

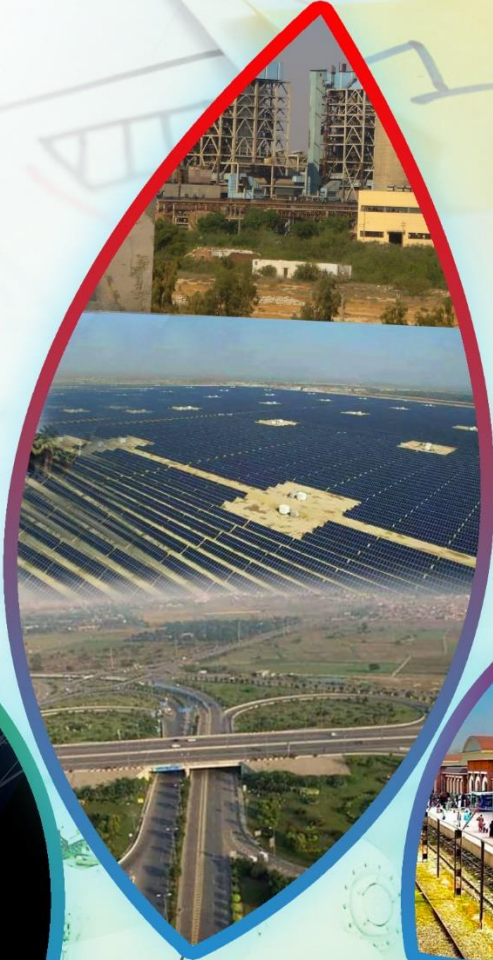
ANNUAL PLAN

2024-25

**TURNAROUND
PAKISTAN**
—Let's Rise Again!—



**Ministry of Planning
Development
& Special Initiatives**
Government of Pakistan



ANNUAL PLAN

2024-25

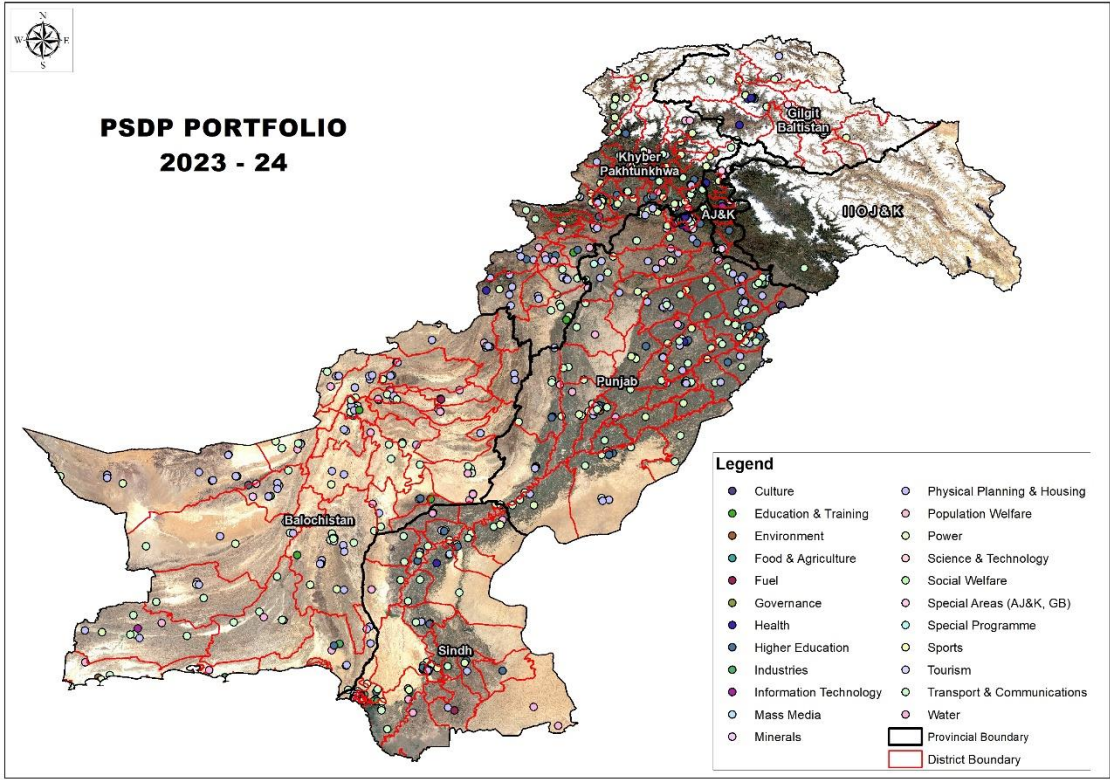


TABLE OF CONTENTS

i.	Message	i
ii.	Foreword	iii
iii.	Acknowledgement	v
iv.	Review Committee	vii
v.	Executive Summary	ix
PART-I: ECONOMIC RECOVERY TO INCLUSIVE AND SUSTAINABLE GROWTH		
Macroeconomic Framework – Growth with Stability		
1	Macroeconomic Framework – Growth, Investment & Savings	5
2	Balance of Payments	17
3	Fiscal, Monetary & Capital Market Developments	31
4	Public Sector Investment	39
5	Manufacturing, Commerce and Mineral Development	49
Expanding Agriculture Production and Galvanizing Agro-Business Potential		
6	Food Security & Sustainable Development	61
Crafting a Seamless Information Technology and Communication Strategy for a Vibrant Tomorrow		
7	ICT – Digital Transformation	77
Building and Mobilizing Human Resources for a Thriving Future		
8	Population	87
9	Health	93
10	Nutrition	107
11	Basic and College Education	117
12	Higher Education and S&T – Knowledge and Technology based Development	123
13	Labor and Employment	131

14	Youth and Skill Development	139
15	Mass Media, Culture and National Heritage	145
Integrated Planning for Energy Development		
16	Sustainable Energy	157
Transformative Infrastructure for a Sustainable Future		
17	Water Resources Development	173
18	Sustainable Transport and Communication Infrastructure	181
19	Sustainable Urban Development	187
20	China Pakistan Economic Corridor	193
Building Social Safety Nets for a Poverty Free Tomorrow in Pursuit of SDGs		
21	Inclusive and Equitable Development	203
22	Moving Towards Just Development – Addressing the Contours of Deprivations	207
Revitalizing Governance: A Path to Institutional Excellence and Lasting Reforms		
23	Governance and Institutional Reforms	217
PART-II: STRATEGIC EMBRACE – AMPLIFYING IMPACT IN CRUCIAL AREAS FOR SUSTAINABLE GROWTH		
24	Balanced Development – Focus on Less Developed Regions	231
25	Climate Change and Environment	239
	Abbreviations and Acronyms	247

MESSAGE

Pakistan's economy is currently navigating through a very challenging phase. The nation faces a dual challenge in revitalizing its economy. We have to achieve growth while maintaining macroeconomic stability. These extraordinary conditions demand a very comprehensive and strategic outlay for the revival of the economy in the short as well as in the long run.

We have found that the country lacked a cohesive development framework in the recent past. As the Minister for Planning, Development, and Special Initiatives, my foremost goal was to establish a strategic roadmap to steer the economy towards a prosperous future. Therefore, we developed a medium-term framework the 5E Framework- to steer the economy towards a prosperous future whereas long-term framework is under preparation.

The Annual Plan 2024-25 can be seen as an implementation framework of 5E's Framework for the next year in which we envisage to put the economy back on higher growth trajectory gradually. Therefore, we envisage GDP growth of 3.6 percent, driven by growth in agriculture (2 percent), industry (4.4 percent), and services (4.1 percent). This optimistic outlook is based on the political and economic stability achieved in the past two years.

I would also like to appreciate my team at the Planning Commission for their dedication and hard work in preparing this document.

Prof. Ahsan Iqbal
Federal Minister for Planning, Development & Special Initiatives

FOREWORD

The economy of Pakistan faces multifaceted issues and the existence of large informal economy is impeding optimal resource mobilization and the country's progress on socio-economic development. Recently, the economy has been confronted with major disruptions warranting import management measures and adoption of contractionary fiscal and monetary policies. Following an economic contraction of -0.2 percent in 2022-23, the economy managed to recover with a modest growth of 2.4 percent in 2023-24, primarily led by agriculture sector's growth of 6.3 percent on the back of record output of important crops. Industrial and services sectors grew at 1.2 percent each due to weak demand, high input costs and import restrictions in view of depleting foreign exchange reserves.

Annual Plan 2024-25 aims to put the economy on a sustainable growth trajectory by removing the constraints to economic growth. We have targeted to achieve a slightly higher GDP growth of 3.6 percent in 2024-25 on the expectations of growth in all three major sectors. This optimism relies on continuation of the political stability and further reforms for addressing the external sector's vulnerabilities besides favourable weather conditions for crops, improved supplies of industrial raw material and spillover of anticipated fall in global commodity prices.

The government is determined to continue pursuing a number of reforms that will improve the much-needed revenue collection and business environment through measures for improving ease of doing business in the country to increase private sector footprints in economy. In particular, PSDP 2024-25 aims to support prioritized areas of public investment, strengthen delivery of social services, and implement an agenda of balanced regional development and greater employment opportunities for less developed areas of the country.

At the end, I would like to acknowledge the hard work and professionalism of the team of Planning Commission under the command of Mr. Awais Manzur Sumra, Secretary PD&SI for preparation of this important document. Errors and omissions are expected, there is always a room for improvement/suggestions.

Mr. Mohammad Jehanzeb Khan
Deputy Chairman Planning Commission

ACKNOWLEDGEMENT

The Annual Plan 2024-25 presents a review of the state of the economy for the outgoing year 2023-24 and provides an economic outlook for the upcoming year 2024-25. The Plan highlights Pakistan's macroeconomic development, outlines sectoral issues with a focus on GDP growth, budgetary performance, monetary expansion, prices, balance of payments, and the implementation of the Public Investment Programs. I would like to acknowledge the hard work of the team members who contributed to prepare this important document, Review Committee headed by Zafar ul Hassan, Joint Chief Economic (Economic Policy) and the Members of the Planning Commission. The hard work and long hours put in by the Annual Plan Coordination Committee also need appreciation.

I would like to take this opportunity to thank all the Ministries/ Divisions and other stakeholders from public and private sector for their valuable contributions to the preparation of the Annual Plan 2024-25. I also extend my gratitude to the heads of Economic and Technical Sections, the officers of the Plan Coordination Section, especially Shahid Zia Cheema, Chief, Ms. Zara Umer, Deputy Chief, Mr. M. Musaib Umair, Assistant Chief, and staff Mr. M. Rafi Ch, Mr. Zeeshan Hyder and Mr. M Raheel. This would not be possible without support of admin wing and IT Wing, who's services are well acknowledged.

Mr. Awais Manzur Sumra, Secretary
Ministry of Planning Development and Special Initiatives

REVIEW COMMITTEE

- | | | |
|-----|---|------------------|
| 1. | Mr. Zafar-ul-Hassan, JCE (Economic Policy) | Chairman |
| 2. | Mr. M. Anwar Hussain Ch., Sr. Chief (PP&H) | Member |
| 3. | Mr. Shahoor Islam Khattak, Sr. Chief (Energy) | Member |
| 4. | Mr. Javed Sikandar, Chief (Governance) | Member |
| 5. | Dr. Hasan M. Mohsin, Chief (Macroeconomics) | Member |
| 6. | Mr. Shahid Iqbal, Chief (International Trade & Finance) | Member |
| 7. | Mr. Ali Kemal, Chief (SDGs) | Member |
| 8. | Dr. Arif Rehman, Chief (Agriculture & Food) | Member |
| 9. | Ms. Zara Umer, Deputy Chief (Plan Coordination) | Member |
| 10. | Mr. Shahid Zia Cheema, Chief (Plan Coordination) | Member/Secretary |

Coordination and Editorial Team

11. Ms. Zara Umer, Deputy Chief (Plan Coordination)
12. Mr. M. Musaib Umair, Assistant Chief (Plan Coordination)
13. Mr. Atif Qaisrani, Assistant Chief (Plan Coordination)

Technical Team

14. Mr. Muhammad Raheel
Computer Operator (IT Wing)
15. Mr. Muhammad Shahzeb
Computer Operator (Dev. Comm.)

EXECUTIVE SUMMARY

Macroeconomic Framework – Growth, Investment and Savings

The fiscal year 2023-24 started with the lagged impacts of economic disruptions which had resulted in economic contraction of 0.2 percent in 2022-23. This contraction was primary culmination of catastrophic floods, surging world commodity prices, global and domestic monetary tightening, and political uncertainty. These factors narrowed the growth prospects for 2023-24. In this backdrop, overall macroeconomic conditions appeared somewhat improved during 2023-24 as the real economic activities moderately recovered from the contraction in last year.

The performance under the IMF's Stand-By Arrangement (SBA) programme mitigated stress on external and fiscal accounts. The current account deficit (CAD) narrowed considerably amid continued contractionary monetary and fiscal policies, substantial easing in global commodity prices, recovery in world economy and extraordinary performance of agriculture output. All these factors helped in achieving moderate economic recovery in 2023-24.

The real GDP grew by 2.4 percent during 2023-24 compared to a contraction of 0.2 percent in 2022-23. The growth was primarily led by agriculture, with a significant increase in the production of wheat, cotton and rice, as all touched the highest ever levels. The fertility impact of floods and favorable weather conditions complemented by better availability of inputs and policy incentives improved output. This recovery supported some of the agro-based industries which kept decency in manufacturing sector's growth. Moreover, withdrawal of import prioritization measures improved availability of raw materials for industry as reflected in almost slight growth in large-scale manufacturing (LSM) which stood at 0.1 percent after showing contraction in 2022-23. This was despite muted domestic demand amid tight fiscal and monetary policies and costlier energy.

Per capita income increased from Rs. 384,747 in 2022-23 to Rs. 475,281 in 2023-24 in nominal terms. It increased by 23.5 percent in nominal terms, 1.1 percent in real terms and 8.3 percent in dollar terms. A prolonged period of uncertainties surrounding political stability and persistent prevalence of high interest rate resulted in decline in investment-to-GDP ratio from 14.1 percent in 2022-23 to 13.1 percent in 2023-24 with decrease in both public and private investment-to-GDP ratios. National savings slightly decreased to 13 percent of GDP in 2023-24 from its previous year's level of 13.2 percent

mainly because of lower availability of foreign savings due to massive improvement in the current account.

The economic outlook for 2024-25 depends upon keeping investor confidence upbeat, political stability, macroeconomic stabilization under the new IMF programme, adequate progress on economic reforms, better availability of inputs, supportive monetary and fiscal policies, improved external inflows, favourable weather for agriculture sector and expected fall in global oil and commodity prices.

Balance of Payments

Current account deficit substantially narrowed to US\$ 0.2 billion during Jul-Apr 2023-24, around 94.8 percent lower compared to US\$ 3.9 billion in corresponding period of last year, explained by sizeable reduction in the trade deficit, despite increase in interest payments and profit/dividend repatriation.

Exports of goods (fob) witnessed an improvement of 10.6 percent and stood at US\$ 25.7 billion during Jul-Apr 2023-24 compared to US\$ 23.2 billion in the same period of last year. Imports of goods (fob) declined by 5.3 percent to US\$ 43.4 billion during Jul-Apr 2023-24 from US\$ 45.8 billion in the same period last year. The contraction in imports is mainly due to moderate global commodity prices, especially crude oil and stabilization policies pursued domestically. The petroleum group holds major share of 28.5 percent in Pakistan's imports. Its import bill dipped by 25.2 percent to US\$ 12.3 billion during Jul-April 2023-24 from US\$ 16.5 billion in the corresponding period of last year.

Services trade deficit deteriorated by 249.7 percent to US\$ 1.9 billion during Jul-Apr 2023-24 from US\$ 0.5 billion of the same period of last year due to an increase of 20.8 percent in the import bill (US\$ 8.3 billion from US\$ 6.9 billion) despite a rise of 1.2 percent in export of services to US\$ 6.4 billion. During Jul-Apr 2023-24, IT exports reached US\$ 2.6 billion, marking a 21.4 percent increase from US\$ 2.1 billion in the same period last year.

Remittances inflows increased by 3.5 percent to US\$ 23.9 billion in Jul-Apr 2023-24 compared to US\$ 23.0 billion in Jul-Apr 2023-23. Foreign Direct Investment (net) is recorded at US\$ 1.3 billion during Jul-Apr 2023-24 as compared to US\$ 0.4 billion during the corresponding period of last year, showing a growth of 233 percent. Gross foreign exchange reserves stood at US\$ 14.3 billion as in May 24, 2024 (with SBP's reserves at US\$ 9.1 billion) as compared to US\$ 9.2 billion (with SBP's reserves at US\$4.4 billion) in June 2023.

Fiscal, Monetary and Capital Market Developments

Federal Budget 2023-24 estimated consolidated fiscal deficit at 6.5 percent of GDP. During July-March 2023-24, fiscal deficit stood at 3.7 percent of GDP, almost the same as was during the corresponding period of last year (up by an insignificant 0.01 percentage point). Total revenue grew by 41 percent. Tax-to-GDP ratio increased marginally from 6.7 percent to 6.8 percent and tax revenue in absolute terms grew by 29.3 percent. Federal taxes continued to remain the major driver with 92.4 percent share in total tax collection.

Direct taxes increased by 41.4 percent with their share rising to nearly half of total tax collection. This increase was mainly due to upward revision of income tax rates and higher collections from corporate profits, earnings on bank deposits and investment in government securities. Indirect taxes increased by 21.1 percent with customs duties, sales tax and federal excise duty posting growth of 15.2 percent, 17.7 percent and 64.2 percent, respectively. Provincial taxes increased by 19.3 percent largely on account of GST on services. Non-tax revenue registered a better growth of 89.8 percent on the back of growth of mark-up (PSEs & others) (166.1 percent), SBP profit (162 percent), and petroleum levy (98.5 percent), etc.

Total expenditure grew by 36.6 percent during July-March 2023-24 mainly due to 33.4 percent growth in current expenditure as mark-up expenditure recorded a substantial growth of 54 percent. Servicing of domestic and foreign debts grew by 54.7 percent and 49.6 percent, respectively. Subsidies declined by 9.8 percent. Development expenditure rose by 14.2 percent, as result of higher provincial ADPs spending (23.1 percent) more than offset 7.8 percent decline in federal PSDP expenditure. Federal deficit declined from 4.2 percent of GDP to 4.1 percent while provincial surplus decreased from 0.5 percent of GDP to 0.4 percent. Primary surplus improved from 0.6 percent to 1.5 percent of GDP. For financing of fiscal deficit, the government relied more on bank borrowing.

The stock of public debt increased from Rs. 62.9 trillion (75 percent of GDP) at end-June 2023 to Rs. 67.5 trillion (63.7 percent of GDP) at end-March 2024, posting a growth of 7.4 percent. Domestic debt grew by 11.9 percent (from Rs. 38.8 trillion to Rs. 43.4 trillion) while external debt increased by 0.1 percent (from Rs. 24.07 trillion to Rs. 24.09 trillion) during July-March 2023-24.

The State Bank of Pakistan (SBP) decided to keep the policy rate unchanged at 22 percent during July-May 2023-24 to anchor inflation expectations. The policy rate is kept high because of the frequent and sizeable adjustments administered in energy

prices. During 2024-25, monetary policy stance will remain aligned with the objectives of growth revival and inflationary expectations.

Average CPI inflation (national) stood at 24.5 percent, recording a decrease from 29.2 percent in the same period of last year. Notwithstanding, steep fall in food inflation, CPI is primarily driven by food and energy prices. Food inflation decreased from 38.8 percent to 24.0 percent in the first 11 months while non-food and core inflation increased in this period. Average inflation is expected to moderate further in 2024-25, as macroeconomic stabilization efforts may restore confidence in prospects of the economy and global oil and commodity prices are anticipated to fall.

The buoyancy in the Pakistan Stock Exchange (PSX), with an overall bullish trend in the second half of 2023-24 reflects signs of recovery of investor confidence in anticipation of relative political stability. The market optimism is partially based on anticipated macroeconomic stabilization under the new IMF's Extended Fund Facility (EFF) programme and the likely SIFC induced flows of investment from the Middle East. The Securities and Exchange Commission initiated a number of reforms for capital market development during 2023-24 and further reforms will be initiated next year by promoting online brokers, revamping laws, and developing new investment products to boost investor confidence, etc.

Public Sector Investment

Public Sector Development Programme (PSDP) stands as the bedrock of economic vitality, putting nation towards progress, prosperity and societal advancement. It serves as a catalyst for innovation, infrastructure expansion, and sustainable development, fostering a conducive environment for growth and prosperity.

The National Economic Council in its meeting held on 6th June, 2023 approved National Public Investment at Rs 3,792.3 billion for the year 2024-25 including Federal PSDP of Rs. 1,500 billion (including Rs. 100 billion for PPP mode projects) Provincial ADPs of Rs. 2,095.4 billion and SOEs Investment of Rs. 196.9 billion.

Ministry of Planning, Development & Special Initiatives (PD&SI) endeavors to complete projects in advance stages of execution and allocate adequate funding to core/mega projects, foreign aided projects and projects near completion. Priority has also been assigned to the development projects relating to 5Es i.e. Exports, Equity, Empowerment, Environment and Energy Framework, CPEC as well as 4RF i.e. Resilient, Recovery, Rehabilitation and Reconstruction Framework. New projects focusing on supporting exports, enhancing productivity, deepening IT/digital infrastructure, innovation driven enterprises, agroindustry and seed development, blue economy,

science & technology, R&D and innovation reforms have been included in PSDP 2024-25.

The completion of on-going projects has been accorded the priority for PSDP 2024-25 and almost 94 percent of resources have been allocated to the ongoing project while only 6 percent of the resources have been earmarked for new projects. The priority has been assigned to Infrastructure sector being the primary responsibility of the Federal Government with over 61 percent of proposed allocations, followed by Social Sector having 17 percent and balanced regional development (AJ&K, GB and Merged Districts of KP) with 10 percent of proposed allocations for 2024-25. About 12 percent resources are earmarked for other sectors like IT & Telecom, S&T, Governance and Production sectors etc.

The Public Private Partnership Authority (P3A), established under the P3A Act, 2017 (as amended), leads the Federal Government's public-private partnership initiatives. The P3A Act outlines a three-tier regulatory and approval process, beginning with project concept and qualification proposals reviewed by the Public Private Partnership Working Party (P3WP) upon P3A's recommendation. Approved projects can then proceed with procurement and bidder selection. Post-negotiation, the Implementing Agency submits the project proposal to P3A. For 2024-25, various projects are in the pipeline, and P3A will assist the implementing agencies in obtaining the Viability Gap Fund (VGF) from the Government of Pakistan.

Food Security and Sustainable Development

To attain self-sufficiency in agriculture, the federal government has persisted with various initiatives, notably through the Prime Minister's Agriculture Emergency Programmes and the introduction of new strategies. In the Federal PSDP for 2023-24, an allocation of Rs. 8,850 million had been designated to the Ministry of National Food Security and Research (NFS&R), including Rs. 445.816 FEC component. For 2024-25, Rs. 41,000 million with FEC component of Rs. 900 million is on cards now. New proposed endeavor encompasses the Prime Minister's Initiative for Solarization of Tubewells, Pakistan-Korea Joint Programmes on agriculture research of different commodities, Professional Capacity Building in Agriculture (TVET National Reforms Programme) and Horticulture Support Programme will hopefully provide much needed boost to production of agriculture sector.

Manufacturing, Commerce and Mineral Development

The industrial sector grew by 1.21 percent in 2023-24, with the manufacturing sector expanding by 2.4 percent, LSM by 0.1 percent, and Small Scale by 9.1 percent. Mining & Quarrying also witnessed notable growth of 4.8 percent during the same period. The Ministry of Industries and Production plans to undertake 13 ongoing development initiative in manufacturing in 2024-25, with an allocated budget of Rs. 4918.758 million. Similarly, the Ministry of Commerce aims to execute 1 ongoing and one new development initiative in the commerce sector with an allocation of Rs.1955.282 million. Similarly, Petroleum Division (Mineral Wing) will undertake one project in 2024-25. Alongside PSDP-funded projects, Geological Survey of Pakistan (GSP) is set to conduct several annual field programs/projects such as minerals investigation and geological mapping in various regions of the country, funded through its regular budget for the year 2024-25.

Information and Communication Technology – Digital Transformation

Presently, Pakistan boasts an impressive internet user base of 111.00 million, reflecting a penetration rate of 45.7 percent. Social media engagement is also noteworthy, with approximately 71.70 million Pakistanis, constituting 29.5 percent of the population, actively participating in online platforms. Furthermore, the country sustains a robust mobile telecommunications network, with 188.90 million cellular mobile connections, covering 77.80 percent of the population.

Considering digitalization as a catalyst for growth, government is giving high priority to this Sector. The prospective Plan for the year 2024-25 envisages a total I.T sector allocation of Rs. 75,420.60 million with a promising array of projects pertaining to specialized I.T skills trainings, industrial and systemic automation, technology parks establishment etc. By embracing technology, fostering a culture of innovation, and empowering its citizens, Pakistan can leap forward into a sustainable and prosperous future.

Population

The performance review of 2023-24 highlights strengths like the establishment of a National Task Force, yet challenges remain in meeting contraceptive needs and reducing population growth rates. Physical targets for key demographic indicators are outlined, considering two scenarios: continued trend and accelerated efforts targeting high-fertility populations with low Human Development Index. The plan 2024-25

stresses the importance of sustained efforts, continued investment, and effective implementation at all levels, with monitoring and evaluation mechanisms to track progress and adapt strategies accordingly. For population initiatives an amount of Rs. 300.00 million has been allocated in PSDP 2024-25.

Health

The Annual Plan 2024-25 for the health sector is aligned with the strategic priorities outlined in the 13th Five Year Plan to enhance healthcare delivery in Pakistan. The Plan will emphasize the mainstreaming of health interventions with a family planning approach to control the overgrowth of the population on an emergency basis. The government has focused on the Pakistan Deworming Initiative, ending TB, Malaria control, birth and death registration and connecting health facilities with union councils through the existing health information system to achieve targets set in the 13th Five Year Plan.

The Annual Plan 2024-25 with an allocation of Rs. 27 billion envisage to focus on improving health system performance by enhancing the quality and accessibility of healthcare services, implementing universal healthcare measures, and reforming primary healthcare systems. The feasibility of the Establishment of a Plasma fraction facility will be explored in consultation with the sectoral experts. Plan also emphasizes maternal and child health, combatting non-communicable and communicable diseases through a One Health approach and ensuring global health security.

