will be implemented. The objective of this project is to enhance knowledge and skills of 350 Education Managers / Officers of five selected districts of four Provinces i.e. Bahawalpur, Rahim Yar Khan, Tando Muhammad Khan, Kohistan and Dera Bughti in the fields of Educational Planning, Office Management, and Financial Management. Under the Prime Minister’s Directive, a project titled “Provision of Quality Education Opportunities to the students of Balochistan and FATA is under consideration. The purpose of the scheme is to provide scholarships to 2000 students of Balochistan and FATA on merit basis to get quality education at well reputed educational institutions of Pakistan. A Best teachers Awards scheme is under consideration to provide cash awards and shields in recognition to the services of best teachers throughout Pakistan. The objective of all the projects is to increase accessibility, improve quality and decrease gender as well rural – urban disparity at basic and college education level. These efforts are in line with the Vision 2025.

Programmes for 2018-19

The Federal Government envisages 35 schemes (ongoing 15 and new 20) for basic and college education for the fiscal year 2018-19. An allocation of Rs8,753.607 million has been earmarked in the PSDP 2018-19 for these projects. Abstract of development projects relating to the basic and college education is tabulated below:

Scheme	No. of projects	Total Cost	Allocations
Establishment / Uplifting / Strengthening of schools / colleges / Cadet College / Renovation and Rehabilitation of schools and colleges of ICT	25	19,717.215	3,704.486
Training and Capacity building of teachers / Education Managers	05	2,334.905	149.121
Literacy	03	14,346.048	2,800.00
Scholarships	02	13,417.004	2,100.00
Grand Total	**35**	**49,815.172**	**8,753.607**

Chapter 5 | HEALTH

Health sector is pivotal to well-being. Productive and healthy population can significantly contribute to national economic growth. Poor health contributes to catastrophic costs of illness, limits the cognitive and non-cognitive capabilities during childhood and earning ability during adulthood. An optimal public health system provides care for the sick, institutes procedures for public wellness in general and prevents diseases.

Pakistan's Vision 2025 and the 12th Five Year Plan (2018-23) aspires to improve the health and well-being of the population of Pakistan with the key objective of addressing inadequacies in primary/secondary health care facilities; correcting rural/urban biases; bridging basic nutritional gaps; reducing widespread prevalence of communicable and non-communicable diseases; improving human resources for health; strengthening disease surveillance; and improving the pharmaceutical sector to ensure the availability; affordability and quality of drugs.

To achieve these objectives in the year ahead, focused and concerted efforts of provincial and area governments would be required with expanding investment in healthcare adapting to the effects of climate change and natural disasters by means of inter-sectoral coordination and motivating the human resource and reducing dependence on foreign aids. Pakistan can become internationally competitive and successful country by increasing living standards in both the urban and rural areas.

Performance Review 2017-18

To improve health status of the people and to reduce burden of diseases a series of devolved programmes and projects are on track for which funding was provided by the federal government. These programmes include Family Planning and Primary Health Care (FP&PHC), Expanded Programme for Immunization, Malaria Control Programme, Tuberculosis (TB) Control Programme, HIV/AIDS Control Programme, Maternal Neonatal & Child Health (MNCH) Programme, Programme for Prevention and Control of Hepatitis, Programme for Prevention and Control of Blindness, Programme for Prevention and Control of Avian Influenza and PM National Health Programme.

In addition to the devolved vertical programmes, investment has been focused in the curative care which includes establishment of a Medical College and Construction of 50 beds Cardiac Care Hospital at Gilgit-Baltistan, and establishment of three medical colleges in AJK.

In addition to the devolved vertical programmes, investment has been focused in the curative care which includes establishment of a Medical College and Construction of 50 beds Cardiac Care Hospital at Gilgit-Baltistan, and establishment of three medical colleges in AJK.

Provincial governments (Punjab in particular) made significant efforts to improve provision and quality of health services at BHUs and RHCs by equipping with material as well as human resources and making them operational on 24/7 basis in selected districts. An outreach initiative in the form of Mobile Health Units was launched to serve the underserved and under privileged population. Communicable diseases like HIV/AIDS, Hepatitis, Tuberculosis and Malaria were focused and programmes launched for provision of free of cost medicines for these diseases.

Pakistan Atomic Energy Commission's (PAEC) 18 cancer hospitals nationwide are providing diagnostic and treatment facilities to cancer patients. During the 2017-18, five new cancer hospitals were established and Nuclear Medicine, Oncology and Radiotherapy Institute (NORI) was upgraded and establishment of a dedicated Cancer Hospital in ICT started to provide cancer therapeutic, supportive/ allied and palliative care. Federal Breast Cancer Screening Programme in ICT is operational for early cancer diagnosis and screening.

For evidence based policy, planning, and resource allocations, acceleration and enhancement of Civil Registration and Vital Statistics System have been the priority areas for Government of Pakistan. A Technical Support Unit (TSU) has been established to provide support for effective coordination and formulation of national strategic framework with collaboration of line ministries / divisions, provincial and area government departments and international development partners.

Safe Blood Transfusion project with the technical cooperation of GIZ and KFW is in the implementation process in all the provinces and area governments that will bring down the incidence of hepatitis and other blood transmitted diseases in the country.

Overall achievements for the health sector include creation of skilled personnel, which include 4500 new doctors, 400 dentists, 3200 Nurses, 4500 Paramedics and 450 Traditional Birth Attendants.

Overall the communication and coordination of provinces in issues related to health has remained weak. The provinces also lack capacity for data gathering, analysis and reporting to the federal government. As the provinces lack ownership of the vertical programmes, their accountability remains weak.

The PSDP allocations were made to health sector projects of Ministry of National Health Services Regulations and Coordination (NHSRC), Capital Administration and Development Division (CADD) and Pakistan Atomic Energy Commission (PAEC), Ministry of Kashmir Affairs and Gilgit Baltistan, and Ministry of Interior. There were 49 projects of health sector with a total cost of Rs55,366.2 million allocated with an expenditure of Rs14,449.6 million. The details are given in the following table:

Health Sector Projects of PSDP during 2017-18

(Rs million)

Name of Ministry / Organization	No of Projects	Allocation	Expected Expenditure
Ministry of National Health Services, Regulations and Coordination (NHSRC)	22	48,753.4	10,171.6
Capital Administration and Development Division CADD	15	1,855.0	405.2
Pakistan Atomic Energy Commission	05	3,608.4	3,608.4
Kashmir Affairs and Gilgit Baltistan	04	550.0	410.0
Interior	03	599.4	204.4
Total	**49**	**55,366.2**	**14,449.6**

Outlook 2018-19

Priorities for 2018-19 will be aligned with Vision 2025, Sustainable Development Goals and 12th Five Year Plan (2018-23).

Federal government will harmonize interprovincial coordination in the context of the devolution and will strive to help the local/provincial governments in achieving obligations like SDGs. The endeavours envisioned in the year ahead will lead to formulate evidence-based policies and health services which are affordable, accessible and culturally acceptable, and finally a responsive health system.

In order to track progress on Vision 2025 Goals and Targets, Sustainable Development Goals and 12th Five Year Plan (2018-23), a governance framework and coordination mechanism will be established whereby Ministry of National Health Services, Regulations and Coordination, Provincial/ Area Governments Departments of Health and Planning & Development, and other stakeholders will establish dedicated Coordination Units which will monitor, report on and coordinate implementation of development programmes and projects in their respective domains under direction from Ministry of Planning, Development and Reform. A Health Sector Performance Monitoring and Delivery Unit (PMDU) will be established within Health Section to manage targets/ KPIs, progress/ deviation/ impact assessment and recommendations, risk alert, change management, and stakeholders' communications. It will prepare and provide reports, management dashboards & supporting analysis, and liaise with Coordination Units in each executing federal/ provincial agency.

Provinces need to address their governance issues and enhance their coordination mechanisms in health. Their commitment to own the devolved resources and programmes will determine the pace of health related development in their respective provinces. Improving ownership of health related resources will also improve the issues of accountability.

Development of a proper disease information system (covering supply and demand side) and health education and health promotion initiatives will be encouraged for awareness of the general public. Potable water supply, sanitation, traditional medicine, health legislation for various regulatory measures and road traffic accidents are other health areas of concern to be addressed.

Universal access to sexual and reproductive health care services will be promoted which includes family planning services. Integration of reproductive health into national and provincial strategies and programmes will be encouraged.

Human Resource for Health (HRH) will be improved through trainings in health management and improvements in career structure. Structure and functions of health regulatory authorities like Pakistan Medical and Dental Council (PMDC) and Pharmacy and Nursing Council etc will be reviewed for improvement. Similarly, Human Resource for Health (HRH) forecasting will be conducted with focus on increasing population demand and attrition of manpower through retirement and brain drain.

Efforts will be focused on drug demand reduction and prevention of substance abuse and devising policies for physically or mentally challenged people. Public health laboratories will be upgraded, voluntary blood bank services will be developed and DHQ/THQ hospitals will be modernized. There will be initiation of work on indigenous production of cost effective and quality vaccines and medical devices like cardiac stents. Capacity of Drug Regulatory Authority will be enhanced to ensure availability of safe and efficacious medicines.

In order to ensure deployment of effective and responsive civil registration and vital statistics system, an assessment of underserved and marginalized population including refugees and persons of undetermined origin will be undertaken with technical assistance of international development partners (UN Organization of Immigration -UNOIM). This will help in finalizing national strategic framework for acceleration and enhancement of CRVS in Pakistan.

Cancer will be treated through establishment of more cancer treatment centres/hospitals. The Government, keeping in view the rising need of Cancer Treatment Facilities, has taken a new initiative of establishing a state of the art 'Cancer Hospital' in ICT. Prevention and control of non-communicable diseases will be perused passionately through investment in hospital infrastructure, health education and awareness. Moreover, tobacco use and tobacco-prevention interventions will be monitored in order to ensure protecting people from tobacco smoke in both public and work places, help people for tobacco cessation, warn people against the dangers of tobacco and other narcotics.

The federal government has launched "Prime Minister's National Health Insurance Programme" to help improve the health status of the poor and vulnerable by ensuring their access to quality health care. Resultantly, out-of-pocket health expenses by the poor and vulnerable population will reduce. Efforts will be made to expand the programme to whole of Pakistan thereby contributing to achieving universal health coverage.

Health Sector Reforms agenda has been initiated by the Planning Commission under the patronage and supervision of Minister for Planning, Development & Reform. There will be development in close collaboration and coordination of Ministry of National Health Services, Regulations and Coordination and Provincial Departments of Health and other stakeholders of a centralized integrated disease surveillance system having one health approach with a strong inter-provincial information sharing mechanism.

Guidelines, rules/ regulations, and Standard Operating Procedures (SoPs) will be developed and enforced for good clinical practices, good medical laboratory practices and medical educational institutions to ensure effective health service delivery.

Core capacities of relevant stakeholders will be enhanced in management of emergency and trauma related cases through health department and the health care facility provided therein. Moreover, capabilities will be enhanced for human health resources in the field of International Health Regulations (IHR) to prevent and control cross border and internal transmission of diseases and to plan effective emergency preparedness.

Provincial governments will continue investment in devolved health vertical programmes and integrate them with their primary healthcare set up.

The details of PSDP 2018-19 allocations to the Health Sector projects are shown in the following table:

PSDP 2018-19 Allocation to Health Sector Projects

Name of Ministry/ Organization	No of Projects	PSDP Allocation
Ministry of National Health Services Regulations and Coordination (NHSRC)	54	25,060.164
Capital Administration and Development Division CADD	20	2,454.459
Pakistan Atomic Energy Commission (PAEC)	6	3,616.947
Ministry of Kashmir Affairs and Gilgit Baltistan	3	1,171.00
Ministry of Interior	6	1244.077
Finance Division	3	600.00
Defence Division	1	570.00
Total	**93**	**34,716.647**

Chapter 6 | LABOUR AND EMPLOYMENT

Employment is a critical link between economic growth, reduction in poverty and income inequality. It is now increasingly recognized that the creation of productive, remunerative and decent employment is key mechanism through which benefits of growth can be distributed to the different segment of society.

The Vision 2025 places great prominence on inclusive and sustainable growth and also envisages that employment opportunities are important not only for increasing national production levels, but also to raise the family income and consumption, ensure the self-esteem of individuals, reducing income disparities and thus overall improvement in the social fabric of society.

Decent and productive employment

As per ILO, the decent work sums up the aspirations of people in their working lives. The ILO defines Pro ductive Employment as "all employment (for wages or as self-employed) that yields sufficient income to allow the worker and his/her family/dependents to obtain a material standard of living above the pover ty line".

A sound understanding of the critical relationship between employment and economic growth helps in formulating well-connected policies of all sectors with a common objective. A country's capacity to generate employment depends upon its available resources, technological base and institutional strategies. Present Government has taken various steps for reviving the economy and accelerating the pace of economic growth. Realizing a sound base and faster growth of the economy has a direct bearing to control unemployment in the country. Presently, the economic growth (5.8 percent) is almost absorbing the increasing labour force, leaving a negligible fraction as un-employed.

SDG GOAL 8— DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.

Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

Performance Review 2017-18

Pakistan being the 6th most populous country and having 9th largest labour force in the world with population growth of 2.4 percent per annum is adding a large number of youth in labour force, therefore youth employment is one of the major concerns of the Government. Employment situation in the country has improved under the present government. Unemployment rate of 6.24 percent in 2012-13 has decreased to 5.94 percent in 2014-15 as per the latest Labour Force Survey. After 2015, Labour Force Survey has not been conducted due to on-going population census activities. However, on the basis of latest survey 2014-15, overall participation rate has decreased from 32.88 percent in 2012-13 to 32.27 percent in 2014-15, showing 0.61 percent decrease; male unemployment rate has decreased from 5.41 percent to 4.98 percent while female unemployment rate has decreased from 9.0 percent to 8.97 percent during the period concerned. Due to better financial discipline, consistency and continuity in economic policies, Pakistan's economy has gained more strength during the tenure of present government. GDP grew by 5.8 percent in 2017-18, the highest rate since 2006-07.

Employment Situation and Achievements

Employment situation remained better during the tenure of present government (shown in table-1). Government has launched Youth Development Programme, including Prime Minister's Youth Business Loan Scheme, Interest Free Loan Scheme to the vulnerable & poor, Prime Minister's Youth Training Scheme (National Internship Programme) & Prime Minister's Youth Skill Development Programme through NAVTTC. Furthermore, CPEC related investment in energy and infrastructure projects, zero load shedding to industrial sector, promotion of overseas employment and encouragement of micro entrepreneurship contributed a lot to control un-employment in the country. During last five years about 3.66 million Pakistani workers went abroad for jobs. The size of Federal PSDP (2017-18) is set at Rs1, 001 billion with an increase of 178 percent over the PSDP of 2012-13 (Rs360 billion), resulting further enhancement of the employment generation.

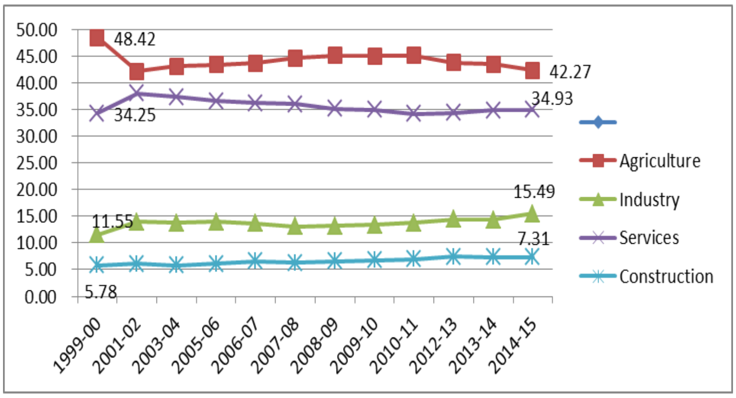
Table-1: Unemployed Labour Force & Unemployment Rate (million)

	2013-14	2014-15	2015-16*	2016-17*
Unemployed Labour Force	3.58	3.62	3.69	3.76
Rural	2.06	2.10	2.14	2.18
Urban	1.52	1.52	1.55	1.58
Unemployment Rate (percent)	5.96	5.94	5.9	5.9
Rural	5.01	5.0	5.0	5.0
Urban	8.02	8.0	8.0	8.0

*** Source:** *Labour Force Surveys PBS / Estimates on 1st Jan, 2016 & 2017 Population/ Projected values for 2015-16 & 2016-17*

Employment by Sector

From 1999-2000 to 2014-15 the share of agriculture, industry and services in employment changed by -6.15 percent, +3.94 percent and +0.68 percent, respectively. Most of the decline in agriculture share has been taken by manufacturing and



Source: *Labour Force Surveys 2013-14 & 2014-15* services sectors. More investment in manufacturing is the best course of action for sustained economic development.

Women Employment

Gender equality is an essential basis for peaceful, flourishing and sustainable world. Providing women with equal access to education, health care, decent work, and representation in political and economic decision-making processes can lead towards sustainable economies and benefit societies at large. Pakistan has a Gender Development Index (GDI) ranking at 121 out of 155 in the 2015[1]. However, it is an encouraging sign that female participating in the labour market is increasing with the passage of time. During last fifteen years, women labour force participation has increased by more than 50 percent. Female unemployment rate slightly increased from 8.74 percent to 8.97 percent during 2013-14 & 2014-15 contrary to contraction in unemployment at national level.

Gender dimensions of employment

The world of work for women around the globe is affected by a range of dimensions. These include the division of labour by gender, indicated by occupational segregation and wage differentials, harbingers of care economy inequalities that women face in the labour market. Most women in developing countries are engaged in the informal sector, working without any legal protection as domestic workers, home-based workers and piece-rate workers for the manufacturing firms. These norms reinforce existing inequalities by justifying discrimination in the labour market, despite improvements in education and skills, and, inevitably, shape women's engagement and preferences in the labour force.

Source: *ILO, World Employment and Social Outlook – Trends 2017*

Formal and Informal Employment

Out of the total employed workforce, 42.27 percent are engaged in agriculture sector while 57.73 percent are employed in non-agriculture sector. Agriculture remains the largest absorber of labor and is known for informal employment. Out of the total employed in non-agriculture sector, formal sector employs only 27.42 percent while remaining 72.58 percent are employed in the informal sector in 2014-15. However, the informal sector employment has decreased from 73.58 percent in 2013-14 to 72.58 percent in 2014-15.

Table-2: Formal and Informal Employment

	2013-14		2014-15	
	million	**percent**	**million**	**percent**
Agriculture	24.82	43.48	24.60	42.27
Non-agriculture	32.26	56.52	33.59	57.73
i. Formal	8.52	14.93	9.21	15.83
ii. Informal	23.74	41.59	24.38	41.90

Source: *Labour Force Surveys of relevant Years*

Overseas Employment Opportunities

[1]The 2015 Human Development Report (HDR) by UNDP.

During last five years significant progress has been made in overseas employment opportunities for Pakistan and about 3.66 million Pakistani workers went abroad for jobs. The trend of workers going abroad has increased annually from 2013 to 2015 while a fall is witnessed in years 2016 and 2017. A major decline in manpower to Saudi Arabia was observed in 2017-18.

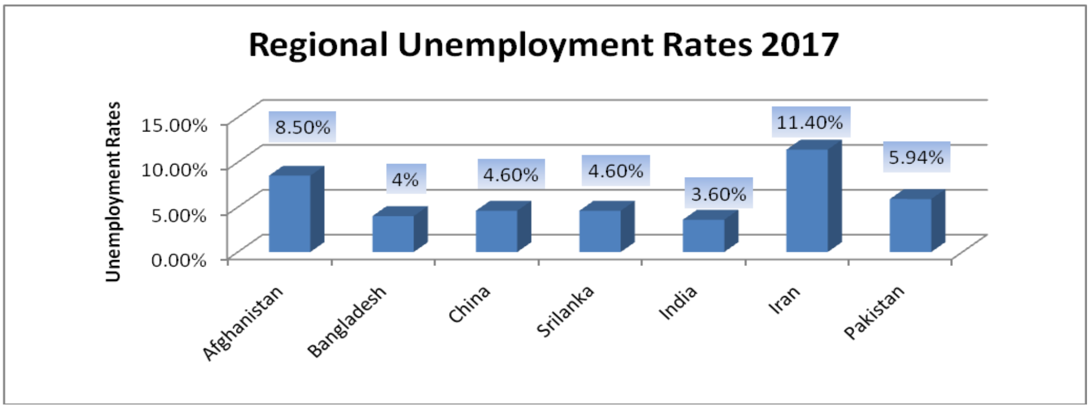
Table-3: Overseas Employment Opportunities
Number of Pakistani Workers Registered Abroad

S.NO	Countries	2013	2014	2015	2016	2017
1	UAE	273234	350522	326986	295647	275436
2	Bahrain	9600	9226	9029	8226	7919
3	Malaysia	2031	20577	20216	10625	7174
4	Oman	47794	39793	47788	45085	42362
5	Qatar	8119	10042	12741	9706	11592
6	Saudi Arabia	270502	312489	522750	462598	143363
7	UK	158	250	260	346	340
8	others	11276	9567	6801	7120	8100
	Total	**622714**	**752466**	**946571**	**839353**	**496286**

Source: *Bureau of Emigration and Overseas Employment, M/o Overseas Pakistanis and Human Resource Development*

Regional Situation: Unemployment Rates

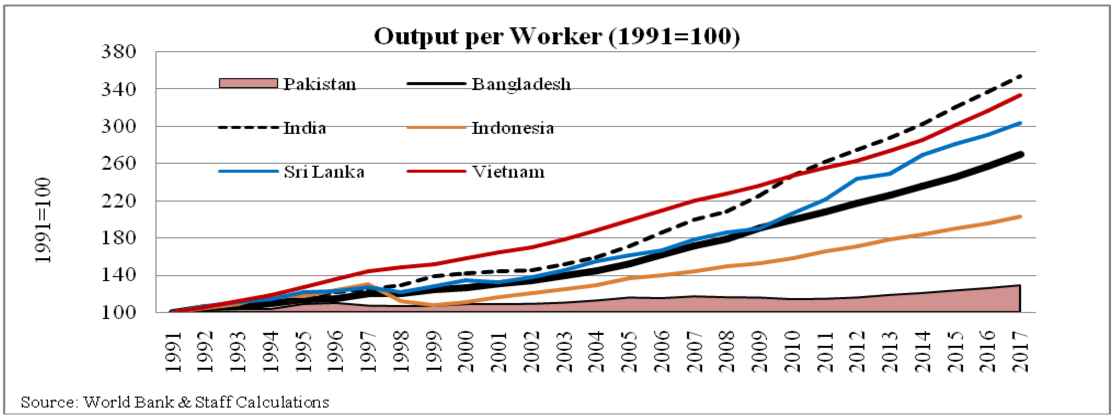
The unemployment situation in different countries of the region during previous years is comparatively better than Pakistan except Afghanistan and Iran. The unemployment statistics reveals that Pakistan's unemployment rate is higher than that of China, Bangladesh, India and Sri-Lanka. However, the performance of India is much better with regard to control of unemployment.



Source: *World Bank Employment/Statistics 2017*

Regional Situation: Output per Worker

Output per worker as a measure of labor productivity has been constantly low in Pakistan at a regional level. Countries like Vietnam, Bangladesh, India and Sri Lanka have shown significant rising trend in enhancing productivity of labor from 1991 to 2017. Pakistan could only leap forward through significant contribution of productivity which is dependent upon the quality of human development. Pakistan needs to invest sizeable proportion of resources in human capital to compete in the regional framework.



Programmes and Projects

Employment Generation in CPEC Programme

Investment under CPEC is expected to be around US $60 billion. Apart from focusing on energy, infrastructure and Gwadar projects, 9 Special Economic Zones will be established under CPEC portfolio, creating tremendous job opportunities and technological transformation. The early harvest projects under CPEC have created more than 56,000[2] direct jobs for Pakistanis. Employment opportunities under CPEC are expected to rise over the period of next 15 years.

Macro-Economic Stability and Larger Public Sector Development Programme (PSDP)

Government has taken various policy steps for reviving the economy on sound footing, resulting in 5.8 percent GDP growth in 2017-18, which is highest since 2006-07, viz. almost absorbing the increasing labor force. PSDP is also in line with Pakistan's Vision 2025, where "Development of Human and Social Capital" is its first pillar. The size of Federal PSDP (2017-18) is set at Rs1,001 billion with an increase of 178 percent over the PSDP of 2012-13 (Rs360 billion), resulting in further enhancement of the employment generation.

National Labor Protection Framework (NLPF)

The Government of Pakistan took an initiative to develop a National Labor Protection Framework (NLPF) to ensure a time-bound and concrete action on seven thematic areas including Child Labor, Forced Labor, Freedom of Association & Collective Bargaining, Discrimination, Social Dialogue, Labor Inspection and Occupational Safety & Health.

Centre for Rural Economy in Ministry of Planning, Development and Reform

The Centre for Rural Economy (CRE) was established at Ministry of Planning, Development & Reform in November 2017.The specific objectives are to reduce rural poverty, improve food

[2] Center of excellence China-Pakistan Economic Corridor

security, resilience, and social protection, generate gainful employment in rural areas and reduce rural-urban gaps and migration, enhance competitiveness and boost export from rural economy and improve sustainability of natural resources and environment in rural areas.

Employable Skills through National Institute of Science and Technical Education (NISTE)

NISTE is playing a pivotal role on imparting employable skills training to youth in various trades. In order to address the shortage of skilled human resource at all levels in the country, the present Government is upgrading NISTE into a National Skills University (NSU), Islamabad. The Bill has been passed by the Senate of Pakistan in March, 2018 to be materialized by September, 2018.

The National Incubation Centers (NICs)

This initiative is to promote the growing synergy between the public and private sectors to promote youth-led entrepreneurship in the country. The government has announced setting up of five incubation centers in Islamabad and four provincial capitals together with innovation centers. Services include free broadband internet, silent rooms, gaming zone, curriculum for startup education, best business leaders as mentors, and an innovation lab designed along international standards.

NAVTTC and Prime Minister's Youth Skill Development Programme

Prime Minister's Youth Skill Development Programme (Phase-IV) at an estimated cost of 6196.50 million is under process, where technical training in highly demand driven trades will be provided to 100,000 Pakistani youth.

Prime Minister's Youth Training scheme / National Internship Programme

Prime Minister's Youth Training scheme (2015-18), National Internship Programme, at an estimated Rs26.690 billion provides on job internship to 150,000 unemployed youth in almost 100 demand driven trades, along with stipend Rs15,000/- per month for a period of one year .

National Education Foundation

National Education Foundation (NEF) is implementing PSDP funded project entitled "Vocational Schools through Public Private Partnership" at estimated cost of Rs487.030 million. The objective of this project is provision of free formal and vocational education through public private partnership from 6th to 10th, promotion of Public Private Partnership, produce skilled labour, girls' empowerment, increase literacy rate, retention rate, completion rate etc. Almost 13200 students will be skilled in demand driven vocational trades.

National Talent Pool

National Talent Pool has planned to develop web portal and interface for collection and dissemination of data of High level Manpower in Pakistan and abroad and arrangement of visits of expatriate Pakistani professionals for short to long term placement in various institutions of the country.

Outlook 2018-19

Enormous endeavours by the Government like macro-economic stability, CPEC, Youth Development Programme with the aim to provide various opportunities to the youth, including Prime Minister's Youth Business Loan Scheme, Interest Free Loan Scheme to the vulnerable & poor, Prime Minister's Youth Training Scheme (National Internship Programme) & Prime Minister's Youth Skill Development Programme through NAVTTC, promotion of overseas employment and encouragement of entrepreneurship will be helpful in achieving the targeted level of employment in the country as outlined in the Vision 2025.The targeted GDP growth of 5.8 percent during 2017-18 and prevailing employment elasticity of 0.46[3] will not only absorb the growth in labour force, but also clear some portion of the backlog.

Challenges / Issues

- Decrease in Participation rate and need emerges to reap the benefits of a demographic dividend.
- Youth unemployment rate is quite high as compared to overall average rate.
- Female participation rate is increasing; but still low as compared to regional levels.
- Higher informal sector employment and lack of decent employment.
- The informal workers are usually deprived of basic rights and majority of them is employed as contractual labour directly or through sub-contracting practice.
- High ratio of illiteracy and low productivity.
- Lack of demand driven technical education.
- Female workforce participation is required to be increased to 45 percent as per Vision 2025 target.
- There is a serious mismatch between the jobs demanded by the emerging needs of the economy and the supply of skills and trained manpower in the country.
- The universities and colleges are producing hundreds of thousands of graduates in Arts, Humanities and languages, who have lesser job opportunities. While the economy is moving towards sophisticated sectors such as telecom, information technology, oil and gas, financial services and engineering goods

[3] Final Report of the Panel of Economists "Medium-Term Development Imperatives and Strategy for Pakistan" Chair: Dr. Hafiz A. Pasha

Chapter 7 | SKILL DEVELOPMENT

Technical Education and Vocational Training (TVET) plays an imperative role in creation of youth employment besides labour productivity & competitiveness and socio-economic uplift of people. Youth's engagement could be enhanced through provision of quality training in demand oriented skill sets enabling them for employment. Nevertheless skills development needs to be connected to broader growth strategies linking education and skill development to labour markets, new technology, investment, and macroeconomic policies that ultimately generate future employment in country. Women are also receiving added attention in this field.

Government has shown commitment, both in Vision - 2025 and in 12th Five Year Plan towards building an innovative society through knowledge, technology, and competition by realizing the vital need of investments in education and skill generation programme. The prime focus is on transforming general training into industry based training by bridging the demand-supply gap in skill development. For the purpose various Prime Minister's programmes are under implementation focusing on preparation of skilled human resource for local & international labour market, primarily, national mega projects like China Pakistan Economic Corridor (CPEC) and other energy related project.

National Technical Vocational Commission (NAVTTC) under PM Youth Skill Development Programme and Ministry of IPC through National Internship Programme are imparting training in almost 100 demand driven trades in following priority areas: Construction, Agriculture, (Dairy & Animal Nutrition Management), Horticulture, IT & Telecommunications, Electrics, Hospitality, Skill for women, Light Engineering, Energy, Finance, Engineering , Paramedics, Services etc.

Performance Review 2017-18

During Financial Year 2017-18 an amount of Rs7,511.977 million was allocated to Prime Minister's Youth Programmes and PSDP funded Project out of which Rs6,097.584 million has been utilized.

Physical and financial achievements of PM Youth Programme and other PSDP funded project for FY 2017-18 are tabulated below;

S. No	Programmes	Cost (Rs million)	Allocation (Rs million)	Utilization (Rs million)	Targets	Achievements
1	Prime Minister Youth Skill Development Programme (Phase-III)	2,630.00	205.00	189.564	50,000	48000 youth has been trained
2	Prime Minister Youth Skill Development Programme (Phase-IV)	6,196.50	2,928.500	1,531.788	100,000	50,000 youth has been trained so far.

S. No	Programmes	Cost (Rs million)	Allocation (Rs million)	Utilization (Rs million)	Targets	Achievements
3	Prime Minister's Youth Training Scheme 201718 (Phase –II)	26,690.911	4,328.477	4,326.232	50,000	34,000 youth provided on job-internship
4	Vocational Schools through Public Private partnerships (PSDP funded)	50.00	50.00	50.00	Establishment of 12 workshops Enrolment of 3000 students in 12 schools	12 Workshops established through PPP 2342 students enrolled in 12 schools

Other major achievements are as under:

- Establishment of 05 Centres of Excellence (one at Islamabad and one each at provinces).
- Accreditation of 1380 TVET Programmes/Discipline of 326 Institutes and 07 Qualification Awarding Bodies (QABs) under TVET Reforms Support Programme.
- Development of CBT Qualifications for various levels of National Vocational Qualification Framework (NVQF), curriculum and teaching and learning material for NVQF qualifications teaching and learning Manuals (TLM) for demand driven trades under PM Youth Skill Development Programme, and implementation of National Vocational Qualifications Framework.
- Assessment of CBT Qualifications, Recognition of Prior Learning (RPL) and recognition of Current Competencies and implementation of 12 CBT Qualifications in 50 Institutes across the country.
- Trained 500 Assessors for conducting formative and summative competency based assessment from across the country, 100 teachers for conducting CBT, 100 principals/managers, up scaled the capacity of institutes and up-gradation of labs/workshops.
- Establishment of 4 Sector Skill Councils in different industrial sectors for institutionalized involvement of industry in TVET reform.
- 623 trainees and 26 master trainers of Refrigeration & Air Conditioning (RAC/HVACR) trade were also provided specialized training under the Montreal Protocol.
- In addition, under NAVTTC-UNHCR Skill Development Programme (2017-18) almost 1800 trainees (Afghan refugees and Pakistani Nationals) are receiving training.

Outlook 2018-19

National TVET Policy (2018) has been formulated to guide and facilitate skill development needed for growth strategy. The policy focuses on increasing youth engagement in labour market as a skilled labour, increasing efficiency of labour market and reforms in TVET sector, expansion and widening access and equity particularly for women and disadvantaged groups; capacity building throughout the public TVET system, training programmes for TVET teachers; Fund to stimulate innovative training programme, introduction of competency-based training and National Vocational Qualifications Framework(NVQF), developing effective links with the informal sector, establishment of Sectors Skills Councils (SSCs) , promotion of entrepreneurship, human resource development through public Private Partnership (PPP).

National Skill Strategy (NSS), reformulated by NAVTTC, emphasizes on creating a demand-driven training system responsive to requirement of the job market. The priority areas for skill development are well aligned with CPEC projects and indigenous clusters such as agricultural, industrial and mining as well as exportability of skilled workforce.

Programmes for 2018-19

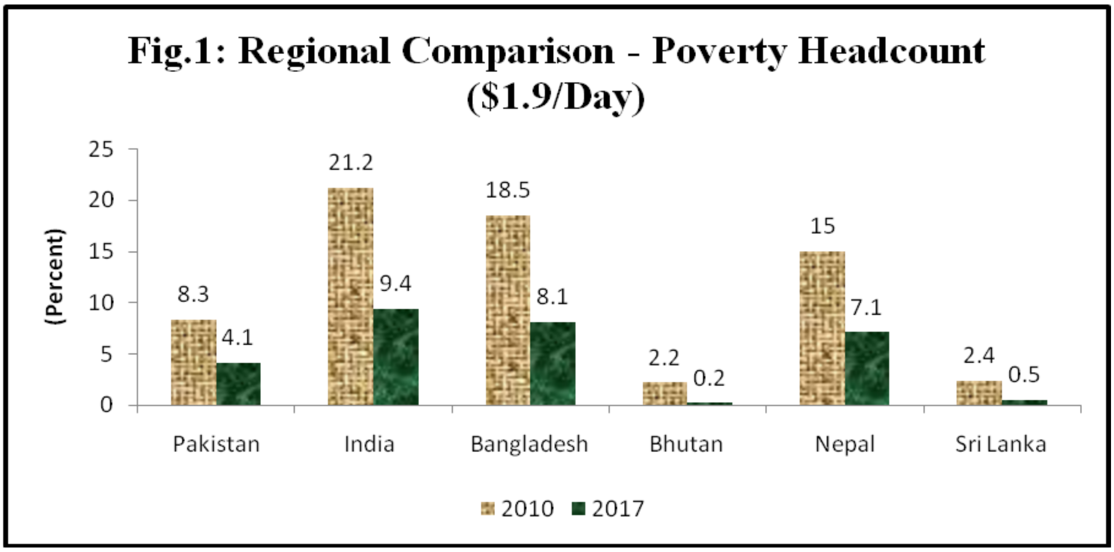
During year 2018-19 an amount of Rs10,811.00 million is proposed to allocate to Ministry of Federal Education & Professional Training, Ministry of Inter Provincial Coordination (IPC) to finance its skill development projects/programmes.

- **Prime Minister Youth Training Scheme (Phase-III)** (National Internship Programme - 2015-18), at estimated cost of Rs26,690.911 million envisages job internship of 50,000 unemployed educated youth in 100 demand driven trades/courses for better employment. Under this programme, all interns are being paid stipend of Rs15,000 per month.
- **Prime Minister Youth Skill Development Programme (Phase IV: 2017-19**), at estimated cost of Rs6,196.50 million, aims to train 100,000 young aspirants in 75 demand driven market oriented trades/courses in various TVET institutions in collaboration with private sector all over the country.
- **Establishment of Vocational Schools in Public Private Partnership (PPP**) at estimated cost of Rs487.030 million. The objective of this project is provision of free formal and vocational education through public private partnership from 6th to 10th, promotion of Public Private Partnership, creation of skilled labour, girls' empowerment, increase in literacy rate, retention rate, completion rate etc. There will be around 13200 skilled students in demand driven vocational trades.
- **Establishment of 400 Vocational Training Institutes (VTI) in all over Country,** 50:50 sharing with the provinces costing Rs4,000 million with an allocation of Rs600 million with the partnership of provinces aims to provide vocational training. This will create skilled labor to meet the requirement of local market as well as foreign demand.
- **Establishment of Polytechnic Institute for Boys at Skardu"** at an estimated cost of Rs601.996 million, sponsored by Ministry of Kashmir Affairs & Gilgit –Baltistan. It aims at provision of 3 years post Secondary Diploma Courses in Civil, Electrical and Mechanical Technologies with annual intake of 120 (40 each) dropout students per year with total 600 students in five years period.
- **National Talent Pool** has planned to develop web portal and interface for collection and dissemination of data of High level Manpower in Pakistan and abroad and arrangement of visits of expatriate Pakistani professionals for short to long term placement in various institutions of the country.

Chapter 8 | POVERTY ALLEVIATION AND SUSTAINABLE DEVELOLPMENT GOALS

Regional Poverty Situation

The agenda 2030 pledges to eradicate poverty in all forms and manifestations by 2030 – as expressed in the first Sustainable Development Goal. Global poverty alleviation efforts have produced remarkable results over the period of last two decades and incidence of poverty has dropped phenomenally. South-Asian region is the largest dwelling of poor population but poverty eradication efforts in the region have also borne fruits in the recent past. The graph below shows that extreme poverty in the region has declined across the board according to the international comparison based upon poverty line of $1.9 per day during last seven years.



Source: *SDGs Index & Dashboard Report, 2017; World Bank Database*

This reduction in poverty is primarily driven by increase in disposable income, opportunities created by higher economic growth, emergence of new technologies, and above all due to the socially responsible policies by the governments.

Review of the Situation

The target 1.2 of Goal 1 of SDGs calls for all countries to measure and report poverty as per national definition and with respect to different dimensions (By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions). In Pakistan, Cost of Basic Need (CBN) approach is being used as the official measure of poverty, while Multidimensional Poverty Index (MPI) approach is being used as complementary measure of poverty.

CBN takes into account both food and non-food needs of the household. Based on this CBN method, the new poverty line was estimated at Rs3,030.32 per adult equivalent per month, based on the HIES survey (2013-14). Using this methodology, the poverty headcount was estimated and found that 29.5 percent of the population was living below the poverty line. For latest available Household Integrated Income and Consumption Survey (HIICS) 2015-16, the poverty incidence has further decreased by 5.2 percent and poverty headcount for 2015-16 is 24.3 percent.

Over the last decade Pakistan's poverty headcount has witnessed a persistent decline both at national and regional levels. Percentage of people living below poverty line has declined from 50.4 percent in 2005-06 to 24.3 percent in 2015-16. Poverty in both rural and urban areas has also been on the declining trend with poverty headcount of 12.5 percent in Urban and 30.7 percent in rural areas in 2015-16. Targeted poverty reduction programmes like BISP, relative political stability and strong recovery from low GDP growth rate of 0.4 percent in 2008-09 to 4.5 percent in 2015-16 are some of the important reasons that can be attributed to decline in the poverty headcount in Pakistan since 2005-06 [See Table-1].

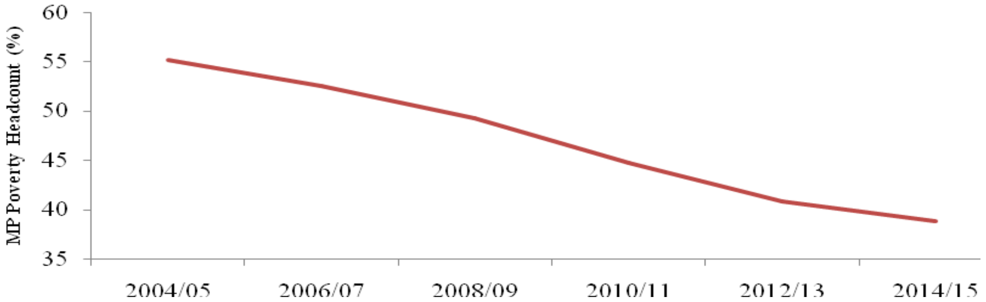
Table-1: CBN based Poverty Headcounts (Percent)

Year	National	Regional	
		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

Source: *M/o PD&R*

Vision 2025 has also recognized that poverty is indeed a multidimensional phenomenon, encompassing not only monetary deprivations but also the inaccessibility of healthcare, education and other amenities of life. Responding to the requirement, Planning Commission started using Multidimensional Poverty Index (MPI) to discern the nature and extent of deprivations in all its dimensions. This will help in provision of an indicator for inclusive and balanced socioeconomic development and it is a demand arising from our commitment to Sustainable Development Goals. As shown in Fig-2, incidence of MPI has declined from 55.2 percent in 2004-05 to 38.8 percent in 2014-15.

Fig.2: National MPI Incidence



Box 1: A Conceptual Note on the MPI

The MPI complements consumption based poverty measures by reflecting deprivations that individuals face in other dimensions such as education, health and standard of living. Based on the Alkire- Foster methodology, the index has three dimensions and captures the severe deprivations that each person experiences with respect to education, health and standard of living. MPI is the product of two components:

- Incidence of poverty (H): the percentage of people who are identified as multi-dimensionally poor, or the poverty headcount.
- Intensity of poverty (A): the average percentage of dimensions in which poor people are deprived. In simple terms it means how intense, how bad the multidimensional poverty is, on average, for those who are poor.