Nutrition

The launch of the National Multisectoral Nutrition program under Pakistan Nutrition Initiative (PANI) demonstrates proactive efforts to combat malnutrition in districts characterized by high stunting rates, flood-affected, and underprivileged. A multidimensional approach will be adopted to mitigate the prevalence of malnutrition, focusing on Early Childhood Development (ECD), and other multi-sectoral policies and programs. Strategic partnerships and mass awareness campaigns will play pivotal role in cultivating a culture of health and well-being nationwide. Aligned with the broader objectives of the 13th Five-Year Plan and 5-E's, the government aims to reinforce sustainability and innovation in nutrition interventions. Provincial and area governments will implement various nutrition-sensitive programs, strategies, and interventions to address immediate and underlying nutritional needs. These efforts will promote local and sustainable solutions for improved nutrition and well-being within their jurisdictions. Rs. 10,000.00 million has been allocated in PSDP 2024-25 for nutrition related initiatives.

Basic and College Education

Pakistan is dedicated to fulfilling its national and international education commitments by implementing effective policies and projects. These efforts encompass teacher education, improving access to educational institutions, addressing missing facilities, integrating Information Communication Technologies for enhanced learning, and effectively addressing the Out of School Children (OOSC) issue. While education is primarily the responsibility of provincial governments due to its devolved nature, the federal government remains committed to supporting and prioritizing the sector. For PSDP 2024-25, an allocation of Rs. 26,446.20 million have been allocated for the sector to ensure widespread improvements in educational access and quality across the country.

Higher Education and Science & Technology – Knowledge and Technology based Development

Under PSDP 2023-24, an amount of Rs. 69.7 billion has been allocated to HEC for the implementation of 169 development projects (139 ongoing and 30 new approved projects) at public sector universities/HEIs/. During 2023-24, 20 projects have been planned for completion. There is a need to focus on the quality of higher education to improve the country's ranking in the Global Innovation Index. In 2024-25 the total allocation of HEC is Rs. 66.315 billion.

Science and Technology and Innovation Policy, 2021 provides guidelines to exploit the huge potential of this sector to achieve objectives of knowledge and technology-based development. Under the PSDP 2023-24, an amount of Rs. 8 billion was allocated to the Ministry of Science & Technology. This allocation included funding of 31 ongoing projects and 06 new schemes. In 2024-25, the Ministry of S&T plans to launch a development initiative through a multifaceted approach. This is all being planned to promote the "Made in Pakistan Campaign" in multiple scientific fields to promote indigenous capacity of production, quality, entrepreneurship, competitiveness, self-sufficiency, exports and overall national economy. In 2024-25 the total allocation for the Ministry of Science and Technology (S&T) is Rs. 7.149 billion.

Labor and Employment

During 2024-25, the government will focus on upgrading existing skills and introducing training for emerging skills. The roles of NAVTTC, TEVTAs, and TEVETs will be enhanced, with an emphasis on skill certification and international labor market accreditation. The

Ministry of OP&HRD and BEOE will explore new labor markets to boost the export of labor and services.

Youth and Skill Development

All youth-centric initiatives are well-aligned with SDGs and the 13th Five Year Plan. The current plan focuses on bridging the demand-supply gap, providing quality skill development training, gainful employment, meaningful engagement, good mental and physical health, and marketable skills, and empowering youth with expertise to make well-informed decisions for their well-being. An amount of Rs. 8,417.00 million have been allocated in PSDP 2024-25 for youth development related initiatives.

Mass Media, Culture and National Heritage

The government has initiated several projects to enhance the quality and coverage of media, including the digitalization of terrestrial networks of TV and Radio. In 2024-25, the Ministry of Information & Broadcasting has been allocated Rs. 5,649.209 million while an allocation of Rs. 1,015.00 million has been earmarked for in PSDP 2024-25 for National Heritage & Culture Division.

Sustainable Energy

The Energy sector of Pakistan is confronted with an intricate network of challenges predominated by circular debt, imported fuel-based generation mix, depleting natural gas supplies, volatile international energy prices and high T&D losses. The Planning Commission of Pakistan has outlined a comprehensive roadmap, the "5E Framework," with energy as one of its primary focus areas. This framework targets four macro-level themes: Diversification & Indigenization, Affordability/Competitiveness, Financial Sustainability, and Private Sector Development.

During 2023-24, an additional 150 MW of installed capacity was integrated into the national grid, with cumulative figures reaching 41,348 MW. The maximum demand peaked at 25,516 MW during 2023-24. The national grid will have capacity additions of 3,010 MVA on 220kV Voltage levels, by June 2024. Similarly, the distribution segment will have an addition of 2,246 MVA on 132kV Voltage levels with addition of 1,626,618 consumers onboard and electrification of 8,111 villages by the end of 2023-24. The future outlook for 2024-25 projects envisages an additional 1,962 MW of new generation capacity, including significant contributions from Hydel Power Plants (HPPs) i.e. 1,138 MW. The installed capacity is projected to reach a cumulative 43,310 MW, while the peak demand will toll to 27,140 MW. The capacity additions in the national

grid will be 4,950, 5,840 and 1,000 MVA capacity on 500kV, 220kV and ± 660 kV Voltage levels, respectively while the distribution sector will be supplemented an additional capacity of 3,328 MVA on 132kV voltage level and will power 1,775,643 number of consumers and will electrify 6,937 villages during the same period.

The fuel sector continues to focus on enhanced indigenous crude oil and coal production, however, challenges remain, notably in natural gas production. The achievements in LNG imports and pipeline infrastructure expansion demonstrate progress in addressing the supply demand gaps.

Water Resources Development

Pakistan's water resource sector is integral to its socio-economic development and food security, with irrigated agriculture making a significant contribution to the GDP. Despite abundant water resources, the country faces multifaceted challenges arising from population growth, land degradation, and climate change impacts. Pakistan is ranked among the top 10 most vulnerable countries to climate change, highlighting the urgency of addressing these issues. To mitigate these challenges, numerous projects are underway. The Annual Plan 2024-25 aligns with national targets, focusing on reducing water conveyance losses, increasing water storage, and enhancing water use efficiency. The plan emphasizes the targets set by the National Water Policy (2018), 5Es Framework and the 13th Five Year Plan, aiming for a significant reduction in water losses, increased water storage capacity, improved water use efficiency, and modernization of irrigation infrastructure. Real-time monitoring systems and data collection mechanisms are being implemented to ensure effective management of water resources.

For 2024-25, an amount of Rs. 205.588 billion has been allocated for water sector development with focus on reduction in water conveyance losses, increase in Water Storage from 14 MAF to 24 MAF, increase in the efficiency of water use by producing “more crop per drop”, Gradual replacement and refurbishing of decades-old irrigation infrastructure, Real-time monitoring of river flows through Telemetry system etc.

Sustainable Transport and Communication Infrastructure

Efforts are underway to promote PPP to attract private sector investment and alleviate pressure on public funds. Business plans for the National Highway Authority (NHA) and Railways are being finalized for 2023-24. Performance across subsectors in 2023-24 varied, with anticipated utilization not being fully realized due to challenging economic conditions and high inflation rates in the construction industry. However, with diligent financial management and resource allocation, performance is expected to improve

significantly during 2024-25. In 2023-24, the Transportation and Logistics (T&L) Sector received an allocation of Rs. 239.8 billion. Out of which, total expenditure is expected to be around Rs. 92.5 billion, showing utilization of 38.6 percent.

To tackle the limited financial resources and to remain within the Indicative Budget Ceilings a total allocation of Rs. 313.25 billion has been made for the plan period (2024-25). The major resource allocation is made for the sub-sector of road, followed by the Railway Sector. In the PSDP 2024-25, the main focus would be on development of multimodal / integrated transport system, ensuring funds and implementation of railway projects for sustainability of the existing railway system and completion of the priority projects in each sub sector.

Sustainable Urban Development

The Federal Government launched several initiatives to address the housing shortage and improve living conditions in Pakistan. Significant progress was made in the construction of housing units under various government-sponsored schemes. Projects were undertaken to upgrade water supply systems, expand sanitation networks, and enhance transportation infrastructure in urban areas. Despite progress, challenges persisted in addressing the physical planning and housing sector; therefore, to address the increasing urbanization issues and challenges, an allocation of approximately Rs.86.0 billion has been made in 2024-25 for the physical planning and housing sector programs to be implemented by various ministries, divisions and departments.

China-Pakistan Economic Corridor

The China-Pakistan Economic Corridor (CPEC), a pivotal element of China's Belt & Road Initiative (BRI) introduced by President Xi Jinping, is an economic initiative aiming to bolster regional connectivity, trade, and development cooperation. Envisioned in three phases spanning 2015 to 2030, CPEC has made significant strides in its initial phase (2015-20), marked by completion of eight infrastructure projects valued at US\$ 6.7 billion, and progress on several ongoing initiatives including roads, airports, and digital media. The energy projects within CPEC have notably alleviated Pakistan's energy shortage, adding 8,020 MW to the national grid through completion of sixteen power generation projects. Moving into its second phase (2021-25), CPEC is poised to focus on industrialization, agricultural modernization, Information and S&T, and socio-economic development, with an emphasis on exploring new areas of cooperation like tourism, mining, and petroleum, to bolster the nation's socio-economic landscape.

Inclusive and Equitable Development

To fortify Pakistan's social protection sector, existing programs are being expanded in scope, and new initiatives are being introduced to cater to the needs of the most marginalized groups. For 2024-25, the total allocation for ongoing and new initiatives is Rs. 1,889 million. These endeavors prioritize sustainability, efficiency, and equity, aligning with the E-5 Framework, short and long-term plans, Prime Ministerial directives, the National Gender Policy Framework, and the SDGs for 2030.

Moving Towards Just Development – Addressing the Contours of Deprivations

Key programs include the Workers Welfare Fund, Benazir Kafaalat, and Conditional Cash Transfer schemes, which target specific vulnerable groups. Efforts also focus on enhancing digital and financial literacy among beneficiaries and fostering financial inclusion. The introduction of hybrid social protection schemes aims to blend assistance with risk mitigation elements, promoting resilience among informal sector workers.

The period of 2024-25 promises significant strides in Pakistan's social welfare and poverty alleviation efforts. The Workers Welfare Fund is spearheading a comprehensive digitization initiative for the seamless distribution of marriage and death grants. Additionally, the construction of labor colonies aims to provide affordable housing options. District development plans are being finalized to focus resources on poverty alleviation in identified districts. The Ministry of Poverty Alleviation and Social Safety is developing a Comprehensive Poverty Alleviation Programme, alongside strategies for financial inclusion and asset transfer for employment generation. Provincial social protection policies are aligning with the National Social Protection Policy Framework, signaling a concerted effort towards holistic development and social equity.

Governance and Institutional Reforms

During 2023-24, the government has taken several initiatives to improve governance indicators and making government open, transparent, accountable, and responsive to citizens. An amount of Rs. 28 billion including foreign aid of Rs. 16.50 billion has been proposed for the governance sector in PSDP 2024-25. The allocation indicates an increase of 33 percent over the last year's allocations. The reforms programmes/initiatives in the areas of public financial management, tax administration, digitizing court processes, E-Procurement and regulatory frameworks aim to improve transparency, accountability, and efficiency while promoting ease of doing business and expanding the tax base through automation and digitization. Efforts include

implementing whistleblowing policies, establishing specialized courts and enhancing law enforcement capacity.

Balanced Development – Focus on Less Developed Regions

During 2023-24 various programs/projects were implemented in AJK, GB & Merged Districts of KP, which were primarily focused on the improvement of infrastructure and socio-economic conditions of the people. An amount of Rs. 117.9 billion was allocated for these areas under various development initiatives undertaken in multiple sectors.

The plan for 2024-25 is focused on timely achievement of developmental targets through completion of ongoing and quick-impact projects/schemes. The federal government is focusing on narrowing developmental disparities through priority resource allocations and special programs i.e. block allocation for special areas and a 10-year development programme for the merged district of Khyber Pakhtunkhwa. The planned development activities under multiple sectors i.e. infrastructure, education, health, food, industries, information technology, natural resources, science & technology, etc. are expected to bring improvement in provision of existing facilities to the people of these special areas.

Climate Change and Environment

Key climate-related initiatives include the exploration of projects/programmes, markets and funds for the Green Climate Fund through a robust National Climate Finance Strategy, the Upscaling of Green Pakistan Programme, Capacity Building on Water Quality Monitoring and SDG-6 reporting, and the Pakistan Biosafety Clearing House for Genetically Modified Organisms (GMOs) Regulation in Pakistan Biosafety Clearing House (Pak-BCH), spearheaded by the Ministry of Climate Change and Environmental Coordination. Additionally, investments in weather surveillance infrastructure, such as the Weather Surveillance Radars at Multan and Sukkur, are pivotal for enhancing disaster preparedness and response capabilities.

Furthermore, Pakistan is actively engaged in the Climate Adaptation and Resilience for South Asia (CARE) project, to foster an enabling environment for climate resilience policies and investments in South Asia, with a focus on climate-smart agriculture, integrated water resource management, and resilient infrastructure. During 2024-25, the Aviation Division received a budgetary allocation of Rs. 3,105.00 million for projects associated with the Pakistan Meteorological Department. The Ministry of Climate Change and Environmental Coordination secured a larger allocation of Rs. 15,775 million, with a substantial portion designated to support the Upscaling Green Pakistan Programme.

Part-I
Economic Recovery to
Inclusive and Sustainable Growth



Macroeconomic Framework:
Growth with Stability

1. MACROECONOMIC FRAMEWORK – GROWTH, INVESTMENT AND SAVINGS

The fiscal year 2022-23 was one of the most challenging in Pakistan’s economic history as the country faced numerous issues including political instability, balance of payments crisis, depleting foreign exchange reserves, catastrophic floods and global and domestic monetary tightening to mitigate inflationary pressures. These factors led to economic contraction of 0.2 percent in the year and narrowed the growth prospects for 2023-24. In this backdrop, the Annual Plan 2023-24 envisaged an economic revival with a modest growth target of 3.5 percent.

The fiscal year 2023-24 started with the lagged impacts of the economic disruptions. The performance under the IMF’s Stand-By Arrangement (SBA) programme mitigated stress on external and fiscal accounts. The Current Account Deficit (CAD) narrowed considerably amid continued contractionary monetary and fiscal policies, substantial easing in global commodity prices, recovery in the world economy and extraordinary performance of agriculture output. All these factors helped in achieving moderate economic recovery in 2023-24. Reforms related to exchange companies and government’s administrative measures helped in reducing pressures on exchange rate since mid-September 2023 which provided much needed stability. On flip side, despite restrained domestic and external demand, inflationary pressures persisted at elevated levels though remained on downward trajectory since January 2024.

The real GDP grew by 2.4 percent during 2023-24 compared to a contraction of 0.2 percent in 2022-23. The growth was primarily led by agriculture with significant increase in the production of wheat, cotton and rice as all touched the highest ever levels. The increase in agriculture production supported some of the agro-based industries which kept decency in manufacturing sector’s growth. Moreover, withdrawal of import prioritization measures improved availability of raw materials for industry as reflected in almost slight growth in large-scale manufacturing (LSM) which stood at 0.1 percent after showing contraction in 2022-23. This was despite muted domestic demand amid tight fiscal and monetary policies and costlier energy.

The constricted import demand, high costs of inputs/energy and borrowing and weak domestic demand dampened the growth of industrial and services sectors. Both industrial and services sectors managed to grow by 1.2 percent each. Notwithstanding, fiscal consolidation measures managed to post a primary fiscal surplus in the first three

quarters of 2023-24 like the previous fiscal year. However, the contractionary fiscal policy constrained the growth recovery.

The economic outlook for 2024-25 depends upon political stability, macroeconomic stabilization efforts and reforms, investor confidence, better availability of inputs, supportive economic policies, improved external inflows, and favourable weather conditions for the agriculture sector. Average inflation is expected to moderate further in 2024-25, as macroeconomic stabilization efforts may restore confidence in prospects of the economy and global oil and commodity prices are anticipated to fall.

Performance Review 2023-24

Annual Plan 2023-24 envisaged a revival of the economy with a growth target of 3.5 percent, assuming restoration of political stability, external account improvement, macroeconomic stability, and an anticipated fall in global oil and commodity prices. The economic growth achieved during 2023-24 is 2.4 percent as agriculture performed better than the target whereas industrial and services sectors fell short of the targets and posted modest growth.

Sectoral Review

Agriculture Sector

Agriculture sector was envisaged to grow by 3.5 percent on the assumptions of favourable weather conditions, ample water availability, certified seeds, fertilizers, pesticides, affordable agriculture credit facilities and increased productivity of livestock. During 2023-24, agriculture sector rebounded with strong growth of 6.3 percent as against the previous year's growth of 2.3 percent, with major contributions coming from important crops and cotton ginning (Annex-1.1). The production of three important crops, i.e., cotton, rice and wheat increased by 108.2 percent, 34.8 percent and 11.6 percent, respectively (Table-1.1). Higher cotton production led to 47.2 percent growth in ginning activity. Sugarcane output decreased paltry by 0.4 percent as it lost some area to cotton.

Table-1.1: Production of Important Crops (2023-24)

Crop	Area (‘000’ Hectares)			Production (‘000’ M. Ton) (Cotton in ‘000’ Bales)		
	2022-23	2023-24	Percent Change	2022-23	2023-24	Percent Change
Cotton	2,144	2,424	13.1	4,910	10,223	108.2
Rice	2,976	3,637	22.2	7,322	9,869	34.8
Sugarcane	1,319	1,180	-10.5	87,981	87,638	-0.4
Wheat	9,033	9,632	6.6	28,161	31,438	11.6
Maize	1,719	1,641	-4.5	10,985	9,847	-10.4

Source: Pakistan Bureau of Statistics

The crops benefitted from timely availability of inputs (certified seeds, fertilizers and water), favourable weather conditions and a significant growth in disbursement of farm credit (40 percent during July-March 2023-24). The increase in cotton output can also be attributed to better quality of pest resilient seeds and timely announcement of attractive minimum support price before sowing season. Value added in other subsectors of agriculture increased with growth in other crops recorded at 0.9 percent, livestock (3.9 percent), forestry (3 percent) and fishing (0.8 percent). Within other crops, the output of fruits grew by 8.4 percent followed by vegetables (5.8 percent) and pulses (1.5 percent) whereas considerable decline of 14.4 percent was recorded in oilseeds production.

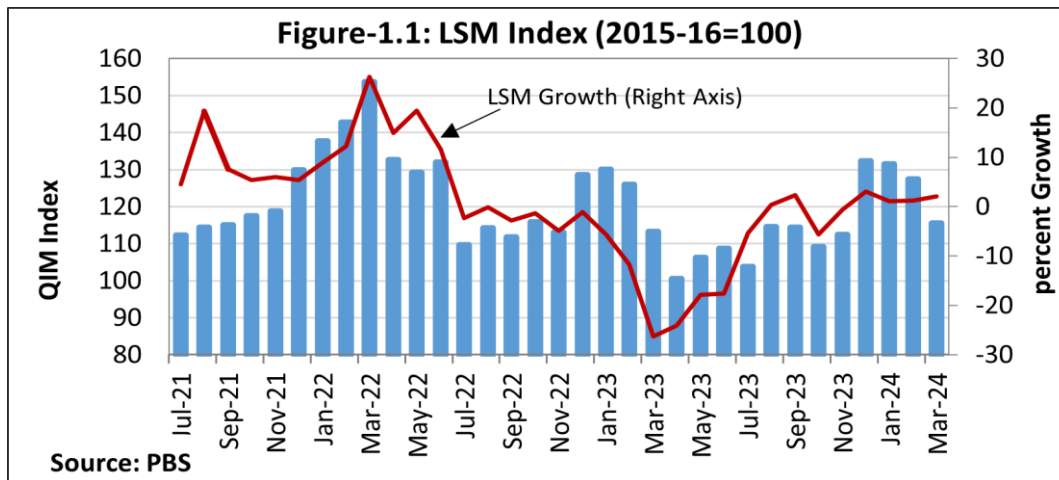
Industrial Sector

Industrial sector was expected to recover in 2023-24 with a targeted growth of 3.4 percent on the back of expected growth of 3.2 percent in LSM. This expected growth was based on improved supply of inputs, anticipated fall in global oil and commodity prices, public sector expenditure and mega projects for infrastructure development.

Industrial sector’s growth during 2023-24 was constrained by continued import management measures, higher costs of energy and raw material, high interest rates and weak domestic demand. Consequently, industrial sector posted a low growth of 1.2 percent during 2023-24. LSM, which accounts for nearly half of industry, recorded a meagre growth of 0.1 percent.

The growth of Quantum Index of Large-Scale Manufacturing Industries (QIM) remained negative throughout 2022-23 (Figure-1.1). During July-March 2023-24, the growth of QIM rebounded to a positive trajectory except contractions in July, October

and November 2023. Positive cumulative growth impact during July-March 2023-24 was observed in wearing apparel, pharmaceuticals, chemicals, and furniture, etc. whereas negative cumulative growth contributions were made by textile, automobiles and tobacco, etc. The recent growth rebound may be attributed to some relaxation in import restrictions following improved dollar liquidity of SBP, lower international commodity prices, improved economic conditions in export markets, better crops production and improved availability of raw material.

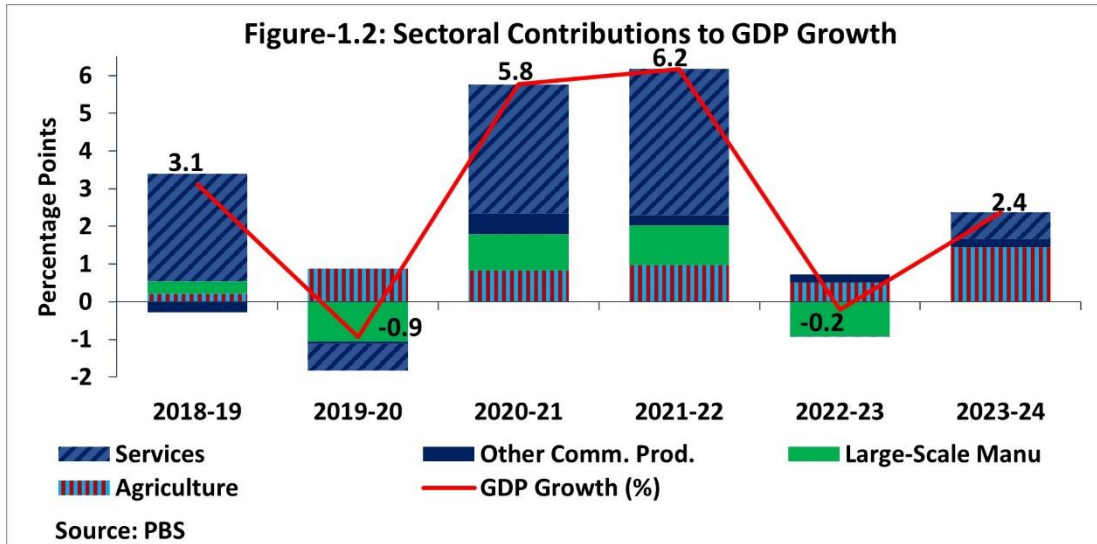


Mining and quarrying subsector also witnessed a growth of 4.8 percent against its target of 1.2 percent due to increase in the production of coal (37.7 percent), crude oil (1.5 percent) and other minerals (5.6 percent). Valued added in small scale manufacturing, slaughtering and construction grew by 9.1 percent, 6.6 percent and 5.9 percent, respectively. Construction expenditure increased by both private sector and public sector enterprises. On the other hand, electricity generation & gas distribution registered a decline of 10.5 percent because of a decrease in subsidies in real terms.

Services Sector

The commodity producing sectors grew by 4 percent during 2023-24 and the growth impact was not fully translated into the dependent services sector which posted a lower growth of 1.2 percent. Wholesale and retail trade, the largest sub-sector with nearly one-third share, grew marginally by 0.3 percent as the growth impact of agriculture sector was more than offset by slow growth in manufacturing and import compression. Similarly, transport & storage, the second largest sub-sector, grew at 1.2 percent and this slow pace is attributed to reduced use of air transport, pipeline transport and decline in sales of commercial vehicles and POL sales. However, major positive contributions to this subsector were made by railways, water transport and postal services. Other major contributions to the services sector came from education

(10.3 percent), human health & social work activities (6.8 percent), accommodation & food services activities (4.1 percent) and other private services (3.6 percent).



Per Capita Income

Per capita income increased from Rs. 384,747 in 2022-23 to Rs. 475,281 in 2023-24 in nominal terms (Table-1.2). It increased by 23.5 percent in nominal terms, 1.1 percent in real terms and 8.3 percent in dollar terms.