To tailor the measure to Pakistan's context and public policy priorities, 15 indicators were used for this national measure, instead of the 10 employed for the global measure. Within these 15 indicators, three indicators were included under the dimension of education (years of schooling, child school attendance, and educational quality), four under health (access to health facilities/clinics/Basic Health Units (BHU), immunisation, ante-natal care, and assisted delivery) and eight under living standards (water, sanitation, walls, overcrowding, electricity, cooking fuel, assets, and a land/livestock indicator specifically for rural areas). Each of the three dimensions carries an equal weight of 1/3 of the MPI. Overall, a person must be deprived in 1/3 of these weighted indicators to be identified as multi-dimensionally poor.

Applying this measure to data from the Pakistan Social and Living Standards Measurement (PSLM) survey for the 2014/15 period, it is found that the country's Multidimensional Poverty Index stands at 0.197. This indicates that poor people in Pakistan experience 19.7 percent of the deprivations that would be experienced if all people were deprived in all indicators. Secondly, it must be noted that the MPI is a product of two essential components: the poverty “headcount” and the “intensity” of deprivation. Using the same data from the 2014/15 PSLM survey, the country's multidimensional poverty “headcount ratio” was estimated at 38.8 percent of the population. This means that 38.8 percent of the population of Pakistan is poor according to the MPI. The average intensity of deprivation, which reflects the share of deprivation which each poor person experiences on average, is 50.9 percent.

Similar trends are evident across all provinces and regions, with the exception of Azad Jammu & Kashmir (AJK) which experienced an increase in multidimensional poverty between 2010/11 and 2012/13. In terms of relative change in its MPI, Punjab accounts for the highest relative reduction (40.2 percent), while Balochistan experienced the slowest progress in reducing multidimensional poverty, with a relative change of only 17.7 percent. The new estimations of multidimensional poverty will be carried out after availability of new PSLM or NCMICS data set.

Strategy for Poverty Alleviation

The government recognises social protection/social safety nets as a means to mitigate risks and vulnerabilities and to reduce poverty. The Government’s vision for social protection is to develop an integrated and comprehensive social protection platform focused on the needs of the poorest and most vulnerable. The critical areas of investment, reflected in the Vision 2025 document, aim to enhance the effectiveness of social protection instruments through strengthened administration and the expanded scope of the Government’s income support programme.

Benazir Income Support Programme

Launched in July 2008, BISP is now the largest single cash transfer programme in Pakistan. Since its inception, it has disbursed approximately Rs554 billion as cash transfers plus conditional education cash transfers (CCTs) to enhance primary school enrolment and attendance. The initiative aims to enrol approximately 2 million children in primary schools by December 2018. Since its start in October 2012, over 1.9 million children have been enrolled and a total of about Rs5.81 billion has been disbursed until December 2017. The number of BISP beneficiaries has increased from 3.73 million in 2012-13 to around 5.6 million as of 31st December 2017. Quarterly cash grant has also gradually been enhanced from Rs3,000/- per family to Rs4,834/- in 2016-17.

Cash transfers have contributed to reduce poverty among beneficiaries by 7 percentage points relative to non-beneficiaries having similar characteristics. BISP also maintains the National Socio-Economic Registry (NSER) -a database containing information on the socioeconomic status of over 27 million households across Pakistan except two agencies of FATA. BISP plans to launch an exit strategy model in 2018-19.BISP is in the process of designing a new programme on nutrition Conditional Cash Transfer to prevent the malnutrition amongst children of BISP beneficiary households and on immunization Conditional Cash Transfer (CCT) to promote immunization in the beneficiary households.

Zakat

Zakat funds are provided either through respective local Zakat Committees or indirectly through institutions i.e. educational, vocational, social institutions, hospitals to the needy, destitute, poor, orphans, widows, handicapped and disabled for their subsistence or rehabilitation. During 2017-18 Rs8 billion were distributed amongst the deserving families at provincial and federal level.

Pakistan Micro Finance Sector

Micro credit institutions are playing a role in achieving inclusive economic growth. The performance of micro credit within the microfinance industry shows that micro credit distribution has increased from Rs136.9 billion to Rs202.7 billion in 2017 since 2016. Micro insurance sector also posed similar growth with Rs 198.7 billion worth of micro insurance in 2017 as compared to Rs150.5 billion in 2016.

Prime Minister's Youth Programme

Under this programme, initiatives like PM Youth Business Loan Scheme, PM Youth Skill Development Programme and PM Interest Free Loan Scheme were launched. Under the PM Youth Business Loan Scheme up till now an amount of Rs20.5 billion has been disbursed against 20,499 cases. Yet again an amount of Rs9.5 billion as interest free loans has been disbursed to almost 401,120 beneficiaries. Out of these more than 60,000 were BISP beneficiaries with 64 percent female borrowers.

Pakistan Poverty Alleviation Fund

Working on a community-driven integrated development model for poverty alleviation, PPAF has disbursed an amount of Rs187.9 billion through its 130 Partner Organizations in 130 districts across the country. During first two quarters of 2017-18, it disbursed Rs779 million to its partner organizations (POs).

During the same period, a total of 483 Community Organizations (COs) were formed and 2,186 community and PO staff members were trained (39 percent women) under Institutional Development and Social Mobilization component. Similarly, under Livelihood Enhancement and Protection (LEP) component, 1,126 individuals received skills/entrepreneurial trainings (41 percent women) and 1,424 productive assets were transferred to ultra and vulnerable poor (30 percent women). Around 259 Water and Infrastructure sub-projects were completed benefiting 143,936 persons (55 percent women). Overall, these projects and interventions benefited around 446,000 poor and marginalized population including 57 percent women beneficiaries during the reporting period.

Provincial/Area Governments' Performances

Punjab has provided 2537 loans worth Rs54.256 million under Punjab Social Protection Authority (PSPA) during 2017-18. About 75,000 poor households have been enlisted in Khidmat Card data and beneficiaries have been receiving Rs3,600/- on quarterly basis for their livelihood. Under Southern Punjab Poverty Alleviation Project (SPPAP), 350 low cost houses were constructed for the poorest widows of the project area. Moreover, small ruminant (2 goats package) were provided to 5500 poor people; vocational and entrepreneurship training to 3000 unskilled people was also provided. Around 78,500 trainees (including 40 percent females) were provided skill development trainings under DFID Assisted "Skill Development Programme". For SDGs, an SDG Advisory Council has been constituted to oversee all the work on SDGs. District Focal Persons and District SDGs Committees have been notified and District SDGs Localization Plans are being finalized for adoption and implementation in Bhakkar and Rajanpur districts.

Sindh is currently preparing a specific and targeted Poverty Reduction Strategy (PRS) and Community Driven Local Development Policy (CDLD). The strategy is being developed by building upon the Government of Sindh's flagship Union Council Based Poverty Reduction Programme. Sindh has allocated approximately 20 to 25 percent of the ADP budget and about 10 to 15 percent of the recurrent budget to pro-poor activities and schemes in the budget of 2017-18. Sindh government is envisaging possibilities to further increase the shares of specific pro-poor expenditure over the coming years. Allocations for development budget for Water Supply and sewerage sector has substantially increased to Rs28.7 billion and would be increased by more than 30 percent in order to meet the demand of clean drinking water and safe disposal of sewage by 2020-21.

In Khyber Pakhtunkhwa, the Employees Social Security Institution under the provision of Chapter-V of the Provincial Social Security Ordinance 1965 has been providing certain benefits through its network of medical outlets in the province, to the employees of industrial and commercial establishments in the event of sickness, maternity, employment injury or death and for matters ancillary thereto. Up to the year 2017-18 (till December

2017) the Institution has managed to extend Social Security scheme to 81,000 workers of industrial and commercial establishments including their 486,000 dependants.

Gilgit Baltistan government is aiming at reducing poverty through development of tourist destinations, handicraft sectors and other youth development initiatives. Infrastructure development under CPEC would play a leading role for development of this sector in the region. During 2017-18, on special directives of the Prime Minister of Pakistan, Special Protection Unit (SPU) Gilgit-Baltistan has been included in the federal PSDP at a cost of 2.668 billion.

In FATA, incidence of Multidimensional poverty is highest with 73.3 percent. For reducing poverty education and health were given special consideration for funds allocation in 2017-18. 21 percent of FATA ADP funds were allocated for education for 187 different schemes. For health, an amount of Rs1,644.373 million was allocated for 122 different schemes.

Pro-Poor Expenditure Trends

Pro-poor expenditures in 14 different sectors impacting the poor amounted to Rs1,134 billion in 2017-18 compared to Rs1,017 billion in last year, thereby registering 11.5 percent growth. Sectoral breakdown shows that population planning, health and expenditures under Bait-ul-mal posted highest growth rates between 2016-17 and 2017-18. Whereas expenditures in WASH and education grew by 11.6 percent and 6.8 percent respectively during the same period (See Table 3 below).

Table-3: Sectoral Pro-Poor Expenditures

Sector	2016-17 (H1) Rs million	2017-18 (H1) Rs million	Growth (percent)
Roads, Highways & Bridges	149,765	139,057	-7.1
Environment, Water supply & Sanitation	22,913	25,570	11.6
Education	310,155	331,276	6.8
Health	111,867	144,600	29.3
Population Planning	3,038	4,900	61.3
Social Security & Welfare	25,090	28,783	14.7
PM SDGs Programme	0	32,637	
BISP	49,798	48,303	-3.0
Pakistan Bait-ul-mal	1,578	2,021	28.1
Overall Pro-Poor Expenditure	**1,017,483**	**1,134,069**	**11.5**

Source: *PRSP Secretariat, Ministry of Finance*

Progress on Sustainable Development Goals

Sustainable Development Goals (SDGs) are crucially important for Pakistan's future development paradigm and that is why it has endorsed this global agenda by incorporating them in its development Vision 2025. Parliament declared SDGs as Pakistan Development Goals. Pakistan is the first country to establish dedicated SDG Support Units in Parliament at federal and provincial levels to monitor and evaluate the progress.

Pakistan has performed well on economic front but its progress on two other pillars is yet to reach the desired levels. National Framework on SDGs is an effort to steer the public policy in this direction. National Economic Council has recently approved this framework with the objectives:

- A growing economy which meets basic needs of all,
- Human resource development policy that can sustain the growth momentum,
- Infusion of knowledge and technology into business processes, ensuring water, food and energy security to the citizens,
- Peaceful and secure environment where people can nurture their optimum potential to contribute to national development,
- A society free from all kinds of discrimination so that those who are marginalized can be provided with a minimum level of social protection and healthcare,
- A conservation policy that leaves a better resource base of land, water and forests for the next generation.

National framework for SDGs is a minimum imperative for sustained development. Some SDG goals and targets are more urgent than others. An extensive prioritization exercise was undertaken to transform SDGs into national goals and targets. The prioritization of SDGs in the national framework is presented below:

Category – I

The goals in category-1 require immediate policy intervention as desirable outcomes can be achieved in the short run.

- Food security through sustainable agriculture
- Improved nutrition and healthy life
- Equitable quality education
- Improved drinking water and hygiene facilities
- Affordable and clean energy
- Responsive institutions to ensure peace and security
- Access to affordable, reliable and sustainable energy for all

Category – II

These goals requiring relatively longer timeframes and consistent policy support include the following:

- Accelerating the rate of poverty reduction through coordinated interventions
- Empowerment of women and girls through institutional strengthening to reduce all forms of discriminations.
- Building resilient infrastructure and smart cities not only in the main urban centers but also in rural areas.

Category –III

The goals in this category have long gestation periods and will require major institutional reforms to achieve desired outcomes:

- Mitigating the impact of Climate Change
- Conservation and sustainable use of marine resources

For many SDGs, the increasing role of provincial and local governments will be critical. These include food security, nutrition, quality education, improved health facilities, clean drinking water, improved access to sanitation and sustainable agriculture. The institutional and human resource capacity of the provincial and local governments to implement the multifaceted objectives of SDGs is varied and needs to be upgraded. The framework also reiterates importance of localization of SDGs which will provide an opportunity to local governments to ensure inclusiveness and sustainability for the achievement of SDGs. In this regard, a Local Government Summit was organized by Planning Commission to sensitize local governments of their role and responsibilities for implementing SDGs.

A major challenge in monitoring actual performance is availability of data to monitor progress. A comprehensive data gap analysis report has been prepared to facilitate effective monitoring of SDGs – which was not the case in MDGs era. In coordination with data generating and reporting agencies a strategy has been developed for reliable and regular reporting of the SDGs related indicators.

Outlook 2018-19

Pakistan has taken SDGs as highest priority and adopted them as National Development Goals. SDGs are broad based agenda with poverty alleviation as a top priority, so the patronage of 2030 agenda at the highest level has brightened the prospects for accelerated socio-economic development and poverty eradication. Federal and provincial governments are committed to continue their support for poverty alleviation efforts and expansion of social safety net programmes in 2018-19 as well in the form of flagship programmes like BISP, Prime Minister’s Programme for Youth, Prime Minister’s Health Insurance Schemes etc.

Chapter 9 | SOCIAL WELFARE

Economic growth and benefits of social development promote social inclusion of the poor and vulnerable people by empowering them, building cohesive, resilient societies, and making institutional facilities accessible to socially excluded segments of society. Social Welfare encompasses policies and programmes to mitigate the vulnerability of marginalized segments of society. The Annual Plan envisages providing an enabling environment and tangible opportunities through policies, programmes, action plans, guidelines and projects for promotion of social justice, ensuring protection, well being and promote equity in the country. The initiatives would address the needs of downtrodden, marginalized, needy and vulnerable segments of the society i.e. poor women, children, older people, persons with disabilities and transgender people etc. Annual plan foresees realization of goals of Vision 2025, Five Year Plan 2018-23 & SDGs to reduce poverty and vulnerability in the society through institutional care, rehabilitation of the needy and vulnerable people and protection of Human Rights. The plan also aims at providing an enabling environment for development of a national framework for equitable socio-economic development in line with constitutional obligations, national priorities, local needs and international commitments.

The social sector is facing several challenges i.e. inadequate coverage and funding, scattered community development initiatives, need of voluntary services, social case work facility at schools, lack of community mobilization, weak social welfare departments, research on emerging issues and strengthening of social fabric. The Plan focuses on coordinated national planning through public sector development programmes, effective private sector participation and review of existing national social welfare policies and strategies.

Performance Review 2017-18

Funds amounting to Rs254.0 million were allocated in PSDP,2017-18 to four new development schemes of Ministry of Human Rights i.e. Implementation of Action Plan for Human Rights in Pakistan with an allocation Rs12.00 million and utilized Rs7.770 million, Institutional strengthening of Ministry of Human Rights with an allocation Rs30.00 million and utilized Rs20.00 million, Acquisition of land for construction of building for National Institute of Human Rights with an allocation Rs112.00 million and construction of working women hostel in G-6/2, Islamabad with an allocation Rs100.00 million but could not be utilized due to non-approval of the projects. In addition to that an amount of Rs52.00 million was allocated for two ongoing development schemes of Ministry of Human Rights i-e Helpline for legal advice on violations of human rights with an allocation of Rs25.0 million out of which whole amount have been utilized and establishment of National Institute of Human Rights with an allocation of Rs27.00 million and utilization is Rs19.140 million.

Funds amounting to Rs65.859 million were allocated to Capital Administration & Development Division for three ongoing development schemes of special education including "Up gradation of National Special Education Centre for Hearing Impaired Children from Higher Secondary to Graduation Level, Islamabad with an allocation Rs25.60 million and utilization is Rs17.507 million, Establishment of Resource Unit for autistic children at National Special Education Centre for Mentally Retarded Children Islamabad with an allocation Rs20.00 million and utilization is Rs10.289 million and Establishment of Orthopaedic workshop at National Special Education Centre for Physically Handicapped Children, Islamabad, with an allocation Rs20.259 million and utilized Rs11.00 million. The utilization of the allocated amount against the projects enhanced education, training and rehabilitation opportunities for Persons with Disabilities, promotion and protection of human rights, capacity of stakeholders for achieving the targets envisioned in development plans.

The promotion of innovative ideas through business plans competitions leading to the solution of social issues/ problems, a Centre for Social Entrepreneurship at a cost of Rs178.43 million established in Ministry of Planning, Development & Reform was allocated Rs40.0 million in PSDP- 2017-18. Out of the allocation, Rs17.00 million has been utilized. The project is unique in nature for addressing social issues through innovative business plans. The project has succeeded in development of a network with federal and provincial stakeholders and effectively contributed in different entrepreneurship activities. The agreement has been signed with the British Council for addressing of social issues and promotion of employment in the country.

Outlook 2018-19

The Plan envisages to create awareness on the constitutional, legal and international obligations, establish integrated mechanisms to achieve social welfare objectives by reaching to disadvantaged groups, education and research for developing professional expertise through universities and centres of excellence and social enterprises and make adequate financial provision for expansion and strengthening of the social welfare services through mitigating and managing the socio-economic risk and vulnerability.

The development priorities focuses on mainstreaming target population including children, women with disabilities, youth, persons with disabilities, patients, senior citizen, transgender etc. to secure their livelihood and income opportunities with participations of development partners. It further focuses on supporting and promoting grass root initiatives by voluntary social welfare agencies under technical and financial assistance and their appropriate welfare measures, promoting inclusive education and vocational training for special children and persons with disabilities, supporting day care facilities for children of working mothers, social protection framework for older people and welfare and protection of older people to ensure their rights of health, participation, care, livelihood and protection etc.

The "Centre for Social Entrepreneurship" established at the Ministry of Planning, Development & Reform envisage providing opportunities to the unemployed youth, women entrepreneurs and students having innovative ideas for solution of the social problems. The centre will organize the business plan competitions with support of the universities/ public & private stakeholders for solution of the social problems i.e. in education, health, social welfare, special education gender & women empowerment, environment, poverty reduction, sensitization etc.

Programmes for 2018-19

The Annual Plan envisages following programme:

- Establishment of National Institute of Human Rights at Islamabad costing Rs58.70

million with allocation of Rs35.50 million.

- Implementation on Action Plan on Human Rights in Pakistan costing Rs57.50 million with allocation of Rs23.0 million.
- Construction of working women hostel, G-6/2 and G-7/3, Islamabad costing Rs290.50 million with allocation of Rs60.00 million. The project is to be approved by the forum.
- Institutional strengthening of M/o Human Rights costing Rs59.50 million with allocation of Rs43.00 million.
- Acquisition of land and construction of building for National Institute of Human Rights, Islamabad costing Rs250.0 million with allocation of Rs91.140 million.
- Institutional strengthening of Regional Directorates of Human Rights Lahore, Karachi, Peshawar and Quetta costing Rs58.500 million with allocation of Rs47.360 million
- Establishment of resource unit for Autistic children at National Education Center for Special Children, H-8/4, Islamabad costing Rs54.347 million with allocation of Rs22.00 million. The unit is providing services.
- Up-gradation of National Special Education Centre for Hearing Impaired Children from Higher Secondary to Graduation Level, Islamabad, costing Rs44.637 million with allocation of Rs27.130 million.
- Establishment of Orthopaedic workshop at National Special Education Centre for Physically Handicapped Children, Islamabad, costing Rs20.259 million with allocation of Rs9.258 million.
- Establishment of Centre for Social Entrepreneurship at M/o PD&R Islamabad costing Rs178.43 million with allocation of Rs50.0 million

Chapter 10 | GENDER AND WOMEN DEVELOPMENT

Women constitute about 49 percent of country's population and 22.7 percent of labour force. Vision 2025 under Pillar-I (Putting People First) includes Gender Equality and Women Development as an important element of the vision. It recognizes women as key contributors to the country's economic future. The Vision further identifies ensuring access to education, promotion of enterprise, increasing women's participation in decision making, taking affirmative action in all public spheres and providing the social, legal and physical infrastructure as requisites for women's empowerment. Indicators of women development while gradually improving are still not sufficient to achieve gender parity that remains elusive in school enrolment, labour market share and in decision making arena. Vision 2025 and 11th Five Year Plan envisage and provide an enabling environment and equal opportunities to women for development of their full potential and may enjoy the benefits of economic growth, prosperity and social development emerged as an outcome of the initiatives taken by the federal, provincial governments and private sector stakeholders. The standardized framework and guidelines are still required for equitable socio economic development of women across all regions and sectors.

The participation of women in the development process of Pakistan is a priority area of the Plan. Pakistan is committed to meet the Sustainable Development Goals (SDGs) and the Goal-5 i-e Gender Equality; Ending all forms of discrimination against women and girls. The government has internalized Sustainable Development Goals (SDGs) as National Goals. The seven pillars of Vision – 2025 are fully aligned with the SDGs and provide a comprehensive long-term strategy for achieving inclusive and sustainable growth. The plan envisages continue efforts by the stakeholder in achieving the goals of the SDG's pertaining to the health & education sectors.

Performance Review 2017-18

Many initiatives have been taken for women development & empowerment during 2017-18. Women's employment is encouraged, and the government has fixed 10 percent quota for women in public sector employment; Punjab raised this to 15 percent and Sindh to 25 percent. Punjab has lifted the ban on recruitments and 25,000 posts for women have been created at different tiers, and 70 percent of jobs in primary education have been earmarked for women. Punjab Fair Representation of Women Act 2014 ensures 33 percent representation of women on all boards of statutory bodies, public sector companies, etc. Women participation in PM's Youth Loan Schemes was encouraged by 50 percent.

Benazir Income Support Programme (BISP), a flagship social protection programme of the government designed to provide social assistance to women. BISP also gives interest free financial assistance to the female beneficiaries under Waseela-e-Haq (Micro-Finance) programme to start their own business. Vocational and Technical Training of one month to a year's duration, to the female beneficiary or her nominee has been provided under the Waseela-e-Rozgar (Technical & Vocational Training) programme (target is 150,000 beneficiaries) with a monthly stipend for each trainee is Rs6,000. Waseela –e-Sehat (Life and Health Insurance) programmes subsidized health care for beneficiaries and life insurance to one million women, the premium is paid by the programme. Waseela-e-Taleem (Primary Education) encouraged beneficiaries families to send their children ages 5-12 years to school through a co-responsibility cash transfer of Rs200/- per child (limit to three per family).

The Government has taken measures to ensure women's rights as envisaged in the CEDAW. The 'Honour Killing" one of the most critical problems facing the country, the present government has enacted effective legislation to address women's issues with a view to safeguard their rights i.e. (Criminal Law (Amendment)(Offences on the pretext of Honour Act, 2016) and (Criminal Law (Amendment)(Offences Relating to Rape), Act 2016).

Several institutions contributed in securing and promoting women's rights and National Commission on the Status of Women (NCSW) is one of them. National Commission on the Status of Women Act, 2012 provided financially and administratively autonomous body with the objective of promoting social, economic, political and legal rights of women. The NCSW prepared a comprehensive roadmap defining goals, priorities and strategies for empowerment of the women with special focus on issues of home based/informal sector workers and their inclusion in the labour force, affirmative action for reservations of quotas in the government jobs including minority communities and initiatives for legislation.

Outlook 2018-19

The Annual Plan envisages the need for a framework of equitable development of women, gender mainstreaming, through development of gender sensitive need based projects and action integration of gender dimensions into all sectors of economy. A women right based approach to develop women's economic, social and development rights, entitlements and sensitization on gender issues to be ensured. Support mechanism for women survivor of violence and in distress is required to be strengthened. The creation of gender based knowledge through research and gender disaggregated data (including third gender), day care facilities for children of working mothers.

Funds amounting to Rs254.0 million were allocated in PSDP, 2017-18 to four new development schemes of Ministry of Human Rights including Implementation of Action Plan for Human Rights in Pakistan, Institutional strengthening of Ministry of Human Rights, Acquisition of land for construction of building for National Institute of Human Rights and Construction of working women hostel in Islamabad. In addition to that an amount of Rs52.00 million was allocated for two ongoing development schemes of Ministry of Human Rights i-e Helpline for legal advice on violations of human rights with an allocation of Rs25.0 million and establishment of National Institute of Human Rights with an allocation of Rs27.00 million. In order to promote innovative ideas based on business plans leading to solution of social problems, the government established a Centre for Social Entrepreneurship at a cost of Rs178.43 million focusing on women entrepreneurship and PSDP allocation of Rs40.0 million. The project is unique in nature for addressing social issues through innovative business plans and women are equally encouraged to grow as an entrepreneur.

Programmes for 2018-19

The federal and provincial governments, including civil society organizations have envisaged plans for promoting gender equality and women empowerment through actions comprised of awareness raising campaigns and allocation of resources under annual development programmes. The women departments have envisaged initiatives for establishment of working women hostels, daycare centers for children of working mothers, women crises centers, guidelines & awareness on work place harassment and shelter homes in the provinces. The helpline against Human Rights violation, crises centers in the ICT and human rights Directorate established in the provinces would remain in support to women addressing their issues. The important initiatives are summarized:

- Continue Services under "Establishment of Helpline for Legal Advice”.
- Construction of working women hostel, G-6/2 and G-7/3, Islamabad.
- Services of National Commission on the Status of Women.
- Continue support to the poverty stricken people under BISP initiatives.

The Plan envisages achieving the unmet goals of Sustainable Development Goals (SDGs) through short and long term plans; which also includes Goal 5: gender equality. The focus of the public and private sector stakeholders’ intervention is on addressing issues faced by the poor, vulnerable and marginalized women living in rural and urban areas through the programmes like poverty alleviation, income support, protection of women rights, women packages and affirmative action by the Government.

Chapter 11 | YOUTH AND SPORTS

According to latest demographic figures, Pakistan is the fifth largest young country in the world and out of 207.77 million people, 63 percent (130.90 million) of Pakistan's population comprises of youth. Of these, 58.5 million are 20-24 years old while 69 million are under 15. This exceptional youth bulge which is also called youth dividend offers an opportunity to invest in youth to leverage its strategic position and to harness their potential for country's economic growth. This segment of society is the most affected due to the absence of national youth policy. Youth needs to be mainstreamed by education, skill, training, entrepreneurship, employment, engagement, equality, due importance by state institutions and last but not the least through financial support.

Major policies and programmes have been chalked out for development of Youth under "Pakistan Vision 2025". Under the Vision special emphasis has been made on the human resource development particularly the youth resource development and technical competence enhancement to tap the latent energies and potential skills of youth to make them effective managers of change. Moreover, a portfolio of youth development programme initiated in the year 2013 is successfully being implemented under Prime Minister's Youth Programme.

Performance Review of Prime Minister's Youth Programme

The Prime Minister's Youth Programme has a broad canvas of schemes, enabling youth and poor segments of population to get good opportunities of higher education through access to IT, vocational training, entrepreneurship, and on-the-job training for young graduates to improve probability of getting them productive jobs in the labour market.

Prime Minister's Youth Business Loan Scheme

Prime Minister's Youth Business Loan Scheme is designed to provide subsidized financing for nearly one hundred thousand (100,000) beneficiaries, through designated financial institutions namely National Bank of Pakistan (NBP) and First Women Bank Ltd. (FWBL).Currently 15 other commercial banks have also started lending under the scheme, which offers small business loans ranging from Rs0.1 – 2.0 million with tenure up to 8 years including first year as a grace period, and a debt : equity ratio of 90 : 10. These loans are being disbursed to potential entrepreneurs across Pakistan: Punjab, Sindh, Khyber Pakhtunkhwah, Balochistan, Gilgit-Baltistan, Azad Jammu & Kashmir and Federally Administered Tribal Areas (FATA)

The following six programmes under Prime Minister's Youth Programme are successfully being implemented:

- PM's Youth Business Loan scheme
- PM's Interest Free Loan Scheme
- PM's Youth Training Programme
- PM's Youth Skill Development Programme
- PM's Programme for Provision of laptops
- PM's Fee reimbursement Scheme for
- Less Developed Areas

For the promotion of entrepreneurial culture in the country, Small and Medium Enterprises Development Authority (SMEDA) has taken the initiative of developing pre-feasibility studies in following fifteen (15) sectors:

1. Agri-Processing
2. Chemicals
3. Construction
4. Dairy & Livestock
5. Energy
6. Fisheries
7. Food
8. Furniture
9. Gems &Jewelry
10. Horticulture
11. Leather
12. Marble
13. Minerals
14. Services
15. Textiles

(Rs billion)

	Cases	Amt
Total Disbursed (February 2014 – March 2018)	23,014	22.98
Disbursed (July 2017 – March 2018)	2,895	2.844
Recovery (percent)	87%	

Interest Free Loan Scheme

Prime Minister's Interest Fee Loan Scheme is targeted at the socio-economic uplift of underdeveloped areas. Vulnerable rural and urban poor with a poverty score of up to 40 are eligible to apply under this scheme. 50 percent of loans are given to female borrowers. The aim of the scheme is at engaging the population in greater economic activity and strengthening the process of development. Pakistan Poverty Alleviation Fund (PPAF) is the executing agency of the scheme, which has engaged 26 partner organizations (POs) having necessary expertise in the field. Currently the scheme is being implemented in 442 Union Councils of 45 under developed districts across the country.

Achievements	
Number of Loans Disbursed to borrowers (June 2014-March 2018)	**409,805**
Amount disbursed to borrowers (June 2014-March 2018)	9.7 billion
Number of Loans Disbursed to borrowers (July 2017-March 2018)	91,042
Amount disbursed to borrowers (July 2017-March 2018)	2.4 billion
Women Borrowers	65%
Rate of Recovery	99%

Prime Minister's Youth Skill Development Programme

Prime Minister's Youth Skills Development Programme is aimed at providing 6-month free vocational and technical training courses in demand-driven trades to unemployed youth for acquiring productive skills for gainful employment. Monthly stipend of Rs3,000 for the entire duration of course (six months) is paid to each beneficiary of the scheme (Rs4,000 for trainees from FATA). This scheme focuses students who have passed the eighth grade (middle level education) and are up to 40 years of age. The scheme has nationwide outreach. National Vocational and Technical Training Commission (NAVTTC), Ministry of Federal Education and Professional Training is the executing agency of this scheme. NAVTTC engages nation-wide public and private sector vocational and technical training institutes following a competitive evaluation process.

Total Number of trainees (FY 2014-15 to 2017-18)	150,000
Total Number of trainees (July 2017- March 18)	50,000

Prime Minister's Laptops Scheme

The Prime Minister's Laptops Scheme is an attempt to enhance the scope of research and quality education in the country and to increase the access to information technology. Annually, 100,000 laptops are distributed among students; both male and female, registered in an HEC approved public sector educational institution. MS, MPhil, and PhD students receive laptops under this scheme, while the remaining laptops are distributed among Masters' and Bachelors' students on the basis of merit. The scheme has nationwide outreach. It has a 1 percent quota reserved for disabled students. The Higher Education Commission (HEC) and Ministry of Federal Education and Professional Trainings are the executing agency for this scheme.

Status Update

Laptop Distributed	Phase-I	Phase-II	Phase-III	Total
Azad Jammu & Kashmir	2967	2199	1627	6793
Balochistan	4114	3294	2842	10250
Federal Capital	24267	18080	18052	60399
Gilgit-Baltistan	346	513	411	1270
Khyber Pakhtunkhwa	14394	13899	13893	42186
Punjab	32924	45765	44956	123645
Sindh	20988	16250	18219	55457
Total	**100,000**	**100,000**	**100,000**	**300,000**

100,000 more laptops will be delivered to the eligible students by June, 2018 whereas the Ministry of Finance has released Rs5.287 billion for the procurement of last tranche of 100,000 laptops as per the approved PC-I. These laptops will be delivered among the eligible students by September, 2018.

Prime Minister's Fee Reimbursement Scheme for Less Developed Areas

Prime Minister's Fee Reimbursement Scheme for Less Developed Areas, aimed at encouraging the pursuit of higher education, provides 100 percent full tuition fee reimbursement p for post graduate degrees (MA, MSc or higher level) to students, male and female, belonging to remote and under-privileged areas of the country. All Students registered in a Masters/PhD programme in an HEC approved public sector educational institution, and domiciled in interior Sindh, Southern Punjab (Divisions of Multan, Bahawalpur and DG Khan), Balochistan, less developed areas of KP (Malakand, Kohistan, DI Khan, Lakki Marwat, Batagram, Kala Dhaka/Torghar, Hangu, Kohat, Bannu and Karak), GB and FATA.are eligible to apply under the scheme. Higher Education Commission (HEC)/ Ministry of Federal Education and Professional Training are the executing agency of the scheme.

Total Number of Beneficiaries (FY 2012-13 to 2017-18)	149,695
Total Amount Disbursed (July 2017- March 18)	Rs7,6 billion

Prime Minister's Youth Training Programme

Prime Minister's Youth Training Scheme is aimed at professional development of young graduates in order to equip them with abilities to avail job opportunities both in the local and international market by providing 1-year paid on-job- training/internships at private and public sector departments/organizations to 50, 000 graduates annually. All graduates with 25 years of age, and 16 years of education or 03-years Diploma in Associate Engineering after Matric/FA along with Madaris graduates having degrees equivalent to that of Masters' are eligible to apply under this scheme. A monthly stipend of Rs15,000 is paid to each selected intern for a period of 12 months, based on satisfactory assessment by the employers concerned. National Internship Programme, Ministry of Inter-Provincial Coordination is the executing agency of this scheme.

Total Number of Interns Placed Under Phase I & II (May 2016to March 2018)	95,023
Total Number of Interns Placed Under Phase II (July 2017 to March 2018)	44,797

Outlook 2018-19

Prime Minister's Youth Programme is a flagship intervention of the federal government for youth empowerment. The programme is successfully implemented all over the country through selected financial institutions, recognized training institutes; Pakistan Poverty Alleviation Fund, Higher Education Commission, Federal Ministry of Education and Professional Training and Ministry of Inter-Provincial Coordination. Adequate funds have been allocated to the Programme for the financial year, 2018-19.

Programmes for 2018-19

The detail of allocation for financial year 2018-19 for these six schemes is as follows:

(Rs billion)

S.#	Schemes	Unit	Amount	Expected No. of Beneficiaries
1	Prime Minister's Youth Business Loan Scheme	Cases	3.700	3800
2	Prime Minister's Interest Free Loan Scheme	Borrowers	3.500	148800
3	Prime Minister's Youth Training Programme	Interns	12.170	50,000
4	Prime Minister's Youth Skill Development Programme	Trainees	1.116	150,000
5	Prime Minister's Programme for Provision of Laptops	No.	5.287	100,000
6	Prime Minister's Free Reimbursement Scheme for Less Developed Areas	No.	3.700	66,785

Sports

The development of sports sector in the country not only as a matter of achieving physical fitness but to achieve excellence in national and international level games for bringing glory and pride to the nation cannot be over emphasized. The Sports is occupying sufficient space in our annual development programme as well as long term development plans. In the vision 2025, enough thrust has been laid on development of sports at grass roots level to identify talent along with encouragement to national players and teams to be world champions in two sports and won at least twenty five (25) medals in Asian Games. This is with particular reference to Hockey, Cricket, Athletics, Boxing and Squash etc. In order to achieve these objectives the following initiatives have been taken; Creation of sports facilities and infrastructure of international standards, Holding of National Games annually with the primary objective of hunting, grooming and encouraging the local talent and promoting inter-provincial harmony.

Performance Review 2017-18

During financial year, 2017-18, an amount of Rs3,044.157 million was allocated to four ongoing and six new projects of Ministry of Inter Provincial Coordination (IPC) out of which an amount of Rs1,428 million is expected to be utilized fully by end of June, 2018. The project-wise detail of allocation and utilization is given below:-

(Rs million)

S.No.	Name of Project	Total Allocation 2017-18	Total Utilization 2017-18
1	Construction of National Sports City at Narowal	495.550	495.550
2	Laying of Synthetic Hockey Turf at Swat (Prime Minister's Directive)	55.0	30.0
3	Replacement of Synthetic Hockey Turfs at six cities viz Islamabad, Faisalabad, Wah Cantt. Peshawar and Abbottabad	200.0	100.0
4	Strengthening of Sports Infrastructure	2000.0	600.0
5	Construction of Boxing Gymnasium at PSB Coaching Centre, Karachi	50.0	20.0
6	Construction of Boxing Gymnasium at PSB Coaching Centre, Quetta	50.0	20.0
7	Holding of National Games	92.0	162.000
8	Establishment of Bio-mechanical Lab at Pakistan Sports Complex, Islamabad	61.607	0
9	Laying Synthetic Hockey Turf at Gilgit	15.0	0
Total:		**3044.157**	**1427.5**

Holding of National Games

The project costing Rs573.500 million was approved by CDWP on 04-3-2015. The project envisages holding of Inter-Provincial games annually at Islamabad for five consecutive years with the primary objective of hunting, grooming and encouraging the local talent and promoting inter-provincial harmony. An amount of Rs160.8 million has been released to the project during financial year, 2017-18 which has been fully utilized. The second games with the name of Quaid-e-Azam Inter- Provincial Youth Games 2017has successfully been held at Jinnah Stadium, Pakistan Sport Complex, Islamabad. Around 2700 athletes from four provinces, Gilgit-Baltistan, Islamabad, Federally Administered Tribal Areas (FATA) and Azad Jammu and Kashmir (AJK) participated in these games. Both men and women teams took part in thirteen different sporting events including: athletics, volley ball, tennis, football, badminton, table tennis, boxing, judo, wrestling etc.

Construction of Sports Complex

A multipurpose sports complex at Narowal is being implemented at a cost of Rs2,498.778 million. During financial year an amount of Rs995.0 million has been released to the project which will be fully utilized upto June, 2018. The updated overall physical progress of the project stands at 90 percent. The project envisages construction of various sports facilities including Cricket Stadium with Pavilion having seating capacity for 5000-10000 spectators; Grassy Football Ground including athletic track (08 lanes) with Pavilion having seating capacity of 600 spectators; Construction of Hockey Ground with Astroturf and seating capacity for 2000 spectators; two Squash Courts including seating steps; two Tennis Courts including seating steps; Gymnasium & indoor games; one Basketball court; one Swimming Pool and Training Institute & Academy etc.

Other Sports Projects

During the financial year, 2017-18, CDWP approved the following five new projects of Ministry of Inter-Provincial Coordination (IPC) which are expected to make headway by June, 2018:-

(Rs million)

S.No.	Name of Project	Approval Status	Approved Cost
1	Laying of Synthetic Hockey Turf at Swat (Prime Minister’s Directive)	CDWP 19-3-2018	154.593
2	Replacement of Synthetic Hockey Turfs at six cities viz Islamabad, Faisalabad, Wah Cantt. Peshawar and Abbottabad	CDWP 4-12-2017	523.163
3	Strengthening of Sports Infrastructure	CDWP 15-1-2018	2878.450
4	Construction of Boxing Gymnasium at PSB Coaching Centre, Karachi	CDWP 19-3-2018	133.671
5	Construction of Boxing Gymnasium at PSB Coaching Centre,Quetta	CDWP 19-3-2018	104.663

Outlook 2018-19

Recognizing the importance of sports in Youth development and Nation building, the Government took major initiatives for development of new sports infrastructure in the country (i.e. construction of National Sports City at Narowal) and strengthening of existing sports Infrastructure at the Pakistan Sports Board (PSB) Coaching Centres at Karachi, Lahore, Quetta and Peshawar. The project titled “Holding of National Games” is being implemented successfully. The project is not only cultivating inter-provincial harmony but also helping in bringing out sports leaders of tomorrow.

Programmes for 2018-19

The allocation for Sports Sector is Rs3,552.584 million for financial year 2018-19 for completion of the ongoing projects and initiating some new projects. The project-wise detail of the allocation under PSDP, 2018-19 is as under:-

(Rs million)

S.No.	Name of Project	Allocation 2018-19
1.	Construction of National Sports City at Narowal	467.01
2.	Strengthening of Sports Infrastructure	848.450
3	Replacement of Synthetic Hockey Turfs in six cities viz. Islamabad, Faisalabad, Wah Cantt, Peshawar, Quetta and Abbottabad	423.163
4.	Laying of Synthetic Hockey Turf at Swat	132.593
5.	Promotion of Sports Talent and Regaining Pride	30.000
6.	Construction of 100 Stadiums (50:50 sharing with provinces)	1,000.00
7.	Other Projects	651.368
Total		**3,552.584**

The project titled "Strengthening of Sports Infrastructure" envisages providing missing facilities in different sports complexes and PSB Coaching Centres across the country. An amount of Rs948.450 million has been allocated to the project under PSDP, 2018-19. Moreover, an amount to tune of Rs467.401 million has also been allocated to project titled "Construction of National Sports City at Narowal" to complete the project by December, 2018.

Similarly, an allocation amounting to Rs423.163 million and Rs132.593 million has also been made for ongoing projects "Replacement of Synthetic Hockey Turfs in six cities viz. Islamabad, Faisalabad, Wah Cantt, Peshawar, Quetta and Abbottabad" and "Laying of Synthetic Hockey Turf at Swat" respectively in PSDP, 2018-19. For promotion and development of sports at grass root level, a sum of Rs1,000 million has been earmarked for construction of 100 stadiums across the country on 50:50 sharing basis with provinces.

Chapter 12 | RELIGIOUS PLURALISM AND INTERFAITH HARMONY

Pakistan is a country with a population of 207 million people belonging to different religions, casts and creeds. This diversity signifies the need to develop a pluralistic society where people with different beliefs can live in peace and harmony. The Constitution of Pakistan, 1973 declares the country as an Islamic Republic and Islam as its state religion that protects rights of all citizens. Islam has proved to be a guardian of Human Rights throughout the history. Father of the nation Quaid-i-Azam Muhammad Ali Jinnah made it clear in his speech of August 11, 1947 which manifests the commitment to the interests and rights of the minorities and to the promotion of interfaith harmony.

In the recent scenario, many societies are challenged with problems of extremism, cultural and religious intolerance. This requires international cooperation and collective efforts to combat all forms of hatred, intimidation, incitement and acts of violence motivated by intolerance based on religion or belief. The situation warrants to work together to promote genuine dialogue, cooperation and understanding between all cultures, faiths and civilizations. Peoples of all religions and civilizations bear equal responsibility to promote this objective. Cooperation, not confrontation is the way forward. Tolerance in the society is to be promoted through all mediums and in all areas.