Table-1.2: Per Capita Income

	Absolute Value			Percent Change		
	Real Rs.	Nominal Rs.	US\$	Real Rs.	Nominal Rs.	US\$
2017-18	180,034	194,181	1,768	-	-	-
2018-19	182,840	214,695	1,578	1.6	10.6	-10.8
2019-20	179,318	230,349	1,458	-1.9	7.3	-7.6
2020-21	190,382	268,403	1,677	6.2	16.5	15.1
2021-22	192,848	313,488	1,767	1.3	16.8	5.3
2022-23	190,946	384,747	1,551	-1.0	22.7	-12.2
2023-24	192,985	475,281	1,680	1.1	23.5	8.3

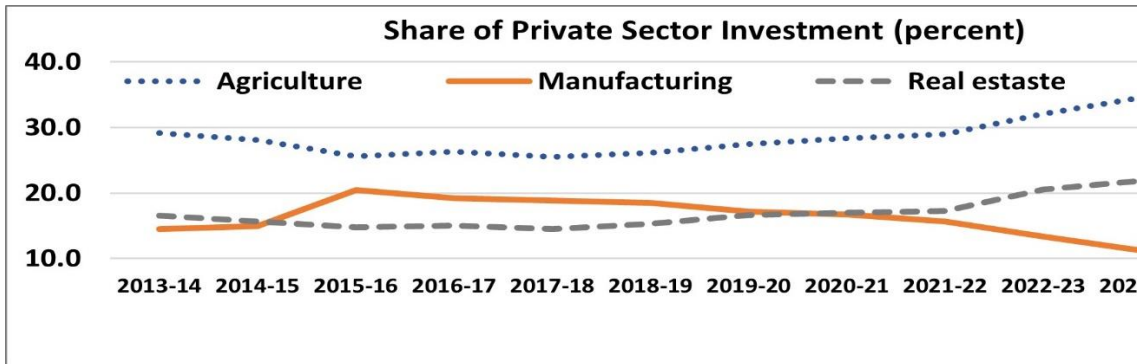
Source: PBS

Investment and Savings

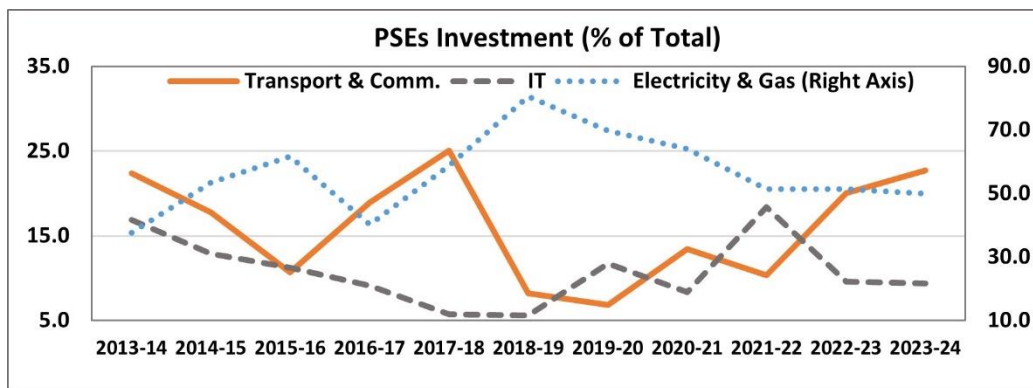
Prolonged period of uncertainties surrounding political stability and persistent prevalence of high interest rate resulted in decline in investment-to-GDP ratio from 14.1 percent in 2022-23 to 13.1 percent in 2023-24 with decrease in both public and private investment-to-GDP ratios. Investment grew by 17.6 percent in nominal terms, however, decreased by 1.7 percent in real terms due to high inflation. Both public and private investment increased in nominal and decreased in real terms.

Box-1.1: Investment Directions in Pakistan

Investment in Pakistan is contributed from three sides; private sector, public sector and general government. The lion's share (76 percent) comes from private sector, 5 percent from public sector and 19 percent from general government. Around half of the private investment is directed towards agriculture (30 percent), real estate activities (21 percent), and social sector small services (7.5 percent). This shows the real problem of economic growth. Collectively, education and health are able to get only 7 percent of private investment which is slightly lower than 10 percent in manufacturing sector. Share of manufacturing is falling and those of other two are increasing.



Public sector enterprises investment is skewed and 82 percent of it is concentrated in three areas - electricity and gas distribution (50 percent), transport and communication (23 percent), and IT (9 percent). Major public sector enterprises are concentrated in these areas.



General government restricts itself to public administration (90 percent), education (4.8 percent) and health (4.5 percent). Investment patterns show that private and public sectors and general government need to align their priorities with growth objectives.

Source: PBS

National savings slightly decreased to 13 percent of GDP in 2023-24 from its previous year's level of 13.2 percent mainly because of lower availability of foreign savings due to massive improvement in current account (Table-1.3). Pakistan's reliance on external borrowing to finance investment has decreased. The effectiveness of import compression measures is evident from higher level of domestic savings which edged up to 7.3 percent of GDP from 6.8 percent of the previous year.

Table-1.3: Structure of Savings and Investment (As Percent of GDP)

Description	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24 (P)
Total Investment	15.5	14.8	14.5	15.6	14.1	13.1
Fixed Investment	13.8	13.1	12.8	13.9	12.4	11.4
- Public Investment	3.1	2.8	3.0	3.5	3.0	2.8
- Private Investment	10.7	10.3	9.9	10.4	9.5	8.7
Changes in Stocks/Valuables	1.7	1.7	1.7	1.7	1.7	1.7
National Savings	11.3	13.3	13.7	10.9	13.2	13.0
Domestic Savings	6.4	7.6	6.7	4.2	6.8	7.3
Foreign Savings	4.2	1.5	0.8	4.7	1.0	0.1

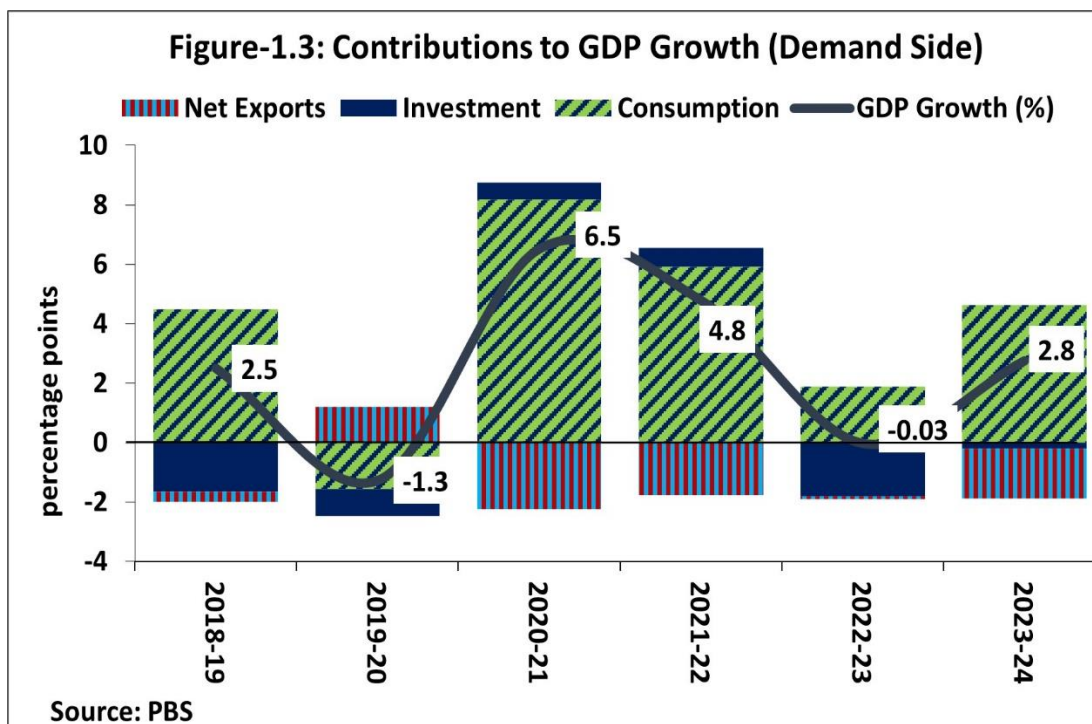
Source: PBS

Private consumption expanded by 27.4 percent in nominal terms and 5.5 percent in real terms during 2023-24. Private consumption occupied the major share in expenditure on GDP and contributed positively to the GDP growth (Table-1.4).

**Table-1.4: Composition of GDP Growth
Point Contributions**

Flows	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Private Consumption	4.6	-2.4	8.0	6.1	2.3	5.0
Public Consumption	-0.2	0.9	0.2	-0.1	-0.4	-0.4
Total Consumption [C]	4.5	-1.6	8.2	5.9	1.9	4.6
Gross Fixed Investment	-1.7	-0.9	0.5	0.6	-1.8	-0.3
Change in Stocks	0.0	0.0	0.1	0.1	0.0	0.0
Total Investment [I]	-1.6	-0.9	0.6	0.6	-1.8	-0.2
Exports (Goods & Services) [X]	1.2	0.1	0.7	0.6	0.3	-0.6
Imports (Goods & Services) [M]	1.5	-1.1	2.9	2.4	0.4	1.1
Net Exports [X-M]	-0.3	1.2	-2.2	-1.8	-0.1	-1.7
Aggregate Demand (C+I+X)	4.0	-2.3	9.4	7.1	0.4	3.8
Domestic Demand (C+I)	2.8	-2.5	8.8	6.6	0.1	4.4
GDP (MP)	2.5	-1.3	6.5	4.8	-0.03	2.8

Source PBS



Outlook 2024-25

Economic outlook 2024-25 is positive with a growth target of 3.6 percent (Annex-1.1). The economic outlook depends upon keeping investor confidence upbeat, political stability, macroeconomic stabilization under the new IMF programme, adequate progress on economic reforms, better availability of inputs, supportive monetary and fiscal policies, improved external inflows, favourable weather for agriculture sector and expected fall in global oil and commodity prices.

Agriculture Sector

Agriculture is expected to grow at 2 percent in 2024-25 which reflects substantial contraction in the growth momentum. The output of important crops is expected to face contraction of 4.5 percent due to severity of dry weather spell and inadequate water availability due to lower than normal rainfall, especially in case of Kharif crops. However, availability of certified seeds, fertilizers, machinery, pesticides, and affordable credit may support the envisaged sectoral growth. Other crops and livestock subsectors are envisaged to grow at 4.3 percent and 3.8 percent, respectively.

Industrial Sector

Industrial sector is expected to recover in 2024-25 with a targeted growth of 4.4 percent on the back of expected LSM growth of 3.5 percent. Industrial sector is

expected to get boost from improved inputs and energy supplies on the back of anticipated fall in global oil and commodity prices, further easing of import restrictions, higher public sector expenditure, stability in exchange rate and a decline in interest rates. Owing to these factors, prices of construction material are expected to decrease which will support the construction industry to achieve growth target of 5.5 percent in 2024-25.

Services Sector

Services sector is also expected to grow at 4.1 percent. The envisaged growth of 3.1 percent in commodity producing sectors will complement the targeted growth in services sector. Uptick of economic activity in industry especially manufacturing sectors will largely translate into better growth in wholesale & retail trade and transport, storage & communications, etc.

Investment and Savings

Total investment-to-GDP ratio is expected to increase from 13.1 percent in 2023-24 to 14.2 percent in 2024-25 due to expected economic turnout, improved business environment and political stability (Annex-1.2). Fixed investment is expected to grow by 27.6 percent on nominal basis, whereas as a percentage of GDP, it is expected to increase from 11.4 percent in 2023-24 to 12.5 percent in 2024-25. National savings are targeted at 13.3 percent of GDP in 2024-25.

**Gross Domestic Product
(At Constant Basic Prices of 2015-16)**

(Percent Changes)

Sectors/Subsectors	2021-22	2022-23	2023-24		2024-25
	Final	Revised	Target	Prov.	Target
I) COMMODITY PROD. SECTORS	5.5	-0.5	3.4	4.0	3.1
A) AGRICULTURE	4.2	2.3	3.5	6.3	2.0
Important Crops	5.5	0.3	3.0	16.8	-4.5
Other Crops	11.9	-0.9	3.5	0.9	4.3
Cotton Ginning	9.2	-22.8	7.2	47.2	-2.3
Livestock	2.3	3.7	3.6	3.9	3.8
Forestry	0.7	16.6	3.0	3.0	3.2
Fishing	0.4	0.6	3.0	0.8	3.1
B) INDUSTRY	7.0	-3.7	3.4	1.2	4.4
Mining & Quarrying	-6.7	-3.3	1.2	4.8	5.0
Manufacturing (i+ii+iii)	10.9	-5.3	4.3	2.4	4.4
i) Large-Scale Manufacturing	11.9	-9.9	3.2	0.1	3.5
ii) Small & Household	8.9	9.1	8.8	9.1	8.2
iii) Slaughtering	6.3	6.4	3.8	6.6	3.8
Electricity, Gas & Water Supply	4.4	9.9	2.2	-10.5	2.5
Construction	1.8	-9.2	1.5	5.9	5.5
II) SERVICES	6.7	-0.01	3.6	1.2	4.1
Wholesale & Retail Trade	10.2	-4.0	2.8	0.3	4.1
Transport, Storage & Communications	4.5	3.8	3.5	1.2	3.3
Accommodation and Food Services Activities (Hotels & Restaurants)	4.1	4.1	4.1	4.1	4.1
Information and Communication	18.0	-0.8	5.0	-3.0	5.7
Financial and Insurance Activities	6.9	-9.4	3.7	-9.6	5.7
Real Estate Activities (OD)	3.7	3.7	3.6	3.8	3.7
Public Administration and Social Security (General Government)	1.8	-7.0	3.2	-5.2	3.4
Education	5.8	5.2	3.0	10.3	3.5
Human Health and Social Work Activities	2.7	8.9	3.0	6.8	3.2
Other Private Services	4.7	4.3	5.0	3.6	5.1
GDP (bp)	6.2	-0.2	3.5	2.4	3.6

Source: PBS & Planning Commission

**Macroeconomic Framework
(Current Market Prices)**

(Rs. Billion)

Items	2021-22	2022-23	2023-24		2024-25	Percent Growth	
	Final	Revised	Target	Prov.	Target	2023-24/ 2022-23	2024-25/ 2023-24
GDP (bp)	63,305	79,477	99,335	100,232	116,351	26.1	16.1
Indirect Taxes (Net)	3,352	4,398	6,482	5,813	7,799	32.2	34.2
GDP (mp)	66,658	83,875	105,817	106,045	124,150	26.4	17.1
Net Factor Income from Abroad	4,504	5,175	6,971	6,097	6,677	17.8	9.5
GNP (mp)	71,162	89,050	112,789	112,143	130,826	25.9	16.7
External Resources Inflow (net)	3,102	812	1,806	140	1,131	-82.8	709.4
Total Resources/Uses	74,264	89,862	114,595	112,282	131,958	24.9	17.5
Total Consumption	63,892	78,013	98,618	98,346	114,365	26.1	16.3
Total Investment	10,372	11,849	15,976	13,936	17,593	17.6	26.2
Fixed Investment	9,232	10,415	14,177	12,123	15,470	16.4	27.6
Public incl. General Govt.	2,329	2,480	3,359	2,933	3,427	18.3	16.8
Private	6,904	7,935	10,818	9,189	12,043	15.8	31.1
Changes in Stocks/ Valuables	1,140	1,434	1,799	1,813	2,123	26.4	17.1
National Savings	7,270	11,037	14,170	13,796	16,462	25.0	19.3
As Percent of GDP							
Total Investment	15.6	14.1	15.1	13.1	14.2		
Fixed Investment	13.9	12.4	13.4	11.4	12.5		
Public incl. General Govt.	3.5	3.0	3.2	2.8	2.8		
Private	10.4	9.5	10.2	8.7	9.7		
National Savings	10.9	13.2	13.4	13.0	13.3		
External Resources Inflow (net)	4.7	1.0	1.7	0.1	0.9		
Memo Items							
Inflation	14.1	25.8	21.0	23.2	12.0		
GNP (mp) Per Capita (Rs.)	313,488	384,747	478,040	475,281	543,968		

Source: PBS & Planning Commission

2. BALANCE OF PAYMENTS

The external pressures continue easing on the back of higher exports and lower imports, subdued domestic demand and sufficient recovery on account of remittances. It is amply supported by the improved fiscal performance and from tight monetary policy. Its position improved during the first ten months of fiscal year with a well-contained current account deficit (CAD) and increased financial inflows as a result of successful completion of reviews under Stand-By Arrangement (SBA) with the IMF. Notwithstanding, an improved trade balance, the primary income deficit deteriorated owing to increased interest payments on external debt and profit repatriations. The FDI witnessed a substantial increase compared to last year while FPI recorded net outflow due to repayment of maturing bond. Nevertheless, the amortization burden remained well below from last year and sufficient financial inflows buttressed the foreign exchange reserves. Consequently, gross SBP reserves rose to US\$ 9.1 billion by end-April 2024, positively impacting the foreign exchange market and leading to stability in exchange rate.

The Annual Plan 2024-25 is being prepared under positive global trade outlook and improved domestic growth outlook which are anticipated to boost foreign exchange earnings from demand for exports, remittances and attract foreign investment in the country.

Performance Review 2023-24

The Annual Plan 2023-24 was envisaged in a state when efforts were in action to provide the stability to the economy, build confidence and revive the economic activity accordingly. Hence, the targets of the annual plan were set higher keeping in view higher import demand as a result of expected higher growth, improved business environment, and positive global outlook. However, during the first 10 months subdued domestic demand and continuation of import compression paved the way to a lower trade balance, increase in number of workers going abroad and efforts of the government to increase remittances through legal channels, helped substantial reduction in current account balance.

Annual Plan 2023-24 envisaged exports of US\$ 30.0 billion higher than US\$ 27.9 billion recorded during 2022-23. Imports were targeted at US\$ 58.7 billion against US\$ 52.7 billion during 2022-23. Trade deficit was projected to be around US\$ 28.7 billion

as compared to US\$ 24.8 billion in 2022-23. Current account deficit was targeted to be US\$ 6.0 billion in 2023-24 which was US\$ 3.3 billion in 2022-23. Workers' remittances and foreign direct investment (net) were projected to be US\$ 30.5 billion and US\$ 2.8 billion, respectively. The actual performance against these targets is appraised in subsequent paragraphs.

Current Account

Current account deficit substantially narrowed to US\$ 0.2 billion during Jul-Apr 2023-24, around 94.8 percent lower compared to US\$ 3.9 billion in corresponding period of last year. During April 2024, current account recorded a surplus of US\$ 491 million against a surplus of US\$ 434 million during the month of March 2024. The substantial reduction in the current account deficit explained by sizeable reduction in the trade deficit which outweighed the rise in services account deficit and increase in interest payments and profit/dividend repatriation. The drop-in imports, despite the removal of import prioritization measures, indicates weak domestic demand and lower international commodity prices. Conversely, exports grew, driven by increased production and higher export prices of agricultural and food products. Moreover, workers' remittances witnessed rise over past year and outweighed impact of the trade deficit in goods and services by US\$ 4.3 billion during Jul-April 2023-24. In view of the aforementioned developments, current account deficit is expected to remain far below than the target of US\$ 6.0 billion at the end of 2023-24. Details of current account balance are given in Table-2.1:

Table-2.1: Current Account Balance

(US\$ million)

	2022-23	Jul-Apr		Change	
		2022-23	2023-24	Absolute	Percentage
Current Account Balance	-3,275	-3,920	-202	3,718	94.8
Balance on Trade in Goods	-24,819	-22,566	-17,684	4,882	21.6
Exports of Goods FOB	27,876	23,200	25,669	2,469	10.6
<i>Textiles Exports</i>	16,633	14,116	13,551	-565	-4.0
<i>Non-Textiles Exports</i>	11,243	9,084	12,118	3,034	33.4

Imports of Goods FOB	52,695	45,766	43,353	-2,413	-5.3
<i>Petroleum Imports</i>	18,882	16,500	12,341	-4,160	-25.2
<i>Non-Petroleum Imports</i>	33,813	29,266	31,012	1,747	6.0
Balance on Trade in Services	-1,042	-545	-1,906	-1,361	-249.7
Exports of Services	7,596	6,367	6,442	75	1.2
Imports of Services	8,638	6,912	8,348	1,436	20.8
Balance on Primary Income	-5,765	-4,552	-6,138	-1,586	-34.8
Balance on Secondary Income	28,351	23,743	25,526	1,783	7.5
Workers' Remittances	27,333	23,043	23,850	807	3.5

Source: State Bank of Pakistan

Trade Account

The merchandise trade deficit narrowed down by 21.6 percent to US\$ 17.7 billion during Jul-Apr 2023-24 compared to US\$ 22.6 billion in the corresponding period of 2022-23. The notable decline of US\$ 4.9 billion in the trade deficit occurred due to 5.3 percent retrenchment in imports along with 10.6 percent increase in exports during the period (increase in exports contributed almost half of improvement in trade deficit). The improvement in the trade balance was driven by subdued domestic demand reduced the need for imports, easing global commodity prices made imports cheaper, and higher agriculture related food production boosted export volumes and values. The imports have started increasing in the second half of the fiscal year owing to pick up in the economic activity. In view of these developments, the trade deficit for 2023-24 will remain below the target of Annual Plan 2023-24.

Exports

Exports receipts (fob) witnessed an improvement of 10.6 percent and stood at US\$ 25.7 billion during Jul-April 2023-24 compared to US\$ 23.2 billion during last fiscal year. Contrary to past years, the increase in exports was contributed by non-textile group, i.e. food group, contributed US\$ 2 billion out of additional exports of US\$ 2.5 billion. **(Annex-2.1)**. The contribution of various groups in exports is given in Table-2.2:

Table-2.2: Contribution of Various Groups in Exports

(US\$ million)

Commodities	Jul-Apr		Absolute Change	Percent Change	Point Contribution to Change
	2022-23	2023-24			
A. Food Group	3,920	5,963	2,042.8	52.1	8.8
Rice	1,739	3,064	1,325.3	76.2	5.7
B. Textile Group	14,116	13,551	-565.2	-4.0	-2.4
Cotton Yarn	728	922	193.7	26.6	0.8
cotton cloth	1,818	1,574	-244.7	-13.5	-1.1
Knitwear	3,638	3,349	-289.3	-8.0	-1.2
Bed Wear	2,380	2,303	-77.3	-3.2	-0.3
Readymade Garments	2,968	2,856	-111.5	-3.8	-0.5
C. Petroleum Group	238	358	120.0	50.5	0.5
D. Other Manufactures	3,384	3,305	-79.4	-2.3	-0.3
Chemicals and Pharma. Pro.	1,202	1,158	-43.9	-3.7	-0.2
Leather Manufactures	532	504	-27.4	-5.2	-0.1
Sports Goods	383	356	-26.7	-7.0	-0.1
E. All Other Items	1,542	2,493	951.0	61.7	4.1
Total Exports	23,200	25,669	2,469.2	10.6	10.6

Source: State Bank of Pakistan

Textile and other manufacturer groups witnessed contraction in exports and thus have negative point contribution of 2.4 percent and 0.3 percent, respectively. In textile sector exports, there is considerable rise in volume of value-added products like knitwear, bed wear. The substantial decline in unit values of textile items due to increasing global competition.

The increase in export receipts of food commodities is driven by both price and quantum rise i.e. for rice, oil seeds, nuts & kernals, whereas in fruits, quantum rise outweighed the price decline. Moreover, textile export receipts witnessed quantum rise but outpaced by decline in unit value prices (Table-2.3):

Table 2.3: Price & Quantum Effects of Selected Export Items (Jul-Apr)

Commodities	Percent Change in		(US\$ Million)		
	Unit price	Quantity	Price Effect	Quantum Effect	Total Effect
Rice	15.8	55.6	448	1,012	1,460
Fruits	-19.2	45.9	-65	107	42
Cotton Yarn	-11.8	50.7	-114	323	209
Cotton Cloth	-20.3	16.1	-398	271	-127
Knitwear	-32.7	42.9	-1,737	1,591	-145
Bed Wear	-10.5	13.8	-270	311	41
Readymade Garments	0.8	-1.3	22	-38	-17
Footballs	1.3	4.7	3	9	12
Leather Garments	-30.6	27.2	-92	64	-28
Plastic Material	-21.8	99.9	-90	206	116
Pharmaceutical Products	-36.7	52.8	-158	149	-9
Cement	-16.9	63.5	-42	96	54
Footwear	-8.1	-2.6	-12	-4	-16

Source: Pakistan Bureau of Statistics

Imports

Imports (fob) declined by 5.3 percent to US\$ 43.4 billion during Jul-April 2023-24 from US\$ 45.8 billion in the same period last year. The contraction in imports is mainly due to moderate global commodity prices, especially crude oil and stabilization policies pursued domestically. However, as domestic economic activity is recovering, import volumes of raw materials have started increasing in the second half of the fiscal year. Consequently, imports are expected to remain below the target envisaged in Annual Plan 2023-24 (**Annex-2.1**). The contribution of various groups in imports is given in Table-2.4:

Table-2.4: Contribution of Various Groups in Imports

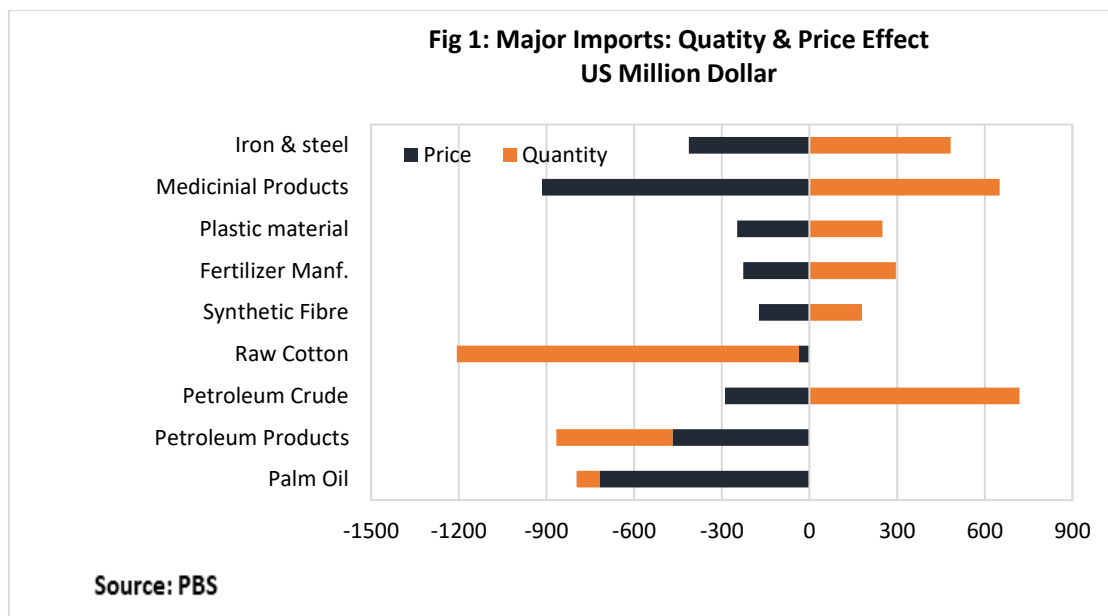
(US\$ million)

Commodities	Jul-Apr		Absolute Change	Percent Change	Point Contribution
	2022-23	2023-24			
A. Food Group	6,947	6,176	-771	-11.1	-1.7
Edible Oil (Soya & Palm)	3,095	2,371	-724	-23.4	-1.6
B. Machinery Group	3,877	5,936	2,059	53.1	4.5
Power Generating	320	318	-2	-0.7	0.0
Telecom	649	1,539	890	137.3	1.9
C. Transport Group	1,111	1,265	154	13.9	0.3
Road Motor Vehicles	956	1,070	114	11.9	0.2
D. Petroleum Group	16,500	12,341	-4,160	-25.2	-9.1
Petroleum Products	8,141	4,911	-3,231	-39.7	-7.1

Petroleum Crude	4,959	4,110	-849	-17.1	-1.9
Natural & Liquefied Gas	3,261	3,147	-114	-3.5	-0.2
E. Textile Group	3,839	3,029	-810	-21.1	-1.8
F. Agri Chemicals Group	7,038	7,474	435	6.2	1.0
Plastic Material	1,920	2,071	151	7.8	0.3
Fertilizer	564	563	-2	-0.3	0.0
G. Metal Group	2,960	3,843	882	29.8	1.9
Iron & Steel Scrap	913	1,402	489	53.6	1.1
Iron & Steel	1,431	1,813	382	26.7	0.8
H. Miscellaneous Group	648	747	99	15.2	0.2
I. All Others	2,845	2,543	-302	-10.6	-0.7
Total Imports	45,766	43,353	-2,413	-5.3	-5.3

Source: State Bank of Pakistan

The petroleum group accounts for 28.5 percent stake in imports, a dip in import bill from US\$ 16.5 billion in 2022-23 to US\$ 12.3 billion during Jul-Apr 2023-24 was helpful in reducing the overall imports. Lower global crude oil prices, continued subdued economic activity, and change in energy mix for electricity generation mainly led to this decline. During Jul-April 2023-24, effective import price of crude oil stood at 83 \$/bbl on average compared to 88.2 \$/bbl in the same period last year.