The Annual Plan envisages promoting peace, harmony and tolerance among all segments of the society and recognizes society's diversity living across the country to promote the inclusive society. The plan is cognizant of the issues of minorities, to protect their life and property and making concentrated efforts to uplift socio-economic conditions of minority’s communities of the country and is committed to enhance efforts for a progressive and moderate Islamic state.

Performance Review 2017-18

The initiatives taken previously for promotion of Religious Pluralism and Interfaith Harmony and empowerment of minorities remained continue. Out of these, the remarkable initiatives are summarized as under:-

- Enactment of Hindu Marriages Act, 2017.
- Enactment of the Punjab Sikh Anand Karaj Marriages Act, 2018.
- The Pakistan Penal Code-1860 provides a complete chapter i.e. Chapter XV which relates with offences relating to the religion.
- There are 10 reserved seats for minorities in National Assembly and 04 in the Senate in addition to that there are 23 reserved seats in all Provincial Assemblies.
- Allocation of 5 percent Job Quota for minorities in all Federal Government Services/Jobs in addition to their participation on the open merit basis.

- Declaration of 11th of August as a "Minorities Day" to recognize the services/sacrifices and contributions of Minorities in nation building.
- Celebration of Ten (10) religious festivals of minorities at official level in Pakistan in a year, include Christmas/Easter for Christians, Holi/Diwali for Hindus, Biasakhi/Birthday of Guru Nank for Sikhs, Nauroze for Zoroastrian, Eid-e-Ridvan for Bahai's, Festival of Lights for Buddhist community, Chelum Jhust for Kalasha people.
- In emergency crises faced by minorities in different areas of the country, financial help of Rs300,000/- to Rs500,000/- are being extended to the victims / their family members by the M/o Religious Affairs and Interfaith Harmony.
- Grant of financial assistance through Minorities Welfare Fund (MWF).
- Marriage Grant of Rs50, 000/- for marriage of daughters of widows/orphan girls of minorities community are granted.
- Cultural and religious visits have been encouraged.

Outlook 2018-19

The promotion of religious pluralism and interfaith harmony in the country under a consistent framework and national level guidelines is envisaged for equitable development of communities of all religions in all provinces. The framework would be developed in consultation with national and provincial stakeholders. The communities inhabiting the length and breadth of the country enjoy equal rights and plan recognizes equal rights of all citizens and making efforts to ensure and protect basic rights.

The religious pluralism initiatives have been envisaged in Action Plan of Ministry of Human Rights which has set key priority to protection of the rights of minorities and numbers of initiatives have been envisaged for promotion and protection of the rights of the minority community. These include effective operation of the National Commission for Minorities (NCM) to monitor violation of minorities' rights, formulation of national policy guidelines and national plan of action on interfaith harmony and strengthening and enhancing the effectiveness of Interfaith Harmony Committees established at the district level and establishment of a federal Task Force to encourage tolerance and interfaith harmony in the country.

Programmes for 2018-19

The people of every community have rights to enjoy complete religious freedom in Pakistan. The worship places of the minority's communities envisaged to be repaired, renovated and restored across the country, along with ensuring foolproof security arrangements for them. The religious tourism is to be promoted by the stakeholders.

Many initiatives for achieving interfaith harmony in the country have been envisaged in the Action Plan of Ministry of Human Rights approved by the Prime Minister for promotion and protection of human right in the country. Ministry of Human Rights in collaboration with Ministry of Religious Affairs & Interfaith Harmony and provincial departments planned to implement these initiatives.

Chapter 13 | MASS MEDIA, CULTURE AND NATIONAL HERITAGE

Pakistan has a very vibrant and dynamic media landscape. The growth of private sector media (particularly the electronic media) has experienced a boom during the last fifteen years. There has been a cumulative investment of approximately US $ 4 billion since 2003-04 in the electronic media in Pakistan. As a result, this sector has generated over **250,000 direct and indirect** employment opportunities for the people of Pakistan. Presently, Pakistan's mass media sector is growing @ 7 percent per annum. It is also estimated that cumulative investment in electronic media industry will surpass US $ 5 billion by the end of the current financial year. This investment has not only resulted in expansion in Mass Media sector but also has a multiplier effect on increasing job opportunities for skilled and unskilled media personnel / journalists and expanding work of media production houses, advertising agencies and promotion of performing art. The Public Sector media is making efforts to extend high quality Television and Radio signals to the entire population and area of the country.

Performance Review 2017-18

Mass Media

In order to strengthen and expand coverage of TV and Radio broadcasting to un-served areas, an amount of Rs811.788 million was earmarked to twelve on-going and fifteen new projects of Information & Broadcasting Division in PSDP 2017-18. The revised estimates are Rs291.733 million. The impact of these initiatives will be national integration, harmony and socio-economic development of the country. Moreover, national culture will be preserved, promoted and projected for young and future generations. The Sub-sectoral physical and financial details are given in the succeeding paragraphs.

Mass Media in Pakistan

PTV Stations	7
TV Transmitters	110
Radio Stations (Public Sector)	27
FM Radio Stations (Public Sector)	46
F.M Radio Stations (Operational) (Private Sector)	188
Cable T.V. Licenses	4150
Total TV viewership (Terrestrial, Cable & Satellite) (million)	140
Total Cable & Satellite viewership (million)	75
Total Terrestrial viewership (million)	65
Satellite Channels (Local)	89
Landing Rights Permission Channels	29
Internet Protocol Television (IPTV)	01
Mobile Video & Audio Content Provision Licenses	04

Source: *PEMRA, PTV & PBC*

Pakistan Television Corporation (PTVC)

The allocation of PTVC is Rs329.835 million while the revised estimates are Rs145.601 million. The amount has been spent on its ten on-going and three new projects. Most of the on-going projects are meant for providing TV signals to left-out areas of Balochistan, Khyber Pakhtunkhwa (KP), Azad Jammu & Kashmir and Punjab. The project for setting-up Rebroadcast station at Ziarat (Balochistan) is expected to be completed by June, 2018.While the work on Rebroadcast Stations at Neelam Valley, AJK, Khyber Pakhtunkhwa, Punjab and Balochistan remained in progress during the financial year,2017-18 and will continue during the next financial year 2018-19.The project for replacement of analogue studio and transmission equipment at three PTV centres (i.e. Islamabad, Lahore & Karachi) with High Definition (HD)/Standard Definition (SD) equipment has been approved by CDWP on 19.3.2018.

Pakistan Broadcasting Corporation (PBC)

The allocation of PBC is Rs267.0 million while the revised estimates are Rs89.4 million. These funds have been spent on one on-going and three new projects of PBC. The new project titled “Installation of FM-101 transmitter at Narowal” is expected to be completed by 30th June, 2018. Similarly, work on the project “100 KW MW Transmitter at Gwadar” remained in progress during financial year 2017-18 and will continue during the next financial year 2018-19. Two projects for improvement of radio signals in AJK have been approved recently by CDWP.

Pakistan National Council of Arts (PNCA)

The Pakistan National Council of the Arts (PNCA) was established to spearhead the development of art in the country. The council is pursuing to provide conducive environment for flourishing of arts and cultural activities in the country. The allocation for PNCA stands at Rs39.953 million. The revised estimates are Rs19.953 million for one on-going and two new projects. The work on project titled “Up-gradation of Security of National Art Gallery, PNCA” remained in progress during the financial year 2017-18 and is likely to be completed by end of the next financial year. The projects for Establishment of Digitalized Archive Library at National Art Gallery and PC-II to carry out feasibility study and design work for establishment of Film Academy at H-9, Islamabad have been approved recently by DDWP of Information & Broadcasting Division.

Pakistan Electronic Media Regulatory Authority (PEMRA)

PEMRA is responsible for regulating the establishment and operation of all broadcast media and distribution services in Pakistan. It facilitates the private sector in establishing radio, television, and Cable TV stations in the country. The allocation of PEMRA is Rs155.0 million while the revised estimates are Rs16.375 million on three new projects. These projects envisage institutional strengthening of PEMRA through capacity building of officials/officers of PEMRA, up-gradation capacity of the monitoring system of PEMRA up to 250 TV channels and imparting training to personnel of media houses for creation of awareness regarding PEMRA laws, licensing terms and conditions and particularly the code of conduct.

Directorate of Electronic Media & Publications (DEMP)

An amount of Rs10.00 million has been utilized by the only new project of DEMP titled “Channel Ranking & Data Centre” on purchase of IT equipment and accessories. The project is for authentic ranking of TV channels which will facilitate decision making in allocating public sector advertisements to various channels. Moreover, this system has the ability to store and track the number and duration of advertisements actually run by a particular channel and saving billions of rupees of the national exchequer.

Associated Press of Pakistan (APP)

An amount of Rs10.00 million has been utilized by the only new project of APP titled “Security Measures and Revamping of News operation at Islamabad and all provincial capitals” Security and IT equipment has been procured for improvement in the working of APP.

Development Communication Project

Development Communication Project is an on-going project which was launched in financial year 2014-15 under the new initiatives proposed by Ministry of Planning Development & Reform. The project envisages projection of PSDP funded development programmes. The project carried out communication through electronic, print and digital media which helped to increase awareness among people about development strategy and projects being undertaken for uplift of their socio-economic conditions. Major components of the project are: generation of development discourse in the country through electronic, print and digital media and through holding of conferences/seminars/workshops on various sectors of economy. The project has been allocated Rs212.00 during financial year 2017-18 out of which Rs100.00 million is expected to be utilized by 30th June, 2018. Fifteen national conferences/seminars have been organized as part of media campaign for CPEC during 2017-18. The detail of some of the important steps taken under the project during financial year, 2017-18 are as under:

- Meeting of the Minister for Planning Development & Reform with delegation from Gwadar Press Club.
- A special series of Programmes for “How Nations Develop” in PTV Headquarters.
- Interactive Session of the Minister for Planning Development & Reform with young emerging anchors.
- Media Briefing in respect of 33rd Annual General Meeting & conference for economic professionals, policymakers and businessmen.
- Round Table Conference on Health issues.
- Round Table Conference promoting Science & Technology.
- Media Briefing in respect of Joint Coordination Committee (JCC).
- Media Briefing for CPEC Summit and Expo at Pak China Friendship Center, Islamabad.

The financial review of Mass Media Sector for 2017-18 is as under:-

(Rs million)

S.No.	Agencies	Allocation 2017-18	Revised Estimates2017-18
1.	Pakistan Television Corporation	329.835	145.601
2.	Pakistan Broadcasting Corporation	267.000	89.804
3.	Pakistan National Council of Arts (PNCA)	39.953	19.953
4.	Pakistan Electronic Media Regulatory Authority (PEMRA)	155.000	16.375
4.	Department of Electronic Media & Publications	10.000	10.000
5.	Associated Press of Pakistan	10.000	10.000
	Total	**811.788**	**291.733**

Source: *Public Sector Development Programme (PSDP)*

Culture and National Heritage

National History and Literary Heritage Division deals with preservation and conservation of the country's rich cultural heritage and promotion of art and culture. The Division was allocated an amount of Rs272.703 million for its two on-going and twelve new projects in PSDP 2017-18 while the revised estimates are Rs123.353 million.

Pakistan Academy of Letters (PAL)

The allocation of Pakistan Academy of Letters (PAL) is Rs149.352 million while the revised estimates are Rs32.252 million. The utilization has been made on construction of Regional Offices of Pakistan Academy of Letters (PAL) at Peshawar and Quetta. The project titled "Construction of Auditorium at Pakistan Academy of Letter, Islamabad" is expected to be completed by 30.6.2018. The Regional Centres are being constructed for promotion of regional literature and writers.

National Book Foundation (NBF)

During the year 2017-18 an amount Rs33.351 million has been utilized on completion of the only on-going project of NBF titled "Construction of National Book Foundation Author's Club and Resource Centre, Lahore". The project is for establishment of a resource centre for authors.

National Library of Pakistan

Similarly, an amount of Rs10.0 million and Rs8.0 million are likely to be utilized against two projects of National Library of Pakistan titled "Up-gradation of National Library of Pakistan" and "Digitalization of Rare Books and Manuscript Collection" respectively. The project envisages digitalization of a number of rare books and manuscripts of Quaid-e-Azam and Allama Muhammad Iqbal.

Department of Archaeology and Museum (DOAM)

The project for preservation of Rawat Fort was approved and an amount of Rs6.750 million was utilized on the project during financial year 2017-18. The fort is a unique military monument which comprises of rooms / cells for soldiers and a Baradari. The project is for preservation, restoration and conservation of this historic monument.

Urdu Dictionary Board, Karachi

The twenty two volumes of Urdu Dictionary have been digitalized which is now available on website. An amount of Rs6.00 million has been utilized on audio recording of the Urdu Dictionary for correct pronunciation and accent of the Urdu language.

Quaid-e-Azam Mazar Management Board

An amount of Rs27.00 million has been utilized by Quaid-e-Azam Mazar Management Board on two new projects. These projects include PC-II for establishment of Pakistan Park and installation and operation of municipal waste water treatment plant at peripheral area of Mazar-e-Quaid. The project is for treatment of waste water for watering plants and garden area of the mausoleum.

The financial review of Culture sector for 2017-18 is given below:

(Rs million)

S.No.	Agencies	Allocation 2017-18	Revised Estimates 2017-18
1	Pakistan Academy of Letters	149.352	32.252
2	National Book Foundation (NBF)	33.351	33.351
3	National Library of Pakistan	30.00	18.000
4	Urdu Dictionary Board	10.00	6.000
5	Quaid-e-Azam Management Board	40.00	27.000
6	Department of Archeology Museum (DOAM)	10.00	6.750
	Total	**272.703**	**123.353**

Source: *Public Sector Development Programme (PSDP)*

Outlook 2018-19

The Pakistan media and communication industry is at the brink of analogue and venturing into the digital world. It is also an international obligation and Pakistan is making efforts to meet the requirement of the International Telecommunication Union (ITU) to switch over to digital standards. In the Television sector, headway has been made and a pilot digital transmitter, based on the Chinese DTMB standard, is working successfully. A digital standard will soon be adopted for the TV broadcasts. The radio is analogue and plans for the digitalization of its network are being chalked out. Pakistan Broadcasting Corporation is in the process of selection of a digital audio broadcasting standard for Pakistan.

Programmes for 2018-19

Mass Media Sector

The allocation for next financial year 2018-19 for the Mass Media sector is Rs1,644.055 million. The organization-wise details of allocation for PSDP2018-19are as follows:-

(Rs million)

S.No.	Agencies	Allocation 2018-19
1.	Pakistan Television Corporation	1,190.938
2.	Pakistan Broadcasting Corporation	197.656
4.	Pakistan National Council of Arts (PNCA)	81.356
5.	Pakistan Electronic Media Regulatory Authority (PEMRA)	117.175
6.	Department of Electronic Media & Publications (DEMP)	46.870
7.	Associated Press of Pakistan Corporation (APP)	10.060
Total		**1,644.055**

Source: *Public Sector Development Programme (PSDP)*

An amount of Rs1,190.938 million has been earmarked for PTVC in PSDP 2018-19. Keeping in view the targets, the entire amount has been allocated to seven on-going and eight new projects of PTVC which include four projects of Rebroadcast stations for left out pockets of Balochistan. The work on setting-up of RBSs in Neelum Valley AJK, Balochistan and Khyber Pakhtunkhwa will remain in progress in the year, 2018-19. Priority has been given to near completion and fast track projects.

Similarly, an amount of Rs197.656 million has been allocated for four on-going projects of Radio Pakistan under PSDP, 2018-19.

An amount of Rs81.356 million has been earmarked for PNCA to carry out the remaining work on three on-going projects. Similarly, an amount of Rs117.175 mullion has been earmarked for three ongoing projects of PEMRA. The on-going projects each of Department of Electronic Media & Publications and Associated Press of Pakistan with an allocation of Rs46.87 million and Rs10.06 million respectively have been included in PSDP, 2018-19.

Culture

The total allocation for next financial year 2018-19 for the Culture sector is Rs550.597 million out of which Rs154.258 million has been allocated for six on-going projects and remaining Rs396.339 million has been allocated for six new projects. The organization-wise detail is as follows:-

(Rs million)

S.No.	Agencies	Allocation 2018-19
1	Pakistan Academy of Letters (PAL)	476.92
2	Department of Archeology & Museum (DOAM)	10.00

S.No.	Agencies	Allocation 2018-19
3	National Library of Pakistan	45.00
4	Quaid-e-AzamMazar Management Board	22.338
5	National Book Foundation	26.339
Total		**550.597**

Pakistan Academy of Letters will complete six ongoing projects for construction of Regional offices of Pakistan Academy of Letters at Dadu (Sindh), Peshawar, Quetta, Muzaffarabad, Giltgit-Baltistan and FATA for which funds to tune of Rs95.00 million have been allocated in PSDP 2018-19. An amount of Rs250 million has been allocated for construction of Faiz Ahmed Faiz Cultural & Arts Complex at Kala Qadir, the hometown of Faiz Ahmed Faiz. Moreover, an amount of Rs45.00 million has been allocated for two on-going and one new project of National Library of Pakistan. An amount of Rs22.338 million has been allocated for completion of an on-going project of Quaid-e-Azam Mazar Management Board in PSDP 2018-19. An amount of Rs26.339 million has been earmarked to National Book Foundation (NBF) for up-gradation of Braille Complex at Karachi.

PILLAR-II

Achieving Sustained, Indigenous and Inclusive Growth

Chapter 14 | FISCAL, MONETARY AND CAPITAL MARKET DEVELOPMENT

Effective fiscal consolidation measures taken by the government have yielded to reduce overall fiscal deficit to 5.8 percent of GDP during 2016-17 from 8.2 percent of 2012-13. These include enhancement of consolidated revenue through improvement in efficiency of tax machinery, reduction in tax exemptions/concessions, rationalisation of current expenditure and subsidies, realisation of low cost foreign borrowing and bringing foreign exchange stability.

The FBR's tax collection recorded an average annual growth of 14.7 percent during the last four years. Resultantly, tax-to-GDP ratio increased from 9.8 percent in 2012-13 to 12.4 percent in 2016-17 which is in line with the target envisaged in Pakistan Vision 2025. The monetary policy remained supportive to the fiscal policy to strengthen the monetary and financial sectors and to ensure availability of cheap credit to the private sector. The government continued the reform process to develop capital market to strengthen confidence of the investors. Pakistan Stock Exchange resultantly showed a significant improvement during the last four years.

Review of Fiscal Developments 2017-18

Federal budget 2017-18 targeted fiscal deficit at 4.1 percent of GDP through increased measures for revenue mobilisation and expenditure rationalisation. Total revenue during July-December 2017-18 stood at Rs2,385 billion, registering an increase of 19.8 percent over the collection of Rs1,991 billion during the corresponding period of last year. Tax revenue stood at Rs2,027 billion with a growth of 16.4 percent whereas non-tax revenue stood at Rs358 billion, posting a growth of 43.4 percent. Within non-tax revenue heads, substantial increase was witnessed in collections of profits of postal department / PTA, windfall levy against crude oil, dividends, and surplus profits of the SBP. Provincial non-tax revenue also recorded a phenomenal growth of 82.3 percent. A summary of consolidated fiscal operations is given at Table-1 whereas their details are at Annex-1.

Table-1: Consolidated Fiscal Operations (July-December 2017-18)

(Rs billion)

Item	Jul-Dec FY18	Jul-Dec FY17	Percent Change	As Percent of GDP	
				Jul-Dec FY18	Jul-Dec FY17
Total revenue	**2,384.7**	**1,990.6**	**19.8**	**6.9**	**6.2**
a. Tax revenue	2,026.9	1,741.2	16.4	5.9	5.4
- FBR's tax revenue	1,730.1	1,467.3	17.9	5.0	4.6
b. Non-tax revenue	357.8	249.4	43.4	1.0	0.8
Total expenditure	**3,181.0**	**2,789.7**	**14.0**	**9.2**	**8.7**
a. Current	2,545.2	2,241.6	13.5	7.4	7.0
b. Development	613.9	497.4	23.4	1.8	1.6
Fiscal deficit	**796.3**	**799.1**		**2.3**	**2.5**
GDP (current market prices)	**34,396(P)**	**31,963**			

Source: *Finance Division*

The FBR's tax collection recorded at Rs1,730 billion during the period under review as compared to Rs1,467 billion during the comparable period of last year with a growth of 17.9 percent. Collection of both direct and indirect taxes grew by 14.9 percent and 19.9 percent, respectively. Within indirect taxes, customs duties registered a substantial growth of 29.7 percent. Sales tax collection grew by 19.6 percent whereas federal excise duty declined by 2.6 percent. The increase in collection of customs duties is attributed to levy of regulatory duty on a number of essential and luxury items and revision of rates.

Total expenditure during the period under review stood at Rs3,181 billion, registering a growth of 14 percent over the corresponding period of last year. Increase in development expenditure (23.4 percent) was more than that of current expenditure (13.5 percent). The share of development expenditure in total expenditure increased from 17.8 percent in H1-FY17 to 19.3 percent in H1-FY18. Both federal PSDP and provincial ADP expenditures increased by 22.1 percent and 28 percent, respectively. Other development expenditure (non-PSDP) also grew by 6.5 percent. Net lending to PSEs was recorded at Rs2 billion as compared to its retirement of Rs6.4 billion in H1-FY17.

The fiscal performance remained on track during the first half of 2017-18 with a deficit of 2.3 percent of GDP against the annual target of 4.1 percent and 2.5 percent of comparable period of last year due to higher growth of total revenue and comparatively lower growth of current expenditure. The analysis of financing-mix of fiscal deficit during the period under review reveals that the government relied more on domestic than external resources. Within domestic resources, greater reliance was on bank borrowing to the tune of Rs332 billion.

Box-1: Tax Amnesty Scheme, 2018

Government introduced a tax amnesty scheme "Foreign Assets (Declaration and Repatriation) Ordinance, 2018" in a bid to widen tax base. According to the scheme, the declaration and repatriation can be made during 10th April 2018 and 30th June 2018. The due date for the payment of tax chargeable shall be the date on which declaration is made. The foreign assets declared and repatriated into Pakistan shall be chargeable to tax at the rates specified below:

S. No.	Foreign Assets	Rate (As % of the Value of Foreign Assets)
1.	Liquid assets not repatriated	5%
2.	Immovable assets outside Pakistan	3%
3.	Liquid assets repatriated and invested in Government securities up to 5 years in US dollars denominated bonds with six-monthly profit payment in equivalent Rupee (rate of return 3%) and payable on maturity in equivalent Rupees	2%
4.	Liquid assets repatriated	

Pakistan's gross public debt stock as on 31st December 2017 stood at Rs22,821 billion, registering a growth of 6.6 percent over the debt stock as on 30th June 2017. The built-up in public debt was on account of both domestic and external debts which grew by 4 percent and 12.6 percent, respectively. Net government debt stood at Rs20,879 billion during the same period, posting a growth of 6.3 percent. Gross public debt was 67 percent during 2016-17 which was slightly below the previous year's level of 67.7 percent.

Fiscal Outlook 2018-19

The government will adhere to the policy of fiscal consolidation during 2018-19 to maintain the fiscal deficit in manageable limits and within the ceilings of Fiscal Responsibility and Debt Limitation Act (FRDLA), 2005. The FBR will continue its tax reform programme for broadening the tax net and reforming the tax administration. The debt management functions will be primarily focused on i) fulfilling the financing needs at lowest possible costs consistent with prudent degree of risks, ii) broadening the investor base and a well-functioning domestic debt capital market, iii) lengthening the maturity profile of domestic debt, and iv) mobilization of maximum available soft external financing.

Total inflows of external financing are expected to be US$ 11,653.9 million during 2018-19 with project loans US$ 4,835.2 million and programme loans US$ 1,818.6 million. The summarized position is given at Table-2 below:

Table-2: Projected Inflows of External Financing 2018-19

(US$ million)

Source	Amount
Bilateral	3,130.8
Multilateral	3,523.1
Eurobond	3,000
Commercial	2,000
Total	**11,653.9**

Source: *Economic Affairs Division and Finance Division*

Review of Monetary Developments and Inflation 2017-18

Box-2: Policy Rates (%)	
Jun-13	9.0
Sep-13	9.5
Nov-13 to Sep-14	10.0
Nov-14	9.5
Jan-15	8.5
Mar-15	8.0
May & Jul-15	6.5
Sep-15 to Apr-16	6.0
May-16 to Nov-17	5.75
Jan & Mar-18	6.0

Source: *State Bank of Pakistan*

The Monetary Policy Committee (MPC) of the SBP met regularly at bi-monthly frequency to review and deliberate on general macroeconomic conditions and their projections. It gives due consideration to economic growth, financial stability, monetary growth and balance of payments position in addition to inflation. In this perspective, the MPC cautiously followed an accommodative policy stance and kept the policy rate at 5.75 percent from May 2016 to January 2018. This rate was increased to 6 percent in January 2018 in order to pre-empt overheating of the economy amid external sector pressures. The decisions are aimed at reinforcing economic growth along with stability in financial system and foreign exchange market within the overarching objective of price stability. The policy rate was maintained at 6 percent in the monetary policy announced in March 2018 with a view to allow time for the impact of recent monetary developments to expand.

Money supply as measured by broad money (M2) expanded by Rs771 billion (5.3 percent) during 1st July 2017 to 30th March 2018 as compared to its expansion of Rs756 billion (5.9

percent) during the corresponding period of last year (Table-3). Net Foreign Assets (NFA) of the banking system contracted by Rs473 billion (-78.5 percent) as compared to their contraction of Rs285 billion (-28.3 percent) during the corresponding period of last year. Net Domestic Assets (NDA) of the banking system increased by Rs1,244 billion (8.9 percent) as compared to their expansion of Rs1,041 billion (8.8 percent) last year.

Table-3: Monetary Aggregates

(Rs billion)

Factors Affecting Broad Money (M2) Growth	Stocks at End of Jun-17	Monetary Impact from 1st July to	
		30-Mar-18	31-Mar-17
A. Net Foreign Assets of the Banking System	**602.0**	**-472.8**	**-284.8**
B. Net Domestic Assets of the Banking System (1+2+3)	**13,978.8**	**1,243.7**	**1,040.9**
Growth		***8.9%***	***8.8%***
1. Net Government Sector Borrowing (a+b+c)	**8,955.6**	**804.2**	**568.7**
a. Borrowings for Budgetary Support	8,282.1	858.3	704.0
i. From SBP	2,350.1	2,236.7	801.6
ii. From Scheduled Banks	5,932.0	-1,378.5	-97.5
b. Commodity Operations	686.5	-58.4	-137.9
c. Others	-13.0	4.4	2.6
2. Credit to Non-Government Sector (a+b+c+d)	**6,011.3**	**644.2**	**639.1**
a. Credit to Private Sector	5,197.5	469.2	438.6
b. Credit to Public Sector Enterprises (PSEs)	822.8	174.0	197.0
c. PSE Special Account-Debt Repayment with SBP	-24.2	0	0
d. Credit to Non-Banking Financial Institutions (NBFIs)	15.2	0.9	3.5
3. Other Items (Net)	**-988.0**	**-204.7**	**-166.9**
Broad Money (M2) (A+B)	**14,580.9**	**770.9**	**756.1**
Growth		***5.3%***	***5.9%***

Source: *State Bank of Pakistan*

The government borrowed from the SBP for budgetary support to the tune of Rs2,237 billion and retired loans of commercial banks worth Rs1,378 billion. Last year, the government adopted the same strategy when it borrowed Rs802 billion from the SBP and retired loans amounting to Rs98 billion to commercial banks. Under commodity operations, the government retired (net) Rs58 billion (mainly in wheat and fertilizer) as against comparable period of last year's retirement of Rs138 billion.

Credit to private sector registered an increase of Rs469 billion as compared to its last year's expansion of Rs439 billion. Credit to private sector is expanding due to easy monetary policy, improved power supply and existence of solid domestic demand. Retirement of loans to scheduled banks by the government and recent increase in policy rate will improve supply of loan able funds available with the banks. In particular, bank's portfolio of working capital and fixed investment loans expanded. Credit to PSEs expanded by Rs174 billion as compared to its expansion of Rs197 billion last year. Credit to Non-Banking Financial Institutions (NBFIs) recorded an expansion of Rs1 billion as compared to its expansion of Rs3.5 billion last year.

The insurance industry in Pakistan is small as the sector comprises of 38 non-life insurance companies, 9 life insurance companies and one reinsurance company. Presently, the share of insurance sector in GDP is negligible (0.13 percent) and showed a growth of 2.13 percent in FY 18.

On average, CPI registered an increase of 3.8 percent during July-March 2017-18 as compared to 4 percent during the corresponding period of last year (Table-4). Increase in CPI was mainly driven by relatively high value of core inflation and increase in international oil prices. However, it is well below the target of 6 percent for 2017-18. A gradual build-up of domestic demand also exerted an upward pressure on prices which is evident from an increase of 5.4 percent recorded for core inflation during July-March 2017-18. Average WPI during July-March 2017-18 registered an increase of 2.7 percent as compared to 3.8 percent during the comparable period of last year. Average SPI (for all income groups combined) remained unchanged at 1.5 percent.

Table-4: Average Price Indices (Percent)
(Base Year: 2007-08)

Index	July-March	
	2017-18	2016-17
Consumer Price Index (CPI)	**3.8**	**4.0**
- Food	2.0	3.8
- Non-food	5.0	4.2
- Core (non-food non-energy)	5.4	5.1
Wholesale Price Index (WPI)	**2.7**	**3.8**
Sensitive Price Indicator (SPI)*	**1.5**	**1.5**

*SPI for all income groups combined
Source: *Pakistan Bureau of Statistics*

Monetary and Inflation Outlook 2018-19

Monetary expansion during 2018-19 will be in line with the projected GDP growth and CPI inflation. During 2018-19, higher monetary expansion is expected on the basis of better energy supplies to manufacturing sector, higher aggregate demand, expansion in private sector loans and growing bank financing for CPEC-related activities. Based on these factors as well as depreciation of rupee and increase in global oil and commodity prices, average inflation during 2018-19 is expected to remain at around 6 percent.

The State Bank of Pakistan's Strategic Plan 2016-20 aims at implementing a flexible inflation-targeting (FIT) regime. As part of efforts to implement FIT, the SBP is going to undertake strategic efforts regarding decisions on aligned inflation and economic growth targets in consultation with the relevant ministries. In order to provide better forward guidance to important stakeholders, capabilities of inflation forecasting suite would be further enhanced.

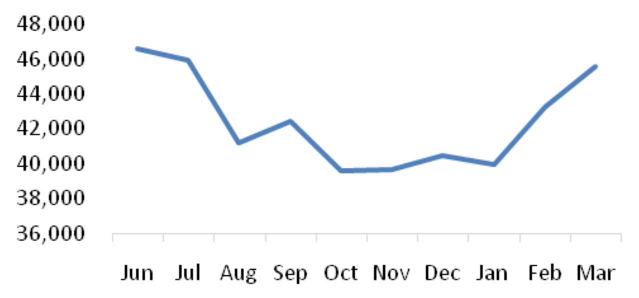
Review of Capital Market Developments 2017-18

The current year witnessed significant developments in the capital markets of Pakistan. The Securities and Exchanges Commission of Pakistan (SECP) continued to implement the Capital Market Development Plan (2016-18) with vigour and focus, providing the market with a clear direction. During the period under review, SECP introduced various structural, legal and fiscal reforms aimed at strengthening risk management, increasing transparency, improving governance of capital market infrastructure institutions and enhancing investor protection in line with its objectives to develop a fair and competitive capital market. Some of the key initiatives of SECP during 2017-18 include:

- Implementation of electronic dividend mechanism under the Companies Act, 2017
- Amendment in CDC regulations to facilitate listed companies
- Amplification of relevant regulation for public offering of twenty percent shares of PSX and commencement of formal trading of PSX shares on its trading platform
- A revamp of PSX rule book to strengthen enforcement capacity of CRO and RAD
- Approval of CDC and NCCPL regulations and relevant amendments
- SECP's approval of Commodity Murabaha products to meet the financing needs of Islamic Financial Institutions (IFIs) through *Shariah* modes
- Development of Centralized E-IPO System (CES)
- Licensing of Non-bank Finance Companies (NBFCs) to conduct the business of investment advisory
- Approval of Modaraba Bill, 2017
- Formulation of Technical Committee on Insurance (TCI) to implement the National Financial Inclusion Strategy (NFIS)

Performance of Pakistan Stock Exchange

Figure-1: Performance of KSE-100 during 2017-18



Pakistan Stock Exchange recorded an overall oscillating trend during 2017-18. The benchmark KSE-100 Index witnessed a declining trend after July 2017 and it showed rising tendency after end October, 2017. The decline may be attributed to uncertain political environment. However, due to its potential, the market responded positively to every optimistic indication. As of July 1, 2017, the market capitalization was Rs9.19 trillion whereas as on March 31, 2018, it stood at Rs9.37 trillion. It was 27.2 percent of GDP by end March, 2018, well below the developed stock market (50 percent) which indicates the potential scope for further improvement.

During this period, 23,918 new mutual fund investor accounts were opened and 23 new funds (including 18 Islamic funds) were launched. This growth has been the direct consequence of SECP's extensive outreach programme for investors' education and awareness through digital & print media, and engagements to spread the awareness about capital markets.

Morgan Stanley Capital International **(**MSCI) reclassified Pakistan Indexes from Frontier Markets (FM) to Emerging Markets (EM) from June, 2017 coinciding with the May 2017 Semi-Annual Index Review. This reclassification is a reflection of improvement in international investors' market accessibility in Pakistan.

Most of the world stock market indices showed positive trends, registering modest to high gains except KSE-100, SHANGHAI (COMPOSITE) and FTSE 100 which registered losses during the period under review. Table-5 presents percentage changes in the leading world stock market indices from end June 2017 to end March 2018.

Table-5: Regional Comparisons

Index (Month End)	June-17	March-18	Percent Change
KSE 100	46,565	45,560	-2.2
S&P BSE SENSEX INDEX	31,222	32,969	5.6
SET-THAILAND	1,579	1,776	12.5
SHANGHAI (COMPOSITE)	3,192	3,169	-0.7
FTSE Bursa MALAYSIA	1,769	1,863	5.3
DOW JONES	21,350	23,644	10.7
S&P 500 INDEX	2,423	2,582	6.6
NASDAQ COMP	6,140	6,870	11.9
FTSE 100 INDEX	7,339	7,057	-3.8
NIKKEI 225	20,056	21,454	7.0
HANG SENG-HK	25,784	30,093	16.7

Source: *Securities and Exchange Commission of Pakistan*

Prospective Capital Market Reforms/Initiatives 2018-19

The regulations of the market infrastructure institutions shall continue to be reviewed for improvements and better consistency with legislative developments such as incorporation of the Securities Act, 2015, Futures Act, 2016 and various rules and regulations framed there under. In order to revisit the REIT Regulations 2015, stakeholder views have been sought to foster growth of REIT industry in Pakistan. The draft Insurance Bill, 2017 has been finalized and sent to the Ministry of Finance for initiation of formal legislation process on June 01, 2017. The draft Rules for regulating the business of credit and surety ship have been drafted by the SECP. The Rules will be notified after necessary approvals of the Competent Authority. The Draft General Takaful Accounting Regulations, 2018 shall result in bringing uniformity in the accounting treatment by general Takaful and general window Takaful operators and also in reporting of their financial statements.

Annex-1

Consolidated Fiscal Operations

(Rs billion)

Item	Jul-Dec 2017-18	Jul-Dec 2016-17	Percent Change	As Percent of GDP	
				Jul-Dec 2017-18	Jul-Dec 2016-17
Total revenue	**2,384.7**	**1,990.6**	**19.8**	**6.9**	**6.2**
A) Tax revenue	**2,026.9**	**1,741.2**	**16.4**	**5.9**	**5.4**
a) Federal	1,850.5	1,595.5	16.0	5.4	5.0
i) FBR's taxes	1,730.1	1,467.3	17.9	5.0	4.6
- Direct taxes	673.8	586.4	14.9	2.0	1.8
- Indirect taxes	1,056.3	880.9	19.9	3.1	2.8
Customs duties	282.6	218.0	29.7	0.8	0.7
Sales tax	690.5	577.5	19.6	2.0	1.8
Federal excise duty	83.2	85.4	-2.6	0.2	0.3
ii) Other taxes	120.4	128.1	-6.0	0.4	0.4
b) Provincial	176.4	145.7	21.1	0.5	0.5
B) Non-tax revenue	**357.8**	**249.4**	**43.4**	**1.0**	**0.8**
a) Federal	293.3	214.1	37.0	0.9	0.7
b) Provincial	64.5	35.4	82.3	0.2	0.1
Total expenditure	**3,181.0**	**2,789.7**	**14.0**	**9.2**	**8.7**
A) Current expenditure	**2,545.2**	**2,241.6**	**13.5**	**7.4**	**7.0**
a) Federal	1,656.0	1,473.5	12.4	4.8	4.6
- Markup payments	751.4	647.4	16.1	2.2	2.0
- Defence	393.4	336.3	17.0	1.1	1.1
b) Provincial	889.3	768.1	15.8	2.6	2.4
B) Development expenditure & net lending	**615.9**	**490.9**	**25.4**	**1.8**	**1.5**
a) Development expenditure	613.9	497.4	23.4	1.8	1.6
i) PSDP	558.8	445.7	25.4	1.6	1.4
- Federal*	242.1	198.3	22.1	0.7	0.6
- Provincial	316.8	247.4	28.0	0.9	0.8
ii) Other development expenditure	55.0	51.7	6.5	0.2	0.2
b) Net lending	2.0	-6.4	-	-	-
Statistical discrepancy	**19.9**	**57.2**	**-65.2**	**0.1**	**0.2**
Fiscal deficit	**796.3**	**799.1**	**-**	**2.3**	**2.5**
Financing	**796.3**	**799.1**	**-0.4**	**2.3**	**2.5**
a) External	384.1	240.9	59.5	1.1	0.8
b) Domestic	412.2	558.2	-26.2	1.2	1.7
- Bank borrowing	331.8	407.1	-18.5	1.0	1.3
- Non-bank borrowing	80.4	151.1	-46.8	0.2	0.5
Primary balance	-44.9	-151.7	-	-0.1	-0.5
Revenue balance	-160.5	-251.0	-	-0.5	-0.8
GDP (current market prices)	***34,396*****	***31,963***			

**Net excluding development grants to the provinces (Rs6.0 billion in H1-FY18; Rs1.3 billion in H1-FY17)*
*** Provisional*
Source: *Finance Division*

Chapter 15 | TRADE AND COMMERCE – BALANCE OF PAYMENTS

Global economic developments and domestic environment has helped improvement in export performance with double digit growth during ongoing fiscal year. However, challenges on external front were unrelenting due to persistent rise in imports mainly in the context of CPEC and modest growth in remittances. Exports witnessed growth of 12.2 percent in July- Feb 2017-18 but this progress was overshadowed by 17.3 percent increase in imports, resulting in persistent rise in trade and current account deficits; and subsequently enhanced pressure and ultimate draw down of foreign exchange reserves by US$ 3.8 billion in first eight months of 2017-18.

Slowdown in workers' remittances started last year owing to slow economic activity in Gulf Cooperation Council (GCC) countries and Saudi Arabia as well as tight financial regulations in USA along with post Brexit impact, from where the country receives major chunk of its remittances. During July-Feb 2017-18, the situation has improved as the remittances have witnessed growth of 3.4 percent as compared to similar period last year.

Performance Review 2017-18

Annual Plan 2017-18 envisaged exports of US$ 23.1 billion, which was higher than US$ 22 billion recorded during 2016-17. Import target was kept at US$ 48.8 billion against US$ 48.7 billion actually observed during 2016-17. Trade deficit was set to be contained at US$ 25.7 billion as compared to US$ 26.7 billion in 2016-17. Current account deficit was targeted to be US$ 9 billion in 2017-18 (2.6 percent of GDP) while it was US$ 12.6 billion (4.1 percent of GDP) in 2016-17. Workers' Remittances and Foreign Direct Investment (net) were projected to be US$ 20.7 billion and US$ 4.2 billion, respectively. The actual performance against these targets is appraised in subsequent paragraphs.

Balance on Trade

Trade deficit widened significantly to US$ 19.7 billion in the first eight months of 2017-18 as compared to US$ 16.2 billion in the same period last year. Annual Plan's target of trade deficit for 2017-18 may be exceeded as increase in exports is being outpaced by soaring import bill.

Table-1: Balance of Payments

(US$ million)

	2016-17	July-Feb		Percent Change
		2016-17	2017-18	
Current Account Balance	-12,621	-7,216	-10,826	50.0
Balance on Trade in Goods	-26,680	-16,170	-19,691	21.8
Exports	22,003	14,231	15,970	12.2
Imports	48,683	30,401	35,661	17.3

	2016-17	July-Feb		Percent Change
		2016-17	2017-18	
Balance on Trade in Services	-4,339	-2,760	-3,531	27.9
Balance on Primary Income	-5,048	-3,064	-3,148	2.7
Balance on Secondary Income	23,446	14,778	15,544	5.2
Workers' Remittances	*19,351*	*12,410*	*12,835*	*3.4*
Financial Account	10,198	6,061	7,217	19.1
of which:				
Direct Investment (Net)	2,663	1,625	1,936	19.1
General Government	5,040	1,292	2,390	85.0
Disbursements	9,414	3,888	4,747	22.1
Amortization	4,374	2,596	2,357	-9.2
Reserves & Related Items	-1,946	-1,008	-3,775	274.5

Source: *State Bank of Pakistan*

Exports

After remaining on declining path for three consecutive years in a row, exports started picking up pace with the beginning of ongoing fiscal year. Exports of goods (FOB) increased by 12.2 percent from US$ 14.2 billion during July-Feb 2016-17 to US$ 16 billion in Jul-Feb 2017-18. Exports for 2017-18 are estimated to be around US$ 24.9 billion against the target of US$ 23.1 billion (Annexure-I). Balance on trade in services deteriorated from US$ -2.8 billion in July-Feb, 2016-17 to US$ -3.5 billion in July-Feb, 2017-18.

Table-2: Contribution of Various Groups in Exports

(US$ million)

Commodities	July-Feb		percent Change	Absolute Change	Point Contribution to Change in Exports	percent Contribution to change in Exports
	2016-17	2017-18				
A. Food Group	**2,335**	**2,842**	**21.7**	**507**	**3.8**	**32.8**
Rice	1,033	1,262	22.1	229	1.7	14.8
B. Textile Group	**8,205**	**8,794**	**7.2**	**588**	**4.4**	**38.1**
Cotton Yarn	844	860	1.9	16	0.1	1.0
Knitwear	1,550	1,756	13.3	206	1.6	13.3
Bed Wear	1,414	1,477	4.5	64	0.5	4.1
Readymade Garments	1,499	1,696	13.1	196	1.5	12.7
C. Petroleum Group & Coal	**114**	**265**	**131.6**	**151**	**1.1**	**9.7**
D. Other Manufactures	**2,010**	**2,219**	**10.4**	**209**	**1.6**	**13.5**
Surgical Goods & Medical Instruments	222	249	12.2	27	0.2	1.7
Chemicals and Pharma. Pro.	528	697	31.9	169	1.3	10.9
E. All Other Items	**639**	**729**	**14.2**	**91**	**0.7**	**5.9**
Total Exports	**13,303**	**14,849**	**11.6**	**1,546**	**11.6**	**100**

Source: *Pakistan Bureau of Statistics*

Initiatives of the government for promotion and facilitation of exports; such as reduction in mark-up rates on Export Re-finance Facility (ERF) and the Prime Minister's Rs180 billion Export Package have started to produce results. The positive impact of Package is apparent in the value-added textile and other non-traditional export items as major contribution to increase in exports came from knitwear (13.3 percent), readymade garments (12.7 percent) and chemical and pharm. products (10.9 percent) (Table-2). Impact of depreciation is likely to become more visible in upcoming months.

Imports

Imports (FOB) increased by 17.3 percent from US$ 30.4 billion during Jul-Feb 2016-17 to US$ 35.7 billion in Jul-Feb 2017-18. Imports are estimated to get to the level of US$ 54.3 billion by the end of outgoing fiscal year, against target of US$ 48.8 billion envisaged in Annual Plan 2017-18 (Annexure-I).

Table-3: Major Contribution to Increase in Imports

(US$ million)

Commodities	July-Feb		Percent Change	Absolute Change	Percent Contribution to absolute increase in imports
	2016-17	2017-18			
A. Food Group	**3,966**	**4,217**	**6.3**	**251**	**4.4**
Edible Oil (Soya & Palm)	1,244	1,453	16.8	209	3.7
B. Machinery Group	**7,812**	**7,559**	**-3.2**	**-253**	**-4.4**
Power Generating	2,185	1,776	-18.7	-409	-7.2
Telecom	882	1,004	13.8	121	2.1
C. Transport Group	**1,981**	**2,905**	**46.7**	**924**	**16.2**
Road Motor Vehicles	1,586	1,899	19.7	313	5.5
D. Petroleum Group	**6,683**	**9,015**	**34.9**	**2,332**	**40.9**
Petroleum Products	4,193	4,912	17.1	719	12.6
Petroleum Crude	1,584	2,507	58.3	923	16.2
E. Textile Group	**2,010**	**2,154**	**7.1**	**143**	**2.5**
F. Agri Chemicals Group	**4,849**	**5,683**	**17.2**	**834**	**14.6**
Plastic Material	1,209	1,505	24.5	296	5.2
Fertilizer	471	583	23.8	112	2.0
G. Metal Group	**2,713**	**3,457**	**27.4**	**744**	**13.0**
Iron & Steel Scrap	650	1,035	59.3	385	6.8
Iron & Steel	1,322	1,561	18.1	239	4.2
H. Miscellaneous Group	**784**	**856**	**9.2**	**72**	**1.3**
I. All Others	**2,594**	**3,253**	**25.4**	**659**	**11.5**
Total Imports	**33,392**	**39,099**	**17.09**	**5,706**	**100**

Source: *Pakistan Bureau of Statistics*

Surge in import bill is mainly attributed to petroleum group with highest share in imports (40.9 percent) followed by transport group (16.2 percent), agri. chemical group (14.6 percent) and metal group (13 percent) (Table-3). However, imports of machinery group, constituting 19 percent of total imports, showed decrease of 3.2 percent after a constant surge in the past due to CPEC related early harvest projects. Imports of power generation machinery and construction & mining machinery seem to be tapering off with decline of 19 percent and 29 percent, respectively. Petroleum products and crude petroleum in quantum terms added US$ 706.5 million to rise in import bill (Table-4) while rest of the increase is attributed to rise in global crude oil prices which are recorded at 57 $/bbl in July-Feb 2017-18 as compared to 49 $/bbl in similar period last year.

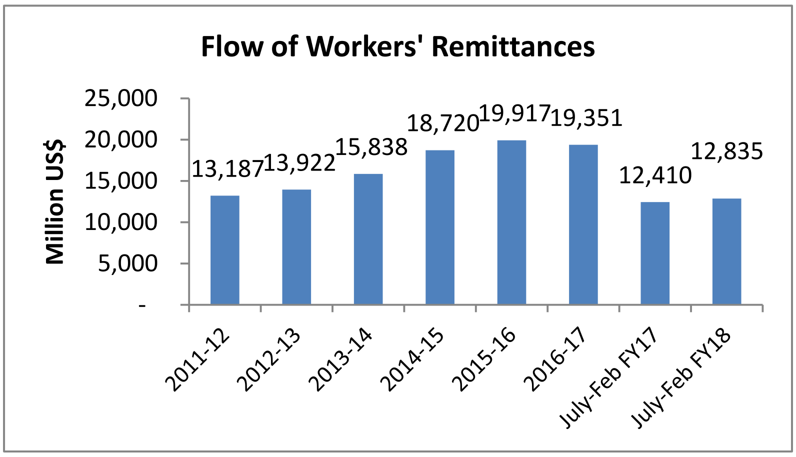
Table-4: Import in Quantum Terms (July – Feb)

(US$ million)

	2016-17	2017-18	Percent Change	Impact
Palm Oil (000 MT)	1,674.8	1,823.5	8.88	109.7
Pulses (000 MT)	746.2	437.1	-41.43	-250.0
Petroleum Products (000 MT)	10,514.6	10,835.9	3.06	145.7
Petroleum Crude (000 MT)	5,277.3	6,797.8	28.81	560.8
Fertilizer Manufacturing. (000 MT)	1,256.4	1,578.3	25.62	119.0
Plastic Material (000 MT)	795.4	980.5	23.27	284.2
Iron Steel & Scrap (000 MT)	2,516.8	3,566.1	41.69	304.7
Iron & Steel (000 MT)	2,078	2,335	12.38	172
Rubber Tube & Tyres (000 Nos.)	4,050	4,783	18.11	35.7
Total Imports ($ Million)	33,392	39,099	17.09	
Non-Oil Imports ($ Million)	26,709	30,084	12.63	
Non-Oil Non-food Imports ($ Million)	22,743	25,867	13.74	

Source: *Pakistan Bureau of Statistics*

Workers' Remittances



Historically, workers' remittances have served as neutralizing factor to keep current account deficit low. The remittances increased from US$ 12.4 billion during Jul-Feb 2016-17 to US$ 12.8 billion during Jul-Feb 2017-18 depicting growth of 3.4 percent for 2017-18 while growth for 2016-17 was negative (2.1 percent). Remittances from Saudi Arabia and other GCC countries registered decline of 8.7 percent and 3 percent, respectively while increase of 43 percent, 12 percent and 2.3 percent was recorded for EU countries, USA and UAE, respectively. Given this backdrop, remittances are estimated to reach at US$ 20 billion by the end of 2017-18.

Current Account Balance

Annual Plan 2017-18 envisaged current account deficit of US$ 9 billion (2.6 percent of GDP) while deficit of US$ 12.6 billion (4.1 percent of GDP) is actually recorded during 2016-17 (Annex-I). With estimated trade deficit of US$ 29.4 billion and remittances of US$ 20 billion by the end of 2017-18, the current account is likely to be in deficit by US$ 15.4 billion (4.9 percent of GDP) (Annex-I).

Capital and Financial Account

Under the financial account, inflows of US$ 7.2 billion are received during July-Feb 2017-18 as against US$ 6 billion recorded during corresponding period of last fiscal year (Annex-I). The amortization payments decreased to US$ 2.4 billion from US$ 2.6 billion and disbursements increased from US$ 3.9 billion to US$ 4.7 billion during period under review. Foreign direct investment (net) increased to US$ 1.9 billion in July-Feb 2017-18 as compared to US$ 1.6 billion during last year. Foreign portfolio investment (net) was recorded at US$ 2.3 billion which was US$ 0.7 billion in same period last year. An amount of US$ 2.5 billion are raised through issuance of Sukuk and Euro bonds.

Reserves & Related Items

Reserves and related items observed a decline of US$ 3.8 billion in July-Feb 2017-18 while a decline of US$ 1 billion was observed in the corresponding period last year.

Exchange Rate

Average monthly exchange rate during February 2018 stood at Rs110.4 per US$ which is same as in January 2018 while it was Rs104.7 per US$ during February, 2017; depicting depreciation of 5.2 percent as compared to February last year. Real Effective Exchange Rate (REER) declined to 113.3 (Base 2010 = 100) in February 2018 while it was 125.9 in February 2017, showing depreciation of 10 percent.

Outlook 2018-19

Trade Account: Based on positive global outlook, improved domestic infrastructure, energy supply and business environment, exports in 2018-19 are projected to reach at US$ 28 billion from US$ 24.9 billion estimated for 2017-18. On account of higher growth trajectory and planned economic activities under CPEC, imports are expected to increase by 4.8 percent and reach the level of US$ 56.9 billion in 2018-19 from an estimated total of US$ 54.3 billion for 2017-18, implying trade deficit of US$ 29 billion in 2018-19 (Annex-I).

Current Account Balance: Given higher level of imports, resurgence of exports and only modest growth in remittances, current account deficit is projected to be contained at US$ 13.3 billion (4 percent of GDP) during 2018-19 as against estimated deficit of US$ 15.4 billion (4.9 percent of GDP) by the end of ongoing fiscal year (Annex-I).

Capital and Financial Account: Capital inflows are projected to increase from estimated US$ 519 million in 2017-18 to US$ 720 million in 2018-19. General government disbursements during 2018-19 are expected to remain at the level of US$ 9.4 billion against US$ 9 billion estimated for 2017-18 whereas amortization is projected at US$ 6.6 billion for 2018-19 against US$ 4.8 billion estimated for 2017-18. Foreign direct investment (net) is targeted at US$ 4.1 billion for 2018-19 against estimated US$ 3.2 billion by the end of 2017-18.

Overall Balance: Given projections for current, capital and financial account balances, overall balance is anticipated to result in US$ 1.5 billion addition to reserves by the end of 2018-19. Details are given in Annex-I.

Programmes for 2018-19

Effective policy measures are planned to strengthen external sector of the economy by further reinvigorating exports, curbing unnecessary imports, enhancing remittances and FDI inflows. Strategic Trade Policy Framework (STPF) will be devised in synchronization with other policies so that targets become realizable. Moreover, issues pertaining to trade licensing, delayed refunds, dispute resolutions and advance taxes will be addressed. Tariff rates will be reduced on the imported raw materials especially being used as input in export oriented industries. Cultivation of pulses and edible oil will be encouraged as a low hanging fruit to ease the pressure on import bill.

Flexible exchange rate will be managed to support exports and to curb undue imports. SBP will devise monetary policy aligned with external sector stability, and keep track of REER taking into account export competitiveness of Pakistan with its trading partners. CPEC initiatives of infrastructure development and industrial co-operation will continue to attract FDI inflows. Board of Investment has planned to organize overseas investment promotion events in various countries of Europe, Middle East, and other regions to highlight business and investment opportunities in Pakistan.

Bureau of Emigration & Overseas Employment recorded that during July-Feb 2017-18, about 299,206 Pakistanis proceeded abroad. During 2018-19, more than 400,000 Pakistanis are estimated to go abroad for the purpose of employment. Ministry of Overseas Pakistanis & HRD will finalize National Emigration and Welfare Policy for Overseas Pakistanis in 2018-19. Committee for Skills Up-gradation and Overseas Employment Promotion will proactively assess manpower demand abroad in various sectors on regular basis and will arrange skilled manpower accordingly.

Pakistan Remittance Initiative (PRI) will continue its efforts to ensure that migrants use formal channels to send remittances and to accelerate the flow of home remittances through banking channels. In this context, State Bank of Pakistan has already launched M-Wallet Scheme and ‘Asaan Remittance Account’ for promotion of home remittances.

Annex-I

Balance of Payments

(US$ million)

Item	2016-17	Jul-Feb		2017-18		2018-19
		2016-17	2017-18	Proj.	Estimate	Proj.
Current Account Balance	**-12,621**	**-7,216**	**-10,826**	**-8,991**	**-15,396**	**-13,300**
Balance on Trade in Goods	**-26,680**	**-16,170**	**-19,691**	**-25,731**	**-29,396**	**-28,891**
Exports (FOB)	22,003	14,231	15,970	23,097	24,885	27,996
Imports (FOB)	48,683	30,401	35,661	48,829	54,282	56,887
Balance on Trade in Services	-4,339	-2,760	-3,531	-2,399	-4,980	-4,880
Balance on Primary Income	-5,048	-3,064	-3,148	-4,427	-4,863	-4,913
Balance on Goods, Services and Primary Income	**-36,067**	**-21,994**	**-26,370**	**-32,557**	**-39,240**	**-38,685**
Balance on Secondary Income	23,446	14,778	15,544	23,566	23,844	25,384
Workers' Remittances	19,351	12,410	12,835	20,673	20,009	21,209
Capital Inflows	**375**	**251**	**230**	**371**	**519**	**720**
Financial Inflows	**10,198**	**6,061**	**7,217**	**10,003**	**11,289**	**14,066**
Direct Investment (Net)	2,663	1,625	1,936	4,183	3,245	4,145
Portfolio Investment (Net)	-250	686	2,285	1,080	3,143	4,670
Other Investment	7,785	3,750	2,996	4,740	4,901	5,251
General Government	5,040	1,292	2,390	3,684	4,200	2,763
Disbursements	9,414	3,888	4,747	9,484	9,000	9,363
Amortization	4,374	2,596	2,357	5,800	4,800	6,600
Other Sector	2,298	1,607	544	2,275	1,885	3,135
Net Errors and Omissions	102	-104	-396	-	-	-
Reserves and Related Items	**-1,946**	**-1,008**	**-3,775**	**1,384**	**-3,587**	**1,485**
Memorandum Items						
Current Account Balance (percent of GDP)	-4.1	-3.6	-4.8	-2.6	-4.9	-4.0
Exports FOB (growth rate percent)	0.1	-0.8	12.2	6.8	13.1	12.5
Imports FOB (growth rate percent)	18.0	12.5	17.3	7.6	11.5	4.8

Source: *SBP & Planning Commission Estimates*

Annex-II

Major Exports

(US$ million)

Commodity	2016-17	Jul-Feb		2017-18	2018-19
		2016-17	2017-18	Estimate	Proj.
A. Food Group	**3,617**	**2,210**	**2,766**	**4,471**	**4,976**
Rice	1,575	993	1,211	2,021	2,150
Others	2,042	1,217	1,556	2,449	2,827
B. Textile Group	**12,457**	**8,186**	**8,851**	**13,580**	**15,236**
Cotton Yarn	1,140	749	825	1,226	1,320
Cotton Cloth	2,123	1,428	1,427	2,157	2,262
Knitwear	2,334	1,530	1,726	2,632	2,995
Bed Wear	2,156	1,411	1,558	2,373	2,721
Readymade Garments	2,279	1,484	1,645	2,569	2,961
Others	2,425	1,583	1,670	2,623	2,976
C. Other Manufacture	**3,658**	**2,310**	**2,710**	**4,425**	**5,122**
Sports Goods	551	351	356	569	664
Leather Tanned	379	246	228	357	412
Leather Manufactures	487	310	405	648	748
Chemical and Pharmaceutical Products	1,113	664	952	1,619	1,869
Cement	242	186	147	195	233
Others	886	553	622	1,037	1,197
D. All Others	**2,271**	**1,525**	**1,642**	**2,409**	**2,662**
Exports (FOB)	**22,003**	**14,231**	**15,970**	**24,885**	**27,996**

Source: *SBP & Planning Commission Estimates*

Annex-III

Major Imports

(US$ million)

Commodity		2016-17	Jul-Feb		2017-18	2018-19
			2016-17	2017-18	Estimate	Proj.
A.	**Food Group**	**5,417**	**3,478**	**3,656**	**5,698**	**5,860**
	Tea	517	362	363	533	550
	Palm Oil	1,775	1,149	1,274	1,889	1,987
	Others	3,125	1,967	2,020	3,276	3,323
B.	**Machinery Group**	**7,410**	**5,053**	**5,726**	**7,926**	**7,918**
	Power Generating Machinery	1,337	1,013	1,086	1,347	1,263
	Construction & Mining Machinery	159	88	136	143	120
	Electrical Machinery & Apparatus	1,317	811	1,265	1,662	1,755
	Telecom	1,023	612	867	1,195	1,232
	Others	3,574	2,530	2,372	3,578	3,547
C.	**Transport Group**	**2,643**	**1,608**	**1,966**	**2,885**	**2,928**
	Road Motor Vehicles	1,774	1,144	1,414	1,959	1,953
	Others	869	464	551	927	975
D.	**Petroleum Group**	**10,607**	**6,768**	**8,620**	**13,623**	**14,555**
	Petroleum Products	6,380	4,144	4,905	7,789	8,118
	Petroleum Crude	2,765	1,778	2,493	3,899	4,187
	Others	1,462	846	1,222	1,934	2,249
E.	**Textile Group**	**3,589**	**2,448**	**2,446**	**3,644**	**3,733**
F.	**Agri. & Other Chemical**	**7,123**	**4,566**	**5,289**	**7,783**	**8,086**
	Fertilizer Manufactured	572	398	543	767	807
	Plastic Materials	1,875	1,183	1,443	1,981	2,084
	Others	4,676	2,986	3,303	5,035	5,196
G.	**Metal Group**	**3,674**	**2,293**	**3,051**	**4,303**	**4,600**
	Iron and Steel Scrap	969	523	837	1,105	1,264
	Iron and Steel	1,980	1,335	1,654	2,590	2,698
	Others	724	435	559	607	639
H.	**All others**	**8,220**	**4,187**	**4,907**	**8,421**	**9,208**
Imports (FOB)		**48,683**	**30,401**	**35,661**	**54,282**	**56,887**

Source: *SBP & Planning Commission Estimates*

Chapter 16 | BALANCE DEVELOPMENT – FOCUS ON LESS DEVELOPED REGIONS

Sustainable economic growth requires a balanced growth approach for all regions of the country. To achieve this objective, federal government is making its all efforts to fully utilize economic potential of all areas including less developed and special areas. A total of 51 districts out of 123 have been identified as less developed districts in all provinces by the respective provincial governments, 4 districts are in Punjab, 29 in Baluchistan, 10 in Khyber PakhtunKhwa and 8 districts in Sindh (list attached at annex-I). Further Special areas i.e. Federally Administered Tribal Areas (FATA), Azad Jammu & Kashmir (AJ&K) and Gilgit-Baltistan (GB) are included in LDRs. These areas are blessed with plenty of natural economic potentials that can be utilized to address the issues of poverty and socio economic inequality.

In addition to various federal development programmes/projects, special block allocations are made by the federal government for the social & economic development of these less developed Special Areas. The local administration is authorized to make sector-wise allocations as per their needs and priorities. It is the major contribution by the federal government to decentralize financial resources at grass root level to achieve economic efficiency and speed up development process in special areas. During previous year, major development initiatives by federal government included a special allocation of Rs90 billion to address the issue of relief and rehabilitation of IDPs.

Performance Review 2017-18

During the period under review, efforts have been made by the federal government in collaboration with local administration to achieve desired developmental targets in Special Areas. Financial & Physical progress during 2017-18 is given below:-

Financial Progress

During the CFY 2017-18, an amount of Rs205 billion was allocated for 301 development projects in Public Sector Development Programme other than block allocation for less developed districts and special areas. The funds allocated by federal government are aimed to supplement the efforts of the provincial governments. A province wise summary of allocation in PSDP, 2017-18 in less developed districts is at Annex-II.

In addition, block allocations were provided to special areas. An amount of Rs61.5 billion was earmarked as block allocation for development activities in three Special Areas out of which an amount of Rs43.898 billion have been utilized by 31st March 2018. Details given below:

Table: Agency/Division wise Allocations & Utilization for 2017-18

(Rs billion)

Agency/ Ministry/Division	Allocation	Utilization	Utilized (percent)
Special Areas			
Azad Jammu & Kashmir (Block Allocation)	22.00	14.14	64
Gilgit Baltistan (Block Allocation)	15.00	15.00	100
Federally Administrated Tribal Area (Block Allocation)	24.50	15.60	64
Sub Total Block Allocation	**61.50**	**44.74**	**73**

**utilization is upto 31st March 2018 and will be updated after 4th quarter releases*

Physical Progress

During the period, the allocated amount was utilized to finance the development projects of different sectors i.e. infrastructure projects, education, health & food security, industries and production, information technology, petroleum and natural resources, science and technology , ports and shipping, information and broadcasting and aviation. The projects of other sectors are being implemented through various ministries/divisions. A total of 301 projects are being implemented in less developed districts, out of which 6 in Punjab, 7 in Sindh, 50 in KPK, 143 in Balochistan, 27 in AJK, 40 in GB, 18 in FATA and 10 are implemented in multiple districts. Due to these interventions, significant improvement in the development indicators of these areas has been noted.

Funds provided in the form of Block Allocation by federal government were utilized in multiple sectors as per needs of local administrations.

During FY 2017-18, in AJ&K, 154 development projects have been completed. Through these development activities 100 km of rural, 125 km double lane and 478 km link roads, 500 irrigation channels repaired/constructed, 10 tourist resorts, 2 sports stadiums, 1 polytechnic institutes have been constructed/established. Electricity connections were provided to 6700 consumers. Skills trainings were imparted to 600 individuals including 300 women. A total of 121 educational buildings have been constructed/ upgraded and IT labs were established in 200 middle and higher secondary schools.

In Gilgit Baltistan, 350 development projects in various sectors were completed, which includes construction of 225 Km new single roads, 30 Km metalled roads, 3 RCC bridges, 6 Water Supply schemes and construction of 40 KM irrigation channels. In Education sector, labs & libraries facilities have been provided in 20 colleges and 123 Secondary/Higher Secondary Schools. Further 547 scholarships awarded to medical and engineering Students. In health sector 60 dispensaries and 7 hospitals have been established/upgraded. During the year 8 number of power projects having a capacity of 3.6 MW have been completed and added in the system to overcome the power shortage.

In Federally Administered Tribal Areas (FATA), ADP 2017-18, the allocated amount has been distributed amongst 15 different sectors spread over 7 Agencies and 6 Frontier Regions.

During the CFY 354 schemes under various sectors are fully funded for completion. For early completion of development projects in FATA 70 percent funds of FATA ADP had been allocated to 709 ongoing schemes and remaining 30 percent funds were provided to 394 new schemes. 187 projects of education sector, 122 health, 105 Public Health Engineering, 158 Communication, 71 Housing, 28 power, 53 rural development and 76 projects in irrigation sector has been executed through block allocation of FATA. FATA Administration has also been facing the challenge of reconstruction and rehabilitation of Temporarily Displaced Persons (TDPs) which remained priority during 2017-18. Rs90 billion was allocated for rehabilitation of TDPs in PSDP

> To achieve the objective of empowering the people of less developed areas National Economic Council (NEC) has approved Enhancement of Sanctioning limit of development of Special areas (AJ&K and FATA). Now AJKDWP can approve locally funded development project up to cost of Rs400 million and FATADWP sectioning limit has also increased to Rs400 million previously it was Rs200 million.

In addition, 3 Area Development projects are being implemented under Narcotics Control Division (NCD). These schemes aim to eliminate poppy cultivation and other illicit trades in remote areas, through making these areas accessible to local administration. Under these projects, 35 km rural roads, 10 irrigation schemes, 14 water supply schemes have been constructed and agricultural inputs have been distributed among the farmers.

Outlook 2018-19

A number of steps have been taken to ensure maximum decentralization of administrative and financial powers. During FY 2018-19, priority is accorded to those ongoing projects which are near completion to ensure that the benefits of these projects should reach to the people. In order to improve the socio economic indicators of less developed areas. FATA reforms have been prepared and presented in Council of Common Interest (CCI) for integration of FATA with Khyber Pakhtunkhwa. These reforms are a step to address the issue of deprivation and mainstreaming of people of FATA. It also envisages a 10 year socio-economic development plan for FATA.

China-Pakistan Economic Corridor (CPEC) is also a major initiative undertaken by the present government. In special areas, various projects in infrastructure and energy sectors are being implemented through CPEC. These projects include industrial zone in Bhimber, AJ&K, Mohamand Marble city, special economic zone in Moqpondass, Gilgit-Baltistan. These projects would bring a considerable improvement in socio-economic condition of less developed areas.

Programmes for 2018-19

Financial

The development programme for FY 2018-19 proposes Rs64.6 billion for Special areas (FATA, AJ&K and GB). Out of proposed allocation, an amount of Rs64 billion has been earmarked as block allocation, local administration is authorised to allocate funds to respective sectors according to the needs. An amount of Rs0.6 billion has been set aside for the projects under M/o Interior & Narcotics Control. Detail of the proposed allocations is given below:

Agency-wise allocations for 2018-19

(Rs billion)

Agency/ Ministry/Division	Allocation 2018-19
Ministry/Division	
Narcotics Control Division	0.10
Interior Division (ICT)	0.50
Sub Total	**0.60**
SPECIAL AREAS	
Azad Jammu & Kashmir (Block Allocation)	22.00
Gilgit Baltistan (Block Allocation)	15.00
Federally Administrated Tribal Area (Block Allocation)	27.00
Total (Special Areas)	**64.00**
Grand Total (Min./Div./Sp.Areas)	**64.60**

Physical

In AJ&K, 200 km of rural roads, 125 km double lane & 478 km of link roads will be constructed, 3000 entrepreneurs are targeted to provide credit assistance, 01 polytechnic institution and 150 buildings of educational institutions will be constructed/up-graded. 200 IT labs will be established in Middle, Higher secondary schools and skill trainings in various disciplines will be imparted to 600 individuals including 300 women. 10 tourist resorts are planned at potential sites. Moreover electricity connections will be provided to 5000 consumers. Agricultural inputs & micro credits facilities would be provided to farmers to increase productivity.

Gilgit Baltistan Government would prioritize hydro power generation as its top priority from its local resources. In the year 2018-19, approximately 19 MW hydro power will be generated. For infrastructure development 270 km shingle roads, up gradation of 200 km shingle to metalled roads, and 600 Meter bridges are to be constructed. In energy sector 30 number of hydro power projects will be completed. 19 projects in health sector are targeted for completion during the year. Government of GB has indicated economic transformation project costing Rs12 billion. The project would bring 50000 acres of additional land under command, and 400 KM farm to market access roads would be constructed.

In FATA, the funds allocated through block allocation will be distributed amongst various sectors spread over 7 Agencies (Bajaur, Khyber, Kurram, Mohmand, North & South Waziristan and Orakzai) and 6 Frontier Regions (FR Bannu, D.I. Khan, Kohat, Peshawar, Tank and Lakki Marwat). Administration of FATA is committed to an accelerated development process, with a special focus on the re-settlement, rehabilitation of Temporarily Displaced People (TDPs). Efforts are being made for provision of appropriate livelihood and income/employment generating opportunities.

Annex-I

Less Developed Districts in Pakistan

<table>
<tr><th>Punjab</th><th>Sindh</th><th>Khyber PakhtunKhwa</th><th colspan="3">Balochistan</th><th>Special Areas</th></tr>
<tr><td rowspan="2">Layyah</td><td>Umerkot</td><td>Batagram</td><td>Pishin</td><td>Dera bughti</td><td>Lasbella</td><td rowspan="11">Azad Jammu & Kashmir Gilgit Baltistan & Federally administered Tribal Areas</td></tr>
<tr><td>Tharparkar</td><td>Dir upper</td><td>Kila abdullah</td><td rowspan="2">Dera murad jamali</td><td>Turbat /kech</td></tr>
<tr><td rowspan="2">Rajanpur</td><td>Badin</td><td>Hangu</td><td>Chagai</td><td>Panjgur</td></tr>
<tr><td rowspan="2">Kashmore</td><td>Karak</td><td>Zhob</td><td>Jaffarabad</td><td>Gwadar</td></tr>
<tr><td rowspan="3">Muzzafar-garh</td><td>Kohistan</td><td>Loralai</td><td>Jhal magsi</td><td>Noshki</td></tr>
<tr><td rowspan="2">Qamber</td><td>Lakki marwat</td><td rowspan="2">Kila saifullah</td><td rowspan="2">Kachhi /bolan</td><td>Sherani</td></tr>
<tr><td>Shangla</td><td>Washuk</td></tr>
<tr><td rowspan="4">Lodhran</td><td rowspan="2">Dadu</td><td>Tank</td><td>Musa khail</td><td>Kalat</td><td>Harnai</td></tr>
<tr><td>Buner</td><td>Barkhan</td><td>Mustung</td><td>Sibbi</td></tr>
<tr><td>Jacobabad</td><td>Chitral</td><td>Ziarat</td><td>Khuzdar</td><td>Awaran</td></tr>
<tr><td>Sanghar</td><td></td><td>Kohlu</td><td>Kharan</td><td></td></tr>
</table>

Annex-II

Summary of Allocation of Funds in PSDP 2017-18 for Less Developed Areas

(Rs billion)

Province / Area	No of Projects	Total Cost	Expenditure Upto June,2017	Allocation 2017-18
Punjab	6	49.37	23.53	10.38
Sindh	7	59.05	27.74	4.03
Khyber Pakhtunkhwa	50	1,010.46	147.51	37.20
Balochistan	143	799.13	240.95	75.53
AJK	27	223.19	113.46	10.15
Gilgit – Baltistan	40	80.39	8.22	16.93
FATA	18	43.58	8.02	4.60
Multiple District	10	712.51	392.67	46.23
Total:	**301**	**2,977.69**	**962.10**	**205.07**

Chapter 17 | PHYSICAL PLANNING AND HOUSING

The process of urbanization and economic development in Pakistan has been mutually interdependent. The population census 2017 revealed an overall increase of 57 percent in the total population (excluding Azad Kashmir, and Gilgit-Baltistan) of the country in the last 19 years; however, urbanization has increased from 32.52 percent in 1998 to 36.38 percent in 2017.

The tremendous challenge of absorbing such a massive number of people in urban areas and providing them with shelter, food, employment, healthcare, education, municipal services and recreation facilities is made more difficult given shortage of urban facilities and resources, skilled manpower and good governance. Despite the challenges, urban areas demonstrate immense economic potential to generate growth in the country. The urban development is a provincial issue and urban planning a local one, however, the immense contribution and, indeed, economic potential, of urban areas to the national trade and economy gives the Government of Pakistan good reason to focus on addressing the challenges of urbanization and suggest areas for reforms.

In the context of the Vision 2025, the federal government is focusing to develop consensus amongst provincial governments and to produce a national urban & regional policy framework for coherent and sustainable urban development through city specific development strategies. However, key objectives include management of urbanization to achieve sustainable urban development; develop national infrastructure to support urban & regional development; knowledge sharing for understanding and resolving intricate urban and regional development issues and to financially and administratively manage towns and cities through their own resources and private sector involvement; and promote green, energy efficient and affordable housing for all, including up-gradation of the slum areas and Katchi Abadis.

Performance Review 2017-18

During the year 2017-18, the government's focus was to implement physical Planning & Housing programmes / projects in a coordinated manner to address the increasing issue of rapid urbanization and to make efforts to address the challenges posed by ambitious Sustainable Development Goals (SDGs). The Key challenge related to SDG-6 is to provide access to safe drinking water and sanitation facilities and remove/reduce disparities; where, despite efforts, gaps still exist (access to improved sanitation 76 percent and improved water 91 percent). The Vision 2025 also lays emphasis on provision of safe drinking water and improved sanitation through an integrated development strategy, therefore, federal government in collaboration with provincial governments is making all out efforts to combat water related issues through provision of matching grants to provincial government for water supply & sanitation projects, besides, encouraging them to increase in allocation as well as reallocation of public investments.

To achieve the objectives of 11th Five Year Plan, in Federal PSDP 2017-18, an amount of Rs43.5 billion was allocated to different federal ministries and line departments for implementation of physical planning & housing sector programmes / projects. Major allocations were made to water supply and sanitation, construction of government offices, residential buildings, and housing projects. It is estimated that at the end of 2017-18, approximately Rs21 billion would be spent on the development of projects related to the physical planning and housing sector. Similarly, the provincial governments allocated substantial amount for the execution of projects relating to the sector, i.e., Punjab Rs73.9 billion, Sindh Rs7.069 billion, Khyber Pakhtoonkhwa Rs18.16 billion, Balochistan Rs7.21 billion and Azad Jammu and Kashmir Rs1.52 billion.

The important projects during 2017-18 include Gwadar Port Smart City Master Water Distribution Network for RCB/CCB based on Khanpur Dam Water, Source (Phase-III), Greater Karachi Water Supply Scheme (K-IV) Phase-II, Greater Karachi Sewerage Plan (S-III), Gwadar Smart Environmental Sanitation System and Landfill Project. Necessary facilities of fresh water treatment, Water Supply and Distribution Gwadar (CPEC); 5 MGD Reverse Osmosis Sea Water Desalination Plant for Gwadar. Construction of Judicial and Administration Complex in Mauve Area Islamabad, Construction of Office & Residential Facilities for Frontier Corps Balochistan, Construction of Office & Residential Facilities for FC Khyber Pakhtunkhwa, Construction of Office & Residential Accommodation for GB Scouts, Construction of ANF Police Station Sust, Business Complex R.O Plant (0.2 MGD), Construction of Regional Tax Office at Islamabad, Construction of MCC Gwadar, New Secretariat Block at F-5, besides, several other schemes pertaining to water supply, sewerage, under SDGs programme in country.

Outlook 2018-19

- To facilitate Ministry of Housing & Works, Pakistan Housing Authority, National Housing Authority and FGEHF, besides, Provincial Governments to initiate housing programmes / projects, particularly for low-income residents.
- Provision of technical and financial assistance to provincial governments for devising and implementing physical planning & housing programmes / projects including social housing, urban water supply, sanitation & solid waste management infrastructure / services to meet rapidly increasing demand.
- Facilitate provincial / local governments to launch programmes on Public-Private-Partnership mode to improve of existing service delivery and to improve performance of local service delivery organization.
- To initiate urban land management programmes in collaboration with provincial /local governments to improve the efficiency of urban land markets, through appropriate and affordable land use, building standards and regulations.
- To complete all on-going development projects where sufficient physical and financial progress has been achieved in the last fiscal year.

Programmes for 2018-19

An allocation of approximately Rs22 billion has been made for the physical planning and housing sector programmes proposed to be implemented by various ministries, divisions and departments.

Detailed Feasibility Study for the construction of government buildings / infrastructures / facilities	In order to avoid cost and time over run for all construction projects, approval of PC-II containing feasibility study, detailed design, elevation, façade of the buildings / infrastructures / facilities along-with detailed cost estimates and environmental impact assessment before, submission of PC-I to start of actual construction / development works. The construction will be allowed after approval of a PC-I prepared on the basis of PC-II.
Sustainable Urban & Regional Development Plans and Smart Cities	To achieve the objectives of Vision 2025, Provincial Governments will be encouraged to prepare / develop Sustainable Urban & Regional Development Plans as well as Smart City Master Plans like Gwadar; especially cities on CPEC corridor.
Planned Peri-Urban Development Plans	Local administrations will be encouraged to launch Peri-Urban and Regional Development Programmes to ensure planned development as well as building control mechanism in the country.
Establishment of Bureau of Infrastructure Development	Efforts will be made to establish Bureau of Infrastructure Development for enhanced private sector participation with modalities for public- private partnerships in the management of infrastructure and framework to provide improved and efficient water supply and other services.
Completion of important ongoing projects	To achieve targets of SDGs, Ministries / Departments will be encouraged to complete ongoing projects; especially where more than 50 per cent physical progress has been achieved.

PILLAR-III

Governance, Institutional Reform and Modernisation of the Public Sector

Chapter 18 | GOVERNANCE AND INSTITUTIONAL REFORMS

Governance means all the functions that coordinate and control an organization's resources and actions. Its scope includes ethics, resource-management processes, accountability and management controls. It involves interaction of public, private & corporate sectors and civil society communicating with each other and synergistically working together for better service delivery. Good governance is perhaps the single most important factor in eradicating poverty and promoting development as it addresses economic institutions and public sector management, including transparency and accountability, regulatory reform, and public sector skills and leadership.

Democratic Governance, Institutional Reforms and Modernization of Public Sector together are the constituents of the 3rd Pillar of the Vision 2025 which emphasizes on a new paradigm of participatory and collaborative planning. Bad governance cannot deliver quality services reliably to the citizens. Thus an important requirement for transforming governments for the future to ensure transparency and accountability through citizen feedback is by the adoption of open government and open data.

Performance Review 2017-18

The government has undertaken number of initiatives to improve governance indicators. An amount of Rs6.75 billion including foreign aid of Rs1.09 billion was allocated for the governance sector development schemes in PSDP 2017-18 and an amount of Rs5.9 billion have been spent. Some of the major initiatives are discussed as under:

Public Sector Management Efficiency

Justice Sector Reform: Access to Justice Programme (AJP) was launched in 2001 with a programme loan from Asian Development Bank of US $ 350 million for ensuring security and equal legal protection for citizens; greater transparency and accountability in the performance of administrative justice in institutions especially judiciary and police; and improvements in judicial and non-judicial legal services. The top priority AJP remained to reduce backlog of pending cases, institutional delays, particularly for the poor and vulnerable segments of the society. The initiatives undertaken under AJP include construction of new courtrooms, judicial complexes, judges' residencies, record rooms, judicial lockups, bar rooms and general amenities like public sheds and baths in the courts premises, district jails, new barracks in existing jails to overcome the problem of overcrowding in jails, and establishment of training centres for judges, police and prison personnel's etc. The CDWP recommended the revised project "Federal Programme under Access to Justice Programme" for smooth implementation of sub projects being implemented under the umbrella programme. In addition, several legislations have been promulgated to reform the Judicial System and improve the transparency in the country. The legislations made during 2017-18 include Witness Protection Act 2017, Security and Benefit Act, 2017; Benaami Transactions Prohibition Act, 2017: The Alternate Dispute Resolution

Act, 2017; The Cost of Litigation Act, 2017; The Public Interest Disclosure Act, 2017; and The Right for Access to Information Act, 2017.

Revenue and Doing Business Reforms: FBR has taken number of incentives to improve service delivery, enhance resource mobilization efforts, and increase Tax-to-GDP ratio and public sector management efficiency. A high powered Implementation Committee headed by the Advisor to the Prime Minister on Revenue for reviewing the recommendations of Tax Reform Commission (TRC) was constituted. The Committee has broadly divided TRC recommendations into long, medium and short categories. Powers of FBR to issue concessionary SRO have been withdrawn/ reduced. Number of filers has been increased from 700, 000 in Year 2012-13 to more than 1.3 million in Year 2017-18. To rationalize the import tariff structure and to reduce the general tariff, slabs peak tariff of 30 percent was reduced to 20 percent. To broaden the tax net, different rates of adjustable withholding of income tax for the income tax filers and non-filers on certain transactions have been introduced. The higher rates of tax for non-filers compel non-filers to file returns. Pakistan has signed an agreement with Afghanistan (Afghan-Pakistan Transit Trade Agreement). The importers as well as the carrier of Afghan cargo have to submit bank guarantees which are released only on verification that the goods have reached Afghanistan and will not pilfered inside Pakistan. Quarterly Withholding Audit Plan (QWAP) has been introduced to conduct the audit of maximum withholding agents every year. SAP system of AGPR has been updated to provide data of 1/5th Sales Tax deductions which is then used for monitoring of the remaining 4/5th Sales Tax. Tax amnesty scheme has been introduced to enhance the tax revenue. 107 new sites being added to existing WAN bringing total number of connected sites to 306. 754 new laptops have been purchased for functional users in FBR. New Data Centre at a cost of PKR. 100 million is being constructed.

A project titled “Development of Integrated Transit Management System (ITTMS) under ADB Regional Improving Border Service” is being implemented which will reduce dwell time for cargo clearance and its onward dispatch. Land to construct the system at Waga and other stations has been acquired. Under another project titled “Security Improvement in Karachi and Port Qasim”, 03 Fixed and 01 Mobile Scanners have been installed. This will help to provide fundamental element of a secured global supply chain, routed through Pakistan towards landlocked countries in the region.

According to the recently published World Bank's flagship Doing Business Report 2018, Pakistan slipped by three points and now ranks at 147 out of 190 economies. However, it registered progress on the Distance to Frontier (DTF) by 51.65. DTF shows the distance of each economy to the “frontier,” which represents the best performance observed on each of the indicators across all economies in the Doing Business indicators. There has been recognized progress around four reforms in Doing Business Report 2018– from ease of starting a business to property registration, minority protection and cross border trade facilitation. Reforms across these areas have contributed to improved image of Pakistan. Pakistan is currently pursuing 44 reforms across a range of indicators aimed at registering property, enforcing contracts, dealing with construction permits and starting a business.