Non-petroleum imports witnessed rise of 6 percent and recorded at US\$ 31 billion during Jul-Apr 2023-24 against US\$ 29.3 billion in the same period last fiscal year. The retrenchment in overall import bill is mainly driven by lower unit value with quantum decline in some of the groups. The major commodities showed mixed trend in terms of price and quantum effect during the period under review (Table-2.5):

Table-2.5: Price & Quantum Effects of Selected Import Items (Jul – Apr)

Commodities	Percent Change		(US\$ million)		
	Unit price	Quantity	Price Effect	Quantum Effect	Total Effect
Tea	1.7	15.1	9	71	80
Soybean Oil	-24.3	-40.0	-38	-103	-140
Palm Oil	-23.8	-2.5	-718	-79	-797
Wheat	-34.9	50.5	-553	532	-22
Pulses	-8.8	-7.9	-66	-65	-131
Petroleum Products	-8.1	-6.5	-468	-398	-866
Petroleum Crude	-5.9	17.4	-289	719	430
Raw Cotton	-10.1	-77.0	-35	-1,171	-1,207
Synthetic Fibre	-30.3	46.1	-173	180	7
Fertilizer Manufacture	-27.0	54.8	-226	297	70
Plastic Materials	-11.5	13.2	-248	250	3
Medicinal Products	-50.8	56.6	-915	651	-264
Iron and Steel	-16.6	25.7	-331	407	76

Source: Pakistan Bureau of Statistics

Services Account

Trade in services deficit deteriorated by 250 percent to US\$ 1.9 billion during Jul-Apr 2023-24 from US\$ 0.5 billion in the same period last year. This is primarily due to rise in import of services to US\$ 8.3 billion compared to US\$ 6.9 billion last year. This is caused mainly from rise in transport, travel and business services imports. Additionally, despite a decline in merchandise imports, sea freight costs increased, reflecting higher shipping rates following Red Sea attacks, along with associated higher insurance premiums and re-routing costs. Import of insurance and pension services, government goods and services, maintenance and repair and construction services also witnessed increase.

Export of services marginally increased to US\$ 6.44 billion. During Jul-Apr 2023-24 from US\$ 6.37 billion last year. Information Technology (IT) exports on the back of higher exports of software consultancy, call center, computer software and other computer services experienced a robust growth in exports and reached US\$ 2.6 billion, marking a 21.4 percent increase from US\$ 2.1 billion (Table 2.6).

Table-2.6: Price & Services Sector Performance

US\$ Million

	July-April		Absolute Change	Percent Change
	2022-23	2023-24		
Services Import	6,912	8,348	1,436	20.8
Transport	3,401	3,762	361	10.6
Sea Transport	2,432	2,486	53	2.2
Air Transport	838	1,106	268	32.0
Travel	1,263	1,928	665	52.6
Financial Services	425	284	-141	-33.2
Other business services	1,023	1,161	138	13.5
Services Export	6,367	6,442	75	1.2
ICT	2,136	2,593	457	21.4
Other Business Services	1,367	1,307	-60	-4.4
Travel	875	633	-242	-27.6
Personal	868	624	-244	-28.1
Financial Services	210	42	-168	-80.0

Source: State Bank of Pakistan

Primary Income Account

Primary income deficit during Jul-Apr 2023-24 widened by 34.8 percent to US\$ 6.1 billion compared to US\$ 4.5 billion in the same period of last year. This widening can be attributed to higher interest payments on external loans and repatriation of profits on foreign investment. The surge in interest payments primarily reflects the rising debt burden along with additional impact emanating from rise in global interest rates on the loans contracted on floating rate. Similarly, the repatriation of profits and dividends on foreign investment significantly increased due to the transfer of accumulated corporate earnings by leading multinational corporations. Repatriation of profits stood at US\$ 887 million against US\$ 253 million in first 10 months of last year.

Secondary Income Account

The overall secondary income account improved by 7.5 percent to US\$ 25.5 billion during Jul-Apr 2023-24 compared to US\$ 23.7 billion in Jul-April 2022-23. The improvement is attributed to increase in current transfers and workers remittances. Remittances inflows increased by 3.5 percent to US\$ 23.8 billion in Jul-April 2023-24 compared to US\$ 23 billion inflows last year.

After declining in first half of the fiscal year, there is broad-based rebound in remittances from major sources including USA, UK, Saudi Arabia UAE and EU countries

except Other GCC countries. In the case of GCC, outward remittances to other destination countries have also declined in recent months due to decline in GDP growth in GCC countries on the back of drop in oil prices and production cuts. In addition, high inflation in the Gulf region may also have affected workers' ability to save and remit back home. Moreover, Finance Division and SBP has also introduced policy measures to attract remittances through formal channels (See Box-I). Given this backdrop, remittances are estimated to be around the target of Annual Plan 2023-24.

Box-I: Policy initiatives for promoting overseas employment

In addition to existing schemes for incentivizing inflow of remittances a number of new policy initiatives were taken in 2023-24 by SBP to enhance and facilitate the inflow of worker's remittances to Pakistan. These include;

Disbursement via Exchange Companies: Exchange Companies can now disburse remittances as sub-agents of Authorized Dealers (ADs), simplifying the process for beneficiaries.

Foreign Agency Arrangements: Exchange Companies are encouraged to form non-exclusive agency arrangements with foreign entities to boost remittance inflows, following due diligence guidelines.

Pre-Departure Briefing Programme: Developed by Pakistan Remittance Initiative (PRI) with the Bureau of Emigration and Overseas Employment (BE&OE) and banks, this program educates overseas workers on formal remittance channels and the risks of informal channels.

Increase in Reimbursement of T.T Charges: The reimbursement rate for TT charges on home remittance transactions increased to SAR 30, effective from September 21, 2023.

Revised Incentive Scheme: Financial institutions will receive performance-based incentives for year-over-year growth in home remittances, with cash incentives ranging from Rs. 1 to Rs. 3 per USD based on the growth percentage.

MoU with Arab Monetary Fund: An MoU was signed to facilitate cross-border remittances between Buna (operated by ARPCSO) and Raast (Pakistan's Instant Payment System).

Increased Retention Limit for IT Exporters: The retention limit for IT exporters in Foreign Currency Accounts increased from 35 percent to 50 percent of export proceeds, simplifying fund usage for payments without needing SBP or bank approvals.

Freelancer Account Framework: A new framework allows freelancers to open Exporters' Special Foreign Currency Accounts (ESFCA) alongside primary Rs. accounts, either in-person or digitally.

Capital and Financial Account

Capital account balance stood at US\$ 141 million in Jul-Apr 2023-24 compared to US\$ 356 million in 2022-23. The Financial account recorded net inflows of US\$ 3.9

billion in Jul-April 2023-24 compared to net outflow of US\$ 0.6 billion in corresponding period of last year. This improvement can be attributed to rise in FDI inflows and better official transfers from multilateral & bilateral donors. Net foreign direct investment recorded an increase of 233 percent during Jul-April 2023-24 and stood at US\$ 1.3 billion compared to inflows of US\$ 0.4 billion in same period of last year. Moreover, net foreign portfolio investment again recorded outflow of US\$ 0.8 billion in Jul-Apr 2023-24 against US\$ 1.0 billion in the same period last year.

Central bank deposits of around US\$ 1.0 billion and other time deposits of around US\$ 2.0 billion provided financing for amortization payments - amidst lower disbursements - and helped in strengthening the financial account during the period. Details of capital and financial account balance are given in Table-2.7:

Table-2.7: Capital and Financial Account Balance

(US\$ million)

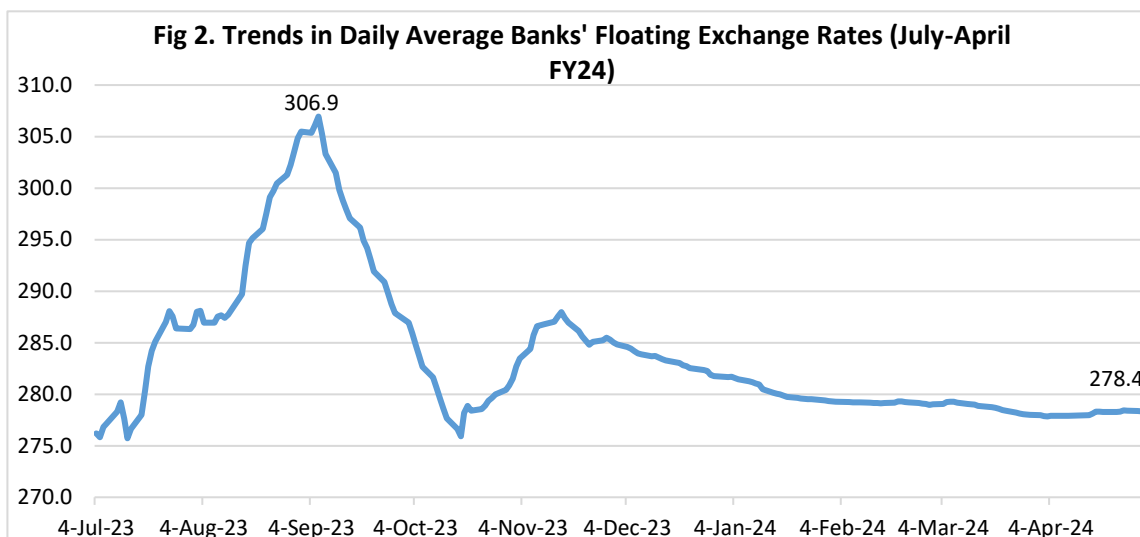
	2022-23	Jul-Apr		Change Absolute
		2022-23	2023-24	
Capital Account Balance	375	356	141	-215
Financial Account	468	649	-3,917	-4,566
Direct Investment	-670	-397	-1,321	-924
Portfolio Investment	1,012	1,005	796	-209
Net Incurrence of Liabilities	-1,099	-963	2,782	3,745
Central Bank	0	0	999	999
General Government	-2,085	-2,022	1,341	3,363
Disbursements	9,891	7,309	3,621	-3,688
Amortization	11,660	9,039	4,456	-4,583
Other Liabilities (Net)	-316	-292	2,176	2,468
Other Sector	-255	-132	187	-
Overall Balance	4,218	4,586	-2,483	-
<i>Foreign Exchange Reserves</i>	4,445	4,458	9,127	-

Source: State Bank of Pakistan

Overall Balance of Payment

Pakistan's overall BoP position improved during Jul-April 2023-24 due to better official inflows from friendly countries in the wake of new SBA with IMF and narrowing of current account deficit compared to deterioration in the same period of 2022-23.

Exchange Rate and Foreign Exchange Reserves



As a result of improvement in overall balance of payment position, Foreign Exchange Reserves (FERs) increased to US\$ 9.1 billion the end of April 2023-24 from US\$ 4.5 billion in the corresponding month of last year. The exchange rate on average recorded depreciation of 13.6 percent to Rs. 284.1 during Jul-Apr 2023-24 compared to Rs. 245.4 in the same period of the last fiscal year.

External Debt

Pakistan's total external debt and liabilities stood at US\$ 130.4 billion at the end of March 2024 compared to US\$ 127.5 billion in March 2023. Within total external debt, public external debt recorded at US\$ 98.5 billion against US\$ 96.3 billion. Most of the external loan was from bilateral and multilateral sources. The long-term debt trend indicates a gradually decreasing repayment capacity despite obtaining sufficient financial inflows to meet scheduled repayments and bolster foreign exchange reserves. Under these circumstances, it is imperative to boost exports through reforms aimed at enhancing productivity and attracting FDI in export-oriented sectors to keep the current account at sustainable level without constraining domestic economic activities.

Outlook 2024-25

The global merchandise trade volume is projected to grow by 2.6 percent in 2024 and 3.3 percent in 2025 because inflation is expected to gradually recede, allowing real incomes to grow in advanced economies, boosting consumption of manufactured goods.¹ Given this positive global outlook and expected rise in domestic economic activity the plan envisages 6.6 percent growth in exports which are projected to reach at US\$ 32.3 billion in 2024-25 from US\$ 30.4 billion estimated for 2019-20. On account of positive growth trajectory, imports are projected to increase by 9.9 percent and reach the level of US\$ 57.3 billion in 2024-25 from an estimated total of US\$ 52.1 billion for 2023-24, implying trade deficit of US\$ 24.9 billion in 2024-25. Exports of services are projected to increase by 4.9 percent to US\$ 8.2 billion on the back of higher IT services exports whereas imports of services are also projected to increase to US\$ 10.9 billion resulting in services trade deficit of US\$ 2.7 billion at the end of 2024-25. As a result of rising external debt servicing, the deficit in primary income is expected to remain at US\$ 7.6 billion during 2024-25 from estimated US\$ 6.8 billion for 2023-24. Workers remittances are projected to increase from estimated US\$ 28.8 billion in 2023-24 to US\$ 30.3 billion at the end of 2024-25. Resultantly, current account deficit is projected to be at US\$ 3.7 billion (0.9 percent of GDP) during 2024-25 against estimated deficit of US\$ 0.49 billion (0.1 percent of GDP) by the end of outgoing fiscal year (Annex-2.1).

¹ “Global Trade Outlook and Statistics” April 2024, World Trade Organization

Balance of Payments

(US\$ million)

	2022-23	Jul-Apr		Percent Change	2023-24	2023-24 Estimate	2024-25 Projection
		2022-23	2023-24		Target		
Current Account Balance	-3,275	-3,920	-202	94.8	-6,012	-492	-3,707
Balance on Trade in Goods	-24,819	-22,566	-17,684	21.6	-28,665	-21,759	-24,941
<i>Exports of Goods FOB</i>	27,876	23,200	25,669	10.6	30,030	30,351	32,341
<i>Imports of Goods FOB</i>	52,695	45,766	43,353	-5.3	58,695	52,110	57,283
Balance on Trade in Services	-1,042	-545	-1,906	-249.7	-2,555	-2,138	-2,738
<i>Exports of Services</i>	7,596	6,367	6,442	1.2	6,727	7,784	8,169
<i>Imports of Services</i>	8,638	6,912	8,348	20.8	9,282	9,922	10,907
Balance on Primary Income	-5,765	-4,552	-6,138	-34.8	-6,745	-6782	-7,648
Balance on Secondary Income	28,351	23,743	25,526	7.5	31,953	30,186	31,620
<i>Workers' Remittances</i>	27,333	23,043	23,850	3.5	30,534	28,782	30,278
Financial Account	468	649	-3,917	703.5	14,523	-4,179	-8,440
Direct Investment	-670	-397	-1,321	232.7	2,773	-1,650	-2,150
Portfolio Investment	1,012	1,005	796	-20.8	1,780	850	-1,520
General Government	-2,085	-2,022	1,341	-	1,914	-1,180	-2,920
<i>Disbursements</i>	9,891	7,309	3,621	-50.5	4,920	6,300	10,800
<i>Amortization</i>	11,660	9,039	4,456	-50.7	11,431	5,120	7,880

Source: SBP & Planning Commission Estimates

3. FISCAL, MONETARY AND CAPITAL MARKET DEVELOPMENT

Monetary and fiscal policies continued to anchor slight easing of domestic and external demand pressures while remained vigilant about the lagged impact of the prolonged monetary tightening, persistent fiscal consolidation, volatility in global commodity prices and administrative adjustment in utility prices. The domestic and external supply shocks keep challenging inflation outlook.

The importance of fiscal consolidation on the back of expanding tax net, containing un-targeted subsidies and expediting reforms in loss-making Public Sector Enterprises (PSEs) remained linchpin of new adjustment program for re-gaining macroeconomic stability and bringing down inflation in the single digit. The fiscal outcome remained on track in the first 9 months of the fiscal year (Jul-March 2023-24). The contractionary policy environment and subdued domestic demand underpinned slowdown in private sector credit.

Notwithstanding, greater-than-expected hike in administered prices of gas coupled with the commodities' market distortions, inflation in the first 11 months remained close to the target of 21 percent inflation set for the on-going fiscal year (2023-24). The impact of second round effects of elevated commodity prices and the modest deceleration in cost well incorporated in the inflation target.

Global inflation saw diverging trends as advanced economies saw continuation of disinflationary trends from previous year mainly because of easing of key supply chains, and general slowdown in economic activity. On the other, hand emerging economic witnessed reemerging of inflationary pressures.

During 2023-24, the State Bank of Pakistan maintained the policy rate at historically high rate of 22 percent which increased the cost of borrowing for private sector. In order to finance high fiscal deficit primarily stemming from high interest payments, the government had to increase the tax revenue targets and revise energy prices which also adversely impacted the businesses.

During 2024-25, the monetary and fiscal policies will focus on consolidation of growth recovery and revival of productive sectors especially large-scale manufacturing. Besides, the State Bank of Pakistan (SBP) will continue to target inflation as its primary monetary policy objective and continuation of the current declining trend of inflation next year may serve as a leeway for loose monetary policy stance.

The capital market development initiatives of Securities and Exchange Commission of Pakistan (SECP) include promoting online stock brokers to make investing more accessible, consolidating and modernizing securities laws for greater efficiency, and developing new investment products like Shariah-compliant options and Environment, Social & Governance (ESG)-focused indices. These efforts, if implemented effectively, could attract new investors and stimulate activity in the Pakistani stock market.

Performance Review 2023-24

Fiscal Developments

Federal Budget 2023-24 estimated consolidated fiscal deficit at 6.5 percent of GDP. During July-March 2023-24, fiscal deficit stood at 3.7, the same as was during the corresponding period of last year. Total revenue grew by 41 percent. Tax-to-GDP ratio increased from 6.7 percent to 6.8 percent and tax revenue in absolute terms grew by 29.3 percent due to federal government's revenue enhancing measures as substantiated by 41.4 percent growth of direct taxes and 21.1 percent in indirect taxes. Growth in direct taxes is attributed mainly to upward revision of income tax rates and higher collections from corporate profits, earnings on bank deposits and investment in government securities. Within indirect taxes, customs duties, sales tax and federal excise duty posted growth of 15.2 percent, 17.7 percent and 64.2 percent, respectively. On-tax revenue registered better growth of growth of 89.8 percent which mainly owes to growth of mark-up (PSEs & others) (166.1 percent), surplus profits of SBP (162 percent), and petroleum levy (98.5 percent), etc.

Total expenditure grew by 36.6 percent during July-March 2023-24 mainly due to 33.4 percent growth in current expenditure as mark-up expenditure recorded a substantial growth of 54 percent. Servicing of domestic and foreign debts grew by 54.7 percent and 49.6 percent, respectively. Within non-mark-up expenditure, subsidies declined by 9.8 percent. Development expenditures rose by 14.2 percent with decline in federal PSDP (-7.8 percent) and growth in provincial ADPs/PSDPs (23.1 percent). Federal deficit declined from 4.2 percent of GDP to 4.1 percent while provincial surplus decreased from 0.5 percent of GDP to 0.4 percent. Primary surplus improved from 0.6 percent to 1.5 percent of GDP (Table-3.1).

Table-3.1: Consolidated Fiscal Operations (July-March 2023-24)

(Rs. Billion)

	July-March		Percent Change	Percent of GDP	
	2022-23	2023-24		Jul-Mar 2022-23	Jul-Mar 2023-24
Total Revenue	6,938.2	9,780.4	41.0	8.3	9.2
A) Tax Revenue	5,617.7	7,262.5	29.3	6.7	6.8
a) Federal (FBR)	5,155.9	6,711.5	30.2	6.1	6.3
b) Provincial	461.8	551.0	19.3	0.6	0.5
B) Non-Tax Revenue	1,297.9	2,463.3	89.8	1.5	2.3
a) Federal	1,214.7	2,359.0	94.2	1.4	2.2
b) Provincial	105.8	158.9	50.2	0.1	0.1
Total Expenditure	10,016.9	13,682.8	36.6	11.9	12.9
A) Current Expenditure	9,244.6	12,333.3	33.4	11.0	11.6
a) Federal	6,607.9	9,123.7	38.1	7.9	8.6
- Mark-up Expenditure	3,582.4	5,517.8	54.0	4.3	5.2
- Non-Mark-up Expenditure	3,025.4	3,605.9	19.2	3.6	3.4
b) Provincial	2,636.7	3,209.6	21.7	3.1	3.0
B) Development Expenditure & Net Lending	1,060.4	1,142.781	7.8	1.3	1.1
a) PSDP	1,014.0	1,158.1	14.2	1.2	1.1
- Federal	292.9	270.1	-7.8	0.3	0.3
- Provincial	721.0	887.9	23.1	0.9	0.8
b) Net Lending to PSEs	46.5	-15.3	-132.9	0.1	0.0
Fiscal Deficit (Consolidated)	3,078.7	3,902.4	26.8	3.7	3.7
Primary Balance	503.8	1,615.4	220.7	0.6	1.5
Federal Deficit	3,534.7	4,337.8	22.7	4.2	4.1
Provincial Surplus	456.0	435.4	-4.5	0.5	0.4
GDP (Current Market Prices)	83,875	106,045			

Source: Finance Division

The stock of gross public debt increased from Rs. 62.9 trillion (75 percent of GDP) at end-June 2023 to Rs. 67.5 trillion (63.7 percent of GDP) at end-March 2024, posting a growth of 7.4 percent. Domestic debt grew by 11.9 percent (from Rs. 38.8 trillion to Rs. 43.4 trillion) while external debt increased by 0.1 percent (from Rs. 24.07 trillion to Rs. 24.09 trillion) during July-March 2023-24.

Monetary Developments

During July-May 2023-24, the SBP maintained the policy rate at 22 percent to anchor inflation expectations and achieve the objective of price stability amid high cost-push inflationary situation stemming from global and domestic supply shocks.

Broad Money (M₂) witnessed an expansion of 7.7 percent during 1st July to 24th May, 2023-24 as compared to its expansion of 6.8 percent during the same period of last year. This growth was contributed by 11.1 percent expansion in Net Foreign Assets (NFA) and 6.3 percent in Net Domestic Assets (NDA). Private sector credit expanded by 1.2 percent as compared to 0.8 percent growth during the same period last year. Stock of net government borrowings for budgetary support increased by 25.5 percent as compared to last period that was 16.3 percent (Table-3.2).

Table-3.2: Causative Factors of Money Supply

(Rs. Billion)

	End period stock		Stock as on	
	2021-22	2022-23	24-May-24	26-May-23
Net foreign assets (NFA)	-753	-2,688	-2,389.5	-2,874.7
Net domestic assets (NDA)	28,356	34,211	36,362.6	32,374.4
Net claims on government, of which:	19,623	23,723	29,250	22,984.2
Budget support	18,506	22,254	27,936.6	21,520.7
Commodity operations	1,134	1,486	1,336.4	1,480.2
Credit to nongovernment	10,696	11,343	11,331	11,098.6
Private sector	8,959	9,167	9,273.4	9,031
Public sector enterprises	1,393	1,687	1,689	1,656.3
Other items, net	-1,963	-8,555	-4,219	-1,708.4
Broad money	27,603	31,523	33,973	29,499.7
Currency	7,572	9,149	8,849.6	8,676.8
Deposits	19,935	9,167	24,995	20,719.8
Rupee deposits	19,935	22,262	22,498.4	18,555.7
Foreign currency deposits	1,213	1,527	1,513.7	1,502.2
Reserve money, of which:	9,327	11,420	11,315.3	10,850.4
Banks' reserves	1,229	1,634	1,847.8	1,631.6
Currency	7,572	9,149	8,849.6	8,676.8
Broad money (percent Growth)	13.6	14.2	7.7	6.87
NFA, banking system (percent of M ₂ growth)	-203.9	256.8	11.1	-281.6
NDA, banking system (percent of M ₂ growth)	20.2	20.6	6.3	14.2
Private credit (percent Growth)	21.1	-0.8	1.2	0.8
Currency (percent Growth)	9.6	20.8	-3.3	14.6
Reserve money (percent Growth)	7.7	22.4	-0.91	16.3

Source: SBP

Contraction in currency in circulation stood at 3.3 percent during the reference period as compared to 14.6 percent expansion during the corresponding period of 2022-23. Contraction in currency in circulation is a good sign regarding inflation as less money will be available to buy goods and services causing the prices to low. Further, more currency in circulation can cause deterioration in balance of payment position with more demand for imported goods. On a positive note, reserve money contracted by 0.9 percent.

Inflation

Average inflation was recorded at 24.5 percent during Jul-May 2023-24 as compared to 29.2 percent in the comparable period of last year. It was mainly contributed by food inflation which remained higher at 24 percent, although lower compared to 38.8 percent during the same period of last year whereas non-food inflation rose up to 24.9 percent during Jul-May 2023-24 compared to 22.1 percent during the same period of last year. Monthly CPI inflation (YoY) stood at 11.8 percent in May 2024 as compared to 38 percent in May 2023 (Table 3.3).