Public Financial Management: Project titled “Institutional Strengthening of Finance Division’ was launched to enhance the capacity of Finance Division which will be completed by 30th June, 2018. Debt Management Strengthening Programme at the cost of Rs160 million is being implemented to maintain and update data on internal and external debt. The software for debt management is being updated in Finance and Economics Affairs Divisions. A system of public financial management along with existing financial management procedures is being introduced/ reviewed with the support of EU assistance. The project titled “Financial Inclusion and Infrastructure Support Project” has been initiated for fostering healthy competition in financial market. A project at a total cost of Rs157.0 million was launched for assessing and Strengthening the Competition Regime in Pakistan with the assistance of the World Bank. A feasibility study was carried out to enhance the capacity of Pakistan Mint Lahore

Reform and Innovation in Government: During the year, number of activities has been initiated under the project titled “Reform and Innovation in Government for High Performance”. Data collection for first ever citizen satisfaction survey on quality of public services has been completed and result will be available during the CFY. Consultation to prepare performance contracts for the year 2018-19 of eleven ministries / divisions has been made. E-office initiative has been launched in Ministry of Planning, Development & Reform which provided IT equipment, trained 300 officers which have promoted e-governance culture. Five provincial consultative workshops on Civil Service Reforms have been conducted at provincial headquarters i.e. Karachi, Lahore, Peshawar, Muzaffarabad and Gilgit. A firm has been hired to undertake Training Need Assessment of the National School of Public Policy. The TNA will be finalized by the end of this calendar year. The criteria for promotion have been changed by enhancing required training marks from 15 to 35. E-filling has been introduced in Ministry of Planning, Development and Reform as well as Ministry has been certified as ISO 2015/9001.

Public Information and Statistical Management: SDGs Support Units have been established in Ministry of Planning, Development and Reform at Federal and provincial P&D’s in all four provinces to provide support for strengthening, coordinating, reporting and monitoring mechanism for SDGs. 6thPopulation and Housing Census have been conducted to determine the actual country’s human and other resources which will help in policy planning. The PBS is also implementing two important projects i.e. “Change of Base of National Accounts from 2005-06 to 2015-16” and “Up gradation of Rural Area Frame for the Conduct of Census/Survey”. The project of Change of Base Year will be completed during the CFY. The work on up gradation of Rural Area Frame has been affected due to census.

Law and Order and Police Reforms: For improvement of law and order in the country, National Security Policy and National Action Plan (NAP) are being implemented in collaboration with all provincials’ governments and law enforcement agencies at federal level. Radd-ul-Fasaad Operation against terrorists in the entire country is being implemented successfully by the security agencies. Mandatory re-verification exercise through fingerprint recognition of subscribers on mobile telephones has been carried out.

Pakistan Cyber Crime and Social Media laws have been introduced to regulate and eliminate Cyber and Social media crime. A project on Establishment of Model Police Stations in ICT/Police Reforms is being implemented to improve the image of ICT Police at a total cost of Rs998 million. The project is under revision under which 14 ICT police Stations will be converted into model police stations. To strengthen the law enforcement agencies in Balochistan, the project titled “Raising of Balochistan Constabulary” is being implemented at a total cost of Rs5.4 billion. Provincial Government has taken the ownership of the project as the force recruited under the project has been shifted to the provincial regular budget. To provide security to the CPEC projects, a special security force has been established. To secure and manage the border security with Afghanistan, border fencing is being carried on and new FC units are being established in KPK and Balochistan.

Young Development Fellowship Programme: Planning Commission launched Young Development Fellows Programme to ensure the active participation of youth in national development. So far three batches of Young Development Fellows (YDFs) have completed their fellowship successfully .The recruitment of 4th batch of YDFs has been completed under the programme. So far, the programme has groomed about 120 young women and men in the area of public policy, planning, and development process in accordance with the emerging national and international needs.

Governance Reforms in Provinces

Punjab

A five years governance reform agenda was developed by the Government of Punjab with the assistance of the World Bank to improve service delivery and citizens' satisfaction with public services. The focus of reform agenda was on three areas i.e. Transparency and Access to Services; Results-Based Management for Service Delivery; and Resource Mobilization and Value for Money. These programmes are being implemented by the Punjab Information Technology Board (PITB); the Punjab Resource Management Programme (PRMP); the Punjab Procurement Regulatory Authority (PPRA); and the Excise and Taxation Department. The objectives of the programme are (i) citizens receiving information about key services through the Citizen Contact Centre (CCC); (ii) services provided by field workers in nine (09) targeted districts; (iii) increase in property tax collection efficiency in digitized districts. The programme is being implemented in seven target departments of Government of the Punjab namely (i) Agriculture Department (AD) (ii) Excise & Taxation (E&T) Department (E&TD) (iii) Higher Education Department (HED) (iv) Irrigation Department (ID) (v) Livestock & Dairy Development Department (L&DD) (vi) Local Government & Community Development Department (LG&CD) (vii) School Education Department (SED). Considerable improvement has been made in public sector governance and resource management in the programme. The focus has been shifted on results for improved public service delivery, greater accountability, simplified business procedures, enabling business environment, harnessing the potential of various sectors to the best possible use.

In addition, the Government of Punjab launched a 100-Day Doing Business Reform Plan to facilitate businesses and start-ups to improve the investment environment in the province. The plan is in line with Punjab Growth Strategy 2018 which sets the target of achieving 8 percent economic growth. The Government of Punjab is also implementing Punjab Financial Management Reform Strategy which aims at enhancing fiscal space, reducing transaction costs, maximizing returns on public spending and building capacity of human resource for PFM.

To curb corruption, bribery and slow pace of service delivery, the Government of Punjab is already implementing Proactive Governance Model in selected government departments to seek citizen feedback on public services. The programme has not only helped to improve the governance system but also creates deterrence for corruption in the system by empowering a common man to connect the government directly.

Sindh

The Government of Sindh took various initiatives during this financial year to improve transparency and good governance through reforms in public sector. A project titled "Sindh Public Sector Management Reform" is being implemented with the assistance of World Bank amounting to US$ 50 million. The key objectives of the programme are to increase revenue mobilization through tax policy reforms and increased administrative efficiency in tax collection; enhance performance of public financial management/ public procurement system and strengthened the management and transparency of the development portfolio.

The Government of Sindh is implementing Sindh Tax Revenue Mobilization Plan 2014-19 to deliver results that cover a wide range of cross-cutting tax policy and tax administration issues including tax simplification, modernization of tax administration and taxpayer facilitation. The Government through Finance Department entered into an agreement with IBA to help revitalize its SPSMRP programme by providing services in the broad areas of cooperation including, tax policy research; building frameworks for tax projections and revenue forecasting on recurrent basis; designing, sourcing and implementing research in tax policy and administration; human resources development; and sourcing faculty for the capacity building programmes.

In addition, efforts are being taken by Sindh Revenue Board for increased automation and enhancing Tax base which has achieved the revenue targets with efficient and effective manner. A Debt Management Unit was also established in Finance Department to keep the Debt Management system in the province for consolidating Debt Database, Formulating a Debt Management Strategy and undertaking Debt Sustainability Analysis, designing an Operational Risk Management Plan. Debt Manual has also been prepared for effective implementation of Debt Management System in the province. Public Financial Management Reform Strategy (2014/15 -2019/20) is being implemented which is based on the principles of transparency, accountability, equity, fiscal discipline and efficiency in the management and use of public resources for improved service delivery and economic development. The PFM Action Plan 2014-15 to 2024-25 was prepared to implement PFM Reform Strategy.

Khyber Pakhtoonkhwa

A Performance Management Reform Unit in is established to improve the performance of all tiers of provincial government through innovative use of IT. PMRU has spearheaded multiple reforms to improve governance at the district and provincial levels. A Citizen's Portal is a step forward towards establishing responsive governance in the province to improve service delivery. These complaints are automatically forwarded to the concerned Deputy Commissioner for appropriate remedial actions. The internet application enables the government to communicate directly with the citizens to make routine and emergency announcements. Under e-governance initiative, various programmes have been launched to transform and modernize the working of provincial government departments.

In addition, Sub-National Governance (SNG) programme is being implemented with the support of UK Government's Department for International Development (DFID). District Delivery Challenge Fund (DDCF) has been established to improve public services through a combination of strengthened local governance and the promotion of innovative service delivery approaches. The government of Khyber Pakhtoonkhwa has also taken important initiatives to improve governance and development outcomes in the province. Right of information Act, provision of mandatory service delivery and Citizen Feedback Model has also been made operational to curb corruption, bribery and snail paced service delivery. Comprehensive Development Strategy (CDS), introduction of output/ performance based budgeting (OBB), gender response budgeting, development of Health Sector Strategy (HSS), Education Sector Plan, Police Reforms and Social Protection Strategy, as well as the establishment of the office of the Provincial Ombudsman have been initiated. The aim of these initiatives is to reform government of Khyber Pakhtoonkhwa to conduct its business in an effective and efficient manner.

Balochistan

With the financial assistance of Multi Donors Trust Fund (MDTF), a Governance Support Project was launched by the Government to improve delivery and efficiency of the core government departments through institutional strengthening and support to line departments. To enhance the capacity of government officials in the area of project management, monitoring & evaluation, and appraisal, financial management, procurement etc. trainings have been conducted at National Institute of Management (NIM), Pakistan Planning and Management Institute (PPMI) and Lahore University of Management Sciences (LUMS). Partnerships with local academic institutions have been established to address the emerging issues and challenges in the province, with mutual agreement, trust and dedication and to develop linkages for specialized services and improved governance. Following interventions have been undertaken in collaboration with local academic institutions. The journalists working in development sector have also been provided training at PPMI.

A performance management system has been developed with the support of Balochistan University of Information Technology, Engineering and Management Sciences (BUITEMS). Citizens' pre-budget consultative workshops for women at divisional level have become regular activity which is being conducted with collaboration of Sardar Bahadur Khan Women University Quetta. Planning and Development Department, Anti-Corruption Establishment Balochistan and Provincial Ombudsman Office have been strengthened. Hotlines in Anti-corruption establishment and Provincial Ombudsman are being established to facilitate the citizens of the far-flung areas of the province for lodging corruption complaints and grievances. Ten Year governance plan is being formulated and establishment of Public Policy & Research Institute is at final stage.

Outlook 2018-19

Governance is a cross cutting issue and perhaps the single most important factor in ensuring objectives of effective service delivery. Steps are needed to address issues relating to improving participation and to get people's, civil society, especially voluntary organizations involved in enhancing the effectiveness of PSDP investment and service delivery. To check deterioration in governance and exploitation of the public resources, empowerment of marginal and excluded classes would be needed. To increase the public-private interface, corporate governance will be improved by developing legal and regulatory frameworks. Variety of measures will be undertaken to make the public sector more efficient, which includes modernization of public sector institutions, civil service reforms; performance management reforms, procedural reforms; procedural regulations and controls; tax and judicial reforms. To increase transparency, fair play and make systems faster and user friendly, smart governance would be needed. Effective monitoring and evaluation should be encouraged and supported.

Programmes for 2018-19

An amount of Rs6.95 billion including foreign aid of Rs2.26 billion has been proposed for the governance sector in 2018-19. The allocation indicates an increase of 3 percent over the last year's allocations.

The reforms programmes/initiatives in the areas of performance evaluation, service delivery, civil service, judicial, systems and procedures, tax administration, procurement, financial management, police, e-governance, open government, enforcing property rights, and public sector enterprises will be continued. Capacity of line ministries/ divisions/ departments and regulatory authorities will be enhanced to deliver public services and to manage the state affairs in an effective manner. E-office/ e-filling system will be promoted for quick delivery of services. Access to Justice Programme will be reviewed and will be implemented efficiently. Citizen Client Charter, Performance contracts for eleven selected ministries, 3rd Pakistan Governance Forum, implementation of National Action Plan/ National Security Policy, Financial Management Reform, Electoral Reform and Civil Service Reform would be the priority areas for the Year 2018-19. The programmes which are already under implementation at Federal and Provincial levels will continue during 2018-19.

PILLAR-IV

Energy, Water and Food Security

Chapter 19 | ENERGY

To bridge the energy demand supply gap, 6,735 MW is expected to be added in the National Grid which includes 50 percent addition from renewable energy and about 2,000 MW imported coal based power plants under CPEC during 2017-18. Further, 1 Billion cubic feet gas per day through import of LNG added in the Sui systems. For evacuation of additional power generation, the NTDC transmission system has been strengthened by adding 2,700 MVA and 4,340 MVA on 500 kV and 220 kV network respectively. Moreover, all Distribution Companies (DISCO's) under their Secondary Transmission and Grid (STG), Distribution of Power (DOP) and Energy Loss Reduction (ELR) programmes have enhanced their distribution systems.

To cope with the additional gas through import, SNGPL has undertaken system augmentation Project (phase-X) for providing RLNG / gas to power plants and completed 1,044 Km Pipeline through infrastructure.

To overcome the load of oil transportation on roads, Techno-Economic feasibility of White Oil Pipeline (WOP) project envisaging 427 Km pipeline from Machike (Sheikhupura) to Taru Jabba (Peshawar) has been completed. The project will be implemented on Built, Own, Operate and Transfer (BOOT) basis. It is planned to finalize the BOOT and other allied agreement during 2017-18.

Work on various blocks at Thar is going on by various companies. Under the joint venture project between Govt. of Sindh and Engro Group, the Sindh Engro Coal Mining Company achieved mine depth of about 126 meters and four (4) dewatering wells are operationalized.

Performance Review 2017-18

Fuel Sector

Oil and Gas

During 2017-18, annual production of crude oil was 32.88 million barrels against target of 35.45 million barrels showing 93 percent achievement. The domestic production of natural gas was 1.48 trillion cubic feet (TCF) against the target 1.51 trillion cubic feet showing 98.0 percent achievement. The Liquefied Petroleum Gas (LPG) production of 800,000 tons surpasses the target of 750,000 tons showing 107 percent achievement. A total of 68 wells including 39 exploratory and 29 development wells drilled. Detail is given at annex-I.

Indigenous crude oil production met only 15 percent of total petroleum products requirements of 26.4 million tons, while 85 percent met through imports of crude oil and refined products.

The Oil Marketing Companies (OMC's) constructed new/ additional oil storages having combined storage capacity of Petrol 56,494 metric tons and Diesel 40,932 metric tons at different locations i.e. Mehmoodkot, Machike, Daulatpur, Mandra, Sarai Naurang, Port

Qasim, Shikarpur and Sahiwal. Marketing of Euro-IV/ V specification Diesel Oil has been allowed under deregulated environment w.e.f. September, 2017.

The OGRA issued 88 licenses including 35 for operation/ marketing of LPG storage/ filling plants and 2 for construction of LPG Air Mix plants in the franchise area of SSGCL. Moreover, OGRA complaint department received/ processed 3,876 complaints from all over the country regarding issues like delay in provision of gas connection, excessive/ estimated billing due to sticky meter, late delivery of gas bills and low pressure of gas etc. On OGRA intervention, gas utilities provided 496 gas connections and a relief of Rs1,341.30 million to consumers.

Gas Consumers Addition and Pipelines Construction

Both Sui gas companies in their respective jurisdictions added 650,339 new connections and total of 14,168 Km transmission and distribution pipelines against target of 416, 973 and 12,253 Km respectively. Detail is given at Annex – II.

Due to existing limited pipeline capacity and to cater for additional RLNG, 30" dia x 125 Km transmission pipeline from Sindh University, Jamshoroto Pakland, Karachi has been started and will be completed during the CFY by the SSGCL. Moreover, rehabilitation of 12" x 344 Km Quetta Pipeline Project (QPL) has been completed. The SSGC has also commissioned four (04) LPG Air Mix plants in Gawadar, Noshki, Kot Ghulam Muhammad and Surab.

The SNGPL has undertaken system augmentation Phase-X for providing RLNG /gas to power plants and completed 1044 Km Pipeline infrastructure development works. To cater the low pressure problems, 12" dia x 104 Km pipeline in swat is under progress and will be completed by the end of June, 2018.

To overcome the load of oil transportation through roads, Techno-Economic feasibility of White Oil Pipeline (WOP) project envisaging 427 Km pipeline from Machike (Sheikhupura) to Taru Jabba (Peshawar) has been completed. The project will be implemented on Built, Own, Operate and Transfer (BOOT) basis.

Liquefied Natural Gas (LNG) and Natural Gas Import

During 2017-18, the Pakistan State Oil handled 6.5 million tons of LNG against the target of 9.0 million tons. The curtailment of LNG was due to slightly belated commissioning of 2nd LNG terminal. Due to supply of re-gasified LNG into the system, almost all the sectors received enhanced gas supply particularly Compressed Natural Gas (CNG) sector.

Gas Pipeline Projects

In February 2018, new construction phase from Afghanistan to Pakistan under Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline project of 56" dia, 1,680 km length and gas volume of 3.2 billion cubic feet of natural gas per day (bcfd) launched in Turkmenistan. The project is expected to be completed by 2020.

Iran-Pakistan Gas Pipeline Project (IP) envisaging laying of 42" dia, 1,931 Km pipeline having 750 MMCFD capacity could not proceed well due to sanctions on Iran. The Petroleum

Division is in process of resolving all the outstanding issues including amendments in the Gas Sales Purchase Agreement (GSPA).

Coal Sector

The Geological Survey of Pakistan (GSP) continued various surveys and exploratory drilling operations for coal exploration under the following PSDP funded projects;

- Appraisal of Newly Discovered Coal Resources of Badin Coal Field and its adjoining areas of Southern Sindh.
- Exploration of Tertiary Coal in Central Salt Range, Punjab.
- Exploration and Evaluation of Coal in Nosham and Bahlol Areas, Balochistan.

Thar Coal Development

Work on various blocks Block-I, II, III, VI etc at Thar operated by Sino Sindh Resources Pvt Ltd (SSRL), Sindh Engro Coal Mining Company Ltd (SECMC)/Engro Power Thar Ltd, Asia Power Group Ltd and Sindh Carbon Energy Ltd respectively. Under the joint venture project between GoS and Engro Group, the SECMC achievements include mine depth of about 126 m and four (4) dewatering wells are operational. The Sino-Sindh Resources (Pvt) Ltd (SSRL) also completed land and socioeconomic survey and appointment of renowned Chinese EPC contractors to initiate development and civil works. Moreover, Asia Power Group Ltd in block-III has completed feasibility study and got approved by the Sindh Coal Authority (SCA).

Outlook and Programmes for 2018-19

Targets for domestic crude oil and natural gas production are fixed at 33.50 million barrels and 1.473 TCF respectively. The supply demand gap in both oil and gas sectors will be met through import of crude oil and petroleum products. The indigenous gas supply will be supplemented through LNG imports to the tune of 9.0 million tons.

Total 90 wells (50 exploratory and 40 developments) are planned to be drilled by the Exploration and Production (E&P) companies. OGRA proposed construction of ten (10) new oil storages having combined capacity of Petrol 304,445 metric tons and Diesel 446,355 metric tons. Moreover, ten (10) new OMC's are expected to be established in year 2018-19.

Both SNGPL and SSGCL have plans to add 1,121,295 new connections and 12,898 Km of transmission and distribution pipelines in their respective systems/ networks.

To cater for additional up country RLNG transmission, SNGPL will construct RLNG-3 (42"dia x 770 KM from Sawan to Lahore) pipeline project XI having 1.2 BCFD capacity. The Project will be completed by 2019. The SNGPL will install 03 LPG Air Mix Plants in Gilgit and Chitral. The SSGCL will also construct thirty (30) LPG Air Mix Plants in Balochistan.

The OGRA proposed 33 licenses to LPG sector which include 25 licenses for operation/ marketing of LPG storages and filling.

The TAPI project activities including signing of Gas Transportation agreement, Pipeline service rules, transit fee agreement and completion of FEED work would be implemented during 2018-19. The implementation on IP project will be reviewed in consultation with the

Iranian counterpart to discuss and finalize all outstanding issues including amendments in the GSPA for preparing revised implementation framework for completion of the project.

The "Machike-TaruJabba Oil Project" activities planned for the year 2018-19 includes completion of land acquisition/ ROW for the project and start of construction by the BOOT contractor.

Pak Arab Refinery Limited (PARCO) has proposed to set up state of the art PARCO Coastal Refinery having capacity of 250,000 barrels per day at Hub, Baluchistan, Estimated cost of the project is over US$ 5 billion. The project is expected to be completed by end 2023.

The Geological Survey of Pakistan (GSP) will continue exploratory drilling and surveys under the following three on-going projects:

- Appraisal of Newly Discovered Coal Resources of Badin Coal Field and its adjoining areas of Southern Sindh.
- Exploration of Tertiary Coal in Central Salt Range, Punjab.
- Exploration and Evaluation of Coal in Nosham and Bahlol Areas, Balochistan.

In addition to above, the GSP also proposed initiation of new project i.e. Exploration of Coal in Dara Adam Khel (FATA), Khyber Pakhtunkhwa.

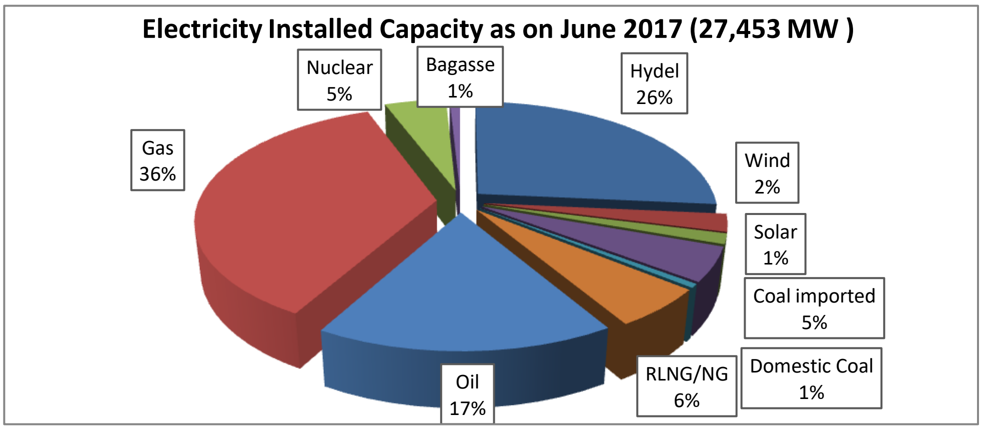
The Sindh Engro Coal Mining Company (SECMC) with their Chinese contactors will continue its mining project of 3.8 million tons per annum capacity for supplying Thar coal to 2x 330 MW power plants at Block–II. During 2018-19 the process of over burden removal will continue and coal production of about 1.2 million tons is also targeted.

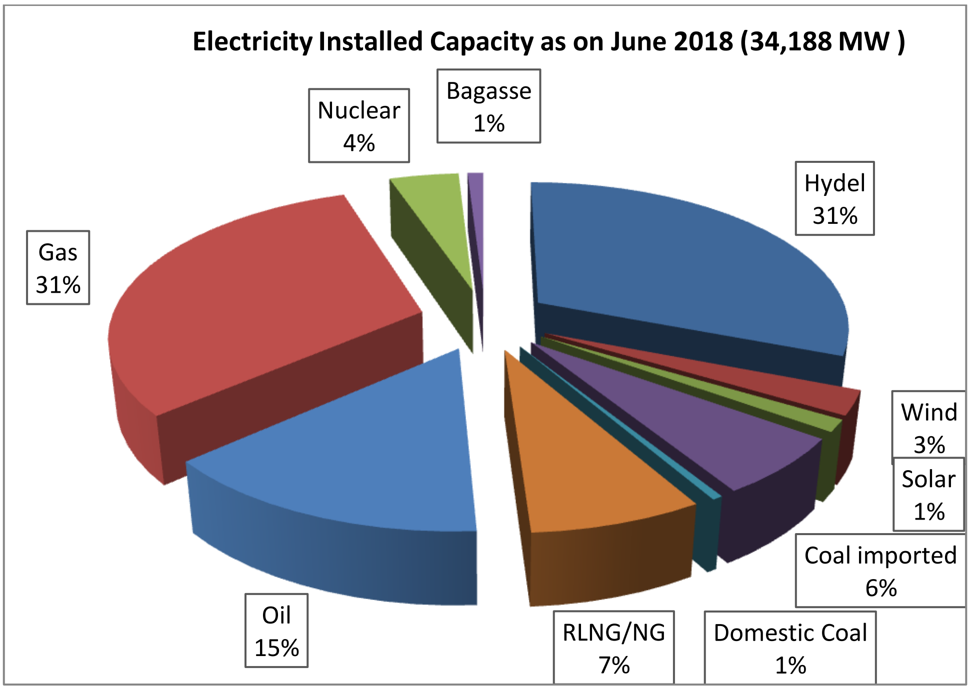
Performance Review 2017-18

Power Sector

A total of 3,330 MW against the target of 6,715 MW has been actualized/commissioned, the remaining 3,405.7 MW is expected to be added by June, 2018 and the target will be fully achieved accordingly. The addition power generation comprised of about 50 percent in renewable energy and 2,000 MW imported coal based power plants under CPEC. Project wise details are attached at Annex-III.

The installed capacity on June 2017 and June 2018 is given as below;





Transmission & Distribution System

During 2017-18, the NTDC transmission system has been strengthened by an addition of 2,700 MVA and 4,340 MVA on 500 kV and 220 kV systems respectively for evacuation of additional power to the National Grid. The existing transmission lines were extended by 1,157 km and 372 km on 500 kV & 220 kV respectively. Detail is given below:-

Transmission & Distribution

Transmission Capacity addition

Items	Units	Targets 2017-18		Achievements up to June-2018	
Transmission	MVA	500 kV	220 kV	500 kV	220 kV
	MVA	4800	6360	2700	4340
Transmission	Km	1853	809	1157	372

A total of 14,675 villages were electrified and 0.96 million connections were added as a result the number of connections increased up to 28 million. In addition, the distribution lines i.e. 132 kV lines extended by 358 km. Further, to cope with increasing power demand, all Distribution Companies (DISCO's) enhanced their capacities through implementation of Secondary Transmission and Grid (STG), Distribution of Power (DOP) and Energy Loss Reduction (ELR) programmes. Detail is attached as **Annex-IV**.

Regional Power Connectivity

Central Asia South Asia (CASA) transmission project envisaging lying of 1,200 km transmission lines for1,300 MW from hydel power generation from Tajikistan and Kyrgyz Republic through Afghanistan to Pakistan, 1,000 MW will be available to Pakistan. The project will not only connect the power transmission lines but will also promote regional connectivity. The core power agreements including Power Purchase Agreements (PPAs) between respective countries have been signed by the parties.

An amount of Rs86.7 billion was allocated in PSDP 2017-18 for power sector projects. In addition Rs317 billion also envisage by WAPDA / NTDC / PEPCO through their own resources.

Outlook and Programmes for 2018-19

During 2018-19, power generation capacity of 2,270 MW including 450 MW from renewable energy will be added, which will increase the existing installed capacity from 34,188 MW to 36,458 MW. The project wise details are attached at **Annex-V**.

The transmission capacity will be enhanced by 3,150 MVA and 6,956 MVA on500 KV and 220 kV network respectively. Further, about 1,396 km and 203 Km transmission lines of 500 KV and 220 KV network will be constructed respectively detail is given below:

Transmission Capacity Addition

Items	Targets 2018-19	
Transmission	500 kV	220 KV
Transmission capacity (MVA)	3,150	6,956
Transmission line (km)	1,396	203

The average distribution losses reported by DISCOs are 18.5 percent which are considerably higher than the global average of around 8 percent. Besides increasing the efficiency, higher losses will be curtailed through DISCO’s Power Distribution enhancement projects like STG’s and ELR. Moreover, necessary measures including incorporating all costs in the tariff structure and to enhance the recovery of receivables by Discos will be taken to address the persistent circular debt issue.

Regional Power Connectivity

The implementation of Central Asia South Asia (CASA) project will continue 2018-19, the bidding process for the transmission line will be completed and actual work will be started.

An amount of Rs56 billion is allocated in PSDP 2018-19 for power sector projects of generation, transmission and distribution. In addition Rs159 billion is also envisaged by WAPDA / NTDC / PEPCO through their own resources.

Annex – I

Annual Plan (2018-19) Energy (Fuel Sector)
Oil and Gas Achievements and Targets

S.No	Items	Units	Targets 2017-18	Expected achievement up to 30-06-2018	Per cent Achievements	Targets 2018-19
1	**Production**					
1.1	Crude Oil	Million Barrels	35.45	32.88	93	33.50
1.2	Gas	Trillion cft	1.51	1.48	98	1.47
1.3	LPG	Tons	750,000	800,000	107	880,000
2	**No of wells drilled**	Nos.	100	68	68	90
2.1	Exploratory	Nos.	66	39	59	50
2.2	Development	Nos.	34	29	85	40

Annex –II

Gas Consumers, Transmission and Distribution Addition Achievements and Targets

S.No	Items	Units	Targets 2017-18	Expected Achievement up to 30-06-2018	Achievements In per cent	Targets 2018-19
	Gas Consumers Added					
1	**SNGPL**					
1.2	Domestic	Nos.	301,125	545,047	181	1,000,000
1.3	Commercial.	Nos.	1,100	3,180	289	3,000
1.4	Industrial	Nos.	25	122	488	300
1.5	Sub Total SNGPL	Nos.	302,250	548,349	181	1,003,300
2.	**SSGCL**					
2.1	Domestic	Nos.	114,300	101,700	89	115,582
2.2	Commercial.	Nos.	384	280	73	2,205
2.3	Industrial	Nos.	39	10	26	208
2.4	Sub Total SSGCL	Nos.	114,723	101,990	89	117,995
2.5	**Total SNGPL + SSGCL**	**Nos.**	**416,973**	**650,339**	**156**	**1,121,295**
3	**Transmission & Distribution Extension by Gas Companies**					
3.1	**SNGPL**					
3.2	Transmission & Distribution	Km	10,930	13,219	121	11,420
4	**SSGCL**					
4.1	Transmission & Distribution	Km	1,323	949	72	1,478
4.4	**Total SNGPL + SSGCL**	**Km**	**12,253**	**14,168**	**116**	**12,898**

Annex –III

Generation Capacity Addition 2017-18

Sr. #	Name of Project	Agency	Fuel	Capacity Addition (MW)	Commissioning Date
1	Patrind	PPIB	Hydro	147	COD achieved
2	Bhiki	PPIB	RLNG	399	COD achieved
3	Haveli Bahadur Shah (1*ST)	PPIB	RLNG	421	COD achieved
4	Balloki	PPIB	RLNG	1198	COD achieved
5	Port Qasim (Unit-I)	PPIB	Imp. Coal	660	COD achieved
6	Thall Power	AEDB	Bagasse	15	COD achieved
7	CHASHNUPP-IV	PAEC	Nuclear	340	COD achieved
8	Artistic Wind	AEDB	Wind	50	COD achieved
9	Jhimpir Power	AEDB	Wind	50	COD achieved
10	Hawa Wind	AEDB	Wind	50	COD achieved
Capacity commissioned (A)				**3329.64**	

1	Ranolia HPP	PEDO	Hydro	17	Apr. 2018
2	Machai Canal HPP	PEDO	Hydro	3	Apr. 2018
3	Golen Gol HPP Unit-I	WAPDA	Hydro	35	Apr. 2018
4	Tarbela 4th Ext. Unit-I	WAPDA	Hydro	470	Apr. 2018
5	Neelum Jhelum Hydro Unit-I	WAPDA	Hydro	242	Apr. 2018
6	Neelum Jhelum Hydro Unit-II	WAPDA	Hydro	242	Apr. 2018
7	Karora HPP	PEDO	Hydro	12	Apr. 2018
8	Golen Gol HPP Unit-II	WAPDA	Hydro	35	Apr. 2018
9	Tarbela 4th Ext. Unit-II	WAPDA	Hydro	470	Apr. 2018
10	Neelum Jhelum Hydro Unit-III	WAPDA	Hydro	242	Apr. 2018
11	Neelum Jhelum Hydro Unit-IV	WAPDA	Hydro	242	Apr. 2018
12	Almoiz Industries Limited	AEDB	Baggase	36	May. 2018
13	Tarbela 4th Ext. Unit-III	WAPDA	Hydro	470	May. 2018
14	Golen Gol HPP Unit-III	WAPDA	Hydro	35	May. 2018
15	Port Qasim Power Project (Unit-II)	PPIB	Imp. Coal	660	Jun. 2018
16	Daral Khwar HPP	PEDO	Hydro	37	Jun. 2018
17	Jabori HPP	PEDO	Hydro	10	Jun. 2018
18	M/s Three Gorges Second Wind Farm Pvt. Ltd.	AEDB	Wind	49.5	Jun. 2018
19	M/s Three Gorges Third Wind Farm Pvt. Ltd.	AEDB	Wind	49.5	Jun. 2018
20	M/s Hartford Alternative Energy (Pvt.) Limited	AEDB	Wind	49.3	Jun. 2018
Generation Capacity to be added upto June 2018 (B)				**3,405.7**	
Total Addition upto June 2018 (A+B)				**6,736**	

Annex-IV

Electricity Consumers Addition/ Achievements and Targets

Type of Consumers	Units	Achievement 2017-18	Target 2018-19
Domestic	Nos.	790,050	1,442,678
Commercial	Nos.	72,374	130,477
Industrial	Nos.	7,010	12,778
Others	Nos.	3,880	6,725
Total	**Nos.**	**873,314**	**1,592,658**
Electrification of Villages	Nos.	14,675	-

Annex-V

Target 2018-19 Power Generation

	Name of Project	Agency	Fuel	MW	Commissioning Date
1	M/s Tricon Boston (Pvt.) Limited (A)	AEDB	Wind	50	Jul. 2018
2	M/s Tricon Boston (Pvt.) Limited (B)	AEDB	Wind	50	Jul. 2018
3	M/s Tricon Boston (Pvt.) Limited (C)	AEDB	Wind	50	Jul. 2018
4	Engro Powergen Project (Unit-I)	PPIB	Dom. Coal	330	Oct. 2018
5	RLNG based power plant at Trimun, Jhang (GT NO.1 & 2)	PPDB	Imp. LNG	830	Nov. 2018
6	M/s Zephyr Power Pvt. Ltd.	AEDB	Wind	50	Nov. 2018
7	HUB Power Company Ltd. (Unit-I)	PPIB	Imp. Coal	660	Dec. 2018
8	Chanar Energy Limited	AEDB	Bagasse	22	Dec. 2018
9	Shahtaj Sugar Mills Ltd.	AEDB	Bagasse	32	Jan. 2019
10	Hunza Power (Pvt.) Ltd.	AEDB	Bagasse	49.8	Feb. 2019
11	Koto HPP	PEDO	Hydro	41	Feb. 2019
12	Etihad Power Generation Limited.	AEDB	Bagasse	74.4	Feb. 2019
13	Indus Energy Limited.	AEDB	Bagasse	31	Apr. 2019
	Total			**2,270**	

Chapter 20 | WATER

Water Sector's Annual Plan 2018-19, addresses sectoral issues, policies and future strategies based on National Water Policy and Vision 2025. It envisages adopting Integrated Water Resources Management (IWRM) approach with guiding principles of equity, efficiency, participatory decision making, sustainability, affordability and accountability.

The prime resolve of Annual Plan (2018-19) is to prioritize and line up investments for water sector in the light of National Water Policy and 12th FYP so as to create new storage facilities and increase system efficiency for water conservation with a broader objective to achieve water-energy-food security. This plan recognizes the need to introduce appropriate measures, reforms and knowledge based interventions to make water infrastructure and management system more efficient and sustainable. National Water Policy provides framework and guiding principles to achieve water security while 12th FYP sets milestones for system augmentation and resource conservation. This Annual Plan will act as means to ensure implementation of National Water Policy and 12th FYP.

Performance Review 2017-18

During the fiscal year 2017-18, major focus remained on timely completion of on-going priority projects intended to achieve the planned targets of Vision 2025 and 11th Five Year Plan. In pursuance, an amount of Rs36.75 billion was allocated for the water sector's development programmes/projects during the year 2017-18, out of which more than 30.00 billion has been utilized.

Major Achievements During 2017- 18

- National Water Policy has been finalized in consultation with all stakeholders across the board. The same awaits approval of the Council of Common Interests (CCI).
- Completion of Kachhi Canal Project (Phase-I) in Balochistan Province to convey irrigation water to Kachhi Plain (about 72,000 acres) for the first time in history. An amount of Rs10,000 million has been utilized for completion for Phase-I in FY 2017-18.
- Commissioning and Operationalisation of Rainee Canal Project in Sindh Province for irrigating 0.185 million acres (Phase-I).
- Operationalisation of Gomal Zam Dam in FATA/Khyber Pakhtun Khwa
- Operationalisation of Darawat Dam Project in Sindh Province
- Achievement of 55 percent physical progress on Nai Gaj Dam (Dadu, Sindh) aimed at irrigation of 28,800 acres of land and generation of 4.20 MW of electricity
- Initial works on Kurram Tangi Dam (Phase-I) in North Waziristan Agency
- An amount of Rs680 million has been utilized for lining of small and minor canals in Punjab and Sindh Provinces during FY 2017-18.
- An amount of Rs1200 million has been incurred on rehabilitation and improvement

of existing irrigation canals in Punjab, Sindh and Khyber Pakhtun Khwa Provinces during FY 2017-18.

- Medium/small and delay actions dams are priority projects of water sector as explained in Vision 2025 and 11th FYP. An amount of Rs7.30 billion has been incurred for implementation of storage projects in all federating units. Province-wise detail is as under:

  a) Punjab: Rs240 million (Ghabir & Papin dam)

  b) Sindh: Rs2,350 million (Darawat & Nai Gaj and Small/recharge dams in Kohistan & Nagarparkar areas of Sindh)

  c) KPK: Rs1,200 million (Kurram Tangi, Kundal/Sanam dam, Baran dam & 20 small dam in districts Nowshera, Kharak, Swabi, Haripur & Kohat.

  d) Balochistan: Rs3,184 million (Shadi Kaur, Bathozai, Construction of 100 small dams (Package-II&III), Basol dam, Mangi dam & many other small dams)

Water availability at farm gate has been increased during FY 2017-18 up to 133.50 MAF against a target of 134.22 MAF.

Drainage sub-sector remained a priority and a sum of Rs10.80 billion has been utilized for the implementation of Right Bank Outfall Drain (RBOD-I, II & III) Projects aimed at protection of land and reclamation of waterlogged and salt effected areas of Sindh and Balochistan Provinces. These projects will also help restore ecology of largest freshwater lake of the country i.e. Manchar Lake.

Physical progress of major on-going projects is given as **Annex-I**.

Outlook 2018-19

During the year 2018-19, following targets will be focused as envisaged in National Water Policy 2018, Pakistan Vision 2025 and 12th Five Year Plan (2018-23):

- Integrated Water Resources Management approach will be adopted as planning paradigm to overcome water scarcity issue and to cope with future challenges.
- Priority will be given to the construction of large/medium/small and recharge dams followed by "Safe disposal of drainage effluent into sea through construction of RBOD-I, II & III".
- Conservation measures (lining of irrigation channels and rehabilitation/modernization of existing irrigation system) will be gradually transferred to the provinces.
- Reinvigorated efforts will be imparted for early completion of projects having physical progress more than 80 percent so as to lessen the burden of throw-forward.
- Protection of infrastructure, agricultural lands & abadies from onslaught of floods under flood control /management programme.
- Building climate resilience, resolution of trans-boundary water disputes, demand management, rainwater harvesting, resettlement, reuse of waste water, recharging ground water are major planned initiatives of water sector. Annual Plan 2018-19

intends to implement respective measures in consultation and coordination with all stakeholders including federating units.

Out of total proposed water sector's budget for the FY 2018-19, amounting to Rs64, 626 million, maximum resources have been earmarked for priority development programmes/projects as per the order of priority set in National Water Policy 2018.

Strategies

Major strategies for water resources development have been drawn from and are coherent with National Water Policy, Pakistan Vision 2025 and 12th Five Year Plan. The main strategy will be prioritizing investments in water sector so as to achieve additional water storages and institutional reforms. As the water sector is highly complex its management vision' cannot be based only on short term or medium term plans; it has to be long-term. However, for convenience in implementation and monitoring, the Vision 2025 has to be split into short term development plans. The future development strategy in the water sector has to be based on new development framework

Water Sector's Strategies & Investment Areas

- Augmentation measures (construction of small/ medium dams) to overcome the water scarcity issue.
- Conservation measures (lining of irrigation channels, modernization/ rehabilitation of irrigation system, Introduction of high efficiency irrigation system
- Protection of infrastructure from the onslaught of floods, water logging & salinity

Expected Water Availability at Farm gate

All efforts would be made to increase the overall water availability at farm gate from 133.50 MAF to 134.50 MAF. This would include surface water supplies through canal withdrawals, canal lining/ remodeling, rehabilitation/ modernization of existing irrigation system, construction of small/ medium dams, check dams and retention weirs. About 6.17 Mhm (50.00 MAF) of water would be included in the system from underground fresh water aquifer mainly by private tube wells. Water losses of the existing irrigation system would be improved through "water conservation measures".

Large/Medium/Small Dams

An amount of Rs33,481 million (52 percent of total water sector allocation) has been proposed during 2018-19 for construction Large/ medium dams (including Rs23,680 million for Diamer Bhasha Dam) and Rs7,825 million for small/ check & delay action dams in all over Pakistan.

Safe Disposal of Drainage Effluent

Waterlogged and salt effected area will be reclaimed through completion of Right Bank Out-fall Drainage System (RBOD-I, II & III), for this programme about Rs9,100 million are proposed to be expended during the next fiscal year 2018-19.

Rehabilitation/Modernization of Existing Irrigation System

More than 50 percent water losses are reported under different studies in our existing irrigation system, to minimize these losses this programme is proposed to be undertaken gradually through Provincial ADP's in future. However, an amount of Rs3, 200 million is proposed for the year 2018-19 for the improvement/ rehabilitation and modernization of irrigation system and "lining of irrigation channels in saline zones".

Flood Management

It is proposed to spend an amount of Rs1, 000 million to complete different emergent nature of small flood schemes all over Pakistan.

Priority On-going and Future Projects

S.#	Description	On-going Projects	Future Interventions
1.	Large/Medium Dams	• Gomal Zam Dam • Kurram Tangi Dam, stage-I • Darawat Dam • Nai Gaj Dam • Naulong Dam • Ghabir Dam • Construction of Mangi Dam • Construction of Basol Dam • Papin Dam • Raising of Baran Dam	• Diamer-Basha Dam • Mohmand/Munda Dam • Kurram Tangi Dam (Stage-II) • Naulong Dam Project
2.	Small/Delay Action/Recharge Dams	• All provinces	• All provinces
3.	New Canals/Intra-basin water transfer	• Rainee Canal (Phase-I) • Kachhi Canal (Phase-I)	• Greater Thal Canal (Phase-II) • Rainee Canal (Phase-II) • Kachhi Canal (Phase-II) • CRBC (Lift-cum-Gravity) Canal.
4.	Water Conservation/ Eradication of Contamination	• Canal lining in all provinces • Rehabilitation of irrigation systems in all provinces • Remodelling of Warsak Canal • High Efficiency Irrigation System in all provinces	• Lining of KB Feeder Upper Canal for water supply to Karachi City • The programmes will be continued in future • Construction of Feeder canal to Manchar Lake to eradicate contamination
5.	Flood Management	• Normal Emergent Flood Programme all over Pakistan • Other flood Management programmes are also being implemented in every province.	• National Flood Protection Plan-IV.
6.	Drainage	• Lower Indus Right Bank Irrigation & Drainage (RBOD-I) • RBOD-II • Balochistan Effluent Disposal into RBOD (RBOD-III)	• The programmes will be continued in future

S.#	Description	On-going Projects	Future Interventions
		• Remedial measures to control water logging due to Muzaffargarh & TP Link Canals	
7.	Rainwater harvesting/ Hill Torrents management	• A feasibility study on rain water harvesting / hill torrents management is in process. • Survey and study design for construction of rain water dams (along river Indus in Sindh)	• Future projects on the basis of feasibility study will be taken up for implementation.

Annex-I

Status of Major Water Sector Ongoing Projects

Project	Location	App. cost (Rs M)	Live Storage	Irrigated Area (Acres)	Status
Gomal Zam Dam	Khyber Pakhtunkhwa	20,626	0.892 MAF	191,139 Acres (17.4 MW Power Gen)	Completed & Operational. Work on Command Area Development in progress.
Kachhi Canal (Phase-I)	Balochistan	80,352	--	72,000 Acres	Physically comp. (Phase-I). Clearance of remaining liabilities is in progress.
Darawat Dam	Sindh	9,300	89,192 (Ac. Ft).	25,000 Acres (0.30 MW Power Gen)	Physically completed. Work on Command Area Development in progress.
Nai Gaj Dam	Sindh	26,236	160,000 (Ac.ft)	28,800 Acres (4.2 MW Power Gen)	50 % Physical works comp.
Kurram Tangi Dam (Phase-I, Kaitu Weir)	KPK	21,059	0.90 MAF	84,380 New 278,000 existing (18.9 MW Power Gen)	17% Works Completed. Works at initial stage.
Naulong Dam	Balochistan	18,027	0.20 (MAF)	47,000 Acres (4.4 MW Power Gen.)	Feasibility & Detailed Engineering Design completed. Works on main dam not yet started.
Mohmand Dam Hydropower Project (800 MW)	FATA, Mohmand Agency	114,285 (dam part) cost	0.676 MAF	16,737 Acres (800 MW Power Gen.)	Feasibility & Detailed Engineering Design completed. Approval of ECNEC for the main dam project is awaited.
Right Bank Out fall Drain • RBOD -I • RBOD –II • RBOD -III	Sindh Sindh Balochistan	17,505 61,985 10,804		RBOD-II will help to dispose 3,520 cusecs of drainage effluent into Sea received from RBOD-I & III	82% completed 63% completed 74 % completed

Chapter 21 | FOOD SECURITY AND AGRICULTURE DEVELOPMENT

Agriculture sector is an important constituent of national economy which has very strong forward as well as backward linkages with other sectors of economy. It has contributed 18.9 percent to the national GDP and employed 42.3 percent of the country's total labor force. The sector has been recovering slowly from the downward trends in the commodity market due to the measures taken by the government coupled with improved demand in the international market.

Vision 2025 targets to reduce food insecurity in Pakistan by 50 percent on one side while to develop value chain of agriculture to enhance exports on the other. Socioeconomic objectives for 12th Plan highlighted the significance of agricultural development, food security and rural transformation by emphasizing the importance of better farmer's terms of trade, value chain improvement and promoting rural enterprises to realize the Plan's targets of 4 percent growth rate from the agriculture sector. Federal cabinet has recently approved the National Food Security Policy. It was long overdue as country did not have any policy framework to guide the nation about securing its food. It emphasized on all the four components of food security such as availability, access, utilization and stability and taken on board all stakeholders while its formulation. Main focus of the policy is on food diversity and nutrition, livelihood improvement, post-harvest management and value addition. Agriculture has been included in CPEC Long-Term Plan. For the time being a sub group on agriculture under Working Group on industry and investment has been formulated. A big activity is anticipated in agriculture sector with Chinese cooperation in coming days. All three national documents i.e. Vision 2025, 12th Five Year Plan and National Food Security Policy along with Long Term Plan of CPEC and relevant provincial policies will guide the working in agriculture and food sector of Pakistan.

Performance Review 2017-18

The performance of agricultural sector and food security situation in the country was up to the mark. During 2017-18, the sector grew by 3.81 percent (P) against a target of 3.47 percent and last year's revised growth rate of 2.07 percent. The crop sector grew by 3.83 percent. Performances from the sub-sectors of agriculture are given in Table-1.

Table 1: Growth Rate of Agriculture Sector (percent)

Item	2016-17	2017-18			2018-19
	Revised	Target	Achievement (P)	Share in GDP	Target
Crops	0.91	2.70	3.83	7.0	3.60
Major crops	2.18	2.00	3.57	4.5	3.00
Other crops	-2.66	3.30	3.33	2.0	3.50
Cotton Ginn. & Misc.	5.58	6.50	8.72	0.5	8.90
Livestock	2.99	3.80	3.76	11.1	3.80
Fisheries	1.23	1.70	1.63	0.4	1.80
Forestry	-2.37	10.00	7.17	0.4	8.50

Item	2016-17	2017-18			2018-19
	Revised	Target	Achievement (P)	Share in GDP	Target
Agriculture	2.07	3.47	3.81	18.9	3.77

Source: *Pakistan Bureau of Statistics*

Support package from the government coupled with conducive weather and better market prices have resulted in high growth rate. Salient features of the agriculture package provided in the budget of 2017-18 are given in Box-1

(Box-1) Agriculture Package in the Federal Budget 2017-18

- Reduced mark-up rates: Mark-up rates currently charged range between 14 to 15 percent. From 1st July 2017, ZTBL and National Bank of Pakistan will provide agricultural loans at a reduced rate of 9.9 percent per annum to small farmers with holdings of 12.5 acres.
- Enhancement in the target of agriculture credit: In order to facilitate the farmers, the volume of agriculture credit is being enhanced to Rs1,001 billion from the last year's target of Rs700 billion.
- Maintaining Fertilizer Prices: i. The government to sell the existing stock of imported Urea fertilizer available with NFML at a concessional rate of Rs1,000 per bag; ii. In order to create ease in disbursement of subsidy on DAP fertilizer which will be subject to fixed sales tax. As a result, GST is being reduced from Rs400 to Rs100. This will have a subsidy impact of Rs13.8 billion; iii. Through reduced tax rates and subsidy given the price per bag of Urea shall be maintained up to Rs 1,400 per bag during the FY 2017-18. This will have a subsidy impact of Rs11.6 billion; iv. Prices of NP, NPK, SSP and CAN fertilizers will also be maintained at their current price levels through appropriate tax adjustments.
- Use of Land Revenue Records for Mortgage Financing: The State Bank of Pakistan shall take steps to align the banking system with the Land Record Management Information System for mortgaging of a property by the banks/farmers.
- Plants Breeders Rights Registry is being established to register new high-quality seeds.
- Cheap electricity for agri-tube wells: The government will continue provision of subsidized tariff on agri-tube wells at the rate of Rs5.35 per unit during FY 2017-18 which is estimated to cost around Rs27 billion.
- Production Index Units will be increased from Rs 4,000 to Rs 5,000.
- Agriculture Tax Relief Measures: i. It has been decided to reduce the customs duty and sales tax at import stage from 0 percent to 5 percent on new and up to 5 years old combined harvesters and machinery, respectively. ii. Removal of GST on imported sunflower and canola hybrid seeds; iii. Sales tax on certain imported machinery/equipment for poultry to be reduced from 17 percent to 7 percent; iv. Sales tax on imported and local supply of agricultural diesel engines of 3 to 36 Horse Power for tube-wells currently having rate of 17

Source: *Budget Speech of Finance Minister*

Support price for wheat was capped at Rs1,300 per 40 Kg for 2017-18 crop and a procurement target of 6.10 million tons was fixed with a financing of Rs195.2 billion. Wheat availability with the public sector before the wheat season was around 5 million tons. Efforts were made to export the surpluses but with partial success due to low prices in international market despite providing up to US$ 159 per ton export subsidy. Similarly, the sugar surpluses have become a problem due to low international prices restricting exports and payment capacity of the millers to the sugarcane growers. The situation for pulses and edible oil, however, was unsatisfactory and low productions caused imports. Food trade balance has been tilting towards imports (US $ 3.97 billion) as compared to exports (US$ 2.3 billion) in first eight months of the FY 2017-18. Food inflation in 2017-18 was calculated at 1.99 percent during July to March as compared to 3.8 percent during the same period of 2016-17.

The Global Food Security Index (GFSI) ranked 113 countries by taking into account food affordability, availability, quality and safety. The overall score and ranking based on GFSI for some global and regional countries is presented in the following Table 2. There was an increase in score of Pakistan in 2017 when compared with 2016.

Table 2: GFSI (Overall Score and Ranking)

Country	Ranking 2017	Score/100		Score Change
		2016	2017	
China	45	65.5	63.7	-1.8
Sri Lanka	66	54.8	53.0	-1.8
India	74	49.4	48.9	0.5
Pakistan	**77**	**47.0**	**47.8**	**0.8**
Nepal	81	42.9	44.5	1.6
Bangladesh	89	36.8	39.7	2.9

Source: *The Economist, Intelligence Unit 2017*

Production of Important Crops

Wheat production is estimated to be 25.49 million tons from an area of 8.73 million hectares during 2017-18 which is 3.6 percent lower against its target. The national requirement of wheat is 25.84 million tons, including 1 million tons strategic reserves maintained by PASSCO. Little shortfall will be provided from the stocks. The decline in wheat production is attributed to delayed sowing in Punjab and Sindh due to delays in cane crushing, water shortages and heat wave in the month of March.

Rice ranks as second amongst the staple food grain crops in Pakistan and is a major source of foreign exchange earnings in food group. Rice production was 7.44 million tons during 2017-18 which is 9 per cent more than the target. Generally, about two third of total rice produced is exported from the country. According to Rice Exporters Association of Pakistan (REAP), during the period from July, 2017 to Jan, 2018 more than 2.33 million tons of rice has been exported valuing US$ 1061million.

The provisional estimates of sugarcane production are very encouraging showing growth of 18 percent and 7.4 percent against its target and last year's achievement. The production is estimated to be 81.102 million tons during 2017-18. High production can be attributed to increase in area sown from 1.218 million hectares in 2016-17 to 1.313 million hectares in the current year. Sugarcane crushing was delayed by most of the sugar mills in South Punjab and Sindh. Farmers were confronted with hardships in disposal of cane due to low prices offered by the mills.

Cotton crop is gradually escaping from the decline in its production during 2015-16. For the second consecutive year its production has been improving. A production of 11.935 million bales was recorded against target of 12.60 million bales. It is however 11.8 percent higher as compared to 2016-17. The area under cotton has increased from 2.489 million hectares to 2.699 million hectares.

The production of Maize during 2017-18 remained at 5.702 million tons from an area of 1.229 million hectares against production target of 5.590 million tons. The increasing production trend is due to use of high quality hybrid seeds, improved production technologies and increased profitability.

Other Crops

Kitchen items mainly come from minor crops. Production of pulses, oilseeds and vegetables affects the Food Price Index and Sensitive Price Index. For the year 2017-18 production of gram crop was targeted to be around 617 thousand tons, however, its production was 43 percent lower than its target for 2017-18. Similarly, the production of sunflower was 49 percent lower against its target and remained at 101.7 thousand tons. The production figures of important crops for 2017-18 and their targets are given in Table 3.

Table 3: Crop Production Targets and Achievements

('000' Tons)

Crops	2016-17 Actual	2017-18 Target	2017-18 Achievement (P)	percent change over 2016-17 Actual	percent change over 2017-18 Target
Wheat	26,674	26,463.6	25,492	-4.43	-3.67
Rice	6,849	6,818	7,442	8.66	9.15
Sugarcane	75,482	68,517.8	81,102	7.44	18.37
Cotton (mil.bales) *	10.670	12.60	11.93	11.81	-5.32
Maize	6,134	5,590.1	5,702	-7.04	2.0
Gram	329.8	617.5	340.3	3.18	-44.9
Onion	1,833.2	1,880.5	1,981.7	8.10	5.38
Sunflower	106.4	140.71	101.7	-4.42	-27.72
Potato	3,852.9	3,807.6	3,853.9	0.03	1.22

***Source**: Pakistan Bureau of Statistics, Federal Committee on Agriculture (FCA), Planning Commission, P=Provisional*

Agricultural Inputs

Fertilizer: Due to low fertility of Pakistani soils, fertilizer contributes 40-60 percent in crop yields. During outgoing fiscal year 2017-18 Phosphate (P) and Potash (K) offtake has increased by 0.2 and 29.3 percent, respectively while Nitrogen offtake decreased by 6.7 percent against 2016-17. The increase in the offtake of phosphate and potash fertilizers was due to the subsidy on these fertilizers. On overall basis, the fertilizer off take target for 2017-18 was well achieved (Table 4).

Table 4: Supply Demand Situation of Fertilizer in 2017-18

(000 tons)

Nutrient / Products	2016-17	2017-18		Percent Change over	
	Actual	Targets	Achievements	2016-17 Actual	2017-18 Targets
Nitrogen	3,730	3,199	3,481	-6.7	8.8
Phosphate	1,269	936	1,272	0.2	35.9
Potash	41	26	53	29.3	103.8
Total	**5,040**	**4,161**	**4,806**	**-4.6**	**15.5**
Urea	6,372	5,764	5,798	-9.0	0.6
DAP	2,329	1,691	2,343	0.6	38.6

Source: *NFDC. For 2017-18 data up to January, 2018 were actual while onward are estimates*

Agricultural Credit: For the first eight months of 2017-18, financial institutions have disbursed Rs570 billion, which is 57 percent of the annual target of Rs1,001 billion and 39 percent higher than the disbursement of Rs409 billion made during corresponding period of last year. Efforts of the SBP are yielding results. It is a high possibility of achieving the disbursement targets to play role in better agricultural production.

Improved Seed: Seed is the single most important input that plays a significant role in achieving high crop productivity. Government as a regulator miserably failed to provide quality seed to growers despite allowing over 700 seed companies. With the recent amendment and approval in Seed Act and Plant Breeders Bill, it is expected that the availability of quality seed to growers will be improved resulting in increase in farmer's yields. Supply demand of improved seed during the period under review is given below Table 5.

Table 5: Improved Seed Requirements and Availability

(Tons)

Items	2016-17 Actual	2017-18		Percent change over actual 2016-17	Percent change over targets 2017-18
		Targets	Achievements (P)		
Cotton Seed	44075.81	40000	27441	-37.44	-31.40
Bt. Cotton	39668.23	-	24696.9	-37.44	-
Non Bt. Cotton	4407.85	-	2744.1	-37.44	-
Paddy	56877.07	46564	28864	-49.25	-38.01
Wheat	476293.83	217089	-	-	-
Maize	24042.35	9574	17317	-27.97	80.88
Pulses	5396.84	9499	3178.15	-41.11	-66.54
Oilseeds	501.10	2116	488	-2.61	-76.94
Vegetables	9056.61	5070	8453.8	-6.66	66.74
Fodder	38430.21	40138	15343	-60.08	-61.77
Potato	6836.85	70545	2415	-64.68	-96.76
Onion	163.29	-	99.89	-38.83	-

Source: *FSC&RD*

Irrigation Water: A significant size of PSDP has been going on to develop water resources in the country. Major investment is on increasing storages, improving canals and water channels. During the outgoing year water availability remained at 133.5 MAF to support the both Rabi and Kharif crops.

Plant Protection: Major portion of pesticide is used to control cotton pests. Due to failure of Bt. technology by spurious seeds in cotton, the use of pesticide on it has been increasing. Main ingredients for pesticides are imported which are further formulated/ produced in Pakistan. A quantity of 306,852 tons pesticide including insecticides, herbicides, and fungicides has been imported from January, 2017 to March, 2018 and made available to use against the agricultural pest complexes.

Agricultural Mechanization: During the period from July, 2017 to Feb., 2018, around 45,576 tractor units have been sold in the market as compared to 31,502 tractor units in the corresponding period of previous fiscal year. There is an increase in local production of agricultural machinery especially of sugarcane machines. Agricultural machinery imports during 2017-18 went up to US$ 86 million compared to the US$ 76 million during 2016-17 due to high demand created by tax relaxation and higher profitability of farmers.

Livestock

Livestock is very important component of agriculture with regard to GDP contributions, livelihood, resilience, poverty alleviation and food security. It accounted for 58.6 percent of the agricultural GDP. During 2017-18, the livestock sector grew at 3.76 percent, its contribution to GDP growth remained at 0.43 percent and share in national GDP was 11.1 percent. While, its gross value addition amounted to Rs1,386 billion. More than US$ 164.631 million were earned as foreign exchange through the export of livestock and allied products during July-Dec of 2017-18. Pakistan has imported milk and cream of value of US$ 235 million in 2016-17 despite the fact that the country is one of the largest milk producers in the world. Due to price capping policy investment in dairy sector is not coming in to meet local demands of milk. Poultry is an important means of improving nutrition. Poultry meat and eggs are cheaper sources of protein diet. It contributes about 28 percent of the total meat production in the country and plays vital role in meeting demands of mutton and beef. During 2017-18, the Gross Value Added of poultry has remained at Rs175.4 billion and GVA growth was recorded at 7.69 percent. Performance in production of meat, milk and eggs is given in Table 6.

Table 6: Physical Performance and Targets of Livestock, Poultry and Fisheries

(000 Tons)

Items	2016-17 Actual	2017-18		Percent Change	
		Target	Achievements (P)	2016-17 Actual	2017-18 Target
Meat	3,962	4,263	4,263	7.57	0.0
Beef	2,085	2,155	2,155	3.36	0.0
Mutton	701	717	717	2.28	0.0
Poultry	1,276	1,391	1,391	9.01	0.0
Milk	56,080	57,890	57,890	3.23	0.0
Eggs (Million Nos.)	17,083	18,037	18,037	5.58	0.0
Fishing	788	810	806.4	2.34	-0.44
Inland	277	305	304.4	9.89	-0.20
Marine	511	505	502	-1.76	-0.59

Source: *M/o NFS&R, Marine Fisheries Department &Pakistan Bureau of Statistics*

Fisheries

Fisheries sector witnessed a growth rate of 1.63 percent in 2017-18. Though contribution of fishing in overall GDP is low but its importance for the livelihood, and export potential is very high. Pakistan fishing export is facing difficulties with regard to compliance of safety and quality standards and has faced several bans. It needs a continuous effort to increase exports which are about 20 percent of the total catch at present. About 75 countries are included in the export market of Pakistan. During outgoing year Pakistan harvested over 800 thousand catches and touched the export value of US$ 400 million. Performance for fish catch is given above in Table 6.

Forestry

Like fishing, GDP contribution from forestry is insignificant. However, the role of forestry with regard to environment and climate change is highly important. In 2017-18, the forestry sector has seen an impressive growth of 7.17 percent. Historical neglect of the sector attracted the attention of the government resulting in launching of several mega programmes both at federal and provincial levels (Table-6).

Development Outlay: Federal PSDP 2017-18

In the Federal PSDP 2017-18, a sum of Rs37,609.9 million was allocated to 128 schemes sponsored by different Ministries / Divisions / Agencies for development of Food and Agriculture Sector (Table-7). The allocation for the Ministry of NFS&R however remained at only Rs1,614 million. The investment on water sector which directly helps agriculture sector development was at Rs33,450 million.

Table-7: Food & Agriculture Sector, PSDP Allocations 2017-18

(Rs million)

Sr.#	Ministry/Division/Agency	No. of Schemes			Total Cost (Agriculture)	Allocation 2017-18
		Ongoing	New	Total		
1.	National Food Security& Research	15	10	25	10,121.274	1,614.266
2.	Planning, Development & Reform	-	02	02	1,296.300	143.300
3.	Higher Education Commission	07	03	10	7,280.659	1,578.458
4.	Sci.& Tech. Research Division	03	06	09	705.154	176.350
5.	Water & Power Division	42	29	71	706,573.500	33,450.090
6.	Interior Division	04	-	04	209.391	80.511
7.	Port & Shipping Division	03	1	04	167.163	104.114
8.	Finance Division	01	-	01	1,347.560	312.808
9.	Pakistan Atomic Energy Commission	00	02	02	1,070.985	150.000
Total		**75**	**53**	**128**	**728,771.990**	**37,609.900**

Source: *PSDP 2017-18*

Development Outlay: Provincial ADP 2017-18

The allocation of funds for agriculture and allied sub-sectors by the provinces/regions in their respective Annual Development Plans 2017-18 was at Rs53.7 billion. Province and sub sector wise allocations are given in Table-8. The allocations for 2018-19 are expected to be enhanced substantially to support the sector's developmental needs.

Table-8: Provincial Annual Development Programme 2017-18

(Rs million)

Province / Region	Sectoral Allocations				
	Agriculture	Food	Livestock	Fisheries	Total
Punjab	21,005.000	500.000	9,542.000	850.000	**31,897.00**
Sindh	6,984.000	100.000	1,102.537	597.364	**8,783.90**
KPK	3,193.597	732.000	656.537	140.866	**4,723.00**
Balochistan	4,909.825	-	576.082	499.732	**5,985.64**
Gilgit-Baltistan	270.470	36.900	136.376	23.808	**467.55**
FATA	590.530	-	746.410	63.825	**1,400.77**
AJ&K	195.000	-	189.000	39.311	**423.31**
Total	**37,148.420**	**1,368.900**	**12,948.940**	**2,214.906**	**53,681.17**

Source: *Provincial/Regional ADPs 2017-18.*

Outlook 2018-19

The 12th Plan has envisaged 4 percent agriculture growth rate to sustain the GDP growth momentum above 6 percent. Besides improving terms of trade of farmers by 30 percent, reduce food insecurity from 18 percent to 12 percent and considerably increase rural non-farm incomes. First time the socio-economic objectives for the 12th Plan have endeavoured to take rural transformation as an important area for economic development.

Keeping in view the overall performance of the sector during 2017-18, investments and policy interventions, outlook for 2018-19 seems quite promising and a target of 3.7 percent has been fixed. This target is achievable as the commodity market is expected to be stable in the near future. However, risks to this target are low water withdrawals in canals and less than normal rains. Government is planning to rationalize the area of wheat, rice and sugarcane to keep the production as per country's requirement by crop diversification. The available area under these crops will be used for promotion of pulses and oilseed crops to reduce edible oil import bill of the country. Concerted efforts will be made to reduce food insecurity in line with SDGs on zero hunger by policy support and crop diversification. Some of the significant crops for 2018-19 are presented in Table-9.

Table 9: Production Targets of Crops for 2018-19

('000' Tons)

Crops	Production Targets
Major Crops	
Wheat	26,500
Rice	7,000
Sugarcane	70,000
Cotton (million bales)	14.40
Maize	6,000
Minor Crops	
Gram	500
Moong	150
Potato	4000

Crops	Production Targets
Onion	2000
Chillies	150
Rapeseed/mustard/canola	250
Sunflower	160

Source: *Planning Commission of Pakistan*

For the input supply, major role rests with the private sector. Government will however strengthen its role as a regulator in order to supply good quality inputs in timely manner. It is highly expected that the set-up will be in place for the implementation of amended Seed Act as well as Plant Breeders Right Bill. Targeted seed supply for current year is given below in table 10.

Table 10: Improved Seed Targets for 2018-19 (tons)

Items	2018-19 Targets
Cotton Seed	40,000
Paddy	12,744
Wheat	218,640
Maize	9,978
Pulses	9,499
Oilseeds	2,116
Vegetables	5,070
Fodder	40,138
Potato	74,545

Source: *FSC&RD*

To improve farmer's terms of trade or income, efforts will be made to reduce the cost of production. Cheap input will obviously be one of the major target to achieve the goal. With continuous support to enhance fertilizer use, the targets of 4,258 thousand tons of nutrient use has been fixed (Table-11).

Table 11: Fertilizer Use Projection/Targets

(000 tons)

Nutrient/Product	2018-19
Nitrogen	3,219
Phosphate	1,011
Potash	28
Total	**4,258**
Urea	5,657
DAP	1,856

Source: *NFDC*

Federal cabinet has endorsed the national water policy for the consideration of Council of Common Interest (CCI). It was a long-awaited step to support the integrated water resource management in the country. Big investment of Rs100 billion would become available in the federal budget for water related projects in 2018-19. Since the water availability is highly depended upon the weather pattern therefore canal water availability would be in stress up to 30 percent for Kharif sowing due to less snow and rains. Despite such anticipations a target of 134.5 MAF water availability has been fixed for 2018-19. Tube wells are expected to compensate the short supply of water for irrigation. Any surge in oil prices may however affect the net profitability of farmers. Prime Minister's markup free financing scheme for 30,000 solar tube wells is however ready for launch to offset the high energy cost for irrigation. Improved energy supply and reduced taxes has played role in improving farm machinery sales. It is expected that sale of tractors and farm implements will continue to increase in 2018-19.

Livestock and Fisheries

Livestock sectors' output is quite consistent. Production estimates are calculated on the basis of census held in 2006 and therefore are projection based instead of actual. The growth of the livestock will be 3.8 percent in 2018-19 in line with its performance during previous year. Fishing catch has been targeted at 817 thousand tons from both marine as well as inland resources. A growth target of 1.8 percent has been fixed for 2018-19. There is a huge potential of export of meat and fisheries products if the production line is improved and SPS compliance is ensured. Physical targets for the livestock and fisheries are in Table 12 given below.

Table 12: Targets of Livestock, Poultry and Fisheries

(000 Tons)

Items	Targets
Meat	4,478
Beef	2,227
Mutton	732
Poultry	1,518
Milk	59,759
Eggs (Million Nos.)	19,052
Fish	817
Inland	310
Marine	507

Source: *M/o NFS&R*

Programmes for 2018-19

Total size of the PSDP for 2018-19 is around Rs750 billion. Major investment is however going for infrastructure and energy sector. Allocation for the Ministry of National Food Security and Research is Rs1.9 billion. It is important to note that agriculture related projects have also been mentioned under other ministries as the sector is a cross-cutting in nature. Water sector, of which agriculture is a main beneficiary, got allocation of Rs45 billion for this year. Some of the important initiatives of the federal government for agriculture development are given below:

- Promoting Research for Productivity Enhancement in Pulses
- Support for Cotton research and development
- Promotion of Olive Cultivation on Commercial Scale in Pakistan
- Establishment of Animal Quarantine Station Gwadar (Phase-II)

- Strengthening / Up-gradation of Agriculture and Livestock Research System of Arid Zone Research Institute, Umerkot, Sindh
- Prime Minister’s Solar Mark-up Free Financing Scheme for Solar Tube well
- Cluster Based Agriculture Transformation Plan
- Revival of oil seed sector
- Risk Based Control of Foot & Mouth Disease in Pakistan
- Strengthening of NIBGE Faisalabad and NIA Tando Jam
- National Surveillance Programme for Avian Influenza and New Castle Disease in Pakistan
- Up-gradation of Seed Certification Services in Balochistan
- Up gradation and Accreditation of Seed Testing Laboratory, FSC&RD, Karachi
- Better Cotton Initiative (BCI)

Since farms are located in provinces therefore it becomes instinctive responsibility of the provincial governments to take care of agriculture sector and the farmers associated with it. Last year the investment from provinces was Rs54 billion which will be further enhanced in 2018-19. Punjab government’s innovations both in livestock as well as in agriculture have been becoming very successful to reach out to the farmers by employing information technology. Sindh has shown resolve in its recently held Sindh Development Forum to focus on agriculture sector. The province is near to complete its agriculture policy. Investments by Balochistan and Khyber Pakhtunkhwa are also on the rise. Donors are also implementing their several programmes in Pakistan for the development of agriculture sector in Pakistan.

Chapter 22 | NUTRITION

Adequate nutrition is necessary for healthy and productive life as it sets foundation for optimal growth and development, increases immunity and reduces morbidity & mortality. Malnutrition on the other hand, leads to lower IQ and impairs cognitive ability of the children affecting their school performance and productivity later in life. A joint study of M/o PD&R with WFP titled "Consequences of Malnutrition (2017)" found that malnutrition accounts to an annual loss of around three percent to Pakistan's GDP. These losses can be avoided through appropriate nutrition sector interventions. An IFPRI study in 2014 found that investment in nutrition yields high benefit cost ratio of 16:1. For instance, availability of the required nutrition during first 1000 days (starting from 1st day of pregnancy) ensures sustained good health. To achieve sustainable nutrition objectives: SDGs and World Health Assembly (WHA) targets for combating all forms of malnutrition, a multi-sectoral approach has been adopted as envisaged in Pakistan Vision 2025 and incorporated in the 12th Five Year Plan.

Performance Review 2017-18

Food Availability: Food Balance Sheet (prepared by M/o PD&R) revealed that during the year sufficient food was available to meet the overall national requirements. In caloric terms, it translates to availability about 2500 calories per person per day compared to the requirement of 2350 calories per person per day. The detail of availability of essential food items and calories is given in the Table - 1:

Table -1: Food Availability (Kg) Per Capita per Annum

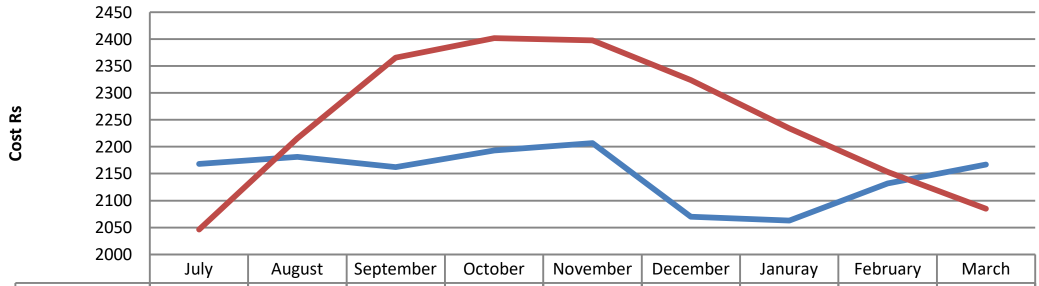
Food Items/Years	Cereals	Pulses	Sugar	Milk (Litter)	Meat(Beef, Mutton & Poultry)	Eggs (Dozen)	Edible Oil/Ghee (Litter)	Vegetables & Fruits	Calories (per day)
2013-14	162.3	6.3	32.1	161.3	18.9	6.2	12.6	6.0	2484
2017-18 (P)	155.4	4.5	29.5	166.5	21.4	7.5	14.5	6.5	2500
2018-19 (T)	160.0	5.5	32.0	170.0	22.0	8.0	15.0	7.0	2530

P: provisional, T: Targets

The overall caloric availability from 2013-14 to 2017-18 remained almost the same. However, most of the calories were derived from cereals, sugar and edible oil while availability of pulses, vegetables and fruits is significantly lower than the required level.

Cost of Food Basket: The cost of desirable food basket providing 2100 calories and 60 grams protein is prepared every month (by M/o PD&R based on PBS data on prices). It shows that food prices varied during July, 2017 to March, 2018 however, the average food expenditure remained at Rs2,280 per person per month compared to the average expenditure of Rs2,150 per person per month during 2016-17.

Cost of Food Basket (Rs) Percapita/Month



	July	August	September	October	November	December	Januray	February	March
2016-17	2168	2181	2162	2193	2207	2070	2063	2132	2167
2017-18	2046	2216	2366	2402	2398	2324	2234	2153	2085

Nutrition Interventions/Activities

The following nutrition related activities are under way to improve the nutritional status of the population particularly women and children;

Pakistan Multi-sectoral Nutrition Strategy (PMNS) and Pakistan Dietary Guidelines for Better Nutrition (PDGN) were prepared for effective coordination, collaboration and to provide healthy nutrition information respectively. Research work on the revision of Food Composition Table (FCT) has been completed from 12 agro-ecological zones having information about 350 raw and cooked food items with 25 nutrition parameters. Early Childhood Development (ECD) Task force has been constituted to formulate national policy framework for early childhood development.

Pakistan Food Fortification Strategy has been revised to layout key actions for overcoming the micronutrient deficiencies. Implementation of Food Fortification Programme has been initiated started to cover all ghee /oil mills with Vitamin A &D fortification and wheat flour fortification in 1100 mills with iron Folic Acid, Zinc and Vitamin B12. The programme has reached 50 oil mills and 150 flour mills with strict quality control and quality assurance mechanism in place. Universal Salt Iodization (USI) Programme through Public Private Partnership is operating successfully in 110 districts with enhanced quality control and assurance. Fortification Assessment survey was conducted to determine the coverage and potential contribution of fortified foods to micronutrient intake.

To achieve the nutrition sector objectives, a number of activities were organized for human resource development under the auspices of SUN These include short courses on multi-sectoral approaches to nutrition , trainings on research methodology apart from conducting nutrition related research studies, roundtables with policy makers, CSOs and media persons for advocacy on nutrition issues.

Provincial Programmes

In Punjab Health Integrated Reforms Programme (Rs13 billion), Stunting Prevention Nutrition Programme (Rs7 billion) and Water, Sanitation & Hygiene (WASH) Programme (Rs9 billion);

In Sindh Nutrition Support Programme (Rs4.5 billion), Saaf Suthro Sindh Programme (Rs278 million), Nutrition Sensitive Agriculture (Rs582 million) and Accelerated Action Plan for

Reduction of Stunting and Malnutrition (Rs1.0 billion every year); **In Khyber Pakhtoonkhwa** Health Integrated Reforms Programme (Rs14.11 billion) and Stunting Prevention Rehabilitation Integrated Nutrition Gain (Rs796 million);

In Balochistan Nutrition Programme for Mothers & Children (Rs1.5 billion), Establishment of SUN Unit (Rs50 million) and Multi-sectoral Nutrition Specific and Sensitive Interventions Programme (Rs1.5 billion).

Outlook 2018-19

Nutrition is a multi-sectoral hence improving nutrition, through various means will catalyze the process to achieve SDGs. Pakistan Multi-sectoral Nutrition Strategy, based on Provincial Multi-sectoral Nutrition Strategies will align and converge the efforts for better nutritional outcomes in Pakistan. SUN Movement Pakistan with its established networks will facilitate the relevant stakeholders for more focused interventions in nutrition sector. More coordinated actions are planned for the year in order to fulfil the national and international commitments for nutrition improvement. In provinces implementation on multi-sectoral nutrition plans and road-maps will continue at enhanced scale.

The National Centre for Human Nutrition (NCHN) is planned for evidence generation and innovative research, capacity building and raising awareness to help in setting planning and decision making for up scaling nutrition. Early Childhood Development (ECD) initiative will provide opportunity to benefit the young children reaching their full potential.

Programmes for 2018-19

The following projects/activities are visualized at national/ federal level at the costs given against each:

- Nutrition Awareness and Institutional Strengthening (Rs1,200 million)
- Utilization of Specialized Nutritious Products for Stunting Prevention in Commercial & Social Safety Sectors through Public Private Partnership (Rs440 million)
- Federal Nutrition Programme for ICT, AJK, FATA and GB (Rs248 million) and
- Establishment of NCHN (Rs500 million).

Activities of National Nutrition Survey 2018 are underway. The new evidence will help in fine-tuning the nutritional interventions and re-setting the targets.

Public Finance Tracking for Nutrition will be conducted at national and provincial level by utilizing PSDP and ADPs data to assess nutrition related investments in the country. Progress tracking system based on: Monitoring, Evaluation, Accountability and Learning (MEAL) system will be developed during the year which will help improving the policy and actions. A research study on cost of solutions to eradicate malnutrition in Pakistan will also be conducted with a view to plan activities and arrange resources achieve the targets.

Chapter 23 | ENVIRONMENT AND CLIMATE CHANGE

Climate change is perceived as one of the major challenges to humanity due to its devastating effects on human lives, economic growth and prosperity. It has been projected that by 2050, global temperature will rise by 2-3^{o}C due to concentrations of Greenhouse Gases (GHG), resulting in decrease of glacial areas ranging from 20 percent to 28 percent by 2050. Rise in temperature, melting of glaciers and increased population accompanied by unprecedented urbanization will disrupt economic activities in the country. Unchecked growth in population will increase demand for food and increase air and water pollution while degrading the available land resources. This will result in an uneven share of resources among the masses at the global, regional and national levels with respect to access to food and a secure living environment.

Natural resources are being depleted at an alarming rate causing loss of biodiversity and deforestation. Change in land use has significantly contributed towards climate change and destruction of local environment. Untreated waste disposal in open areas and water bodies is becoming hazardous, causing numerous health and social issues in the country. Industrial waste water is contaminating the underground water tables making it unsafe for human consumption. The underground and surface water is being polluted due to the use of pesticides and fertilizers at large in the agriculture sector. On the other hand, burning of crop residues results in heavy smog formation which disrupts air and road travel for weeks in the plain areas.

As a result of climate change, weather patterns will change and make certain areas unbearable, forcing the resident population to migrate to more suitable places. Consequently this will have a huge impact on available resources causing devastating effects on the fragile economy. Thus, if left unchecked, pollution and environmental degradation will pose a monumental threat to social and economic growth of the country.

Pakistan has been facing the worst effects of climate change in the preceding decade because of its geographical location. Alarmingly, the Global Climate Change Risk Index 2017 has ranked Pakistan as the 7th most vulnerable country of the world affected by climate change while on the other hand Pakistan has been ranked at 135th among the GHG emitting countries in the same index.

National Disaster Management Authority (NDMA) has undertaken several studies and assessments which show that last five floods (2010-2014) have resulted in huge monetary losses of over US$ 18 billion, affected 38.12 million people, and damaged around 3.45 million houses and 10.63 million acres of crops. Over 1,200 people lost their lives due to the unprecedented heat wave in Karachi during 2015. On the other hand, the Global Climate Change Index 2017 reflects that under its Long-Term Climate Risk Index from 1996-2015 Pakistan has suffered total losses amounting to US$ 3823.17 million and losses per unit GDP amounting to 0.647 percent.

Mitigation and Adaptation

Pakistan's Compliance with the International Framework for Climate Change

The 21st Session of the Conference of the Parties (COP-21) to the UN Framework Convention on Climate Change (UNFCCC) held in Paris in 2015 where international community including Pakistan agreed at stabilizing the climate and avoiding the worst impacts of climate change worldwide focusing on the following four major areas:

- Adoption & Mitigation
- Intended Nationally Determined Contributions (INDCs)
- Technology Development and Transfer
- Capacity Building

The 23rd COP UN Climate Conference held in Bonn, Germany in 2017, emphasized on the above mentioned areas. Sustainable Development Goal 13 defines urgent need to combat Climate Change and its impact, with a need to mobilize $100 billion by 2020 through Green Climate Fund. It will cater the needs of developing countries to enhance the capacity for effective planning for women, youth and marginalized community. Pakistan has won funding for Glacier Lake Outburst Floods (GLOF-II) amounting to $37 million under this fund. National level projects prioritized for GCF funding by Ministry of Climate Change (MoCC), Provincial Governments & AJK are under process and will be initialized.