Table-3.3: Average Inflation (percent)

	July-May	
	2022-23	2023-24
CPI National	29.2	24.5
Food	38.8	24.0
Non-Food	22.1	24.9
Core	17.6	18.4
CPI Urban	26.8	25.1
Food	37.3	24.2
Non-Food	20.3	25.7
Core	16.0	16.4
CPI Rural	32.7	23.8
Food	41.1	23.7
Non-Food	24.9	23.8
Core	20.1	23.3
Wholesale Price Index	33.9	21.1
Sensitive Price Index	32.8	28.6

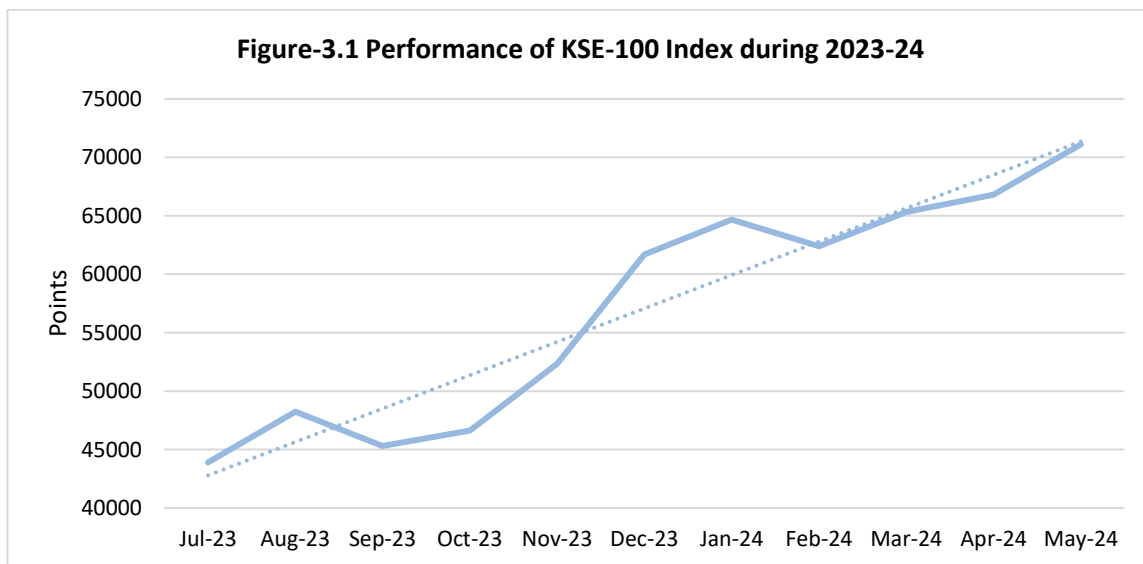
Source: PBS

During last financial year, general inflation showed rising trends due to multiple reasons such as geo-political conflicts, worsening global supply chain especially of food items, Russia-Ukraine war, exchange rate fluctuations and floods in Pakistan. During 2023-24, inflation pressures remained elevated as upward revisions in electricity and gas prices substantially increased the cost of production. However, a continuously

declining trend in inflation has been observed since January 2024 which is primarily due to high base effect. A stable exchange rate has also contributed to ease out inflation along with declining global commodity prices.

Capital Market Developments

Pakistan’s Capital market is dominated by stock market. During July 01, 2023 to May 13, 2024, the benchmark index of Pakistan Stock Exchange Limited (PSX) recorded an overall positive trend (Figure-3.1), the KSE-100 Index, registered an increase of 61.97 percent from 43,899.01 points to 73,799.68 points. During the period of July 01, 2023 to May, 2024, the Index closed at its highest points of 73,799.68 on May 13, 2024, whereas, its lowest closing point was 43,552.83 on July 5, 2023. The average daily volume increased by 136 percent to 462 million shares, compared to 196 million shares during the same period last year. As of May 13, 2024, number of listed companies stood at 523, with total listed capital of Rs. 1,676 billion and market capitalization of Rs. 9,959 billion. The foreign investment in the stock market exhibited a net inflow of \$134 million, between July 01, 2023-March 13, 2024.



During the period July 01, 2023 to March 31, 2024, 3.39 million lots of various commodities futures contracts including gold, crude oil and US equity indices worth Rs. 4.08 trillion were traded on PMEX. Naymat Collateral is the only collateral management company in Pakistan which accredits warehouses of agricultural commodities. The accredited warehouses provide storage facilities for agriculture produce against which electronic warehouse receipts (EWR) are issued. The EWRs can be used as collateral to obtain financing facility from banks against the stored produce. During the period July 01, 2023 to March 31, 2024, 866 EWRs have been issued for eligible commodities such as rice, paddy and maize, with 598 out of them being pledged. The total value of

EWRs issued during this period was approximately Rs. 3.73 billion and the total value of pledged EWRs was Rs. 2.57 billion.

The Securities and Exchange Commission of Pakistan (SECP) undertook several initiatives in previous fiscal year to develop Pakistan's capital market. In 2023-24, they launched a centralized KYC platform to streamline customer on boarding across different financial institutions. They also expanded access to secure custody services for investors using Non-Banking Finance Companies (NBFCs) and simplified the KYC process itself. Looking ahead, the SECP has a multi-pronged approach. They aim to increase market efficiency by shortening settlement cycles and improve governance within key market institutions by setting tenure limits for leadership positions. To broaden participation, they're introducing a new category of futures broker specifically focused on agricultural commodities. Finally, the SECP is encouraging listed companies to embrace environmental, social, and governance (ESG) considerations by proposing amendments to corporate governance regulations and issuing draft ESG disclosure guidelines. These efforts combined aim to make the Pakistani capital market more competitive, efficient, transparent, and attractive to a wider range of investors.

Outlook 2023-24

Fiscal Policy

The thrust of fiscal policy during 2024-25 would be containing fiscal deficit through additional resource mobilization, rationalizing current spending, measures for curtailing circular debt in energy sector and switching from general to targeted subsidies while prioritizing development spending. The priorities of government's debt strategy would be gradual shift towards long-term debt maturity profile, accessing concessional external loans to resolve BOP/forex issues and discouraging foreign commercial borrowings.

Monetary Policy and Inflation

During 2024-25, monetary policy stance will remain aligned with the objectives of growth revival and inflationary expectations.

The emphasis will be on continuation of the current monetary policy stance to bring inflation down to the target range of 5-7 percent by September 2025.

Inflation outlook for the next fiscal year largely depends on increase in money supply, exchange rate changes, fall in global oil and commodity prices, political stability, growth of commodity producing sectors, restoration of investor confidence to attract higher inflows of foreign investment and availability of external finances for BOP

support, etc. With falling global inflation, domestic inflation is expected to gradually moderate to 12 percent next year.

Capital Market Reforms / Initiatives

The SECP intends to carry out various initiatives during 2024-25 including:

- Promotion of the newly launched category of Online Securities Brokers through awareness sessions and engagement with potential entrants, with the objective to increase investment in the stock market.
- Amendments in the Securities Act, 2015 by incorporating provisions of the Futures Market Act, 2016 in order to create a single law for the securities and futures market. The Act shall further be amended to facilitate digitization and technological innovation in the capital market.
- Development of the derivatives market by introduction of cash settled futures at PSX.
- Promotion of Shariah-compliant segment at PSX by reviewing existing modalities and exploring the introduction of Shariah-compliant alternatives to conventional products.
- Induction of shares of private and unlisted companies into the Central Depository System (CDS) maintained by CDC.
- Structural reforms aimed at implementing an effective ownership and governance structure for CMIIIs.
- Facilitate launch of new indices at the stock exchange focused on Environmental, Social, and Governance (ESG) factors and strong corporate governance practices.

4. PUBLIC SECTOR INVESTMENT

PSDP is an important investment instrument to stimulate socio economic development of the country, creating conducive environment for investment, promoting environmental sustainability and improving overall quality of life in the country. It is also helpful in bringing balanced regional development by redirecting the investment to the targeted areas. The scarce public resources are channelized through PSDP for achieving the development objectives in priority sectors. Likewise, the development projects relating to 5Es i.e. Exports, Equity, Empowerment, Environment and Energy Framework, CPEC as well as 4RF i.e. Resilient, Recovery, Rehabilitation and Reconstruction Framework in the aftermath of catastrophic flood 2022 are assigned priority while allocating resources under PSDP. In this backdrop, the sponsoring agencies were persuaded to recommend such programmes and projects which can help achieve economic turnaround.

Performance Review 2023-24

National Economic Council (NEC) on 6 June 2023 approved PSDP 2023-24 at Rs. 950 billion including Rs. 75 billion as foreign loan, besides Rs. 200 billion (non-budgeted) were targeted to be channelized through PPP mode. Summarized position of PSDP 2023-24 is as under Table-4.1:

Table-4.1: Summary of PSDP 2023-24

(Rs. Billion)

S#	Description	Total
i.	Number of Projects	1,238
ii.	Cost of Projects	12,318
iii.	Expenditure by 30.06.2023	3,616
iv.	Throw-forward on 01.07.2023	8,702
v.	Allocation 2023-24	950

Finance Division issued a back loaded release strategy for development funds for 2023-24 @ 15 percent, 20 percent, 25 percent and 40 percent for quarters Q1, Q2, Q3 and Q4 respectively. As per the release strategy, out of total releases of Rs. 131 billion in first quarter of 2023-24, Rs. 61.26 billion (46.7 percent) were earmarked for SDGs schemes, leaving behind only Rs. 69.74 billion (53.2 percent) for allocation to Ministries/Divisions. A cut of Rs. 184 billion was made in releases of

4th quarter to maintain the primary budget balance by Finance Division. Further, Rs. 20 billion were diverted to non-development side during 2023-24 year. The size of PSDP 2023-24 was thus compressed to Rs. 746 billion. Going further, Rs. 29 billion were deducted at source by the Finance Division on account of CDL recovery during the course of 2023-24. Thus, the actual/effective size of PSDP 2023-24 was reduced to Rs. 717 billion.

To assess financial & physical progress of budgeted projects and to resolve impeding issues, quarterly reviews were held with Secretaries / PAOs during the financial year. The sponsors were urged to accelerate utilization against the released funds and to ensure timely completion of fast-moving projects. On the other hand, issues of restriction on procurements, deduction of CDL, skewed release strategy, requirement of rupee cover for foreign aided projects were key obstacles faced by the Ministries/Divisions during execution of the projects. Efforts were made to facilitate and resolve the issues being faced by sponsoring/executing agencies. Finance Division removed ban on procurement for development projects under PSDP in February 2024. The NEC accorded approval for non-applicability of austerity measures on development projects included in PSDP on a summary submitted by Ministry of PD&SI in January 2024.

The share of provincial projects and programmes in the federal PSDP was around 33 percent despite the fact that such projects/schemes are primarily the responsibility of the Provincial Governments after 18th Constitutional Amendment and substantial transfer of resources from divisible pool. The inclusion of these projects in PSDP hampered the financial and physical progress of the core/mega projects of national importance since limited space was available for such projects. This issue was also discussed in the Apex Committee of Special Investment Facilitation Council (SIFC) in November 2023 and a Special Working Group (SWG) led by Minister PD&SI was constituted by the SIFC to firm up implementation modalities for closure/transfer of provincial nature projects from PSDP and barring inclusion in PSDP 2024-25.

The recommendations of SWG were presented in the Apex Committee of SIFC wherein Ministry of PD&SI to move summary for NEC on Modalities accordingly. The NEC on 29th January, 2024 accorded approval to the proposals of the Ministry of PD&SI. Subsequently, 73 projects included in PSDP 2023-24 were capped/closed and the respective allocations of these projects/programmes around Rs. 102 billion were diverted through adjustment to meet the pressing rupee cover demands of Ministries/Divisions for foreign aided projects.

On other hand, pressing demand of over Rs. 300 billion emerged to provide budgetary cover to the foreign loan secured by the Ministries/Divisions during the course of the financial year.

While approving the PSDP 2023-24, the NEC, inter-alia, authorized Planning Commission to make necessary adjustments / re-appropriations to provide additional funds to fast-moving projects within overall size of PSDP 2023-24. Moreover, Financial Management and Powers of PAOs Regulations, 2021, empowered Ministries /Divisions to undertake re-appropriations within their budgeted portfolio. In order to meet critical additional demands for core/mega projects of national importance, foreign aided projects, near completion and fast-moving projects, during July 2023-May 2024, an amount of Rs. 68.9 billion were re-appropriated by Ministries/Divisions whereas foreign allocation adjustment of Rs. 104.8 billion and Technical Supplementary Grants (TSGs) amounting to Rs. 12.7 billion were recommended within the approved size of PSDP 2023-24. The updated utilization position of PSDP 2023-24 is given in Table-4.2:

Table-4.2: Allocation & Utilization: PSDP 2023-24

(Rs. Billion)

Component	Original Allocation	Revised Allocation	Authorization	Sanction	Utilization
Rupee Component	875	567	744*	503	381.8
Foreign Loan	75	179		-	48.3
Total	950	746	744	503	430.1

* Authorization of funds is made in total

Outlook 2024-25

For the last few years Pakistan's economy has been facing multiple challenges including severe fiscal indiscipline and deficits. The size of PSDP, in terms of percent of GDP, has also reduced to half from 1.7 percent of GDP in 2013-14 to almost 0.9 percent of GDP in 2023-24. Therefore, the Ministries/Divisions were requested to propose project-wise demands for PSDP 2024-25 in line with the priority/guidelines approved by the NEC in January, 2024. Further, the Ministries/Divisions were requested through the consultative meetings to identify and prioritize their core projects for funding in 2024-25 as per the approved financial phasing while the foreign funded projects, projects near completion with more than 80 percent expenditure were given the 2nd and 3rd priority respectively. Then the priority was to be assigned to the other on-

going project and the least priority was assigned to the new projects so that the completion of on-going projects could be achieved. The funding requirements of foreign aided projects and the core national projects of strategic nature have been fully funded so that the economic benefits of these projects can be delivered to the nation without further time and cost overrun.

Priority/Guidelines for PSDP 2024-25

NEC in its meeting of 29th January, 2024 approved the following priorities/guidelines for formulation of next PSDP 2024-25:

- i. Priority should be accorded to allocation of development funds to strategic and core on-going projects, with particular focus on water resources, transport and communications, and energy sectors.
- ii. Priority should be accorded to projects with 80 percent plus expenditure in all sectors with the aim of completing them during 2024-25.
- iii. Ministries/Divisions may ensure allocation according to annual phasing of on-going projects while remaining within the Indicative Budget Ceiling (IBC) as per PFM Act 2019.
- iv. Due to fiscal constraints and huge throw forward, inclusion of new projects in infrastructure sector should be minimized.
- v. Only 10 percent of development budget 2024-25 should be considered for allocation to new projects, with particular focus on supporting exports, enhancing productivity, fostering competitiveness, deepening and spreading digital infrastructure, innovation driven enterprises, industrial development, agroindustry and seed development, blue economy, science & technology, R&D and innovation reforms.
- vi. While making allocations for PSDP projects, DDWP approved projects will only be allocated resources after full needed allocations have been made as per serial no (iii) above.
- vii. There will be a moratorium on approval / budgeting of projects involving O&M and recurring nature expenditures.
- viii. Economic Affairs Division (EAD) will provide firmed up foreign loan estimates to be disbursed during 2024-25, with further two years' projection in consultation with all stakeholders.
- ix. Ministries / Divisions should prioritize and allocate adequate rupee cover to the foreign funded projects within the IBC for smooth execution of foreign funded projects and uninterrupted inflow of foreign exchange and to honor international obligations.

- x. Provincial nature projects shall not be considered for approval / financing except those in least developed districts as approved by the NEC and as determined by Planning Commission.
- xi. Principal Accounting Officers should ensure placement of full-time Project Directors as per applicable guidelines and put in place qualitative / quantitative monitoring indicators to avoid time and cost overruns.
- xii. Priority will be given to PPP projects, where PSDP funding is either used as equity or as viability gap.

Ministries/Divisions were requested through PSDP Call Circular dated 22nd February 2024 to submit demand in line with the above NEC decision. Ministries / Divisions initially demanded over Rs. 2.8 trillion for 1366 projects having throw-forward of over Rs. 9 trillion for PSDP 2024-25. Consultative meetings were held in April 2024 to categorize and prioritize the projects as core, foreign funded, near completion, other on-going projects and new projects for PSDP 2024-25.

M/o Planning, Development & Special Initiatives in consultation with Ministries/Divisions worked out bare minimum demand of Rs. 2.49 trillion for PSDP 2024-25. Finance Division was requested to convey IBC of Rs. 1,500 billion. However, Finance Division initially conveyed on 24th May 2024 IBC of Rs. 1,221 billion for PSDP 2024-25. However, the size of PSDP 2024-25 was enhanced to Rs. 1500 on the direction of the Prime Minister. Thus, the public investment as approved by NEC is Rs. 3,792.3 billion for 2024-25 including Provincial ADPs of Rs. 2,095.4 billion and SOEs Investment of Rs. 196.9 billion. Breakup of Public Investment 2024-25 is given in Table-4.3, whereas Ministry-wise summary is at **Annex-4.1**.

Table-4.3: Summary of Public Investment 2024-25

(Rs. Billion)

Agency/Programme		Foreign Loan	Rupee	Total
i.	Ministries/Divisions	175.0	677.5	852.5
ii.	Corporations (NHA, WAPDA-Power)	136.5	219.7	356.2
iii.	Provincial Projects under FD	0.0	53.1	53.1
iv.	Special Areas (AJK & Gilgit-Baltistan)	4.5	70.0	74.5
v.	Merged Districts of Khyber Pakhtunkhwa	0.0	63.7	63.7
A. Total (Federal PSDP)		316.0	1084.0	1400.0
B. PPP		0.0	100.0	100.0
Total (Federal PSDP + PPP)		316.0	1184.0	1,500.0
C. SOEs Investments		-	196.9	196.9
D. Provincial ADPs		615.8	1,479.6	2,095.4
Total Public Investment (A+B+C+D)		931.8	2,860.5	3,792.3

Salient Features of PSDP 2024-25

Following are the salient features of the PSDP 2024-25: -

- i. Projects in line with 5Es and 4RF have been given priority;
- ii. Foreign funded and Core projects have been given priority for providing maximum allocation required in PSDP 2024-25. Then, projects with 80 percent plus expenditure have been adequately financed for completion by June, 2025. Federal PSDP focuses on federal responsibilities/subjects;
- iii. New projects with particular focus on supporting exports, enhancing productivity, deepening IT/digital infrastructure, innovation driven enterprises, agroindustry and seed development, blue economy, science & technology, R&D and innovation reforms have been proposed for funding;
- iv. Initiatives/projects envisaged under the auspices of SIFC also accorded priority in PSDP 2024-25;
- v. Environment Resilience and risk mitigation initiatives have been introduced;
- vi. The programmes to fight stunting and to introduce preventive measures for communicable diseases are to be started.

Sector-wise summary of PSDP 2023-24 is given in **Table-4.4**

Table -4.4: Sector-wise PSDP 2023-24 and Proposed PSDP 2024-25

Sector/Sub-Sector		PSDP 2023-24	PSDP 2024-25
A.	Infrastructure	492	857
i.	Energy	81	253
ii.	Transport & Communications	265	305
iii.	Water	100	206
iv.	Physical Planning & Housing	46	93
B.	Social	244	243
i.	Health & Population	24	37
ii.	Education including HEC	84	93
iii.	SDGs Achievement Programme/ initiatives	90	75
iv.	Others	46	38
C.	Special Areas (AJK, GB)	61	75
D.	Merged Districts of Khyber Pakhtunkhwa	58	70
E.	Science & IT	34	79
F.	Governance	12	26
G.	Production Sectors	49	50
i.	Food & Agriculture	44	42
ii.	Industries	05	08
	Total:	950	1,400

Sectoral Strategy/ Priorities

The completion of on-going projects has been accorded the priority for PSDP 2024-25 and almost 94 percent of resources have been allocated to the ongoing project while only 6 percent of the resources have been earmarked for new projects. The priority has been assigned to Infrastructure sector being the primary responsibility of the Federal Government with over 61 percent of proposed allocations, followed by Social Sector having 17 percent and Balanced regional development (AJ&K, GB and Merged districts of KP) with 10 percent of proposed allocations for 2024-25. About 12 percent resources are earmarked for other sectors like IT& Telecom, S&T, Governance and Production sectors etc.

Following are some of the important projects to be undertaken in the next public invest programme for the 2024-25:

- i. National Programme for Elimination of Hepatitis C Infection
- ii. Establishment of Stroke Intervention & Expansion of Critical Care Facilities at PIMS
- iii. Strengthening and Up-gradation of Cardiology and others at Federal Government Polyclinic at FGPC, Islamabad
- iv. Procurement of Equipment for Establishment of Cancer Hospital in Islamabad
- v. National Programme for Prevention of Diabetes
- vi. Establishment of Six Daanish Schools in AJK and GB
- vii. Establishment of Daanish school in ICT
- viii. 500 kV Matiari-Moro-R.Y.Khan T/L
- ix. Installation of Assets performance management system on 100kV and 200kV distribution Transformers
- x. Electricity Distribution Efficiency Improvement Project
- xi. Revamping IT Industry Landscape (PSEB)
- xii. National Semiconductor HR Development Program (NSHRDP) Phase-I (IT Wing)
- xiii. Digital Economy Enhancement Project (WB. Funded) (MoITT/BoI/NITB/NADRA)
- xiv. Relocation of Karakorum Highway between Thakot & Raikot due to Construction of Dams on River Indus (Thor Nullah to Raikot Section 88 Km)
- xv. Special Development Initiatives for Backward/ Poor Districts in the Country
- xvi. Modernization of Hydromet Services of PMD in Pakistan

PUBLIC PRIVATE PARTNERSHIP AUTHORITY

Performance Review 2023-24

The Public Private Partnership Authority (P3A) in 2023-24 finalized different development projects under the Public Private Partnership (P3) modality for the grant of Viability Gap Fund (VGF) (Table 4.5):

Table 4.5 VGF for Development Projects under PPP Modality

(Rs. Billion)

S#	Project	Project Cost	VGF Amount
1	Sialkot-Kharian Motorway Project	27.00	10.94
2	Kharian-Rawalpindi Motorway Project	86.00	16.22
3	Outsourcing of Islamabad International Airport	38.00	Guarantees
Total		151.00	27.16

Subordinate Legislation/Guidelines:

During 2023-24, P3A Board approved:

- P3A (Qualified Project Criteria) Regulations, 2023;
- Environmental & Social Management System Guidelines;
- Gender Diversity & Inclusive Policy; and
- Project Preparation, Appraisal and Development Guidelines.

Outlook 2024-25

P3 projects are technically, financially and legally complex projects requiring detailed studies, discussions, defining and finalizing the financial and legal transaction structuring, preparation of bidding packages and tentative P3 Agreements. Therefore, under normal circumstances, a given P3 infrastructure project requires a minimum of one year before it is ready to undergo the regulatory approval process under the P3A Act, rules and regulations made thereon. P3A has prepared a pipeline of infrastructure projects which it intends to undertake in 2024-25 (Table 4.6):

Table 4.6 P3A Infrastructure projects proposed for 2024-25

S#	Project	Implementing Agency	Status
1	NUMS Medical City Project (Phase 1): 505 beds Hospital and Teaching Hospital	National University of Medical Science	Consultants Procurement stage
2	Establishment of Food/Grain Storage Facilities	PASSCO	Feasibility Study Stage
3	Outsourcing of Olive Mills (Phase II)	Ministry of NFS&R	Concept Stage
4	4 Real Estate Projects	Federal Board of Revenue	Appraisal Stage
5	Construction of Industrial buildings in Faisalabad Garment City	Ministry of Industries	Feasibility Stage
6	Establishment of International Standard Football Academy in Islamabad	Pakistan Sports Board	Project Qualification Stage

5. MANUFACTURING, COMMERCE AND MINERAL DEVELOPMENT

Pakistan's manufacturing sector is one of the main sectors of the economy and played a significant role in economic growth with a contribution of 11.89 percent to the overall GDP in 2023-24. Textiles and Apparel industries have the most weight in the Quantum Index of Manufacturing 2022-23 i.e. 24.7 percent. It is a leading sector in exports with a share of around 60 percent². The contribution of the manufacturing sector to the national GDP is stagnant i.e. around 12percent due to a lack of diversification in products and markets, inconsistent policies, tariff barriers, limited access to credit (especially to SMEs), low productivity, high cost of doing business, high cost of energy & its supply constraints, inadequate infrastructure, obsolete technology, lack of innovation and R&D. The Sector faces major challenges by not conforming to internationally adopted best practices (i.e. Industry 4.0) and is still using traditional methods. The Annual Plan will adopt a strategic approach to address key sector issues, enhancing productivity and competitiveness to make it export-oriented. This aims to increase its GDP share and drive economic growth.

Performance Review 2023-24

Sectoral Review

According to the National Accounts Committee of PBS, the industrial sector grew by 1.21 percent in 2023-24, falling short of the 3.4 percent target. The manufacturing sector grew by 2.42 percent against a 4.3 percent target, Large Scale Manufacturing (LSM) by 0.07 percent against a 3.2 percent target, and Small Scale by 9.08 percent against an 8.8 percent target. Overall LSM growth was -0.10 percent from July to March 2023-24 compared to the previous year, with declines in Tobacco, Textile, Paper & Board, Iron & Steel Products, Electrical Equipment, and Automobiles. However, Food, Garments, Petroleum Products, Chemicals, Pharmaceuticals, and Furniture showed positive growth.

Total Factor Productivity (TFP) and GDP growth have been erratic since the 1970s, with TFP growth around 2 percent over the last few decades, indicating lower competitiveness in the global market. Exports from July–February 2023-24 totaled USD

² Pakistan Economic Survey 2022-23

20,360 million, a 9.05 percent increase from the previous year, while imports decreased by 11.81 percent to USD 35,249 million. Textile and apparel exports fell by -0.65 percent, with mixed results in value-added products.

The sector faced challenges including global demand contraction, liquidity issues, high policy rates, and disruptions in energy supply. The Mining & Quarrying sector grew by 4.85 percent against a 1.2 percent target. The Geological Survey of Pakistan (GSP) conducted various studies, and the government established the Special Investment Facilitation Council (SIFC) to attract investment in the mineral sector, with ongoing negotiations with friendly countries.

Financial Review

In the PSDP 2023-24, the Industries and Production Division was allocated Rs. 3,000.000 million for 15 projects, of which Rs. 1,918.000 million had been released by March 2024. Of the released amount, Rs. 578.932 million were utilized. Among the 15 projects, 3 are expected to be completed by June 2024. Additionally, the Commerce Division had 3 projects allocated Rs. 1,100.000 million, but no releases were made to these projects. Similarly, the Petroleum Division (Mineral Wing) had 4 development projects in the PSDP 2023-24 with an allocation of Rs. 302.595 million. Of this amount, Rs. 64.000 million were released by December 2023, with utilization at Rs. 6.260 million.

Ongoing Initiatives

There are thirteen projects of the Industries and Production Division, one of the Commerce Division and one of the Petroleum Division (Mineral Sector) which will be carried forward and will remain under implementation in 2024-25. Details of the projects is given in Table 5.1.

Table 5.1: Ongoing Projects for PSDP 2024-25

(Rs. million)

S.No.	Name of the Project	Total Cost	Allocation in PSDP 2023-24	Releases till March-2024	Expected Utilization till June-2024
Industries and Production Division					
i.	1000 Industrial Stitching Units – Phase-II	350.545	166.140	98.535	77.00
ii.	Business Skill Development Centre for Women at Dera Ismail Khan	59.49	15.00	15.00	15.00
iii.	Establishment of 132KV Grid Station at Bin Qasim Industrial Park (BQIP), Karachi	1493.08	1000.00	700.00	1000.00
iv.	Establishment of Hub Special Economic Zone	3008.18	300.00	257.00	300.00
v.	Industrial Designing & Automation Centres at Karachi, Lahore & Sialkot.	972.97	200.00	120.00	120.00
vi.	National Strategic Programme for Acquisition of Industrial Technology (NSPAIT)	3206.89	300.00	300.00	300.00
vii.	Development of Karachi Industrial Park on 1500 Acres of PSM Land at Karachi including Feasibility	400.00 (F.S)	50.00	50.00	50.00
viii.	Establishment of High Tensile Sheet Metal Dies Manufacturing and Titanium Coating Setup at KTDMC, Karachi.	400.00	150.00	10.00	10.00
ix.	Product Development Centre for Composites Based Sports Goods, Sialkot;	529.77	10.50	9.50	5.09
x.	Research, Regulatory Insight & Advocacy Assistance for SMEs, Lahore	200.00	80.00	44.937	44.937
xi.	Support Centre for Dental and Surgical Equipment (SCDS), Sialkot	720.35	200.00	88.00	88.00
xii.	Strengthening of Engineering Industry	458.22	70.00	42.00	43.514
xiii.	Acquisition of Land for Establishment of SME facilitation centres at various locations (Lahore, Karachi, Peshawar & Quetta)	1250.00	100.00	100.00	186.248

Commerce Division						
i.	Expo Centre Quetta	2500.00	807.448	0	0	
Petroleum Division (Mineral Sector Projects)						
i.	Instrumental Up-gradation of Geoscience Advance Research Laboratories (GARL), GSP, Islamabad to be used in Economic Mineral Exploration	470.80	100.00	40.00	14.30	

The objectives of these PSDP funded projects include technology transfer and upgrading, developing business skills, improving infrastructure, establishing common facilitation centers for SMEs, providing energy, setting up trade facilitation and expo centers for boosting exports. All of these projects are in alignment with the SDGs and the 5Es Framework. It's important to note that the government's focus is on developing the private sector and integrating it into public sector projects through public-private partnerships. The private sector is viewed as the engine of the economy due to its capacity to generate more jobs, ensure sustainable growth, and foster innovative technology. Consequently, the government intends to reduce its footprint by engaging the private sector.

The following ongoing initiatives of the Industries & Production Division, Commerce Division and Petroleum Division (Mineral Sector) are expected to be completed/closed by June 2024:

- 1000 Industrial Stitching Units Phase-I (All over Pakistan);
- National Business Development Programme for SMEs;
- SME Business Facilitation Centre, Multan;
- Expo Centre Peshawar – Allocation for 2023-24 surrendered and project will further be financed from EDF;
- Establishment of National Minerals Data Centre;
- Geological Mapping of 50 Toposheets out of 354 Unmapped Toposheets of Outcrop Area of Balochistan Province; and
- Legal Consultancy Services for the drafting of Model Mineral Agreement and updating of Regulatory Framework – (closed due to non-availability of a consultant).

Programmes 2023-24

Policy consistency over the medium-term is critical for the private sector to develop their investment plans. The plan is to take a strategic approach to increase

competitiveness by investing in productivity and efficiency. Following are some of the policies launched to create an enabling environment for the manufacturing, commerce and mineral sectors. Green mining construction as a part of national mineral strategy shall be developed to motivate mining enterprises not only to improve their resource utilization efficiency but to protect the environment and harmonize the relationship between enterprises and communities.

National Industrial Policy

Developing a National Industrial Policy (NIP) and promulgation of consistent allied policies and regulations are key to spurring the performance of the industrial sector and instilling investor confidence. Under the directions of SIFC, the Ministry of Industries & Production kick started the formulation of the National Industrial Policy. Work on the formulation of the policy is in progress.

Solar Panel and Allied Equipment Manufacturing Policy

The Engineering Development Board (EDB) has started formulation of the “Solar Panel and Allied Equipment Manufacturing Policy”. This policy aims at promoting local manufacturing of solar panels and allied equipment for import substitution and tapping the export potential.

SME Development Fund

The National SME Policy, 2021 was approved by the Federal Government in 2021. This policy by the Small and Medium Enterprises Development Authority (SMEDA) is aimed at sustainable growth of small and medium enterprises through job creation, export enhancement and bolstering contribution to the national economy. Central to the initiatives under the National SME Policy, 2021 is the establishment of the SME Development Fund to the tune of Rs. 30 billion which is aimed at aiding SMEDA in its operational and SME development activities to attract foreign investment, fostering favourable environment for SMEs, enhance exports and supporting women-led enterprises.

Women Entrepreneurship Policy

The SMEDA has agreed with the ADB for Women Inclusive Finance (WIF) program. One of the outcomes of the WIF program is the development of the first Women Entrepreneurship Policy & Action Plan. The formulation process of the policy has been initiated. Consultations with the stakeholders and surveys in this regard are

underway. The policy is aimed at facilitating millions of women entrepreneurs to bolster their involvement in economic endeavors.

Business Ready (B-Ready)

The EoDB has recently been replaced with Business Ready (B-Ready), a flagship project of the World Bank to assess the business environment and to advocate for policy reforms. The Board of Investment (BoI) being the lead agency for B-Ready project in Pakistan has started activities in coordination with federal & provincial stakeholders to compile data for the first B-Ready report. B-Ready focuses on ten topics which are as follows:

(i) Business Entry	(ii) Business Location	(iii) Utility Services
(iv) Labor	(v) Financial Services	(vi) International Trade
(vii) Taxation	(viii) Dispute Resolution	(ix) Market Competition
(x) Business Insolvency		

The first B-READY report will be launched in September 2024. Donor agencies, usually strive for the sectoral development that ensures sustainable growth, creation of new jobs and access to the new emerging markets. In this regard, an effort has been initiated, by the USAID-Investment Promotion Activity (IPA) to develop Pakistan Business and Investment Index. This may help in measuring performance of our sectors and exploring new avenues of investment.

Asaan Karobaar Programme

Asaan Karobaar Programme has been launched as part of the SME Development Policy to lessen the compliance burden on businesses, particularly for Small and Medium Enterprises (SMEs). An Asaan Karobaar Program website to disseminate regulatory reforms information and for seeking feedback of private sector is also prepared and is accessible at <https://business.gov.pk/>.

Trade Dispute Resolution Act 2022 (TDRA)

Ministry of Commerce in consultation with USAID-IPA is developing a roadmap for implementation of TDRA and is conducting comprehensive studies in two key sectors i.e. surgical instruments and sports goods in Pakistan to boost US-Pakistan bilateral trade. Under U.S.-Pakistan “Green Alliance”, Ministry of Commerce partners with USAID-IPA to facilitate transition to cleaner energy, adoption of sustainable agriculture practices and improvement of water resources management.

Amendment in Copyright Ordinance, 1962

The penalties for IPR infringements have been enhanced in the draft Copyright Amendment Bill, 2024 and the Patent Amendment Bill, 2024 has been submitted to the Ministry of Commerce for further action. The proposed amendments will increase penalties that range up to one million rupees and minimum penalties have also been introduced.

Amendment in Patent Ordinance, 2000

The draft Patent Ordinance Amendment Bill, 2023 was approved by the IPO Policy Board on 5th January 2024 and submitted to the Ministry of Commerce for further action in the Parliament.

National Tariff Policy

After the expiry of the first National Tariff Policy, National Tariff Commission is in the process of drafting the 2nd National Tariff Policy, 2025-30 to simplify the tariff on the principle of cascading; which will help gradually reduce tariffs on raw materials, intermediate and capital goods, to reduce the difference in the rates of tariff for commercial importers and industrial users of raw materials, intermediate and capital goods.

Strategic Trade Policy Framework (STPF)

In 2024-25, the Ministry of Commerce will review STPF 2020-25 and initiate public-private consultation for setting policy targets for the next framework.

Revenue Mobilization, Investment & Trade (ReMIT)

Revenue Mobilisation Investment and Trade (ReMIT) is a 4-year project which aims to promote and enhance the international trade competitiveness of Pakistan through the development of national priority sector strategies, trade policy and trade facilitation. The project is funded by the Foreign Commonwealth Development Office (FCDO) of the Government of the UK and the International Trade Centre (ITC) is the implementation partner.

ReMIT has conducted a study which has identified constraints and recommendations for 10 sectors including Surgical Instruments, Footwear, High-Value Garments, Sports, Pharma, Chemical & Petrochemicals, IT & ITes, Solar, Batteries & EVs, PC Boards & Electronics, and Agri & Agro Foods. The major policy recommendations encompass enhancing national capabilities for testing and compliance with

international standards, promoting sector-specific skill development and simplifying export processes, facilitating franchising and international partnerships, and imposing barriers on imported footwear to bolster local industries. Additionally, the recommendations emphasize fostering innovation, establishing special economic zones, rationalizing energy prices, and providing streamlined access to climate financing. They advocate for revising collateral requirements for SMEs, rationalizing duties, and promoting renewable energy adoption. Furthermore, collaboration between industry and academia for technology development and governance reforms for state-owned enterprises are highlighted.

Outlook 2024-25

Allocation in PSDP 2024-25 for a sector is a tool for the government to accelerate the pace of development in the country. Table 5.2 shows comparison of allocation of funds over the years for the development projects:

Table-5.2: PSDP Allocations

Sector	(Rs. million)			
	2021-22	2022-23	2023-24	2024-25
Industries and Production Division	2916.08	2850.0	3000.00	4918.76
Commerce Division	1613.50	1174.44	1100.00	1955.28
Petroleum Division – Mineral sector	323.00	320.56	302.60	400.80

Source: PSDP

The National Productivity Organization (NPO) under the Ministry of Industries and Production envisages certain productivity initiatives to enhance the competitiveness of Pakistan. Some of the major initiatives include the implementation of the National Productivity Master Plan, Benchmarking of Best Practices/Standards, establishment of demonstration smart factories etc.

Sectoral Strategy 2024-25

The government mainly focuses on SME development, skill development of the workforce, technology upgradation, industrial infrastructure development/ establishment of SEZs, facilitating innovation, enhancing competitiveness of locally manufactured products in the international markets, encouraging foreign direct investment (FDI), promoting exports through new/better market access, competitive incentives and facilitating G2G, B2C, B2B, C2C interactions.

Economic Complexity Index

The Economic Complexity Index (ECI) ranks Pakistan as a lower-middle-income country, with the economy becoming less complex over the past decade due to stagnant or declining export diversification. Lack of structural transformation and limited growth in high-productivity sectors like electronics and machinery hinder income growth, necessitating a parsimonious industrial policy approach and strategic investments to enhance ECI and promote export diversification.

To overcome the challenges, Pakistan has to focus on parsimonious industrial policy approach along with strategic bets to increase ECI and address the bottleneck to help short distances into related product. The low hanging fruits should be kept in the basket through diversification in existing product lines for the domestic and international markets.

Innovative Development of Entrepreneurship (IDEs)

Innovation Development of Entrepreneurship (IDEs) utilizes digital strategies to enhance startups and existing businesses, enabling them to adapt to global demand and expand market reach. Despite strides made by Pakistani SMEs and startups in innovation, there's a need to improve digital skills to fully tap into e-commerce opportunities. To succeed in international markets, businesses must ensure quality standards and embrace technology, focusing on ICT adoption and innovation.

Programmes 2024-25

The government in any economy acts as a facilitator to enable and provide a feasible environment for businesses to flourish. The federal government in view of fast-tracking industrialization in the country, promoting trade, support the textile sector and developing the mineral sector, is undertaking different initiatives during 2024-25.

Commerce Division intends to undertake one new project titled "Export Accelerator for SMEs" in 2024-25. In terms of SMEs' access to finance, SMEDA will collaborate with the federal government and commercial banks to establish SME financing helpdesks and an SME Financing Products Database. This initiative aims to inform entrepreneurs about available financing options and offer necessary assistance. Additionally, support will be extended to enhance the competitiveness and sustainability of SMEs through the implementation of a 10-Year Cluster-Based Development Plan focusing on five key sectors. Apart from PSDP-funded projects, GSP will utilize its regular budget to design several annual field programs/projects such as minerals investigation, geological mapping, geophysical exploration, and geochemical

exploration of precious metals, ground water studies etc. for the year 2024-25. These activities will be conducted in various regions of the country.



Expanding Agriculture Production and Galvanizing Agro-Business Potential

6. FOOD SECURITY AND SUSTAINABLE DEVELOPMENT

Food security remains intricately tied to the performance of Pakistan's agriculture sector, serving as a pivotal determinant for businesses, both directly and indirectly. During 2024, ensuring the sustainability and productivity of food crops, alongside their accessibility, remains paramount for addressing food security concerns. The agriculture sector in Pakistan continues to bear the primary responsibility of supplying healthy, safe, and nutritious food, as well as fiber for the population and fodder for livestock, while also striving to maintain modest export surpluses. There is a need of direct policies to facilitate farmers by ensuring that decisions to import or export food commodities, especially wheat, are made with the interests of the local farming community and markets in mind. Increasing agricultural output challenge is compounded by the emergence of a food crisis, Pakistan's ranking of 99th out of 121 countries in the Global Hunger Index 2022 underscores the severity of the situation. While enhancing agricultural productivity is crucial, it is not enough to tackle the challenge alone, given constraints such as; limited land resources, uncertain water availability due to climate change, and the encroachment of urbanization on fertile agricultural lands. Unfortunately, most of the aforementioned factors have started negatively impacting productivity at a greater pace.

In Pakistan, food losses significantly contribute to food insecurity. Addressing these losses across the food value chain, from farm to table, is crucial. Losses occur unintentionally during production, harvest, storage, and transportation, while waste happens when edible food is discarded at the retail and consumer levels. Further, around 22 percent of durable crops and over 30 percent of fruits and vegetables are lost, wasting resources like land, energy, water, and labor¹. Reducing these losses aligns with SDG 12.3, which aims to cut food losses by 2030. Focus should be on early-stage losses among farmers, stockists, and processors, improving water use efficiency and crop yields.

Addressing food price anomalies in the supply chain is vital. A proper system, developed with stakeholders, should ensure competitive prices, balancing farmer and consumer interests to enhance food security and affordability.

Performance Review 2023-24

The prevailing governance structure of the country has distributed responsibilities and resources amongst the different organizations in federal and provincial governments. Alternatively, overall policy guidelines will be provided by the federal government while implementation at the ground level will be done by the respective federating unit. There is a need to prepare and implement a well-conceived national land use plan for protecting the agriculture land from urbanization mafias. According to the present situation, this mechanism will hopefully improve the performance of the next production year and will result in prosperity for all people concerned with the business.

Table 6.1 shows the overall allocations during 2023-24 of schemes related to food and agriculture in different Ministries/Divisions/Allied Departments/Agencies.

**Table 6.1: Federal PSDP Allocations 2023-24
related to Food and Agriculture Schemes**

(Rs. Million)

Ministry/Division/Agency	No. of Schemes			Total Cost	Allocation (2023-24)
	Ongoing	New	Total		
National Food Security & Research	21	3	24	122204.25	8850.00
Higher Education Commission	8	1	9	12227.98	2736.92
Science & Tech. Research Division	3	1	4	4254.79	1216.61
Interior Division	1	-	1	52.19	23.07
Pakistan Atomic Energy Commission (PAEC)	1	-	1	53.00	8.94
Housing and Works Division	2	8	10	3019.64	2483.99
Maritimes Affairs	-	1	1	656.08	5.00
Total	36	14	50	142467.93	15324.54

Source: PSDP 2023-24

In the Federal PSDP 2023-24, food and agriculture-related projects costs a total of around Rs. 142,467.93 million, with an allocation of Rs. 15,324.53 million for the same period. Under PSDP 2023-24, an allocation of Rs. 8,850 million was designated to the Ministry of National Food Security and Research (MoNFS&R), including Rs. 445.816 FEC component.

In a comprehensive overview of all PSDP projects across related divisions or ministries, it is noteworthy that, following the Ministry of NFS&R, the Higher Education Commission has a significant allocation for food and agriculture-related projects, totaling approximately Rs. 12,227.98 million, with an allocation of roughly Rs. 2736.924 million for 2023-24. Similarly, the Science & Technology Research Division has a substantial share for food and agriculture-related projects, amounting to roughly Rs. 4254.79 million, with an allocation of approximately Rs. 1216.61 million for 2023-24. Table 6.2 shows the overview of province/region-wise funding and allocation of ADPs for 2023-24.

Table 6.2: Overview of Funding and Allocation of ADP 2023-24 by Region/Province

(Rs. Million)

Province/ Region	Sector-Wise Allocations					
	Agriculture	Irrigation	Food Security	Livestock (L)	Fisheries (F)	Total
Punjab (July-Oct)	21750.00	6052.36	300.00	2600.00	1335.00	32037.36
Sindh	6,977.00	25,000.00	292.80	2,435.0 (L&F)	--	6,977.00
Balochistan	11276.92	49521.72	274.51	1469.88	4790.94	67,333.90
Khyber Pakhtunkhwa (July-Mar)	4542.324	187.18	353.26	2336.43	340.68	6550.42
AJ&K	324.00	216.00	90.00	324.00	35.00	989.00
Total	43660.78	80977.27	1310.58	9165.32	6501.63	113887.70

Source: Provincial/Regional ADPs 2023-24

The efforts by various provincial governments in prioritizing and allocating budgets for crucial sectors such as agriculture, irrigation, food security, livestock, and fisheries are commendable. These allocations reflect a proactive approach towards addressing the diverse needs of the agricultural sector and ensuring sustainable development across different regions. Overall, these budget allocations reflect a coordinated effort by the government to prioritize the agricultural sector and address key challenges such as food security, water management, and livestock development. Such proactive measures are essential for driving sustainable growth and prosperity in the country.

Sectoral Review

Production of Important Crops

Wheat is the staple food in Pakistan and success of the crop sector in relevant terms is gauged by its production. Wheat is cultivated over 22 million acres, accounting for 8.2 percent of the value added in agriculture and 1.9 percent of the GDP. Federal Committee on Agriculture (FCA) in its meeting held on 11th October, 2023 had fixed wheat production target to the tune of 32.12 MMT. Due to attractive support price, early sowing and availability of agricultural inputs, including improved seed, sowing was completed on an area of 23.69 million acres showing a 7 percent increase over the target of 22.22 million acres. Year-wise area and production of important crops and targets for 2024-25 are given in Table 6.3.

Table 6.3: Area, Production & Targets of Major Crops

(Area '000' hectares)
(Production"000 tonnes)

Crops		2022-23	2023-24		2024-25
		Achievements	Targets	Achievements (Actual or Provisional)	Targets
Wheat	Area	8996.20	8998.00	9587.20	9712.50
	Production	28170.00	32120.00	29688.00	36310.00
Rice	Area	2995.30	3069.50	3637.30	3062.39
	Production	5535.80	9042.35	9867.23	8731.00
Maize	Area	1617.30	1330.70	1641.74	1512.11
	Production	9240.90	7557.93	10769.22	9254.80
Sugarcane	Area	1319.70	1182.10	1180.23	1247.20
	Production	81642.00	78588.70	84531.22	76674.00
Cotton	Area	2072.95	2766.80	2409.00	3118.30
	Production (thousands bales)	6280.85	12770.00	11513.00	10873.93

Source: FCA & PBS P= Provisional Estimates.

Punjab has been projected to produce 25 million tonnes of wheat while Sindh's target is 4 million tonnes followed by Khyber Pakhtunkhwa's 1.6 million tonnes and Balochistan's 1.5 million tonnes. The production target would be achieved from 8.9 million hectares.

In Pakistan, rice is an important food as well as a cash crop. After wheat, it is the second main staple food crop and the second major exportable commodity after cotton.

It contributes 2.4 percent of value added in agriculture and 0.5 percent to GDP. Rice production comprises 34 percent of basmati (fine) types and 66 percent of coarse types. During the last few years, the production of coarse types is increasing as the farmers are bringing more areas under coarse hybrid types.

The total area in Pakistan for rice during 2022-23 remained 2995.3 thousand hectares that yielding the production of 5535.8 thousand tonnes. The target keeping in view earlier performance, was set around 9042.35 thousand tonnes for the year 2023-24. Against the target production by available estimates remained 9867.23 thousand tonnes. Now keeping in view the trend and climatic and resource availability scenarios the target for 2024-25 has been set as 9890 thousand tonnes.

In the agricultural landscape of Pakistan, key crops like maize, sugarcane, and cotton play pivotal roles in ensuring food security and economic stability. For maize, the target for 2023-24 was set at 7557.93 thousand tonnes, but the actual production reached 10769.22 thousand tonnes. Now, for 2024-25, the target has been revised to 9254.8 thousand tonnes, considering trends, climatic factors, and resource availability. Similarly, for sugarcane, the target for 2023-24 was 78588.7 thousand tonnes, but the actual production surpassed this, reaching 84531 thousand tonnes. For 2024-25, the target has been set at 76674 thousand tonnes, aligning with prevailing conditions.

In the cotton sector, although the target for 2023-24 was ambitious at 12770 thousands bales, the actual production fell short at 11513 thousands bales. For 2024-25, the target has been adjusted to 10873.9 thousands bales to account for factors such as trends, climatic variations, and resource availability. Additionally, minor crops like gram, potato, onion, tomato, and pulses are vital for meeting nutritional demands. Their utilization in a variety of foods underscores their importance. The area and production figures for these minor crops are outlined in Table 6.4, reflecting their significant contribution to the agricultural landscape of Pakistan.

Table 6.4: Area, Production & Targets of Minor Crops

(Area '000' hectares)
(Production"000 tonnes)

Crops		2022-23	2023-24		2024-25
		Achievements	Targets	Achievements (Actual or Provisional)	Targets
Gram	Area	820.60	861.00	786.70	865.00
	Production	313.10	409.90	231.16	410.00
Potato	Area	330.60	238.10	330.08	335.00
	Production	7948.40	6330.10	8097.72	8100.00
Onion	Area	128.92	162.00	121.81	123.00

	Production	1674.00	2511.80	1915.22	1920.00
Lentil	Area	4.41	14.00	6.61	6.64
	Production	2.94	9.55	4.47	4.56
Mung Bean	Area	213.10	189.30	201.01	214.80
	Production	183.70	180.00	153.36	178.80
Mash	Area	6.56	18.00	7.42	11.05
	Production	3.91	11.300	5.61	8.60
Tomato	Area	45.71	50.0	50.90	51.50
	Production	563.6	645.7	627.47	630.21
Chilli	Area	60.73	69.8	60.56	73.40
	Production	111.99	178.00	120.04	191.10

Source: * FCA P=Provisional estimates

Gram stands out as the largest Rabi pulse crop in Pakistan, holding a substantial percentage share of 62.49 percent in total production and 79.09 percent in area cultivated for pulses. Punjab emerges as the primary producer of Gram Pulse. The estimated production for 2023-24 is reported at 231.16 thousand tons from an area of 786.7 thousand hectares, reflecting a slight decrease of 5.12 percent compared to the previous year. Looking ahead to 2024-25, the target production for Gram has been set at 410 thousand tonnes, considering trends, climatic conditions, and resource availability.

Potato has emerged as the highest yielding cash crop in Pakistan, experiencing rapid growth in area and production over the past three years. For 2023-24, the estimated production stood at 8097.7 thousand tonnes from an area of 331.47 thousand hectares, surpassing the target of 6330.1 thousand tonnes. The target for 2024-25 has been set at 8100 thousand tonnes, taking into account prevailing conditions. Onion, known for its versatile use in various dishes, remains crucial for fulfilling consumer nutritional demands. The target production for 2023-24 was set at 2511.8 thousand tonnes, but actual estimates reached 1915.22 thousand tonnes. For 2024-25, the target production is set at 1920 thousand tonnes, considering trends and resource availability.

Lentil, despite being an important Rabi pulse, has a relatively low percentage share in total production and area. The target production for 2023-24 was 9.55 thousand tonnes, but actual estimates fell short at 4.47 thousand tonnes. The target for 2024-25 has been set at 4.56 thousand tonnes, considering various factors. Mung bean cultivation, concentrated in irrigated areas like Khushab, Mianwali, Bhakkar, and Layyah districts, shows potential for intercropping with sugarcane and as a catch crop in rice-wheat cropping systems. The target production for 2024-25 is set at 178.8 thousand tonnes, based on trends and resource availability.

Mash, an important Kharif pulse, is grown across all provinces, with Punjab being the major contributor. The target production for 2024-25 is set at 8.60 thousand tonnes, considering various factors. Tomato, a significant vegetable crop in Pakistan, sees increasing cultivation due to its high yield potential. The target production for 2024-25 is set at 630.2 thousand tonnes, taking into account trends and resource availability.

Chilli, valued both as a vegetable and spice crop, holds significant economic importance in Pakistan. The target production for 2024-25 is set at 191.15 thousand tonnes, considering climatic conditions and resource availability.