S #	Potential Projects for Green Climate Fund
1.	Promotion of Climate Smart Livestock Interventions and on Farm Bio -energy Generation in Pakistan. (CSLBE)
2.	Transformation to Climate Smart Agriculture of Most Vulnerable
3.	Agricultural Zones of Pakistan (TCSA)
4.	Improving Resilience Of Local (Rice) Farmer Communities To Climate
5.	Change Impact By Promotion of Climate Resilient Farming Systems In Pakistan (IRLF-CRFS)
6.	Pakistan Solar and Renewable Energy Project (PSREP)
7.	Integrated Floodplains Management along River Indus to Build Resilience of the Riverine Ecosystem and Vulnerable Communities to Climate Change Impacts
8.	Greening Public Buildings
9.	Waste to Energy Project for Islamabad
10.	Integrated Natural Resource Management in FATA
11.	Provision of Clean Energy to Reduce Green House Gas Emissions and Enhancement of Carbon Sink in pilot valleys of Gilgit Baltistan
12.	Enhanced Environmental Quality Monitoring System for Punjab Air , Surface and Ground Water Resources
13.	Billion Trees Forestation Project in Khyber Pakhtunkhwa (Phase-III)
14.	Livelihood Improvement for Coastal Communities of Balochistan
15.	Conservation and Restoration of Mangroves Ecosystem to reduce the impacts of Sea Intrusion
16.	Development of Climate Change Resilient Natural Resources Base to support livelihood of Vulnerable Communities in upland Watersheds

Pakistan has its Intended Nationally Determined Contribution (Pak-INDC), under Article 2 of the Paris Agreement, to the UNFCC. Pakistan intends to reduce its projected GHG emissions up to 20 percent (equivalent to 1603 MT CO^2) by 2030 subject to the availability of international grants to meet the total abatement cost for the above indicated reduction. In monitory terms this reduction amounts to about US$ 40 billion at current prices. Pakistan's adaptation needs for this period range between U$ 7 billion to U$ 14 billion/annum. Sector wise projection of emissions (MT CO2-equivalent) and future forecasting aligned with Vision 2025 are as under:

Sector	**1994**	**2015**	**2030**
Energy	85.8	185.97	898
Industrial Process	13.29	21.85	130
Agriculture	71.63	174.56	457
Land Use Change and Forestry	6.52	10.39	29
Waste	4.45	12.29	89
Total	181.7	405.07	1,603

Source: *Ministry of Climate Change*

Performance Review 2017-18

Ecological Zones of Pakistan under Green Pakistan Project	
1	Road and Canal side Plantations
2	Rehabilitation and Re-stocking of Historical Plantations
3	Restoration & Improvement of Scrub Forests
4	Increase in Existing Cover of Mangrove Forests
5	Conservation and Enhancement in Juniper and Pine Nuts Forests
6	Watershed and Soil Conservation in Hilly and River Catchment areas (Reserved as well as Community Forests)
7	Rehabilitation of Guzara and Protected Forests
8	Protection and Augmentation of Dry Temperate Forests
9	Promotion of Participatory Forestry

Climate Change is a relatively new subject and after 18th amendment the sector portfolio gradually increased. Performance of the sector remained fair enough during 2017-18 as twelve (12) projects are being executed. The total allocation for the sector stood at 1,423.00 million of which the share of MOCC was Rs815.00 million while Aviation Division (PMD) share was Rs608 million. The expected expenditure for the FY 2017-18 will be around Rs843.432 million for the MoCC and Rs310.454 million by Aviation Division (PMD). The Green Pakistan Programme for Revival of Forestry was launched at an estimated cost of Rs3.652 billion for a period of 05 years all over country has shown encouraging results. A total of 100 million new indigenous plants are planned to be planted over the next five years in ecological zones of Pakistan. The current progress of the project reflects that tree planted, sown and regenerated in plantations is 24.742 million trees and available planting stock in the nurseries is 21.117 million. The Revival of Wildlife Resources in Pakistan with an estimated cost of Rs738.9, and Construction of Boundary Wall of Zoo-cum- Botanical Garden, Zoological Survey of Pakistan at an estimated Cost of Rs90.1 million is also being implemented.

Projects under Prime Minister Green Pakistan Programme shall have positive impact on the environment in terms of adaptation through tree plantation, awareness through training and media sessions and stock taking of wild life resources. In addition to above projects, Sustainable Land Management project is under execution to combat desertification in Pakistan. SLMP-II with UNDP funding is also being executed to devise strategies to counter desertification. Establishment Geomantic Centre for Climate Change is being executed that will improve the capacity of Federal Environmental Protection Agency.

Outlook 2018-19

In the FY 2018-19 Climate change & Environment Sector will have development portfolio of worth Rs3,217.08 million including foreign component of Rs2,092 million. Besides, Pakistan has won funding for the project Glacier Lake Outburst Flood (GLOF) amounting to Rs3, 920.188 million through the Green Climate Fund. The project is designed to carry out physical intervention and studies to mitigate the impact of floods from upper Indus region due to glacier melting. Moreover another project Generating Global Environment Benefits from Improved Decision Making Systems and Local Planning in Pakistan has been approved at an estimated cost of Rs193.555 to establish a data bank on environment and climate change sector.

Ministry of Climate Change is in process of formulating an investment Plan for INDC which will attract investment for reduction of GHG emissions in the country. The plan shall be shared with Conference of Parties meeting in October 2018. In this regard, series of workshops are scheduled in April 2018 onwards to formulate a concrete plan for seeking investment in Energy Sector, Industrial Process, Agriculture, Land Use Change and Forestry & Waste management.

PILLAR-V

Private Sector and Entrepreneurship-led Growth

Chapter 24 | MANUFACTURING, MINERAL AND COMMERCE SECTORS

A robust and vibrant manufacturing sector carries paramount importance for economic growth and development of any country. The role of value-added products in the manufacturing sector is crucial and depends on technology up-gradation, enhanced technical skills and better management. Pakistan's manufacturing base is narrow and concentrated in a few sectors. Its main industries are textile, cement, fertilizer, steel, tobacco, edible oil, pharmaceuticals, construction materials, automotive industry, sugar, food processing, chemicals and light engineering etc. The government has initiated various projects for boosting-up industrial growth. These projects aim at provision of various facilities to investors like developed infrastructure, skilled workers, financing & marketing facilities, and common facility centres. These initiatives are closely aligned with the objectives and goals of Pakistan Vision 2025 and 12th Five Year Plan.

Performance Review 2017-18

Manufacturing sector has posted healthy growth in the first eight months of the current fiscal year, mainly due to improved energy supply. Availability of energy, raw material, skilled manpower, value addition & innovation, and market forces are sine-qua-non for this sector's growth. In addition to, consistency and continuity of policies i.e. predictability is also paramount in fostering private sector investment and growth boost-up. Large Scale Manufacturing (LSM) sector has shown growth of **6.24** percent for the period of July-February 2017-18 as compared with the same period of the previous year which was **4.24** percent.

According to National Accounts Committee (NAC), during fiscal year 2017-18, industrial sector grew at the rate of **5.80** percent against targeted rate of 7.3 percent, manufacturing sector by **6.24** percent against targeted rate of 6.4 percent, LSM by **6.13** percent against targeted rate of 6.3 percent, while SME grew at the rate of **8.18** percent against targeted rate of 8.2 percent. These growth rates are provisional and final figures for full year will be determined later on. The main growing industries in fiscal year 2017-18 were textile, coke & petroleum products, pharmaceuticals, non-metallic minerals, automobiles, iron & steel products, electronics, paper & board, engineering products, and rubber products.

As far as allocations and releases are concerned, Rs2,737.27 million were allocated for thirteen (13) development projects of Industries & Production Division in PSDP, 2017-18, against which Rs461.697 million were released up-till March 30, 2018. Similarly, Rs217.500 million were allocated for three (03) development projects of Textile Industry Division in PSDP, 2017-18. Commerce Division has been allocated Rs1,200.00 million during fiscal year 2017-18, against which Rs285.00 million has been released till March 30, 2018. During the current financial year, Commerce Division is executing two projects namely, "Expo Centre Peshawar" (Cost Rs2,500.00 million) having physical progress of 32.2 percent whereas financial progress is 29 percent. This project has been provided with additional amount of Rs300.00 million through re-appropriation of funds from project titled "Expo Centre Islamabad" for quick take off. Similarly Ministry of Planning, Development & Reform reappropriated Rs65.00 million to another project titled "Purchase of Equipment, Furnishing, Curriculum Development and Training of Pakistan Institute of Fashion & Design (PIFD), Lahore" (Cost Rs755.747 million) from the existing PSDP allocation of "Expo Centre, Islamabad" project in fiscal year, 2017-18. This project's financial progress is 77.21 percent whereas its physical progress is 85.85 percent.

Outlook 2018-19

Pakistan's industrial sector is showing modest growth from last two years. With improvement in energy supply, law & order situation, increased government expenditure in infrastructure development like Industrial Estates/Special Economic Zones (SEZs), investment opportunities in the wake of CPEC project, and last but not least consistency & continuity of policies, it is expected that Pakistan's industrial sector would gain further momentum in 2018-19. Likewise proposed Industrial Parks/SEZs along-with CPEC route would bring investment therein through shifting of some production units from China, which would further improve industrial output in coming years.

Table-1: Sector-wise allocation in PSDP 2017-18 and 2018-19

(Rs million)

Sector	2017-18	2018-19
Industries and Production Division	2737.27	1575.75
Textile Industry Division	217.50	220.00
Commerce Division	1200.00	1200.00

Programmes for 2018-19

The Federal Government has initiated various projects for revival and boosting-up of industrial growth in Pakistan. The basic objective of these projects is the provision of various facilities to investors like developed infrastructure, skilled workers, marketing facilities and common facility centres. Some of the important projects are listed below.

- China – Pakistan Economic Corridor Industrial Cooperation Development Project.
- Product Development Center for Composites Based Sports Goods, Sialkot.
- Fruit, Vegetables and Condiments Processing Centre, District Naushehroferoze.
- National Business Development Programme for SMEs – All over Pakistan.
- Hyderabad Engineering Support Centre, Hyderabad.
- Light Engineering Upgradation Centre for SMEs in Balochistan, Hub, Lasbela.
- Water Supply Scheme for Hub Industrial Trading Estate (Phase-II).
- Establishment of Bostan Industrial Estate Phase-I.
- Provision of Infrastructure in Quetta Industrial and Trading Estate (Phase-II).
- Fruit Dehydration Unit, Swat.
- Peshawar Light Engineering Centre, Peshawar.
- 1000 Industrial Stitching Units.

Vision 2025 has suggested a cluster based development model to transform industrial sector. Detailed value chain analysis is underway that will help identify important clusters to be included in long-term industrial transformation plan in Pakistan. It is expected that the project titled “Cluster Development Based Industrial Transformation Plan –V2025” will immensely help manufacturing sector through targeted interventions. Similarly CDWP recently approved the project titled “1000 Industrial Stitching Units”. In phase-I of this project, one hundred & fifty (150) industrial stitching units would be established throughout the country. It is expected that this project would further boost up garments sector by bringing in value addition, improving productivity and cluster development.

Work on “China Pakistan Economic Corridor (CPEC)” is also progressing on fast track and nine (09) Industrial Parks / Special Economic Zones (SEZs) have been identified by the provinces which will create new economic opportunities and boost up industrial growth. CDWP recently approved a project titled “China Pakistan Economic Corridor – Industrial Cooperation Development Project”. It aims at formulation of long term industrial cooperation development plan till 2030; to carry out research studies & identification of investment opportunities for the establishment of Special Economic Zones (SEZs); facilitation & implementation of industrial cooperation projects; and overall coordination of all matters concerning industrial cooperation under CPEC with Chinese counterparts. It is pertinent to mention here that Chinese have recently developed sixty acre land out of nearly 2300 acres as Free Economic / Export Processing Zone in Gwadar and leasing out plots to prospective investors / industrialists.

As far as policies are concerned, Textile Policy, 2014-19 is under active implementation to boost up textile sector, particularly its exports.

The strategy to enhance export competitiveness of commerce sector is to increase the number of products in the export-base in order to decrease dependence on only two major sectors i.e. textiles and rice. Approach for the improvement of the sector includes exploration of lucrative and approachable markets coupled with better competitiveness of our products. Strategic Trade Policy Framework (STPF), 2015-18 aims at enhancing annual exports to US$ 35 billion by improving export competiveness which will help in increasing volume and value of exports. “Expo Centre Peshawar” having cost of Rs2,500.00 million is the prominent project of Commerce sector which will continue during financial year, 2018-19, whereas other two projects namely “Expo Centre Islamabad” and “Expo Centre Quetta” are under process. These projects will help in materializing objectives of Vision 2025 & 12th Five Year Plan and will enhance regional trade, increase exports, products development, and diversification of markets as well as increasing trade volume in domestic commerce.

There is also a dire need to focus on promoting e-commerce in fiscal year, 2018-19. In developed countries, e-commerce & online shopping has already captured huge trading share from traditional mortar & bricks shopkeepers / sellers. At present e-commerce & online shopping practices are relatively at small scale in Pakistan. However, keeping in view the large ratio of youths in our population plus their easy access to internet services, it is expected that e-commerce will capture traditional markets sooner rather than later. In order to materialize and harness the true potential of e-commerce, regulatory regime may be framed for contract enforcement & repudiation issues; shipping issues; intellectual property rights issues; personal data security issues; and encouragement of online payment system, etc.

This also needs to focus our attention on improving and further boosting up domestic commerce in financial year, 2018-19. Despite its huge potential for employment and wealth generation, it was, unfortunately neglected in the past. In order to reap its benefits, a holistic strategy might be adopted for domestic commerce. This strategy should include review of taxation policy of federal, provincial and local governments for retailers & wholesalers; storage & warehouses issues; financing & micro-financing issues for wholesalers & traders respectively; and transport policy, etc.

Minerals

Nature has bestowed Pakistan with enormous and diversified world class mineral resources, coal, copper, gold, building stones, industrial raw materials, gemstones, etc. Both public and private sectors are working to exploration and development. Directorate General of Mines & Minerals grants reconnaissance/prospecting/exploration licenses and mining leases for search and extraction of minerals in accordance with the procedures laid down under the mining concession rules. The licensee/lessee carries out mineral exploration, development and production activities at his own expenses and pays rent, royalty and taxes to the respective Government on the quantity of minerals extracted. According to provisional data, Mines & Mineral contribution towards GDP growth was 0.09 percent in fiscal year, 2017-18.

Vision 2025 and 12th Five Year Plan envisage fundamental improvements for the mineral sector. Some salient features of the Vision for mineral sector are: strengthening institutions, removing infrastructure bottlenecks, promoting public private partnership, encouraging investment, developing skills and building knowledge economy, easing of doing business, increasing labour market efficiency, and tapping large domestic and regional markets.

Performance Review 2017-18

Growth in any sector is generally influenced by availability of energy, raw material, skilled manpower and market forces. During fiscal year, 2017-18, Public Sector Development Programme (PSDP) allocation for the mineral Sector was Rs424.799 million for two development projects namely, **"**Acquisition of Four Drilling Rigs for the Geological Survey of Pakistan", and "Exploration and Evaluation of Metallic Minerals, in Uthal and Bela Areas, District Lasbela, Balochistan". Detail regarding these ongoing projects is given below:**-**

Acquisition of Four Drilling Rigs with Accessories for the Geological Survey of Pakistan

Two new 275 HP, Hydraulic, Truck Mounted Multipurpose Drilling Rigs with drilling capacities of 1300-2000 meters HQ and 2000-3000 meters NQ, with accessories and spare parts of rigs and trucks have been purchased from Italy on FOR basis. Rigs with accessories have been received in GSP Headquarters, Quetta on 10.09.2016. Preparation of technical specification and tenders for purchase of 2 more drilling rigs with accessories have been prepared in strict adherence to PPRA rules. Tenders have been published in national print media. Eleven companies/suppliers have purchased tender documents. Constitution of Technical and Purchased Committees and evaluation of the Technical bids has been completed.

Exploration and Evaluation of Metallic Minerals, in Uthal and Bela Areas, District Lasbela, Balochistan

Geological mapping over 470.0 Sq.km areas on 1:10,000 scales has been completed. Section measurement completed at 12 sites. Potential sites have been selected for drilling. Collected 100 coal samples and their chemical analyses have been completed. Drilling of 5 exploratory boreholes with a cumulative depth of 742 meters have been completed in Kharli, Bhadrar, Hussainabad, Bochal and Bolla Towns in District Chakwal and surrounding areas. Coal seams encountered in all holes in various depths. Core samples collected and their chemical analysis has been completed. Geological logging has been completed of the boreholes. Digitization of stratigraphic section and borehole log data is in progress. Purchase of Atomic Absorption Spectrophotometer, GSP's, Digital Camera, field equipments, photocopier and multifunction copier/fax, AC for computer Lab, Drilling bits & accessories has been completed. Technical report of the project is in progress.

Ministry of Planning Development & Reforms has started new initiative titled "**Cluster Development Based Mineral Transformation Plan-V2025"** at cost of Rs62.21 million with the aim to improve productivity in the mines and mineral sector, enhance exports, increase value addition and create jobs.

Outlook 2018-19

Geological Survey of Pakistan has designed a number of annual field programmes/projects likely minerals investigation, geological mapping, geophysical exploration, exploration and evaluation of coal, geochemical exploration of precious metals, geo-environmental & ground water studies, exploration of iron ore, geo hazard assessment & geotechnical projects, geochemical analysis and medical geology projects for fiscal year, 2018-19. An area of about 12800 sq. km is planned to be geologically mapped in different parts of the country. Around 200 samples will be taken in this time period while conducting this survey and geochemical analysis will be carried out. Even though the operational funds provided in the regular budget are short to meet the project expenses, GSP aims to achieve the technical targets in the upcoming financial year within the available resources. The efforts will be concentrated towards mineral exploration and Geological mapping projects including iron ore, coal, copper and gold in the areas of Punjab and Balochistan province, while Lead-Zinc-Barite investigations will be carried out in Balochistan, Khyber Pakhtunkhwa (KP) and Sindh. Moreover, in Gilgit-Baltistan, Islamabad, some regions of Punjab such as Kasur, Faisalabad and different regions of Azad Jammu & Kashmir (AJK) some of the environmental, geo-technical studies, urban and hydro-geological studies will be carried out. A total of four ongoing development projects will be implemented in fiscal year 2018-19 accompanied by the six newly proposed development projects subject to their approval from the competent forum. In the newly proposed development projects GSP intends not only to explore the mineral and coal reserves of the country but has also proposed up-gradation of its laboratories as well as its accommodation facilities in a bid to enhance its geochemical analytical capabilities, efficiency and work outputs of its workers.

Programmes for 2018-19

- Lithofacies , Depositional Environments and Economic Potential of Neogene Siwalik Group, Taunsa, Dera Ghazi Khan Districts, Eastern Sulaiman Range (Middle Indus Basin), Pakistan.
- Geophysical Resistivity Survey for Exploration of Geothermal Energy Resources in Dadu District Sindh.
- Fluorite Mineralization and its Evaluation in Loralai, Mekhtar and Surrounding Area, Balochistan, Pakistan.
- Exploratory Studies of Metallic and Non-Metallic along the Chaman Segment of the Chaman Transform Fault System.
- Role of Electrolytes and Toxic metals in blood and serum of Kidney disorders related to drinking water in Quetta Balochistan, Pakistan in the Perspective of Medical Geology.
- Tectono-Stratigraphic Model of Eocene Succession in the Upper Indus Basin, Pakistan.
- Follow-up Fluid Geochemical Study of Tatta Pani, District Kotli, Azad Jammu and Kashmir (AJK). Toposheet No. 43G/14.
- Subsuface Mapping for Geothermal Energy Resources at Tatta Pani, District Kotli, Azad Jammu Kashmir (AJK) using Electrical Resistivity Survey. Toposheet No. 43 G/14 District Kotli.
- Geo-Chemical Exploration for Precious and Base Metels including Gem Stone from Aliabad to Ishkomen and surrounding Areas District Gligit, Gilgit Baltistan, Pakistan.
- Geological Mapping and Mineral Investigation of Domel Area, Topographic sheet No. 43-C/2, District Attock, Punjab and District Nowshera, KPK, Pakistan at 1: 50, 000 scale.
- Geological Mapping and Mineral Investigation of Quadrangle 42-H/6, District Ghizer, Gilgit Baltistan.
- Geological Mapping and Mineral Investigation of Quadrangle 42-L/4, District Gilgit, Gilgit Baltistan.
- Geological Mapping and Mineral Investigation of Quadrangle 42-H/4, District Ghizer, Gilgit Baltistan.
- Genesis and Economic Potential of Sulfide Deposits of Bagrot Valley, Tehsil Danyor, District Gilgit, Gilgit Baltistan.
- Identification of High Riske areas with reference to Geological Hazards (Flash Flood and Debris Flow), Chitral District, KPK and Ghizer District, Gilgit Baltistan (GB).
- Raw Material Investigation and Evaluation of Limestone Resources for Cement Industry in toposheet No. 35O/3, District Lasbela, Balochistan.
- Evaluation of Aggregates Resources for Construction Material in Sulaiman Range District, Dera Ghazi Khan & Taunsa.

Ongoing PSDP Development Projects for Financial Year 2018-19

- Appraisal of Newly Discovered Coal Resources of Badin Coal Field and its adjoining areas of Southern Sindh (2013-2019). Approved by CDWP on 19-11-2009. (Total Cost: Rs170.633 million)
- Exploration of Tertiary Coal in Central Salt Range, Punjab (2013-2019). Approved by DDWP on 27-01-2010. (Total Cost: Rs43.350 million)
- Exploration and Evaluation of Metallic Minerals in Uthal and Bela Area, District Lasbela Balochistan. Approved by DDWP on 11-09-2015. (Total Cost: Rs56.70 million)
- Exploration and Evaluation of Coal in Nosham and Bahlol Areas, Balochistan (2017- 2019). Approved by DDWP on 15-08-2017. (Total Cost: Rs42.318 million)

New (PSDP) Proposed Projects for Financial Year 2018-19

- Exploration of Coal in Dara Adam Khel (FR Kohat), FR Peshawar, & Hazara areas, Khyber Pakhtunkhwa (2018-2021) (Total Cost: Rs49.191 million).
- Up-gradation of Accommodation Facilities for Field Officers at GSP, Quetta (2018-2020) (Total Cost: Rs92.504 million).
- Geological Mapping of 50 Top sheets out of 354 Unmapped Top sheets of Outcrop Area of Balochistan Province (2018-2021) (Total Cost: Rs58.788 million).
- Integrated Geophysical Investigations for mineral prospecting, groundwater potential and Bed rock modelling along CPEC route (2018-2021) (Total Cost: Rs569.736 million).
- Up-gradation & Strengthening of Human Resource Development Centre of Geosciences Advance Research Laboratories. (2018-2021) (Total Cost: Rs171.072 million).
- Up-gradation and strengthening of Research Laboratories at Geological Survey of Pakistan, Regional office Peshawar (2018-19) (Total Cost: Rs54.50 million).

PILLAR-VI

Developing a Competitive Knowledge Economy through Value-Addition

Chapter 25 | HIGHER EDUCATION

The role of higher education as a major driver of economic development is well established. This role will increase as further changes in technology, globalization, and demographics impact the country. To remain competitive in light of these changes, Pakistan will need to improve productivity and adopt an innovative spirit. Higher education has the capacity, knowledge, and research necessary to help achieve these goals.

The Government of Pakistan has formulated and approved a long term Vision Plan 2025 for a developed and prosperous Pakistan that covers up the key sectors of the country. Pillar-I of Vision 2025 emphasizes Developing Human and Social Capital. One major weakness identified in vision 2025 is neglect of human resource development and it seeks improvement in this area. Pakistan has to make significant leap forward in areas like education, health and social development to catch up with its peers. It aims at substantial expansion in levels of education as well as improvements in the quality of education. A larger share of the GDP, at least 4 percent to education would have to be allotted. Key goals under this pillar are; Increase Higher Education coverage from 7 percent to 12 percent, and increase number of PhD's from 7,000 to 15,000.

The 12th Five Year Plan emphasizes on providing 100 percent access of tertiary education at district level without compromising on quality and creating knowledge with local and international collaboration that can be translated into products and commercialization. The plan also focuses on encouraging universities to generate own resources in order to meet their recurring expenditures. Another area of focus will be reforming governance structure at universities by training university authorities in leadership skills. Accordingly, the Annual plan 2018-19 is intended to meet these objectives identified in 12th Five Year plan.

Higher Education Commission (HEC) being the custodian of higher education in country has plans in the next decade not only to sustain what has been achieved but initiate further reforms that are in line with GoP Vision 2025. HEC plans to implement a process of developing human capital and to take higher education opportunities at the district level throughout the country and a significant increase of scholarships for faculty. HEC has managed to prepare 28 percent of faculty with PhD which needs to be enhanced to 40 percent by next decade. HEC vision 2025 calls for improving quality of higher education by improving accreditation and monitoring of curriculum at all levels.

Performance Review 2017-18

Access to Higher Education

The major emphasis remained on increasing access to higher education at the doorsteps of masses. HEC is accordingly taking necessary steps to meet the goal of district level access in phased manner. In first phase, 22 university campuses are being established in all provinces. In addition to that projects for establishing various new universities / university campuses have been approved. Some of these include: Bahawalpur Institute of Science & Technology, Federal University at Hyderabad, University of Baltistan, Women Sub Campus of Swat University in Mingora, up gradation of Bannu University of Science & Technology, Lakki

Marwat Campus to a Full Fledge University, Women University campuses at Pishin and Khuzdar, Establishment of University Campus for Women at Bannu, Establishment of Women Campus of Kohat University of Science & Technology at Kohat and University of Sargodha campuses at Mianwali & Bhakkar. This data also reveals that government is well aware of female education and taking all necessary steps to provide access in a way to improve gender balance in the country.

Higher Education Commission has taken up the target as envisaged in Vision 2025 to enhance the enrolment in higher education institutions 12 percent of the youth aged between 17-23 years. For this purpose the higher education institutions / universities have now coverage across the country. Region wise number of universities/ institutions & their Sub Campuses at present compared to previous year are as under:-

Table-1: Universities and University Campuses in 2016-17 and 2017-18

SN	Region/ Province	2016-17		2017-18	
		Universities	Campuses	Universities	Campuses
1	Azad Jammu & Kashmir	7	0	7	4
2	Balochistan	8	0	8	3
3	FATA	1	0	1	0
4	Gilgit-Baltistan	2	0	2	2
5	Islamabad	32	8	32	8
6	Khyber Pakhtoonkhwa	30	8	33	12
7	Punjab	53	62	53	66
8	Sindh	52	14	52	19
	Total	**185**	**92**	**188**	**110**

The current enrolment in these universities/institutions has reached to 1.471 million.

Visibility of Pakistani Universities on Globe

One of the key indicators for assessing quality of higher education is visibility of Higher Education institutions (HEIs) of a country at regional and global level. HEC has a mechanism to rank public and private universities at national level. Similarly, various rankings of HEIs are available at global level. Quacquarelli Symonds (QS) Ranking is one of the reputable global ranking. Due to collective and concerted effort of universities, government, HEC and all other stakeholders, the output in Higher Education Institutions (HEIs) of the country have shown tremendous improvements and Pakistan has been acknowledged as rising star by the international higher education community in a number of disciplines. Today many Pakistani universities are seen on the globe. The addition of Pakistani universities in QS Asian ranking over the year is given below:

Table-2: Quacquarelli Symonds (QS) Asian Ranking

QS ASIAN Ranking	2017	2016	2015	2014	2013
National University Sciences of Technology (NUST)	91	112	119	129	120
Lahore University of Management Sciences (LUMS)	103	111	161	181	191
Quaid-i-Azam University, Islamabad	133	149	116	123	119

QS ASIAN Ranking	2017	2016	2015	2014	2013
Pakistan Institute of Engineering and Applied Sciences	128	149	115	106	-
Agha Khan University, Karachi	234	183	117	116	151
University of Karachi	193	201-210	251+	201+	201+
University of the Punjab, Lahore	232	221-230	201+	201+	201+
COMSATS Institute of Information Technology	190	231-240	201+	201+	-
University of Engineering and Technology, Lahore	200	241-250	251+	251+	201+
Agriculture University, Faisalabad	291-300	301-350	251+	251+	-
Institute of Space Technology, Islamabad	271-280	-	-	-	-
NED Uni of Engineering and Technology, Karachi	301-350	-	-	-	-
University of Lahore, Lahore	301-350	-	-	-	-
University of Veterinary and Animal Sciences , Lahore	301-350	-	-	-	-
Government College University, Lahore	351-400	-	-	-	-
Mehran University of Engineering and Technology, Jamshoro	351-400	-	-	-	-

Human Resources Development

Availability of trained / highly qualified faculty is one of the main prerequisites for quality of education imparted and graduates produced in a university. The government has provided ample resources over the years to HEC and universities for training of faculty. The trained scholars not only contribute in the faculty but also in R&D organizations, industry / private sector as well as in policy making institutions. HEC is responsible for formulating policies, terms and conditions for planning, implementation of quality processes, and monitoring of development and recurring projects for scholarships. In addition, the various schemes which provide opportunities to scholars for improvement of higher education and promotion of research culture align with the objective of the Vision 2025.

Overseas Scholarships

A total number of 636 scholars proceeded abroad for their PhD studies during 2017-18; In addition, 400 scholars have been awarded 6 month PhD research fellowship abroad under International Research Support Initiative Programme (IRSIP) during the same period.

Indigenous Scholarships

A total number of **2031** indigenous scholarships were awarded for Under Gradate, Post-Graduate and PhD studies under various schemes during 2017-18.

Need Based Scholarships

A total number of 3216 needs based scholarships were awarded during 2015-18 under different need based programmes. It includes HEC-Need Based Scholarships, USAID, & OGDCL Need Based Scholarship Programme.

PM Fee Reimbursement Programme For Students From Less Developed Areas

The scope of the Programme has been expanded to 114 districts of Pakistan and under this programme fee reimbursement made to 36405 students of these districts during current FY: 2017-18.

Scholarships for Afghan Students

Under this scheme, the Government of Pakistan offers scholarships to 3000 Afghan students in various field including Medicine, Engineering, Agriculture, Management and computer sciences;

- To establish a goodwill gesture for among the people of Afghanistan.
- To promote Human Resource Development for reconstruction of Afghanistan.
- To develop people to people contact between two neighbouring countries.
- To create excellent leaderships qualities among Afghan youth.

Academic Research & its Impact

The research activities have been enhanced in the public sector institutions resulting in more than 6 folds increase in research articles published in impact factor journals. Streamlined research, generated by strategic academic processes that build strong societies and economies has now entered a takeoff phase of commercialization. Business and Technology Incubators are being established in universities across Pakistan to promote university-industry collaboration. Universities have initiated different research projects related to agriculture, business, industrial needs, which are shared with the related stakeholders and other sections of the society.

In order to sustain the trend and to expand the horizon of research activities in HEIs while reaping the benefits of research in real term of community impact and research commercialization, HEC focused on research activities those have direct impact on community wellbeing and economy of the country. These are;

- About 30 percent of the approved development funds have been allocated for provision of latest teaching and research lab equipment to expand and enhance the R&D infrastructure of the universities.
- A project for establishment of Seerat Chairs in six (6) Public Sector Universities has been approved at a cost of Rs192.0 million, for conducting research on Seerat-e-Pak.

The Higher Education Commission has initiated a new project “Establishment of Technology Development Fund for HEC Scholars Returning after completion of PhD to introduce new Technologies in Pakistan (HEC)” for academia-industry collaborative project. In FY 2017-18, a total of 276 proposals received are more than two times as compared to the previous fiscal year. After initial scrutiny 232 have been awarded.

Financial progress

An amount of Rs35.663 billion for 181 development projects (112 ongoing & 69 unapproved projects) was allocated to Higher Education Commission in the PSDP 2017-18. HEC has reported total estimated release and revised estimates for 2017-18 as Rs27.052 billion. In addition, Higher Education Commission has been given the responsibility of designing, implementation and execution of the project titled “Prime Minister’s Laptop Scheme-HEC

(Phase-II)". The case for release of an amount of Rs5.287 billion for PM's Laptop Scheme is under process at M/o Finance. Similarly, the case for release of supplementary grant of Rs0.600 billion for the project titled "Award of 3000 Scholarships to students from Afghanistan under the Prime Minister's Directive" is also under process at M/o Finance.

Outlook 2018-19

Access and Quality of Higher Education

Government has planned to provide 100 percent access at district level by 2020. Efforts will continue to enhance access at district level during next year. During 2017-18, HEC implemented projects for establishing universities / university campuses in 22 districts. In 2018-19, another 22 districts will be provided with the same facilities. Special focus will be laid to improve gender balance in access of tertiary education. HEC will be tasked to undertake public sector universities for their quality of education as well as employability of their graduates.

Human Resources Development

Human Resource Development will remain one of the key areas of development of higher education sector. However focus will remain on increasing indigenous scholarships or split programmes and send scholars for foreign scholarships / trainings in only those areas which are priority of government and which are directly related to the economic development. During 2017-18, HEC carried out a survey in universities to identify areas and specializations where the scholarships need to be focused and where the gap of knowledge is existing. This was followed by a national level workshop where all the stakeholders sat together and further refine these areas of Human Resource Development. HEC will start Phase-III of Overseas Scholarship Scheme, implement Pak USA Knowledge Corridor Scholarships Scheme and continue working on Indigenous Scholarship Schemes. These initiatives in total will provide opportunities for 1000 PhD scholarships. In addition to that, Post-Doctoral Fellowships for 200 fellows in 2018-19 will also be awarded.

Visibility of Pakistani Universities on Globe

Pakistani universities due to focus on quality and concerted efforts on collaborations as well as international linkages have started showing on global higher education rankings. The universities will be encouraged to enhance their efforts and work harder to excel in these areas and more universities are expected to make it to top rankings at global and regional level. In 2017-18 about 15 universities were included top 500 rankings at Asian level. This number should be more than 20 by next year. At least five (5) universities should be among top 500 universities at global level.

Academic Research and its Impact

The faculty and researchers at universities will remain active for knowledge creation to increase publications in Impact Factor Journals and their Citations. Focus will also remain on commercialization of R&D through registration of more Patents, awarding Licenses and establishing Spin-offs and enhancing University-Industrial Collaborations. Universities will be encouraged to establish international collaborations and undertake social service. Universities will be incentivized by developing a funding mechanism based on their performance in commercialization of research, generation of funds as well as collaboration with industry. Following research related targets should be met by HEC and universities:

- Increase in the number of publications from existing 14,000+ (approx.) to 16,000 by next year as well as their impact (citations per publication).
- 10-15 percent annual increase in the commercialization outputs and outcomes (such as spin-offs, patents, licenses, and industry collaboration revenues).

Programmes for 2018-19

The focus in 2018-19 will remain on consolidation instead of expansion. As per this policy, completion of ongoing initiatives will remain main area of focus instead of starting new initiatives. In this context, the programme part has been divided in two part i.e. ongoing initiatives which will continue along with new initiatives. .

Ongoing programmes to be implemented

Under District Level University project HEC will complete establishing 22 Campuses in Phase-I of the project.

Work on newly approved projects for establishing universities will either complete or will continue. Some important of these projects include: Centre for Mathematical Sciences PIEAS, 4 Year BS Programme at UET Taxila, Development of Fatima Jinnah Women University Rawalpindi, Development of Infrastructure at Lasbela University, Development of University of Dir, Lahore College for Women University Jhang Campus, Strengthening of Mehran University of Engineering & Technology Jamshoro, University of Bagh AJ&K, Establishment of FATA University and University of Agriculture Faisalabad Depalpur Campus to name a few.

Important Human Resource Development projects / programmes which will continue in next year include:

- “Faculty Development Programme for Pakistani universities (Split Ph.D.)” for 2000 faculty members, 400 scholarships will be awarded in 2018-19.
- “Prime Minister’s Initiative regarding Chinese’s language training for 50 students in Chinese universities from Gwadar” Baluchistan for period of one year.
- “Prime Minister’s Initiative for 50 students for undergraduate studies from Gwadar” Baluchistan in Punjab Public Sector Universities.
- Prime Minister Fee Reimbursement Programme has been extended for another five year, and tuition fee will be paid through this programme for 200,000 students for their MS/MPhil and PhD studies.
- Technology Development Programme is one of the main projects for awarding research/ technology development funds to fresh PhDs. This project will continue in next year

New project / programmes to be implemented

Work on newly approved projects for establishing universities will either complete or will continue. Some important of these projects include: Bahawalpur Institute of Science & Technology, Federal University at Hyderabad, University of Baltistan, Women Sub Campus of Swat University in Mingora, Up gradation of Bannu University of Science & Technology Laki Marwat Campus to a Full Fledge University, Women university campuses at Pishin and Khuzdar, Establishment of University Campus for Women at Bannu, Establishment of Women Campus of Kohat University of Science & Technology at Kohat, University of Sargodha campuses at Mianwali & Bhakkar and GCU Faisalabad campus at Chiniot to name a few.

Important Human Resource Development projects / programmes which will continue in next year include:

- "Overseas Scholarship Scheme for MS/M.Phil leading to Ph.D. Phase –III" for 2000 scholarships. 400 scholarships will be awarded in 2018-19.
- "Science Talent Farming Scheme" for 1200 undergraduate's students. 250 scholarship will be awarded in 2018-19
- "Post-Doctoral Fellowship Programme Phase-III" for 1200 fellowships. 250 Fellowship will be awarded in 2018-19.
- "Prime Minister's Initiative scholarships for Balochistan Lawyers for LLM" for 100 Lawyers.

Important new projects related to Technology Development, Industry Academia Linkage, Entrepreneurship or commercialization include: Innovation Center and Software Park at University of Engineering & Technology Sub Campus Lahore, Up gradation of Technology Development Centre at University of Agriculture Peshawar, Livestock Sector Development at University of Veterinary & Agriculture Sciences Lahore, Biotechnology Centre at BZU Multan, Up-gradation of Synthetic Fibber Development and Application Centre (SFDAC) and Plastic Technology Centre (PTC) as a Sub Campus of National Textile University (NTU) and Up gradation of Government College of Technology (GCT) Khairpur into the Benazir Bhutto University of Technology and Skill Development, Khairpur Mir's.

Government has focused to enter digital age by establishing National Centres of digital resources at universities. In 2018-19, Following Centres and digital related centres will be established which will produce technical manpower in these areas:

- National Centre in Artificial Intelligence
- National Centre in Cyber Security
- National Centre in Robotics and Automation
- National Centre in Big Data and Cloud Computing
- Enterprise Resource Planning System and IT Training for 100,000 Youth (25000 to be trained in Phase-I starting next financial year)

Financial Outlay

Higher Education Commission has been allocated Rs46.230 billion under PSDP 2018-19 for 173 projects. This includes Rs39.868 billion for 132 ongoing/approved schemes and Rs6.362 billion for 41 new/unapproved projects. In addition to that funds outside PSDP will be allocated for PM Fee Reimbursement Programme and PM Laptop Scheme.

Chapter 26 | SCIENCE AND TECHNOLOGY

Science & Technology has been used at global level for economic development by developing capacity to design, engineer, produce and deliver products and services based on knowledge and innovation, expand investment in technologies and S&T infrastructure and ensuring appropriate governance framework. Pillar-VI of Vision 2025 speaks on developing competitive knowledge economy. It is no secret that Science & Technology Sector is key ingredient of knowledge economy. The custodian of S&T sector in Pakistan is Ministry of Science & Technology (MoST) and R&D organizations within Ministry as well as few of the strategic organizations outside ministry. The last S&T Policy was approved in 2012; hence a policy document in the light of scientific and technological advancements is long due. Ministry of Science & Technology is currently working to finalize S&T Policy and it is hoped that it will emphasize emerging technologies and improved industry / R&D relationship.

The 12th Five Year Plan identifies poor state of S&T Infrastructure with more focus on assembling and import instead of transfer of technology, lack of applied and solution-based R&D for local problems, weak information support system for technological forecasting, inadequacy of research and its relationship to the technological development / innovation / enterprise, non-involvement of the private sector in the R&D and weak linkages among universities, research institutions, industry and government as main issues / problems hindering development of S&T Sector.

The 12th Five Year plan strategically focuses on transitioning of Science and Technology out of the Public S&T Lab System through opening up of the public S&T system to private sector participation and the creation of a locally relevant triple helix model. Under 12th Five Year Plan mega S&T initiatives will be targeted like focusing on electric cars, new agricultural varieties, indigenous artificial satellites, biotechnological / nano-technological interventions and robotics. The annual plan 2018-19 being the first year of 12th Five Year Plan will focus on paradigm shift in S&T sector to divert focus on product related research by R&D organizations in collaboration of industry.

Performance Review 2017-18

Physical

The outlook for 2017-18 focused on undertaking research in futuristic technologies like nano-technology, biotechnology, fuel cells and advanced material. Other important objectives included: improving R&D-Industry collaboration, infrastructure development, and renewable technologies, create awareness and training in certifications, standards and accreditation as well as research in water resources. Ministry of Science & Technology in collaboration of Ministry of Planning, Development & Reform would undertake an initiative on Productivity, Quality & Innovation for defining framework and creating knowledge. Keeping in view the objectives of outlook for 2017-18, following highlights of its implementation can be summarized as achievements:

- Small & Medium Enterprises (SMEs) in the country face challenges in enhancing exports mainly due to lack of knowledge and interest to acquire international certifications and meeting standards. Realizing this difficulty, MoST provided partial reimbursement of expenditure on acquiring certifications to SMEs as incentive. The objective of this step was promotion of exports. Under the programme 259 SMEs applied for certification grants. The main feature of this certification incentive programme is its nature of sharing the certifications cost and support SMEs for general as well as sector specific certifications. So far 75 of the applications have been approved by the Incentive Award Committee (IAC) whereas the rest are under consideration. Next Incentive Award Committee (IAC) meeting for this purpose is to be held shortly.

- Another important aspect of CIP is the capacity building of SMEs personnel as well as MoST & its organizations. Training Programmes were designed in consultation with the Chambers of Commerce & Industries; sector specific Trade Associations, SMEs and other stakeholders. The Training Programme element of the initiative has been outsourced to a private company through open bidding. Under the contract, the company is conducting 2-Day (non-examination based) training courses against 19 certification standards and 5-Day (examination based) lead auditor courses against 08 certifications / accreditation standards. This training programme will be completed within next 06 months period and in total will train 2000 personnel of SMEs.
- There are numerous examples at global level to establishing Science Schools and providing scholarships to young talented students at school level and fund them until tertiary level education to produce future scientists. In line with this concept, Pakistan Science Foundation designed an initiative for Science Talent Farming Scheme (STFS) which was aimed at progressively exposing talented students to advanced topics in science with application of inquiry based approach to learning. A group of 25 students visited scientific organizations and universities of London and participated in London International Youth Science Forum from 28th July to 10th August 2017. Summer Camp was organized in 1st week of July 2017. Visits to S&T organization including PINSTECH, NARC, NCP, NINVAST, NUST, PMNH, PASTIC, PSF and PAS were conducted. Inquiry Based learning sessions and motivational lectures were arranged. 550 students participated in the activities. Under the scheme, Pakistan Science Foundation has paid monetary benefits to 600 students.
- MoST through its PSDP 2017-18 portfolios helped its R&D organizations to provide modern equipment for uplifting of research labs and other facilities. This support enabled R&D organizations to upgrade requisite infrastructure and enhance the internal research capability.
- Pakistan Council for Research in Water Resources in past has undertaken commendable research in water resources. In 2017-18, National Capacity Building Institute (NCBI) for Water Quality Management at PCRWR is set for completion by June 2018. The completion of institute will pave the way to train the qualified manpower in water sector and in-service water supply professionals (managers, engineers, scientists, field staff in Water Quality Management) and fresh students to develop skills in planning and optimum utilization of available water supply infrastructure.
- One of the main objectives of outlook in 2017-18 was focusing on technologies and area relevant to the potential of country. In this regards, MoST continued efforts to complete a project for establishing Gems & Mineral Cutting and Polishing Centre at

PCSIR Skardu, Gilgit Baltistan. This is an important initiative for facilitation of gemstone miners to curb the precious and semi-precious stones wastage at mining level. At the same location, PCSIR upgraded its labs and R&D facilities for Fruit Processing, analytical laboratory and existing fruit processing/preservation centre for value addition & minimization of post-harvest losses of fruits and vegetables.