Oilseed crops like canola, sunflower, rapeseed/mustard, and seed cotton play a vital role in reducing Pakistan's dependency on imported cooking oil. Despite challenges such as climatic conditions, farmers are increasingly adopting these crops. For instance, in 2023-24, canola production fell short of the target of 207.12 thousand tonnes, reaching only 71.668 thousand tonnes. Sunflower production faced a similar scenario. Similarly, rapeseed/mustard and seed cotton cultivation witnessed fluctuations. Looking ahead to 2024-25, it is expected that canola cultivation may cover around 85 thousand hectares, producing approximately 145 thousand tonnes. Sunflower cultivation may cover an estimated area of 77.0 thousand hectares, producing around 135.0 thousand tonnes. Rapeseed/mustard cultivation may cover around 542 thousand hectares, producing approximately 680 thousand tonnes. Seed cotton cultivation may cover an estimated area of 3118 thousand hectares, producing around 4015 thousand tonnes. The area and production of these oilseed crops is given in Table 6.5.

Table 6.5: Targets and Achievements of Oilseed Crops for 2022-23 and 2023-24

(Area "000" hac)

(Production "000"tons)

Crops		2022-23	2023-24		2024-25
		Achievements	Targets	Achievements (Actual or provisional) *	Targets
Canola	Area	83.10	108.97	43.91	85.00
	Production	140.97	207.12	71.67	145.00
Sunflower	Area	75.55	90.54	62.76	77.00
	Production	132.98	186.05	98.30	135.00
Rapeseed/Mustard	Area	539.09	335.06	344.27	542.00
	Production	674.93	447.95	415.74	680.00
Seed Cotton	Area	2150.00	2764.00	2367.00	3118.00
	Production	1728.00	4344.00	28560.00	4015.00

Source: Provincial Agriculture Crop Reporting Services (PACRS) * Provisional.

The targets for 2024-25 for oilseed crops are not yet fixed from provinces. The targets of 2024-25 were fixed in coming Rabi season FCA meeting.

Agricultural Inputs

FCA during the meeting held in October 2023 was apprised that the government was trying to facilitate the farmers by providing inputs at affordable prices besides ensuring a better price for their produce to bridge the gap between the cost of production and output price.

Fertilizer

The parameters regarding Fertilizer off-take and difference over the earlier period portray the overall performance of the crop sector in terms of utilization. The fertilizer off-take, its forecast and achievement are depicted in Table 6.6

Table 6.6: Fertilizer Off-Take, Forecast and Achievement

(‘000’ Tons)

Nutrient / Products	2022-23	Benchmark	2023-24 off-take (Estimated)	Difference over 2022-23 (percent)	2024-25 (Forecast)
Nitrogen	3604	3595	3822	6	3777
Phosphate	734	1058	1011	38	1166
Potash	29	55	46	60	60
Total (NPK)	4366	4708	4879	12	5004
Urea	6470	6283	6928	7	6601
D.A.P.	1141	1832	1672	47	2019

Source: National Fertilizer Development Centre (NFDC), MNFS&R (Data for nutrients is actual up to February 2024 while for urea and DAP up to March and onward is estimated).

Among all kinds of fertilizers, Nitrogen-based is the most important and demanded one. The off-take of nitrogen during the period 2022-23 remained 3604 thousand tonnes. The total off-take during 2023-24 remained 4879 thousand tonnes. It is becoming obvious that the utilization of the fertilizer will hopefully bring better changes to the production of crops. Keeping in view the trend it is welcoming that the forecast for the period 2024-25 has been increased up to 5004 thousand tonnes.

Improved Seed

Good quality seeds is first pre-requisite for the good performance or production of all crops. Its easy availability at affordable prices determines the overall success in

sowing targets and thereafter the production. The crop-wise detail in this regard is given in Table 6.7.

Table 6.7: Improved Seed Requirement and Availability

(Million Tonnes)

Crop	2022-23	2023-24		2024-25	
	Total Availability	Requirement	Availability	Requirement	Availability
Wheat	511378.79	1142375	529096.80	1250000.00	1200000.00
Cotton seed	42171.37	41048	25424.61	50058.00	12032.86
Paddy	65354.18	45618	59430.86	45618.00	24212.00
Maize	27734.71	32866	13273.86	33011.00	21305.92

Source: FCA & Federal Seed Certification & Registration Department (FSC&RD)

The seed availability during the period 2022-23 was the highest for wheat crop being 511379 tonnes. The figures were followed by the rice, cottonseed, fodder, maize, pulses and oilseed. The wheat crop has been sown across more than 22.73 million acres of land in various crop-growing regions during the Rabi season 2023-24 to meet staple food requirements and maintain strategic reserves throughout the year. The crop sowing targets for the current season (2023-24) were fixed at 22.22m acres as the cultivation targets till the end of the second week of the current month were achieved by 2.03x, Irrigation Water.

Ensuring adequate water availability for irrigation is crucial for optimizing crop productivity, especially at different growth stages. During FCA meeting in October 2023, the Indus River System Authority (IRSA) anticipated a 15 percent water shortage for Punjab and Sindh during the rabi season, with provinces allocated 31.66 million acre-feet (MAF) of water. Notably, there was a positive trend in water availability for irrigation during the 2023-24 period. For the kharif season (April-September), availability stood at 63.79 MAF, surpassing the figure for the previous year. Similarly, for the rabi season (October-March), the anticipated availability for 2023-24 is 31.57 MAF, expected to exceed the previous year's figure. This increase indicates a positive trajectory, with the total water availability for the 2023-24 period surpassing that of 2022-23. Availability of water for irrigation during 2023-24 and targets for 2024-25 are given in Table 6.8.

Table 6.8: Availability of Water for Irrigation 2023-24

(Million Acre Ft.)

Season	2022-23	2023-24	2024-25 (Estimated/ Targets)
Kharif (April- September)	44.94 * (Actual)	63.79 (Actual)	63.67 (Anticipated)
Rabi (October-March)	30.71 (Actual)	31.57 (Anticipated)	Will be assessed at the end of September, 2024
Total	75.64	95.36	

Source: Indus River System Authority (IRSA)

Livestock, Dairy, Poultry

Livestock plays a vital role in the agriculture sector's GDP, often contributing more than 50 percent alone. When other sub-sectors, such as crops, face challenges, livestock often serves as a reliable source for sustaining the agriculture sector. The performance of the livestock and poultry sector is depicted in Table 6.9.

Table 6.9: Production and Targets of Livestock, Poultry

Items	Units	2022-23	2023-24		2024-25
		Production	Targets	Achievements	Targets
Meat	"000" Tons	5504	5809	4357	6138
-Beef		2544	2630	1973	2719
-Mutton		799	817	613	835
-Poultry		2160	2362	1772	2583
Milk	Million Litres	54707	56474	42356	58300
Eggs	Million Nos.	23819	25212	18909	26696
Hides	Million Tons	20039	20717	15538	21417
Skins		63697	65181	48886	66703
Wool		49	50	37	50

Source: Ministry of NFS&R

As evident from the above table, it could be seen that overall performance remained satisfactory. However, keeping in view the present destruction made by the

floods and other financial problems, appropriate measure will be required by all units to sustain the sector.

Agricultural Credit

Table 6.11, shows the condition of agricultural credit, disbursement and targets for respective periods.

Table 6.11: Agricultural Credit Targets and Disbursement

(Billion Rupees)

Banks	2022-2023 (July-June 2022-23)			2023-24 (July-Feb)			Target/ Requirement 2024-25 (Provisional)
	Target	Disbursed	Percentage achieved	Target	Disbursed	Percentage achieved	
Five Major Commercial Banks	966	978.20	101	1147	753.90	66	1200
ZTBL	124	75.40	61	115	54.50	47	120
PPCBL	13	8.50	65	15	5.66	37	18
DPBs	350	366.70	105	488	345.80	71	490
Islamic Banks	103	101.30	98	167	110.60	66	170
MFBS	230	216.40	94	281	145.90	52	285
MFIs/RSPs	33	29.40	89	37	17.90	48	39
Total	1819	1775.90	98	2250	1434.20	64	2322

Source: State Bank of Pakistan (SBP)

The above data reveals that agricultural credit disbursement has generally remained satisfactory, but experienced a decrease in the period of July-February 2023-24. During 2022-23, most financial institutions achieved or surpassed their credit disbursement targets, with the total reaching 98 percent of the set goal. However, in 2023-24, only around 64 percent of the target was achieved, indicating a significant decline. Looking ahead, future banking targets are expected to be finalized based on provisional agricultural credit requirements, with targets for various financial institutions likely to be adjusted accordingly.

Agricultural Mechanization

The agricultural sector has seen a surge in machinery use due to labor shortages during recent decades. Conducting a Farm Machinery Survey is crucial for planning future needs. This survey will guide a comprehensive mechanization strategy covering various tools and technologies, tailored to small-scale farmers. Recent data shows a

significant increase in tractor manufacturing and sales, indicating the importance of mechanization in enhancing agricultural productivity.

Development initiatives

A key initiative on cards is the "Prime Minister's National Programme for Solarization of Agriculture Tube Wells," aimed at shifting tube wells from costly electricity and diesel to solar power. The project aims to alleviate the financial burden on farmers, potentially boosting agricultural production and ensuring the availability of food and agricultural commodities at lower prices for consumers nationwide. Other major initiatives that will be undertaken during 2024-25 for the development of the food and agriculture sector are given in Table 6.12.

Table 6.12. Salient Development Initiatives at Ministerial, Departmental level

(Rs. Million)

Project Name	Allocation 2024-25
On-Going	
Commercialization of Potato Tissue Culture Technology in Pakistan	83.55
Establishment of consumer-sourcing seed authenticity system and Strengthening of Labs of FSC&RD	210.00
Establishment of Plant Breeders Rights Registry and Strengthening of DUS Examination System	60.00
National Peste Des Petits Ruminants (PPR) Eradication Programme: Phase 1 – Risk Based PPR Control In Sheep and Goats of Pakistan	240.00
National Programme for Enhancing the Command Area in Barani Areas of Pakistan	1600.00
Pilot Shrimp farming Cluster Development	491.87
Productivity Enhancement of Rice	60.00
Productivity Enhancement of Sugarcane	60.00
Productivity Enhancement of Wheat	140.00
Promoting Research for Productivity Enhancement in Pulses	300.00
Promotion of Olive cultivation on commercial scale in Pakistan – Phase II	1000.00
Promotion of Trout Farming in Northern Areas of Pakistan	200.70
Sino-Pak Agricultural Breeding innovations Project for Rapid Yield Enhancement	115.33
Water Conservation in Barani Areas of KP	600.00
New Initiatives (Under Process)	

Prime Minister's National Programme for Solarization of Agriculture Tubewells	30000.00
Professional Capacity Building in Agriculture (TVET National Reforms Programme)	700.00
Project Planning & Development Unit of Ministry of National Food Security & Research	42.00

Outlook 2024-25

The Annual Plan for 2024-25 focuses primarily on ensuring food security for the population, with the Ministry of NFS&R playing a key role in this endeavor. The outlook for 2024-25 is peculiar in the sense that the targets for 2024-25 for different crops have been marginally increased as compared to 2023-24. The basic reason is a factor of regaining the momentum in growth at a slow pace after devastating floods and other disasters during earlier periods. The targets for the agricultural productivity for 2024-25 are already given in the Sections/Tables above.

In case of major crops, the area and production for wheat for 2024-25 have been projected at 9712.5 thousands acres and 36310 thousands tonnes; for rice 3062.39 thousand hectares and 8731 thousand tonnes; for maize 1512.1 thousand hectares and 9254.8 thousand tonnes; for sugarcane 1241.2 thousand hectares and 76674 thousand tonnes and for cotton 3118.3 thousands hectares and 10873.9 thousands bales.

For minor crops, the area and production for gram for 2024-25 have been projected at gram 865.0 thousand hectares and 410.0 thousand tonnes; for potato 335.0 thousand hectares and 8100.0 thousand tonnes; for onion 123.0 thousand hectares and 1920.0 thousand tonnes; for lentil 6.64 thousand hectares and 4.56 thousand tonnes; for mung bean 214.8 thousand hectares and 178.8 thousand tonnes; for mash 11.05 thousand hectares and 8.60 thousand tonnes; for tomato 51.50 thousand hectares and 630.21 thousand tonnes and for chillies 73.4 thousand hectares and 191.5 thousand tonnes.

The plan for 2024-25 will focus on improving crop productivity per unit area, addressing the country's low productivity compared to the region. Key production goals will target major crops like wheat, maize, sugarcane, and cotton. Modest targets are set for minor crops such as gram, potato, onion, lentil, mung bean, mash, tomato, and chillies. Additionally, the plan emphasizes the cultivation of oilseed crops, including canola, sunflower, rapeseed/mustard, and seed cotton, to reduce import bills. It also prioritizes providing agricultural inputs like fertilizer and improved seeds to support farmers' well-being.

For the livestock sector, the plan includes policies to control major diseases and promote poultry and livestock rearing. Facilitating business for major commercial

banks, including ZTBL, PPCBL, DPBs, Islamic Banks, MFBs, and MFIs/RSPs, is a key part of the plan. The initiatives of the Ministry of National Food Security and Research (NFS&R) regarding allocation and releases will be incorporated accordingly. While some efforts have been made to address food losses since 2015, Pakistan lacks a comprehensive policy framework. Existing policies are often vague and lack specific objectives and implementation strategies. Additionally, the informal nature of much of the economy complicates data collection and policy development. To effectively tackle food losses, interventions must address financial, technical, and managerial constraints across the supply chain; which includes enhancing the knowledge and skills of farmers and improving farming and storage practices. Government interventions are essential to promote behavioural change through education, training, and awareness programs.

In short, it could be easily assessed that there is a pressing need to adopt a comprehensive, integrated approach aimed at achieving sustainable growth and bolstering agricultural production consistently in each annual plan. The factor has well been accommodated in the form of a major initiative “Green Revolution 2.0” which hopefully support the growth targets. Furthermore, aligning all activities and plans with the 13th Five Year Plan and 5Es framework remains crucial, with food security emerging as a key challenge in addressing Pakistan's prominent socioeconomic issues.

In addition, the implementation of the "Resilient Recovery, Rehabilitation, and Reconstruction Framework (4RF)" continues to be instrumental in addressing the needs of flood-hit areas, to restore agricultural activities and improve food security in the years ahead.

Crafting a Seamless
Information Technology and
Communication Strategy
for a Vibrant Tomorrow

7. INFORMATION AND COMMUNICATION TECHNOLOGY – DIGITAL TRANSFORMATION

Pakistan's human resources are a noteworthy asset, evidenced by the country's ranking as the second-largest contributor to freelance software development and technology services globally. With over 600,000 IT professionals in the industry and universities producing more than 25,000 IT graduates annually, Pakistan's tech talent is substantial. Moreover, the country hosts over 17,000 registered IT companies under the Security and Exchange Commission of Pakistan (SECP) purview. Leveraging this robust talent pool, Pakistan's IT exports and provision of human resources to foreign markets hold immense potential for bolstering foreign exchange reserves. Aligned with the vision of transitioning Pakistan into a vibrant digital economy, the upcoming year's plan is intricately crafted to address key areas including infrastructure development, digital skills enhancement, e-government transformation, innovation promotion, cybersecurity, digital inclusion, industry collaboration, and robust monitoring and evaluation mechanisms. This strategic blueprint dovetails seamlessly with the objectives outlined in the 13th Five-Year Plan, setting the stage for comprehensive digital transformation.

At the heart of Pakistan's digital transformation journey lies the Digital Pakistan Policy 2018, which advocates a comprehensive approach to digitalization. Central to this endeavor is the promotion of e-governance, precisely in line with the Sustainable Development Goals (SDGs). Numerous initiatives are underway to expedite the digitalization of public sector services in alignment with policy directives. Concurrently, the National Cybersecurity Policy 2021 provides a robust framework for ensuring a cyber-secure Pakistan, while the Pakistan Cloud First Policy 2022 envisions the sharing of Information and Communication Technology (ICT) infrastructure among government entities, thereby optimizing resources and enhancing efficiency. To fully realize the potential of cloud infrastructure sharing, efforts are underway to identify and aggregate duplicated digital solutions within government entities, facilitating seamless integration over shared cloud platforms. In tandem with these policy frameworks, the government is poised to launch a series of initiatives aimed at driving digital transformation across various sectors, in line with regulatory frameworks and industry best practices. Moreover, Information & Communication Technology (ICT) serves as a powerful enabler for achieving the SDGs by improving access to essential services, promoting innovation and collaboration, and empowering individuals and communities worldwide.

Through these concerted efforts, Pakistan stands poised to harness the transformative power of information technology to drive economic growth, enhance governance mechanisms, improve societal well-being, and pave the way for a prosperous and inclusive digital future.

Performance Review 2023-24

For 2023-24, a total of Rs. 17,049.00 million were allocated for the projects of ICT projects of various ministries including M/o IT&T and SUPARCO while a sum of Rs. 38,137.77 million has incurred as expenditure as of June, 2024. The ICT projects from different ministries and attached departments include around 59 projects which are in the domains of Information Technology, Telecom and Space Technologies. These projects are also meant to improve the digital landscape as well as contribute to various SDGs. The breakup of the allocation and utilization of PSDP funds for 2023-24 with respect to Ministry of IT&T and SUPARCO being the major utilizers of ICT funds is as under:

Table -7.1: Allocation and Expenditure of PSDP Funds- 2023-24

(Rs. Million)

Ministry/Division	No. Of Projects	PSDP Allocation 2023-24 (PKR Million)	Est. Expenditure (As of June, 2024) (PKR Million)
Information Technology and Telecom	30	6,000	13,072.20
SUPARCO	6	6,900	16,326.36
Defence Division	4	1226.89	3,376.607
Ministry of Law & Justice	4	315.915	358.466
Interior Division	6	1351.847	1924.92
Revenue Division	1	200.0	1642.80
Finance Division	1	500.0	738.0
Establishment Division	1	35.641	15.079
Human Rights Division	1	18.0	58.503
Ministry of Planning Development and Special Initiatives	2	250.0	758.041
Science and Technological Research Division	3	251.035	619.875
Total	59	17,049.000	38,890.051

An allocation of over Rs. 6,000 million for IT & Telecom and over Rs. 6,900 million for Space related projects shows high priority given to projects that could contribute towards the development of digital economy. On the physical infrastructure level in the

telecommunication sector, as of January 2024, the continuous high growth of Pakistan's IT industry has resulted in 190 million mobile cellular subscribers, achieving a mobile teledensity of 79.11 percent. Additionally, there are 129 million mobile broadband subscribers, with a mobile broadband penetration rate of 53.57 percent. Special Communication Organization (SCO) is providing ICT services to 4.5 million people of Azad Jammu & Kashmir (AJ&K) and 1.48 million of Gilgit-Baltistan. SCO mobile and Fixed Local Line (FLL) services have 28.4 percent and 1.3 percent penetration, respectively. The teledensity in Gilgit-Baltistan is less as compared to AJ&K due to the low population density of the area, however, SCO has reached out to far-flung underserved, and unserved areas.

The Ministry of IT&T has been working on the vision of Digital Pakistan through multiple cross-sectoral digital transformation initiatives (Laws, Policies, and Rules) for the enablement of the digital landscape. Brief overview of these initiatives is given as under:

- **Cyber Security Policy:** National CERT (NCERT) through PSDP project "Cyber Security for Digital Pakistan" has been initiated. In line with best international practices, Cyber Emergency Response Team (CERT) Rules were approved. This will augment the overall cyber security posture of Pakistan. Subsequent to National Cyber Policy, MoITT is drafting a Cyber Security Act that will provide for comprehensive legal framework to effectively address the emerging challenges associated with cybersecurity ecosystem. The initiative also supports SDG 8 which is Economic Growth as it promotes economic growth by fostering innovation, entrepreneurship, and access to markets. Digital platforms enable small businesses to reach global audiences, while e-commerce facilitates trade and economic inclusion.
- **Pakistan Cloud First Policy:** Pakistan's first Cloud Office (Interim Setup) has been constituted under the Ministry of IT&T. Accreditation Criteria for Content Security Policy (CSP) is being finalized and the Cloud Procurement Framework has already been developed by PPRA in consultation with MOITT. The draft for the National Freelancing Facilitation Policy has been completed in consultation with relevant stakeholders and has been sent to the Federal Cabinet for approval. Digital Pakistan Policy 2024: The Ministry of IT&T has revised the Digital Pakistan Policy of 2018 in response to technological advancements. The new policy, Digital Pakistan Policy 2024, has been formulated after extensive consultation and feedback from relevant stakeholders. Multiple consultation rounds have been conducted to finalize the draft. This updated policy also aims to support Sustainable Development Goal 4, which is Access to Education. The initiative facilitates access to education through e-learning platforms, digital libraries, and online courses. It provides opportunities for remote learning, especially in underserved areas.

National Artificial Intelligence Policy: Initial draft of the National Artificial Intelligence Policy in consultation with relevant stakeholders has been formulated and published on the Ministry of IT&T's website for feedback from the General Public. Nominations for the National AI Policy Committee have been received from industry, academia, and public sector stakeholders. The finalization of the committee members and the notification of the committee are currently in progress.

Outlook 2024-25

For 2024-25, Rs. 75,420.60 million has been earmarked for ICT sector related projects and it is envisioned that there would be substantial rise in the following domains, primarily due to government initiatives and support for IT programs:

- Establishment of IT Startups and Tech. Ventures
- Increase in number of freelancers and increased earnings quantum
- Preparation of NGMS and 5G Framework for planned spectrum auction
- Enhanced internet connectivity in remote regions of Pakistan including G.B and AJK
- Incentives for local manufacturing of I.T equipment and products
- Upscaling of technical skills of youth in I.T domains
- Focus on market-oriented job skills

The projects are perfectly aligned with SDG 4: Access to Education, SDG 3: Healthcare, SDG 8: Economic Growth, SDG 5: Gender Equality, SDG 13: Climate Change, and SDG 17: Partnerships. During the next year, it is planned to launch a Digital Pakistan initiative aimed at spurring innovation and implementing IT driven culture with a focus on the adoption of ICT services to improve public services delivery and enhance connectivity infrastructure, e.g., broadband access, cellular connectivity, etc.

The government has developed a comprehensive strategy that focuses on capacity building of public and private sector entities, besides providing an appropriate infrastructure and platforms in the field of IT. The key pillars of the strategy to achieve the vision include e-Governance, IT Infrastructure, Human Capital Development, Innovation and Entrepreneurship, Development and Export of IT and IT enabled Services (ITeS), Fintech, E-Commerce and Digital Platforms, Privacy and Security, Partnership and Collaboration.

The government is committed to improvising the business model of the telecommunication equipment manufacturers. In this regard, Telephone Industries of

Pakistan (TIP), National Radio and Telecom Corporation (NRTC), and other IT firms would be operating on business models so that valuable foreign exchange can be reaped. Similarly, many startups are operational in different Science and Technology Parks in the country that have been funded to innovate products for IT usage and applications, thus promising to generate new revenue streams for the country.

PSDP Planned Activities 2024-25

Pakistan has experienced significant growth in ICT sector in recent years and the country's ICT industry has become an important contributor to the economy, generating revenue and creating jobs. The vision of Digital Pakistan through multiple cross-sectoral digital transformation initiatives (Laws, Policies and Rules, Industry Facilitation initiatives,) would pave the way for improving the existing ICT infrastructure. Following is a glimpse of key projects for 2024-25 which would impact the sectoral performance indicators:

Prime Minister's Initiative Support for I.T Startups, Specialized I.T Trainings and Venture Capital

The project consists of 3 components including the following:

- a. **Pakistan Startup Fund which** is a strategic initiative aligned with the Digital Pakistan policy, aiming to catalyse venture capital investment in the country. With a focus on reducing risks for investors, especially in the emerging venture capital space, the fund aims to empower startups by providing essential financial support without claiming equity. By supporting various sectors, including fintech, retail, and emerging technologies like AI and Machine Learning, the fund aligns with Digital Pakistan's objectives, fostering a culture of innovation and boosting IT/ITeS exports. The Pakistan Startup Fund will emerge as a pivotal player in building a resilient bridge between innovation and investment, nurturing a thriving startup ecosystem in the country.
- b. **BridgeStart Pakistan**, a pioneering initiative supported by the Pakistani government, propels local startups into the global spotlight. Focused on demystifying global fundraising, fostering market expansion, and enhancing global competitiveness, the initiative nurtures startups to contribute to economic prosperity. The program acts as a catalyst for job creation, economic diversification, and knowledge transfer, envisioning a vibrant future for Pakistan's entrepreneurial landscape. With a strategic emphasis on brand

Pakistan, successful participation establishes the country as an innovation hub, attracting global partnerships and further investment.

- c. **E-Rozgaar Pakistan aims** to address economic challenges, particularly youth unemployment. Leveraging Pakistan's position as the second-ranked country for outsourcing IT services, the government's ambitious mission involves establishing over 250 co-working spaces nationwide. These spaces are envisioned as virtual technology hubs fostering innovation, collaboration, and skill development. Capacity Building of IT Industry in Specialized Technologies & Platforms includes the training of 20,000 students from HEC-recognized universities on specialized technologies at an estimated cost of Rs. 1,000 million. Additionally, a hands-on Industry-Placement Programme will place 10,000 ICT students in the last semesters of their disciplines in the industry, providing practical insights and a stipend of Rs. 30,000 during the placement tenure. This comprehensive strategy aims to build a highly skilled IT workforce, fostering growth and innovation in Pakistan's IT sector.

Pakistan Multi-Mission Communication Satellite System (PakSat MM-1)

The Pakistan Multi-Mission Communication Satellite System (PakSat MM-1) is aimed to increase private investment in the ICT sector with encouragement to local manufacturing/service delivery, promotion of infrastructure development for increased teledensity and the spread of telecommunication services in all market segments (voice, data, cellular, broadcast including DTH). The pakSat-MM1 project will fulfill the strategic emergency communication needs e.g. in disaster management services (earthquakes and floods relief operations) and geopolitical conflict situations wherein other means of communication are no longer available or damaged.

The project will create indirect job opportunities for skilled workers. PakSAT-MM1 will strengthen Satcom services and introduce new ones like Direct to Home (DTH) and Satellite Broadband Internet, requiring manpower for installation and maintenance. This initiative supports Climate Action (SDG 13) through remote sensing and weather forecasting, and Sustainable Cities (SDG 11) by improving urban planning with Internet of Things (IoT) sensors and data analytics, enhancing efficiency and reducing environmental impact.

High Impact Skills Bootcamp

High Impact Boot Camp project aims to cope with the rapid demand for certain critical new technologies like Cloud Computing, Cyber Security Data Sciences (AI, ML), and Blockchain by presenting some concrete recommendations for scaling up the government's efforts to uplift knowledge & skills base. The eventual benefits of such skills development will result in export of high-value services required by demanding markets. Phase-I of the project, was successfully completed during 22-23 in Islamabad and Karachi, and now the Ministry of IT&T plans to launch Phase-II, extending the project to 10 additional cities.