- Vision 2025 and 11th Five Year plan emphasize to promote Triple Helix System that involves collaboration among Industry, Academia and R&D organizations. In line with this objective, PCSIR collaborated with industry for lab scale development to Pilot scale level in areas of Pharmaceutical & Chemicals, Food, Herbal, Minerals and Cosmetics etc. PCSIR has developed processes and is leased out to different industries; patents registered and provided consultancy services to various industry clients.
- No product in developed world can be sold without complying with Standards, Accreditation and Quality Control protocols. The responsibility of maintaining standards and quality control mainly lies with three organizations including: Pakistan Standards and Quality Control Authority (PSQCA), Pakistan National Accreditation Council (PNAC) and National Physical and Standards Laboratory (NPSL). These organizations contributed towards export enhancement, trade increasing and improving health and safety of consumers through mandatory and voluntary standards. PSQCA formulated and promulgated standards. PNAC assisted in expansion of trade through accreditation of laboratories and certification bodies, whereas NPSL is responsible for traceability of metrology standards.
- In Health Sector, researchers at NUST were engaged for Establishment of Medical Devices Development Centre (MDDC) at NUST, Islamabad. The main objective of this centre is the indigenous production of stent manufacturing. It is envisaged that initial production will start very soon and will result in considerable reduction in price of stents.
- Pakistan Atomic Energy Commission (PAEC) continued working on up gradation of PINSTECH. National Electronics Complex of Pakistan (NECOP) is being established by NESCOM in collaboration of China to develop indigenous capability for electronic sector. During 2017-18 NESCOM was assigned task to develop first of its kind facility for 3D Printing and related areas. It is envisaged that NESCOM in collaboration with private sector of country will pave way for adaptation and R&D of this futuristic technology.
- National Centre for Physics (NCP) in 2017-18 kept working to upgrade its Physics labs as per standard of CERN. Another important initiative of NCP was to upgrade the Silicon Strip Tracker and Muon System at NCP. These initiatives are envisaged to take Pakistan to next level in this area.
- One of the important projects being implemented is Establishment of New Geodetic Datum project. The project being executed by Survey of Pakistan envisages redefining Geodetic Datum, Vertical Datum and Gravimetric Datum of Pakistan. China is providing technical assistance in this regard.

Financial

During the fiscal year 2017-18, an amount of Rs2,538.727 million was allocated against 33 development projects. Out of this, Rs659.219 million have been released and utilized till

March 2018 (three quarters). Eight (08) number of projects are going to be completed during the year under 2016-17. The estimated release and revised estimates for 2017-18 reported by MoST stands at Rs1,058.526 million.

Outlook 2018-19

The policy focus of the S&T sector during 2018-19 are based on objectives defined in 12th Five Year Plan. The focus would remain on creation of new Vision of Nationally Relevant Science Technology & Innovation (STI) capability**,** Evolve Locally Relevant Triple Helix System and undertaking mega STI initiatives like indigenous capability in designing / manufacturing electric cars, indigenous artificial satellites and new varieties of crops. In the next year, alongside capacity building and HRD in S&T sector, special focus will be given on Nanotechnology, Biotechnology, Food Processing, Renewable Energy, Robotics, Quality Assurance and Standards, Halal Standards, Water Conservation, Marine sciences and Health sector.

Ministry of Science & Technology needs to redefine S&T objectives and sector development. Last S&T policy came in 2012. MoST needs to revisit the same and come up with specific 5 and 15 year Vision Statements of Nationally Relevant Science Technology & Innovation (STI) capability. Focus of S&T sector needs to be on area relevant to national needs and futuristic technologies like R&D in Agriculture, Industrial Development, Natural Resources, Energy & Climate, Defense, Nanotechnology, Biotechnology, Renewable Energies and Digital Technologies.

During Next year, MoST will focus on establishment at least one S&T Parks and 3-4 Incubation centers at its R&D / S&T organizations and involve industry to make it successful intervention. MoST will interact with other strategic R&D organizations like PAEC, NESCOM, SUPARCO, HMC, PAF Kamra and DESTO to come up with joint proposals that can translate defence and S&T capability into some solid products and transform the overall scene of product / technology development.

Some other focus areas will be capacity building of staff in public sector R&D organizations through PhD scholarships and training, rationalization of salaries and pay package of R&D staff in public sector organizations (to be addressed through recurring budgets), funding of developing project on priority that are based on strict KPIs with outcome of product development and its commercialization as well as innovative Public private investment models for transitioning technology out of public-sector Labs.

Programmes for 2018-19

Brief detail of projects/ activities to be undertaken in the proposed PSDP of the upcoming fiscal year 2018-19 is given below:

- Development of island of excellence in emerging technologies such as Nanotechnology, Biotechnology, Renewable Energy etc. Projects with specific objectives in this regard will be designed and approved.
- Overcoming energy crisis in the country and minimizing the energy divide between the developed and less developed rural parts of the country through high-tech, low cost and sustainable energy solutions with renewable resources.

- Science Talent Farming Scheme (STFS) would be in full swing in 2018-19. The scheme envisages grooming of the selected youth and their support all the way to highest degree by progressively exposing them to advanced topics in science with application of inquiry based approach to learning.
- Achieving Vision 2025 through PQI initiative, MoST in collaboration with M/o PD&R is implementing Certification Incentive Programme for Small & Medium Enterprises (SMEs). Under the scheme, more 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 Award. Incentive Award Committee (IAC) meetings will be regularly held as and when required to decide the award of the Incentive Grants to the applicant SMEs.
- Under Halal Accreditation, efforts will be made to create awareness in Pakistani manufacturers, exporters and traders regarding Halal Standards to build international credibility.
- At Gwadar, Precision Mechanics and Instrument Technology Institute will be completed to build quality manpower in precision mechanics and instrumentation technology through introducing new training programmes at the said institute.
- Improved land and water conservation practices will be continued to enhance waste land productivity in areas like Thar Desert and control of waterlogging in low lying areas of Sindh.
- Facility for production of indigenous stent manufacturing system will be completed at Medical Devices Development Center (MDDC) at NUST, Islamabad.
- Competitive Research Programme will be launched by PSF to enhance the Knowledge Base within the country. The project will provide grants to individual researchers, consortium of researchers and for projects with international collaboration. The project is unique in the sense that it has predefined research areas and KPIs for productive research.
- National Institute of Oceanography (NIO) will undertake a project to monitor sea level rise, sea level intrusion and land subsidence in Indus Delta Creek System with special reference to Sindh Coastal belt.
- Pakistan Scientific & Technological Information Centre (PASTIC) will upgrade its National Science Reference Library for Effective Resource Sharing among S&T Libraries in Pakistan.
- Pakistan Council for Science & Technology will conduct important surveys and compile reports on need assessment of S&T Human Resource as well as Industrial Innovation Survey. These reports / surveys will help to have first-hand data on requirement of S&T HR and Industrial Innovation and as such help future policy making.
- PCSIR will upgrade its labs of Medicinal Botanic Centre as National Centre for Herbal Medicine, PCSIR Labs. Complex, Peshawar. Similarly up gradation of R&D Quality Facilities in Polymer and Plastics will be done at PCSIR Labs. Complex, Lahore.
- PSQCA will make provision of mobile testing labs facility at Lahore/ Quetta/ Peshawar and Islamabad.

- Pakistan Council for Renewable Energy Technologies (PCRET) will undertake two new initiatives including: Cloud Based Semiconductor Chip Design Facilitation Centre and Establishment of Pak-Korea Testing Facility for Solar & Allied Equipment.
- CIIT will undertake various projects to enhance its nation-wide campuses capability and strengthen the on campus R&D infrastructure. Important initiatives of CIIT will be: Establishment of Advanced Technology Training Centre at Knowledge Park, Muridke, and Strengthening of Nanomaterials Based Electronic, Photonic and Magnetic Device Fabrication Facilities at CIIT, Islamabad.
- Ministry of Planning in collaboration with National Productivity Organization (NPO), PCSIR, HEC, PNAC and Technology Upgradation & Skill Development Company (TUSDEQ) will launch and implement Pakistan Productivity, Quality & Innovation (PPQI) Initiative. The project is unique initiative to create awareness about PQI, arranging training programme for stakeholders and drafting policies for PQI.

Financial Outlay

During the fiscal year 2018-19, an amount of Rs2.4 billion has been allocated against 28 development projects of Ministry of Science & Technology. This would include Rs1.592 billion for 19 ongoing/approved schemes and Rs807.942 million for 09 new/unapproved projects. However, the overall size of S&T Sector will include allocation for some more projects that will be implemented outside MoST.

Chapter 27 | INFORMATION AND COMMUNICATION TECHNOLOGY

The foundation of knowledge economy rests on digital technology. As a result of this evolving scenario, governance, trade & commerce, manufacturing, social interactions, and even well-being and daily chores are becoming more digital as well as smarter. This tremendous change is occurring due to technologies such as augmented reality, holograms, machine learning, mobility-based communication and Internet of Things (IoT). In these tumultuous times, the definition of national development and national wealth has started to transform. Countries are rapidly adopting the digital revolution to remain significant player in the global economy of future.

During the last five years, ICT sector has shown promising growth in the country. Adoption of ICTs has accelerated, with private sector playing a major role in it. However, a lot of mileage has yet to be traversed to move into the leading pack of countries. For a high growth economy, we have to use ICTs for inclusiveness on various dimensions, e.g. social, economic and technological inclusiveness. Governments have an obligation towards its citizens, by becoming more responsive to improve citizens' quality of life. Thus, government will have to rely more on ICTs to deliver on the expectations of their citizens.

The key to future high growth in Pakistan is linked to regional development. In this context, CPEC is a flagship initiative that could link us not only to the yet-to-be-explored areas of Central Asia and Eastern Europe but also to act as a bridge between Middle East/ Africa and China. However, to become an important player, a tremendous coordinated effort has to be made to transform CPEC from just a trade corridor and a physical infrastructure initiative into a much desired knowledge corridor for this region. This can only be made possible by putting ICTs as the front-running industry in Pakistan.

Performance Review 2017-18

Pakistan's ICT sector continues to grow (ranked 115 in 2017-18 as compared to 122 in 2016-17). However, the international arena is moving very fast thus posing a challenge for catching up. This is evident from the World Economic Forum's Global Information Technology Report (GITR 2017-18) that Pakistan lags behind the most of the dimensions of the survey even in the regional context. Pakistan is lowest ranked amongst South Asian countries.

It is evident from the GITR 2017-18,out of 137 countries, the strength of Pakistan in innovation ranked 60, business sophistication ranked 81 and availability of latest technologies ranked 70. However, the main barriers in growth are market inefficiencies, specially the number of procedures to start a business ranked 125, trade tariffs ranked 135 and secondary & tertiary education enrollment ranked 118 & 115 respectively.

In telecommunication sector, cellular density increased from 70.85 percent to 72.14 percent. The 3G/4G broadband services further increased subscribers from 42.08 million to 49.46 million.

Key ICT Indicators

Description	Jun, 2017	March, 2018
Overall Tele-density	72.35 percent	73.44 percent
Mobile Cellular Tele-density	70.85 percent	72.14 percent
Total Broadband Subscribers	44.59 million	51.76 million
Mobile Broadband Subscribers	42.08 million	49.46 million

Source: *Pakistan Telecommunication Authority*

In the information technology sector, National Incubation Centers (NICs) have already been established at Islamabad, Lahore and Peshawar. Currently, 40 startups are housed in these facilities. NICs at Karachi and Quetta have been awarded and will start operating soon. Under the aegis and funding by Ignite, 33 projects worth Rs580 million with the potential to create marketable products and services have been approved for funding. Besides, extensive consultation with stakeholders on Digital Pakistan Policy has been completed and the draft is in the process of approval by competent authorities. This Policy would lay foundations of constructing a holistic digital ecosystem. Consultation on formulating Cyber Governance Policy has also been started. In the PSDP 2017-18, Rs3,500 million was allocated for ICT sector. Some of the major projects that were executed in the ICT sector during 2017-18 are:

- Launching of Technology Parks Development Project. Technical Assistance of Korea has been sought and loan agreement was signed too. Feasibility of the project was completed during the year and boundary wall and other allied work such as design, consultancy etc. is in progress.
- Pakistan Remote Sensing Satellite (PRSS) is being developed/ manufactured in collaboration with international satellite manufacturer/ supplier. The project will enable Pakistan to gain self-reliance in satellite technology.
- Enhancing IT Exports through Industry Support Programmes: IT Industry Support Programme is a multi-million rupee initiative in participation with IT industry. During the year, 12 companies were provided consultancy for CMMI and ISO 27,001/ 20,000 certifications.
- Access of e-office suite software has been provided to more than fifteen (15) Ministries/Divisions and sixteen (16) attached departments, whereby more than 6,000 staff has been trained on this system. The e-office suite is now housed in NTC's National Data Center.
- Construction of Cross-Border Optical Fiber Cable for Alternative International Connectivity: Under this project, so far, 520 km (out of 820km) of optical fiber cable has been laid by March, 2018. The project is expected to be completed in December 2018.
- Establishment of SCO Technical Training Institute (STTI) at Gilgit is in progress and is expected to be completed by December 2018.
- Expansion and Up-gradation of 3G/ 4G services along the KKH in support of CPEC is in progress.
- Replacement of GSM network in the region of Azad Jammu & Kashmir by Special Communication Organization (SCO) is going on and will increase the quality of communication in the region.

Outlook 2018-19

There is a tremendous opportunity for Pakistan as its ICT sector is now at take-off stage. IT & ITES-Business Process Outsourcing (BPO) exports are estimated to have already crossed $3 billion this year. With the right impetus, ICT sector can become the driver of change and growth in the next few years. Therefore, continuous focus is essentially required on software development, software and IT workforce export, in-country employment opportunities, e-governance for an effective service delivery, m-governance and smart monitoring, technology incubators and support for entrepreneurs. This continuous focus would thus set a high growth conditions in the years to come.

Launching of strategic initiatives along with tax holiday and capital repatriation incentives for private sector is expected to make Pakistan an outsourcing destination in the region by 2020, and increase IT & ITES exports to exceed US$ 5 billion. Furthermore, as CPEC programme progresses, it is expected that next decade will bring in more opportunities of innovation, growth and transforming the country into a regional hub of trade and commerce. Expanding ICT accessibility to remote and under-developed parts of the country will also help in achieving social inclusiveness, opening new vistas and source of employment in the country.

Strategic Initiatives

Following strategic initiatives are expected to transform Pakistan's ICT landscape in next few years:

- Network of National Incubation Centers to spur innovation and entrepreneurship in collaboration with private sector;
- National Space Programme (NSP-2047) aims to make Pakistan self-reliant in various aspects of satellite technology for both civilian and strategic domains.
- DigiSkills Training Programme to train one million people for freelancing and specialized ICT skills;
- Technology Innovation Fund to enhance research and product development focusing on 4th Industrial Wave technologies;
- Licensing of Third Party Service Provider (TPSP) to enhance financial inclusion;
- Broadband to expand connectivity and high speed broadband and optical fibre coverage to un-served towns/ routes throughout the country.

Improvement in national ICT infrastructure with linkages at multiple points with the regional and international systems will make the country an important transit route for international trade and services, accelerating entrepreneurship. Automation of government processes, fin-tech, agri-tech, edu-tech, health informatics and social innovation are some of the areas which hold a potential of high growth and transforming quality of life for the citizens.

Programmes for 2018-19

The PSDP earmarked for ICT sector for 2018-19 is Rs6,535 million. The allocation is aimed to improve capacity of our IT industry by further providing infrastructure and facilities for startups and small IT businesses, increasing the quality of skills and capacity of the organizations to consistently deliver high quality services and products, raising its standard to compete in the international arena, and accelerating the pace of e-government to facilitate citizens to avail public services.

Major thrust in ICT sector for 2018-19 will include:

- Development of Technology Parks to facilitate rapidly growing entrepreneurial ecosystem in the country.
- Through Ministry of IT's project titled "Enhancing IT Exports through Industry Support Programmes" 70 more companies will be provided CMMI consultancy to attain certification of CMMI level-2, CMMI level-3, CMMI level-5 and ISO 27,001/ 20,000 international standards.
- Participation in 15 major international exhibitions to generate export business.
- Under the "Prime Minister's ICT Internship Programme", placement of 3,000 ICT graduates in public and private sector organizations.
- Training of 3,500 professional and 500 executives from IT & ITeS BPO industry in latest technologies in demand and business development/ international marketing respectively.
- Pakistan Space Center (PSC) aims to establish an indigenous facility for development of satellites in accordance with the international space standards. The space center will have the capability to carry out manufacturing, testing, system level assembly, integration, launch and operations of various types of satellites.
- Pakistan Multi-Mission Satellite (PakSat-MM1) will cater to the demand of Direct-To-Home (DTH), High-Throughput Services (HTS)/ Broadband Internet and Strategic SatCom. PC-II has already been approved and during the next year, PC-I will be submitted for approval and subsequent execution of the project.
- Feasibility Study of Pakistan's 2nd Optical Remote Sensing Satellite (PRSS-O2) will be completed. PRSS-O2 aims to launch a sub-meter resolution remote sensing satellite.
- Feasibility and System Definition Study (FSDS) of Pakistan Navigation Satellite System (PakNav) will be carried out. PakNav will enable Pakistan to have independent satellite navigation for both civilian and strategic purposes.
- Under the aegis of CPEC, Cross-Border OFC system between China and Pakistan for international connectivity of voice and data traffic. This will enable alternative route for international internet connectivity.
- Technical Training institute will be established in Gilgit-Baltistan.
- Expanding internet and broadband services in AJ&K and Gilgit-Baltistan.
- Establishment of Quality Assurance Lab for software products in PSEB.

PILLAR-VII

Modernising Transportation Infrastructure and Greater Regional Connectivity

Chapter 28 | TRANSPORT AND LOGISTICS

Transport is a key driver of socioeconomic development. Transport allows people to access jobs, markets, social interaction, education, and other services, enabling people to rise out of poverty and overcome social exclusion. Transport adds value to goods brought to markets, links rural areas to cities and global supply chains, driving economic development. The Government of Pakistan, cognizant of this fact, has invested large amounts of human and financial resources into the development of the transport sector. Such investments are also being supported through the China Pakistan Economic Corridors (CPEC) programme, the Central Asia Regional Economic Cooperation (CAREC) programme and other foreign-assisted initiatives. Pakistan has the potential to develop transit economy on account is its strategic location.

Pillar VII of Vision 2025 titled “Modernizing Transportation Infrastructure & Greater Regional Connectivity” seeks to establish an efficient and integrated transportation system that will facilitate the development of a competitive economy. The Vision 2025 set the target of raising the existing national road network to a sizeable length, increasing rail speed to reduce turn around, doubling of tracks on main line sections, increasing line capacity with a modern signalling system, establishing North-South and East-West corridors and developing linkages through road and rail to the Central Asian states, China, and other neighbouring countries and development of a separate freight corridor on the railway tracks. The Vision emphasises participation of the private sector as a growth-driver. To pursue targets set in the Vision 2025, major investments and interventions will be made in the all sub sectors of transport.

Performance Review 2017-18

The progress made in CPEC focusing on transport infrastructure and Urban Mass Transit System is given below:

China-Pakistan Economic Corridor (CPEC)

CPEC is a component of China’s “Belt and Road” Initiative. The backbone of the economic corridor is transport infrastructure and connectivity and the basis is the Transport Plan of CPEC (2014-30). The objective of the CPEC transport plan is to connect Kashgar with ports of Gwadar and Karachi through major connection points i.e. Kashgar, Gilgit, Islamabad, Lahore, Multan, Sukkur, Karachi, Peshawar, Quetta, Dera Ismail Khan, Hyderabad, Karachi and Gwadar.

A number of prioritized and early harvest projects have been identified that are part of the transport plan. These transport sector projects once completed will facilitate the freight traffic movement from the Special Economic Zones (SEZs) in Pakistan & Western China along the economic corridor. The transport sector projects including the road sector projects on CPEC routes are being financed through Govt. of Pakistan’s own resources, Chinese soft loans, and PPP basis and also through other International Financing institutions. The Long Term Plan of CPEC has also been approved by both sides on 21st November, 2017 in which the transport related portion is based on the approved transport plan of CPEC.

Urban Mass Transit System

The urban transport demand has increased manifold over the years resulting in severe traffic congestion in urban centres. Mass transit systems facilitate movement of people within urban areas using group travel technologies such as buses and trains. Mass transit projects have been approved for inclusion in CPEC for all the provincial capitals which include Peshawar Circular Railway, Quetta Circular Railway, Karachi Circular Railway (KCR) and Lahore Orange line Metro Train project. Bus Rapid Transit (BRT) projects have also been implemented while some are under construction in Sindh, Punjab and Khyber Pakhtunkhwa provinces on the basis of identified mass transit corridors.

The project of the Lahore Orange Line Metro Train costing Rs165, 226 million has been significantly completed. The project of the Green Line BRT in Karachi at the cost of Rs24,600 million, fully funded by the federal government, is under implementation and is scheduled for completion by December, 2018. The project of Peshawar Sustainable Bus Rapid Transit Corridor (25.8 km) at a cost of Rs49,346 million through ADB loan financing (85 percent) is under construction.

Metro bus station at Peshawar Morr to New Islamabad International Airport (25.6 km) at a cost of Rs16, 427 million is under construction on fast track basis with expected completion till December, 2018

Financial mechanism of Karachi Circular Railway (43.2 km) at a cost of Rs276, 381 million is under process.

National Transport Policy

With the expected substantial investment in infrastructure under CPEC in the coming years and to meet the transport sector targets set in Vision 2025, it is extremely important that a National Transport Policy is formulated which not only addresses the transport sector issues but is all-inclusive where all stakeholders are taken on board. The Government of the United Kingdom is providing $15.4 million Technical Assistance for "Pakistan: Enabling Economic Corridors through Sustainable Transport Sector Development" project and one of the outcomes under this project is development of National Transport Policy and Master. Asian Development Bank (ADB) is administering the project. National Transport Policy is a manifestation of the Government of Pakistan's clear vision aimed at achieving world class standards for Pakistan's transport sector. The National Transport Policy contains the overall Vision, Principles for the Governance of the Transport Sector, Policy Objectives and contributions for each of the sector. It guides the development of the Transport sector and sets the strategic direction and priorities for the future long-term development of the transport sector. A Technical Working Group comprising stakeholders from all provinces was formulated by the Ministry of Planning, Development & Reform to provide inputs in the National Transport Policy document. After approval of the National Transport Policy from the competent fora, master plan will be developed for the transport sector which will be a plan of action that applies the instruments, proposes measures and initiatives for the delivery of the National Transport Policy.

The PSDP for 2017-18 provided an outlay of Rs414.225 billion for the federal programme under T&L sector. Against this, expenditure of Rs188.889 billion is expected to be incurred by the end of the financial year (2017-18), giving an overall expenditure of **46** percent (**Annex-I**). The salient features of implementation during 2017-18 are given below.

Pakistan Railways

Against an allocation of Rs42.446 billion, an expenditure of Rs17.872 billion is expected to be incurred during 2017-18, giving utilization of 42.6 per cent.

The focus was on the improvement of existing infrastructure, signalling system, and procurement and manufacture of rolling stock like locomotives including high horse power coaches, and bogie wagons including high capacity hopper wagons for transportation of coal.

The projects, which have reached an advanced stage of completion, include: Acquisition of land for Railway Container Yard, Station and Railway line from Sea Port up to Coastal Highway at Gwadar (Revised);Comprehensive Feasibility Study for Up-gradation/Rehabilitation of Mainline 1(ML-I) and New Dry Port at Havelian (Balder) Distt. Haripur under China-Pak Economic Corridor (CPEC);Doubling of Track from Khanewal to Raiwind (Revised);Procurement/ Manufacture of 585 Hopper Wagons and 20 Bogie Brake Vans for Coal Transportation; Procurement/ Manufacture of 780 High Capacity Bogie (Hopper) Wagons and 20 Bogie Brake Vans for Coal Transportation (Phase-I); Rehabilitation of 27 Nos. (HGMU- 30 Class) Diesel Electric Locomotives (Revised); Rehabilitation of Railway Assets damaged at Sindh during Riots of 27-28 December, 2007 and Special Repair of 800 Coaches and 2000 Wagons.

The major ongoing projects include Doubling / Improvement of existing track from Port Qasim to Bin Qasim Station (CPEC); Rehabilitation of 300 Traction Motors; mechanization of track maintenance (pilot project); special repair of 100 DE locos; Procurement/ Manufacture of 75 Nos. New D.E. Locos (Revised); Reconstruction of Assets Damaged during the 2010 Floods; Rehabilitation & extension of CSF at Khanewal and Sukkur; Rehabilitation of Rolling Stock and Track; Replacement of Old and Obsolete Signal Gear from Lodhran Khanewal – Shahdara Bagh Mainline Section of Pakistan Railways (Revised).

The projects approved & launched during 2017-18 include: Preliminary design for up-gradation/ rehabilitation of Main Line (ML-1) & construction of New Dry Port/ cargo handling facility at Havelian; Procurement/ Manufacture of 820 High Capacity Bogie Freight Wagons and 230 Passenger Coaches.

Ministry of Maritime Affairs (Ports and Shipping)

Against an allocation of Rs6.735 billion, an expenditure of Rs0.716 billion is expected to be incurred by the end of the Fiscal Year 2017-18, showing utilisation of about 10.6 percent. During the year, major ongoing projects include Construction of East bay Expressway; Development and Construction of Port Allied Structures in Mullah Bund Area; Feasibility Study for Construction of Break Waters (which is expected to be completed by June 2018); and Provision of Coal conveying system from Pakistan International Bulk Terminal (PIBT) to Railway Network at Port Qasim. Regarding the project for construction of East bay Expressway Gwadar (CPEC), the construction work started, after signing of contract agreement with the Chinese side.

Ministry of Communications

Under Ministry of Communications, against the allocation of Rs339.910 billion, which include Rs326.250 billion for NHA and Rs13.66 billion for projects of other organizations under the Ministry; expenditure as per following detail incurred:

Against the allocation of Rs0.564 billion, Rs0.111 billion is expected to be incurred during 2017-18 on National Highway & Motorway Police (NH&MP). An allocation of Rs0.096 billion has been made against which Rs0.030 billion were incurred for National Transport Research Centre (NTRC) for their research programme. Against the allocation of Rs13.0 billion, Rs5.20 billion is expected to be incurred on the project of Green Line Bus Transit Project, Karachi.

National Highway Authority (NHA)

During the year, funds were utilised to gear up the slow moving ongoing projects, especially for Gwadar links and regional connectivity, and funds were provided for those projects, which were near to completion. An allocation of Rs151.801 billion is expected to be incurred during 2017-18. Salient projects and their status are given in the following parts:

Among the ongoing projects, works continued on the construction of Faisalabad-Khanewal Expressway (184Km) M-4 (ADB) (Faisalabad, TT Singh, Jhang & Khanewal); bridge over the River Indus linking N-5 with N-55 at NishtarGhat; Peshawar Northern Bypass(34km); Khuzdar-Shahdadkot-Ratodero (Khori-QubaSaeedKhan143km) (M-8); Burhan-Havelian-Manshera Expressway; National Highway Development Sector Project (NHDSP)–revised for improvement and construction of 687 km of roads under the ADB financing; Kalat-Quetta-Chaman N-25(247km); Kolpur Bypass N-65; Lowari Tunnel and access roads; Bewata-Khajuri-WaigumRud N-70 (132 km);construction of the Amri-Qazi Ahmed Bridge over the River Indus at Qazi Ahmed Amri; construction of Bridge across River Chenab linking Shorkot & GarhMahraja; construction of 06-Lane Highway From Kala Shah Kaku to Lahore Ring Road (18.3 km) including Bridge over River Ravi (Lahore Eastern Bypass); Dualization & Improvement of Indus Highway (N-55) Sarai – Gambilla to Kohat (128 km) from 2-Lane to 4-Lane; construction of Lahore – Sialkot Motorway (91 km) on BOT Basis for 25-years concession period including 2-years construction Period (costing Rs45.38 billion including BOT financing of Rs43.85 billion) and construction of 4-lane Lahore – Sialkot Motorway (LSM) link via NarangMandi to Narowal (73.5 km).

The major projects approved & launched during the CFY include: Construction of Chitral – Garam Chashma Road Project (67 km; Construction of Chitral-Ayun-Bumborate Road Project (48 km); Construction of Kallorkot - D.I.Khan Bridge over river Indus; Dualization of (Gandhi Chowk to Sarai Narang) + (Domail to Rangeenabad) Old Bannu Road N-55; Rehab/Improvement of Quetta - Dhadhar section of N-65 (120 km); Up-gradation/ Dualization of Motorway Link from Kohat via Jhand CPEC; Construction of Lahore-Sialkot Motorway Link (4 Lane) via NarangMandi to Narowal (including Land Acquisition); andDualization of Sialkot - Pasrur Road (26 KM).

Progress on NHA Projects under CPEC

Projects launched under the CPEC in the NHA portfolio for which the work remained underway on the projects of Hazara Motorway project (Burhan to Havelian Section; 59 km) which is being financed by the Federal Government through ADB loan to the extent of 92.5

per cent of total cost. The next section from Havelian to Mansehra (39 km) of Havelian to Thakot (118 km) having 4-lane and remaining portion up to Thakot as 2-lane is under construction under CPEC as early harvest projects. Similarly the project Construction of Hakla on M-I to Yarik D.I.Khan Motorway (CPEC) is under implementation with PSDP financing.

Pakistan Maritime Security Agency (PMSA)

Against the allocation of Rs0.242 billion, an expenditure of Rs0.097billion is expected to be incurred on the continuation of procurement/ construction of six Marine Patrol Vessels (MPV's). During the year, 5th MPV has been constructed in the KS & EW.

Aviation Division

Against an allocation of Rs2.263billion, an expenditure of Rs0.442 billion is expected to be incurred on Civil Aviation Authority (CAA) on their projects of land acquisition for the establishment of basic aerodrome facilities at Mansehra and New Gwadar International Airport (NGIA). Work on construction of NGIA will start soon through $230 million grant under CPEC, as development of Gwadar port is directly linked with the up-gradation of airport facilities.

Against an allocation of Rs0.868 billion, Rs0.442 billion is expected to be incurred on the projects of Airport Security Force (ASF).

Defence Production Division

Against an allocation of Rs4.468 billion, an expenditure of Rs1.787 billion is expected to be incurred on the project of Karachi Shipyard and Engineering Works (KS&EW) viz. 'Installation of new Ship Lift and Transfer System with lifting capacity up to7,781tonnes' and Infrastructure Up-gradation Project of Karachi Shipyard & Engineering Works (KS&EW) - Phase-II.

Finance Division (Provincial Road Infrastructure Projects)

Against the total allocation of Rs4.820 billion, an expenditure of Rs3.165 billion is expected to be incurred for completion of ongoing works of various provincial road projects co-financed by the Federal Government; these are sponsored by the Finance Division.

Housing and Works Division (Provincial Road Infrastructure Projects)

Against an allocation of Rs9.384 billion, Rs5.89 billion is expected to be incurred for completion of the ongoing works of various provincial & Federal road projects; the provincial road projects co-financed by the Federal Government, these are sponsored by the Housing and Works Division. During the CFY the remaining work continued on fast track on the project for dualization & improvement of Mandra – Chakwal Road (64 km) and dualization & improvement of Sohawa – Chakwal road (66.4 km), also remaining work continued on construction of Musa Khel-Taunsa road (35 km) to be linked with Zhob.

Kashmir Affairs and Gilgit Baltistan Division (Provincial Road Infrastructure Projects)

Against an allocation of Rs2.044 billion, Rs0.868 billion is expected to be incurred on continuation of works of construction of Rathua Haryam Bridge; Athmuqam Keran Bypass Road and Nuasehri Laswa Bypass road; Up-gradation of Road from RCC Bridge Konodas to Naltar Airforce Base Via Nomal sponsored by this Division.

FATA

Against an allocation of Rs1.911 billion, Rs0.911 billion is expected to be incurred on continuation of works on projects construction of Nahqi Tunnel Mohmand Agency; Zyara to Dabori Road, Aurakzai Agency; and Widening & Improvement of Ghalanai, Mohmand Gatt Road sponsored by SAFRON Division.

Outlook 2018-19

An allocation of Rs389.226 billion has been made for the development programme of the sector (Annex-1).The salient features of the proposed programme are outlined as under:

Pakistan Railways

An allocation of Rs39.400 billion has been made for 2018-19.Works will continue on the projects for Doubling/ Improvement of existing track from Port Qasim to Bin Qasim Station (CPEC), rehabilitation of 300 Traction Motors, mechanization of track maintenance (pilot project), special repair of 100 DE locos, Procurement / Manufacture of 75 Nos. New D.E. Locos (Revised), Reconstruction of Assets Damaged during the Floods 2010, Rehabilitation & extension of CSF at Khanewal and Sukkur, Rehabilitation of Rolling Stock and Track, Replacement of Old and Obsolete Signal Gear from Lodhran Khanewal –Shahdara Bagh Mainline Section of Pakistan Railways (Revised), renovation and up-gradation of major railway stations.

The new initiatives will include: procurement of new rolling stock, improvement of signalling system, feasibility study for provision of new rail links from Gwadar to the rest of the Railway network to facilitate functioning of the Gwadar Deep Sea Water Port. Further including: i) initiation of work for up-gradation of main line (ML-1) from Karachi to Peshawar and development of dry port at Havelian under the CPEC.

Ministry of Maritime Affairs (Ports & Shipping)

An allocation of Rs7.2 billion has been made for Ports and Shipping (P&S) for on-going projects of construction of East bay Expressway (under CPEC financing), development & construction of port allied structures in Mulah Band area Gwadar, provision of coal conveying system from Pakistan International Bulk Terminal (PIBT) to railway network at Port Qasim. Under new CPEC projects which include capital dredging of berthing areas & channel for additional terminal and feasibility study for construction of break waters.

Ministry of Communications

Under Ministry of Communications, Rs323.998 billion has been made, which include Rs310.0 billion for NHA and Rs13.998 billion for projects of other organizations under the Ministry which includes allocation for Green Line Bus Transit project Karachi, ongoing projects of National Highway & Motorway Police (NH&MP), National Transport Research Centre (NTRC) and Karachi Package (Infrastructure).

National Highway Authority (NHA)

An allocation of Rs310.0 billion has been made for the NHA. Among the ongoing projects, work will continue on the projects for construction of Faisalabad-Khanewal Expressway Phase-II (184-km),Peshawar Northern Bypass (34km), National Highway Development Sector Project (NHDSP)–revised for improvement and construction of 687 km of roads under the ADB financing, Dualization of Kalat-Quetta-ChamanN-25 (247km),KolpurBypassN-65,Lowari Tunnel and access roads, Bewata-Khajuri-WaigumRud N-70 (132 km), construction of 06-Lane Highway From Kala Shah Kaku to Lahore Ring Road (18.3 km) including Bridge over River Ravi (Lahore Eastern Bypass), Dualization& Improvement of Indus Highway (N-55) Sarai – Gambilla to Kohat (128 km) from 2-Lane to 4-Lane, construction of Lahore – Sialkot Motorway (91 km) on BOT Basis and construction of 4-lane Lahore – Sialkot Motorway (LSM) link via Narang Mandi to Narowal (73.5 km), Rehabilitation of D.I. Khan Mughal Kot 50 Km Section N-50, construction of Sialkot-Lahore Motorway (91 Km), Construction of Highway from Athmuqam to Taobutl including Two Tunnels in Neelum Valley, dualization of (Gandhi Chowk to Sarai Narang) + (Domali to Rangeenabad) Old Bannu Road N-55, Dualization of Indus Highway Remaining Portion (164 Km) (Kohat Sarai Gambila), improvement and widening of Jaglot – Skardu Road (S-1, 167 Km).

Projects under the CPEC include:

- Construction of Lahore-AbdulHakim-Khanewal Section (276km) of PKM,
- Construction of Multan-Sukkur Section(392km),
- Construction of Havelian-Thakot Section (118km) including acquisition of land, and
- Construction of Hakla - D.I. Khan Motorway (4-lane, 285 km) as part of the western route of CPEC, Dualization& Implementation of existing N-50 from Yarik – Sagu – Zhob including Zhob Bypass (210 km), rehabilitation of NHA Highway KKH (N-35) between Thakot – Raikot (remaining length of 136.4 Km) and construction of 2-lane highway from Basima to Khuzdar (106 km).

Pakistan Maritime Security Agency (PMSA)

The allocation of Rs0.076 billion has been allocated for continuation of work procurement/ construction of six Marine Patrol Vessels (MPV's).

Aviation Division

An allocation of Rs1.803 billion has been made for Civil Aviation Authority (CAA) for initiation of work on the project of expansion of Bannu Report. Allocation has also been made for Airport Security Force (ASF) projects specially accommodation for its security force at the airports.

Defence Production Division

An allocation of Rs2.70 billion has been made for Karachi Shipyard and Engineering Works (KS&EW) for continuation of ongoing works for the project of installation of ship-lift and transfer system to provide docking and repair facilities for big ships of up to 7,781 tonnages at the KS&EW. Expected date of completion is December, 2018. The above allocation also includes allocation for its new project viz. Infrastructure up-gradation project of KS&EW.

Finance Division (Provincial Road Infrastructure Projects)

A total allocation of Rs4.797 billion has been made for continuation of ongoing works besides initiation of new provincial road projects in all the four provinces by this division.

Housing and Works Division (Provincial Road Infrastructure Projects)

An allocation of Rs3.530 billion has been made for continuation of the ongoing works besides initiation of new provincial and federal road projects in all the four provinces by this Division.

Kashmir Affairs and Gilgit Baltistan Division (Provincial Road Infrastructure Projects)

An allocation of Rs2.15 billion has been made for AJ&K ongoing road infrastructure projects viz. construction of RathuaHaryam Bridge, Athmuqam-Keran Bypass road and Nuaseri-Laswa Bypass road. An allocation of Rs0.3 billion has been made for GB new project viz. up-gradation of road from RCC Bridge Kanadas to Naltar Airforce base via Nomal.

FATA

An allocation of Rs2.9 billion has been made for ongoing road projects in FATA for ongoing projects which include construction of Nahqi Tunnel Mohmand Agency; Zyara to Dabori Road, Aurakzai Agency; and Widening & Improvement of Ghalanai, Mohmand Gatt Road sponsored by SAFRON Division.

Postal Services Division

An allocation of Rs0.370 billion has been made for new projects of Postal Services Division.

Karachi Package (Infrastructure)

During August 2017 the Honourable Prime Minister visited Karachi and announced Rs25 billion development packages for Karachi.

Planning Commission accordingly approved the projects of Reconstruction of Mangho Pir Road from Jam Chakro to Banaras Chowk (8.10 Km), Construction of Flyover at Sakhi Hassan, Five Star and KDA Roundabout along Sher Shah Suri Road, Re-Construction of Nishtar Road from Tin Hatti to Napier Road, Karachi (6.4 km) and Reconstruction of Manghopir Road from Banaras Chowk to Nishter Road, Karachi (6.9 km) and Rs5.0 billion have been allocated in the FY 2018-19 for execution of these projects.

Annex-I

Transport and Communications

(Rs million)

No.	Executing Agency	PSDP Allocation For 2017-18	Estimated Expenditure during 2017-18	Expenditure in %age of PSDP Allocation	Proposed PSDP 2018-19
1	2	3	4	5	6
1	Ministry of Communications	339,910	157,142	46	323,998
1(a)	National Highway Authority (NHA)	326,250	151,801	39	310,000
1(b)	Green Line Bus Transit Project, Karachi	13,000	5,200	40	8,793
1(c)	National HW & Motorway Police (NH&MP)	564	110	20	89
1(d)	National Transport Research Centre (NTRC)	96	30	32	116
1(e)	Prime Minister Package for Karachi (infrastructure)				5000
2	Pakistan Railways	42,446	17,872	43	39,400
3	Ministry of Maritime Affairs	6,735	716	11	7,200
4	Aviation Division	2,263	442	20	1,803
5	Defense Division				
	Construction of 6 Marine Patrol Vessels for Pakistan Maritime Security Agency (PMSA)	242	97	40	76
6	Defense Production Division	4,468	1,787	40	2,700
7	Finance Division (Provincial Roads)	4,820	3,165	66	4,797
8	Housing & Works Division (Provincial Roads)	9,384	5,891	63	3,530
9	AJK & GB Division				
9(a)	AJK (Const. Of RathuaHaryam Bridge, Athmuqam–Keran Bypass Road and Nauseri–Laswa Bypass Road, AJ&K)	1,744	619	35	2,156
9(b)	GB (Up-dradation of road from RCC bridge Kanadas to Naltar Airforce base via Nomal)	300	248	83	300
10	FATA (road projects)	1,911	911	48	2,936
11	Postal Service	-	-	-	370
	Total T&C	**414,225**	**188,892***	**46**	**389,266**
	Total PSDP				**930,000**
	T&C Share				**41.9**

** As per expenditures updated till 30-03-2018 on PC Website.*