National Freelancing Facilitation Policy and National Startup Policy

This policy will set the outline for freelancing activities in Pakistan and pave the way for hiring of freelancers across Pakistan. The draft Policy has been prepared and is in the process of consultation with stakeholders. Once finalized, the Ministry of IT&T will solicit approval from the Federal Cabinet. Furthermore, to promote and support the burgeoning startup ecosystem in Pakistan, the Ministry of IT&T is in the initial stages of drafting the National Startup Policy.

Personal Data Protection Bill

The preparation of this bill is a landmark achievement and will pave way for the evolution of the digital ecosystem in Pakistan by bringing in investment in the field of Information and Communication Technologies. The Ministry of IT&T will complete the required consultation on the bill by the concerned stakeholders. Afterward, the bill will be sent to the National Assembly.

The other major projects included in the PSDP 2024-25 are as follows:

- Revamping I.T Industry Landscape of Pakistan
- Digital Economy Enhancement Project (WB Funded)
- National Semiconductor HR Development Program (NSHRDP) Phase -I
- Establishment of Emerging Technologies Lab
- Expansion of Cellular Services in AJK nad GB Phase -IV (SCO)
- NGMS Core Up-gradation (SCO)
- Strengthening of MoPD&SI in I.T



Building and Mobilizing
Human Resources for a
Thriving Future

8. POPULATION

Pakistan faces significant challenges due to its high population growth rate, which strains resources and worsens socioeconomic disparities. The 2023 digital census reveals a population of 242.49 million, making Pakistan the world's 5th most populous country, with an intercensal growth rate of 2.55 percent. Low usage of modern contraceptives results in approximately 2.5 million induced abortions annually, posing risks to maternal health and highlighting the need for better family planning services. Rapid urbanization and a youthful demographic shift further strain social services and exacerbate unemployment.

To tackle these challenges, comprehensive strategies are needed, including investments in education, improved healthcare access, economic opportunities, enhanced family planning services, and effective urban planning. Despite strategic advancements, Pakistan continues to struggle with population management and sustainable development, necessitating increased investment and holistic policies.

Thirty years have passed since the International Conference on Population and Development in Cairo introduced the rights-based approach to sexual and reproductive health that we follow today. Pakistan has prioritized key areas such as poverty eradication, sexual and reproductive health, education, gender equality, and sustainable development. Most significantly, the country recognizes that tackling high population growth necessitates cross-sector collaboration.

In the realm of population planning, vital measures include alleviating poverty through job creation, fostering entrepreneurship, and enhancing healthcare services. Moreover, empowering women, involving youth in decision-making, and updating urban planning are indispensable for fostering sustainable development. Through a focus on deliberate urban development and embracing sustainable approaches, Pakistan can realize cities that are conducive to living and elevate the quality of life.

The Plan 2024-25 will be in coherence with the 13th Five Year Plan through a focus on skills mismatch throughout the country and overall, addressing Pakistan's population challenges that require a multi-sectoral approach, collaborative efforts, and comprehensive policies focusing on education, healthcare, economic opportunities, gender equality, and sustainable urban development.

Performance Review 2023-24

In population planning's context, it's crucial to recognize that population dynamics intersect with various aspects such as health, nutrition, poverty, education, economic development, employment, and gender empowerment, particularly in decision-making processes. In the review of 2023-24, Pakistan's Population and Family Planning strategy emerges as a comprehensive effort to tackle high population growth rates and the need for effective family planning measures. The plan integrates population management into national development, emphasizing the urgency of slowing population growth and ensuring reproductive health for all citizens. Initiatives like establishing a National Task Force and legislative measures demonstrate a concerted effort to address population challenges at various levels.

In terms of achievements, ambitious targets for key demographic indicators have been set, showing progress in some areas like contraceptive prevalence rates and total fertility rates. However, challenges persist in addressing unmet needs for contraceptives and reducing population growth rates.

Positive steps, such as establishing additional service delivery units, indicate progress towards expanding access to family planning services. Yet, continued efforts and targeted interventions are essential to overcome remaining challenges and achieve sustainable population management and development goals.

Pakistan's Population and Family Planning strategy represents significant progress in addressing population-related issues and promoting reproductive health. It underscores the importance of a collaborative and multi-sectoral approach to achieve sustainable development objectives. PSDP project Implementation of National Action Plan on Population with a cost of Rs. 1998.820 million is under implementation. The NAP, developed through extensive consultation with stakeholders, seeks to reduce population growth with a strategy to control high fertility rates, ensure the availability of contraceptives, and integrate health and population services. The project outlines objectives such as reducing the population growth rate to 1.1 percent by 2030, lowering the total fertility rate to 2.6 per woman by 2025 and 2.2 per woman by 2030, and increasing contraceptive prevalence rates to 60 percent by 2030. Major physical progress/ achievement made so far through project's interventions and targets for 2024-25 are given in Table 8.1.

Table 8.1: physical progress/achievements under National Action Plan on Population

Indicators	Baseline	Target	
	2023	2024	2025
Contraceptive Prevalence Rate (Percent Married Women) (Continued Trend)	34.20	33.96	33.96
Contraceptive Prevalence Rate (Percent Married Women)** (Accelerated efforts)*	34.20	39.36	44.52
Contraceptive Prevalence Rate, Modern Methods (mCPR) (Percent) (Continued Trend)	25.00	25.22	25.44
Contraceptive Prevalence Rate, Modern Methods (mCPR) (Percent) (Accelerated efforts)*	25.00	30.00	35.00
Unmet Need of Contraceptives (percent) (Continued Trend)	17.30	16.74	16.18
Unmet need of Contraceptives (percent) (Accelerated efforts)*	17.30	14.84	12.38
Total Fertility Rate (Continued Trend)	3.60	3.56	3.52
Total Fertility Rate ** (Accelerated efforts)*	3.60	3.32	3.04
*Accelerated Efforts: Targeting Populations with High Fertility Rate and Lowest HDI **The targets are set considering the CCI recommendations for 2030. Increase contraceptive prevalence rate (CPR) to 60 percent. Achieve a total fertility rate (TFR) of 2.2 children per woman. Target a population growth rate of 1.1 percent by 2030. Source: Pakistan Demographic and Health Survey 2017-18, Pakistan Bureau of Statistics Census 2023			

The outlined interventions have significantly improved demographic indicators and expanded service delivery outlets, highlighting the importance of aggressive strategy execution and integration of health and population welfare departments for effective family planning services. Analyzing contraceptive and fertility indicators from 2023 to 2028 under both continued trends and accelerated efforts shows that accelerated efforts markedly enhance the contraceptive prevalence rate, modern contraceptive prevalence rate, unmet need for contraceptives, and total fertility rate. These targets align with the Council of Common Interests' recommendations for 2030, emphasizing the necessity of accelerated efforts, particularly in high-fertility, low-Human Development Index areas, to achieve substantial increases in contraceptive use, a reduction in fertility rates, and lower population growth, underscoring their critical role in population planning.

Outlook 2024-25

The Government of Pakistan is prioritizing population-related development programs to address issues such as family planning, maternal health, and education, aligned with SDG 3 (Good Health and Well-being) and SDG 4 (Quality Education). These initiatives aim to improve healthcare services, reduce maternal and child mortality rates, and promote gender equality and education. By focusing on these areas, the government is working to ensure sustainable development and enhance the overall well-being of its population.

Achieving challenging demographic targets necessitates aggressive execution of strategic plans, with a critical focus on integrating health and population welfare departments for family planning services. An analysis of contraceptive and fertility indicators from 2023 to 2028 under two scenarios—continued trend and accelerated efforts—shows substantial improvements with accelerated efforts in indicators like contraceptive prevalence rate, modern contraceptive prevalence rate, unmet need for contraceptives, and total fertility rate. The targets set are aligned with the Council of Common Interests' recommendations for 2030, aiming for significant increases in the contraceptive prevalence rate, reduction in the total fertility rate, and a lower population growth rate. Accelerated efforts, particularly targeting high-fertility populations with low Human Development Index, are crucial for achieving these goals.

The Annual Plan for 2024-25 has been crafted to align with the priorities of the 13th Five Year Plan. Provincial governments and development partners have collaborated with the Planning Commission to finalize interventions for the upcoming year. To meet the population's demands, the plan emphasizes leveraging existing partnerships and forging new ones. It aims to address both supply and demand barriers, ensuring the continuation of Family Planning services through key interventions identified via consultations with development partners, ministries, and relevant sections. The Plan will endeavor to mitigate the Family Planning challenges by:

- Ensuring continuity in the FP supply chain through better planning, forecasting, exploring new delivery channels, local production, and providing alternative methods for women to meet immediate needs when FP supplies are unavailable.
- Expand access and reach by:
 - Activating, training, and protecting community workers for mobilization, counselling, and services.
 - Exploring modern (IT/phone-based) methods to provide Family Planning counselling and services.

- Implementing a national multi-layered communication strategy for Family Planning.
- Strengthen data collection of Family Planning services to develop an effective monitoring system.
- Activate and strengthen collaborations, networks, and partnerships at federal, provincial, and local levels to expand service provision.
- Engage faith leaders in promoting family planning by involving Imams and Khateeb, leveraging their influential roles to encourage the adoption of contraceptive methods. This initiative aims to support family health, increase contraceptive use, and decrease infant and maternal mortality.

Provincial Plan 2024-25

For 2024-25, the provincial Population Welfare Departments have outlined several initiatives to enhance family planning services. Punjab will focus on upgrading service delivery outlets, automating department services, conducting advocacy campaigns, establishing new Family Health Clinics, and strengthening supply chain management. Punjab Government has also launched Punjab Family Planning Programme (TA Component), a project, costing Rs. 4,282.350 million (equivalent to 15 million USD), fully financed by the World Bank and sponsored by the Government of Punjab. The main objective is to strengthen the capacity of implementing agencies and improve their systems to manage the core program, achieving agreed results under Disbursement Linked Indicators (DLIs) and actions under the Programme Action Plan (PAP) of the Punjab Family Planning Programme. The project focuses on the management of the main programme, learning and innovations in service delivery, and technical support for existing projects.

Sindh plans to expand services to remote areas, distribute free contraceptives, engage community counselors, and train medical officers. Khyber Pakhtunkhwa aims to integrate life skills education in schools, offer pre-marital counseling, expand service delivery outlets, involve religious leaders, and establish adolescent health centers. Balochistan will strengthen data collection, mandate public health facilities to offer family planning, provide contraceptives to private providers, identify uncovered areas, and train stakeholders. Azad Jammu and Kashmir will establish a Provincial Support Unit and train the Population Welfare Department with UNFPA support. Gilgit Baltistan will provide family planning services through mobile camps, hold awareness sessions, and engage in promotional activities. These efforts collectively aim to improve accessibility and effectiveness of family planning services across all provinces.

9. HEALTH

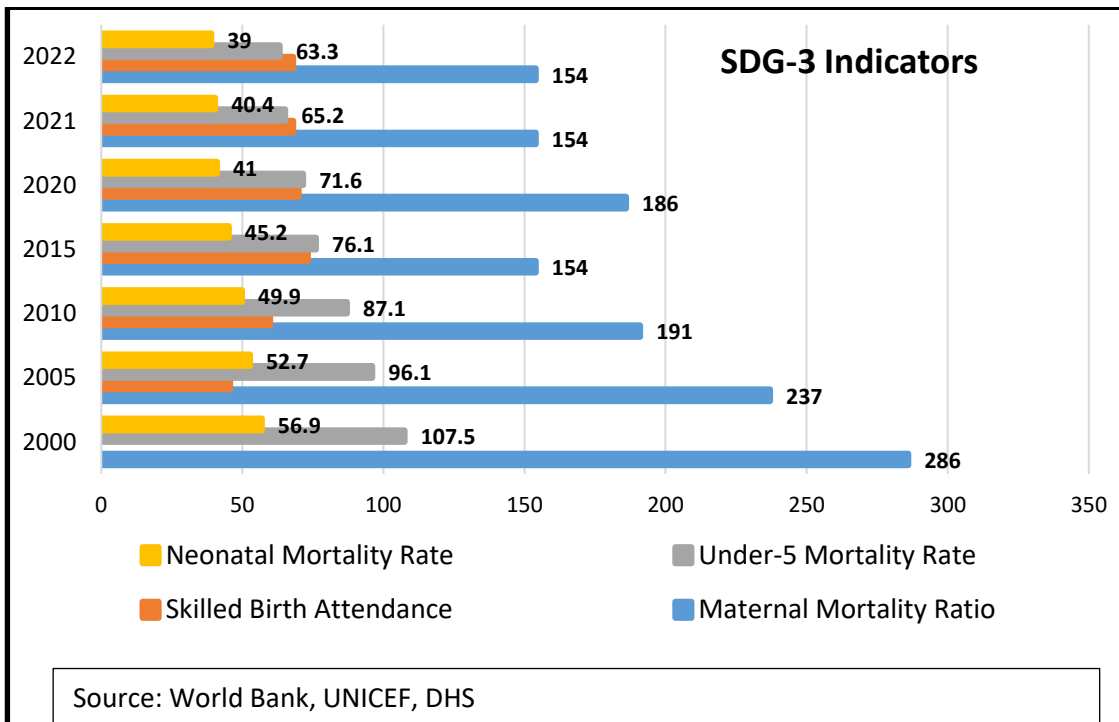
After the 18th Constitutional amendment, the Health Sector has evolved to cater to the population's needs with improved governance and financial autonomy. However, the regional and inter-district inequalities in the health sector remain significant. An analysis of indicators before and after devolution does not demonstrate a substantial difference in improving the quality of healthcare and health outcomes. For instance, neonatal mortality in 2006-07 was 54 per 1000 live births, and it could only decrease to 39 per 1000 live births in 2022-23 as reflected in figure 9.1. Furthermore, the percentage of women who received four plus (4+) antenatal care visits in 2006-07 was 28 percent and increased to 51 percent by 2017-18. This sluggish improvement in performance of health system cannot be attributed to one single factor rather overall fragmented governance mechanisms of health system varied from province to province and the federal administered health system invariably after devolution that has impending poor financing across the sector resulting in poor service delivery.

The ambitious target of Goal-3 of Sustainable Development Goals (SDGs) 2030 at the foresight i.e. reducing maternal mortality rate by 70 percent per 100,000 live births, preventable deaths of newborns and children under 5 years of age to as low as 12 per 1000 live births and under 5 mortality rate to as low as 25 per 1000 live births by 2030 seems to be mammoth task to achieve for the devolved health system of Pakistan that is yet again struggling to attain its line and length across federation due to derailment of wagon wheel during last few years primarily due to COVID-19 and lately economic slump. The implementation of the devolved health subject to the provincial domain as a consequence of the 18th Constitutional Amendment is still in toddler phase as the question of its administration between federating units are very often debated for its clarity and finality.

Whether the health system in Pakistan is performing in a joint doctrine or federal and provincial health system are wayward to raise eye brows as the health indicators of Pakistan are still on the edge of deteriorated figures among the regional countries. The under-performing health indicators such as the Neonatal Mortality Rate (NMR) that stands at 39 per 1000 live births, ranking as the second highest in the world or Stillbirths in Pakistan that stands at 30.6 stillbirths per 1000 total births, ranked in the top three countries with the highest burden of stillbirth are asking for a concerted efforts from all forces on ground, furthermore to add to the dilemma the Maternal Mortality Ratio (MMR) in Pakistan is 154 per 100,000 live births (PMMR Survey, 2022). Moreover, the inter- and intra-district inequalities remain significant in pre- and post-

devolution. A review of inter-district health indicators noted a mark difference within districts of the same province. For example, Punjab Chiniot and Lodhran have the highest neonatal mortality rate, i.e., 65 and 63 per 1000 lb, respectively; on the other hand, districts Rawalpindi and Chakwal have the lowest neonatal mortality rate of 23 and 21 per 1000 lbs, respectively. Whereas in Balochistan, which is already deprived, the districts Dera Bugti, Kohlu, and Sibbi have the highest neonatal mortality of 75 per 1000 lbs. and in contrast, Jhal Magsi and Naseerabad have the lowest Neonatal Mortality of 8 per 1000 lbs., This warrants the need for an integrated National Level Vision and Approach to strategize so that regional inequalities are addressed through federal government support. For instance, the federal PSDP may support the poor-performing districts in Balochistan, such as Lehri, Dera-Bugti, and Sibbi. In contrast, the province also contributes to improving the target, thus introducing a performance-based approach towards improving healthcare in those poor districts.

Figure-9.1: Trends of SDG-3 Indicators in Pakistan.



The health sector contributes significantly to countries' social and economic development. The global vaccines market is worth US \$56 billion (2023), whereas the Global medical tourism market was US\$ 105 billion (2019), and the Global blood plasma market was valued at US\$ 30 billion in 2020. Globally, women comprise 70 percent of the health workforce. Pakistan has a meagre female labour force participation. Nevertheless, Pakistan faces a shortage of male and female healthcare workers due to rapid population growth and inequitable distribution of healthcare workers in urban

and rural areas. Moreover, the digital economy has a significant health sector share, including AI and robotics. The proposed area of interventions in health sector are directly or indirectly contributing to boost SDG-3 indicators as reflected in figure 9.1 and ultimately aim to improve all the health indicators across Pakistan through various initiatives as mentioned in outlook 2024-25.

The Annual Development Plan 2024-25 shall translate the development needs of the country that have strict clarity among the public sector mainstream entities as to what is required at first instance, whether the capacity building of the existing human resource to generate higher educated professionals to teach the undergraduate level is priority or to construct new buildings with expenditure on infrastructure made of brick and mortar which might face challenges later on for hiring skilled human resource for health that is deficient on the first go. The fiscal priorities and intervention proposed in this plan take account of all these aspects as well as the global emerging trends such as AI in health, Health diagnostics and specialized nursing and medical technologies, robotic surgeries, genetic reengineering, organ transplant, and precision medicine.

At one hand Pakistan is facing challenge of having the lowest doctor, dentist, and nurse-to-population ratio and on the hand the major focus of public sector stakeholders is to build mushroom of buildings without realising the existing shortage of faculty is going to jeopardise the development exchequer. The disparity of higher qualified human resource is dented due to an imbalance between demand and supply due to the migration to developed countries of healthcare professionals, particularly physicians, and the inequitable distribution of the health workforce in the districts.

Performance Review 2023-24

The Annual Plan 2023-24 was focused on achieving key objective of Universal Health Coverage (UHC) aligned with SDG. The Public Sector Development Programme (PSDP) provided support for implementation of improvement in quality of health services through up-gradation of existing health facilities and affordability of health services delivery.

The priority Government Initiatives in 2023-24 and actions of the Annual Development Plan were organized under the various thematic areas which are mentioned in below table 9.2:

Table-9.2: Key Government Initiatives and Achievements

Key Government Initiatives in 2023-24	Activity/ Action conducted	Results achieved	Financial Expenditure (if any)
Universal Health Coverage (UHC)	Prioritization of PSDP for Integrated Disease Surveillance and Response, National Health Support Project for Ensuring Universal Health Coverage	30 percent increase in allocation from previous year.	96 percent utilization against authorization (till 29 st February 2024)
Up-gradation of Infrastructure, Supplies and Equipment	Establishment of 4 BHUs, 4 MCH centers, Accidents & Emergency Centre, PIMS and Polyclinic at G-11/3 in Islamabad Capital Territory.	30 percent and 20 percent increase in allocations for Infrastructure and Equipment support for PSDP 2023-24 respectively	On-going
Sehat Sahulat Programme, Prime Minister's National Health Insurance Programme Phase-II	The ECNEC approved the revised project on 7 th February, 2024 at a total cost of Rs. 25.598 billion and allowed to continue provision of assistance only to the population below the poverty line without compromising the current benefit package.	Rs. 23,300.00 million has been incurred so far.	On-going

During 2023-24, PSDP allocations (Table-11.3) were prioritized under the portfolio of National Health Services Regulations and Coordination (NHSRC) Division, Provinces and Special Areas, Interior, Defence, Narcotics Control Divisions and Pakistan Atomic Energy Commission (PAEC). There were forty (40) projects to the tune of Rs. 14,8812.756 million with allocation of Rs. 13,100.00 million reflected in PSDP 2023-24 for NHSR&C Division. The Interior Division had one (01) project with allocation of Rs.

1,416.176 million, Defence Division has (02) projects with allocation of Rs. 728.127. Similarly, PAEC had six (06) projects with allocation of Rs. 6,948.752 million. The Narcotics Control Division has (01) projects with allocation of Rs. 124.058 million and Provinces & Special Areas had allocation of Rs. 4,867.91 million for 10 projects.

Table-9.3: Ministry/ Division wise PSDP Allocations 2023-24

(Rs. Million)

Ministry/ Division	Total Schemes	Total Cost	Allocations (2023-24)
National Health Services Regulations and Coordination	40	14,8812.76	13,100.00
Interior	01	6,800.22	1,416.18
Defence	02	5,000.00	728.13
Narcotics Control Division	01	456.38	124.06
Pakistan Atomic Energy Commission	06	13,670.70	6,948.75
Provinces & Special Areas	10	32,223.47	4,867.91

Provincial Overview

The provincial governments have also contributed to strengthen health sector approach to achieve Universal Health Coverage (UHC) targets within their ADP 2023-24 resources. The ADP expenditure for 2023-24 of provincial governments is summarized below:

Punjab

The Annual Development Programme (ADP) 2023-24 of Government of Punjab has provided financial support of Rs. 15 billion for 324 schemes of Primary & Secondary Health Department and Rs. 44.7 billion for 17 schemes of Specialized Healthcare & Medical Education Department. The Provincial government has allocated Rs. 4 billion for Medical Education, Rs. 3 billions for Preventive Healthcare initiatives.

Sindh

The Government of Sindh financed allocated Rs. 44 billion in the ADP 2023-24 for health sector including Rs. 24,622 million in Foreign Assistance Projects. The focus of the development budget for 2023-24 was to capitalise on the portfolio in the aftermath of rehabilitation and re-construction of infrastructure affected due to floods. The Provincial Government focussed on flagship projects of health sector including Sindh Infectious Disease Control Hospital and Research Centre with total cost estimates of Rs. 4.5 billion and Establishment of PEADS Cardiac Unit at NICVD Karachi with total cost estimates of Rs. 2.7 billion.

Khyber Pakhtunkhwa

Government of Khyber Pakhtunkhwa has financed 134 schemes with allocation of Rs. 5.7 billion for health sector. The Provincial Government allocated Rs. 464 million for Basic Health support and Rs. 1.5 billion to improve services in general hospitals whereas Rs. 1.3 billion for preventive programs.

Balochistan

Government of Balochistan earmarked 304 schemes in Annual Development Plan (ADP) 2023-24 to the tune of Rs. 13 billion out of which Rs. 2.6 billion has been allocated for the Primary Healthcare schemes in the provincial development budget

Azad Jammu & Kashmir

Government of Azad Jammu & Kashmir (AJ&K) has financed 22 schemes to the tune of Rs. 3.0 billion with allocation for health sector.

Gilgit-Baltistan

Government of Gilgit Baltistan financed 194 schemes with allocation of Rs. 1.2 billion for health sector.

Outlook 2024-25

The Government of Pakistan is committed to improve healthcare service delivery through network of available infrastructure and addition of new health facilities with an ultimate goal to achieve Universal Health Coverage aligned with the SDGs. The Federal and Provincial Governments envisaged to prepare policy documents to ascertain standardized yardstick for construction of new hospitals coping with primary and secondary level of healthcare issues, public health architecture, National Development Framework, population-based yardstick for small, medium and large size hospitals including Policy & Institutional Framework for Social Health Insurance and National Human Resource for Health (HRH) Plans.

The Government is keen to formulate Public Investment Framework/ National Development Framework (NDF) for health sector with priority setting of sub-sector allocations. That framework will set course for future investments directions from the Federal or Provincial Development portfolio.

Alignment with 13th Five-Years Plan

The 13th Five Year Plan emphasizes the importance of improving performance and reducing inequalities within the health sector, drawing inspiration from Pakistan's Vision 2025, SDGs 2030 and the 5E Framework. Vision 2025 prioritizes increased health spending to three percent of GDP, focusing on strengthening primary care, disease control, and governance efficiency. Similarly, the 5E Framework underscores equity and empowerment, guiding investments towards accessibility, education, quality of care, and social protection services, aiming for universal health coverage and reducing non-communicable diseases. All these efforts conforming to achieve SDGs 2030 on the basis of all policies and efforts.

Programmes

The priorities of the Government is to embark up on mainstreaming of health intervention with respect to integration of family planning and health services, health system adaptation to climate variability and change, mainstreaming nutrition-sensitive interventions in to health and introduction of specialized Family Physician approach model in general practice. The Annual Plan 2024-25 will focus on the strategic aspect of neutralising regional and intra-district inequalities through integrated approach of 5Es framework as a preliminary step for ultimately converging on the 13th Five Year Plan.

Fiscal Priorities

The fiscal priorities proposed in this Annual Plan are conceived considering the mandate of the Planning Commission to support provinces in areas of need while reducing regional inequalities. The critical aspects of performance-based allocation linked with result frameworks are also incorporated into the plan while working with the provinces to reduce regional and inter-district inequalities. The fiscal priorities were proposed considering the short-term, mid-term, and long-term outcomes in areas with minimum investments and maximum gains. Federal PSDP allocation for the health sector during 2022-23 was Rs. 22 Billion (2.8 percent of the total development budget and 0.05 percent of GDP). Given this minimal allocation, it is recommended that further enhancement be made to meet the sector's needs. The proposed interventions for AP 2023-24 are as follows.

Geo-Spatial Mapping of Health Facilities

The Government of Pakistan is committed to utilize available resources to improve planning and development strategy of health sector through Geo-spatial mapping of health facilities in Federal areas as a pilot step and further expansion on

need basis. The Geo-spatial mapping facility in collaboration of SUPARCO will help policy makers visualize on GIS mapping where to establish new health facilities based on population density.

Improving Maternal and Child Nutrition

In Pakistan, forty-one percent of women of reproductive age (15 to 49 years) have anemia, and thirty-eight percent of children under five years of age are stunted, surpassing the Asia region's average of 22 percent. Adopting a life cycle approach, a package of nutrition sensitive and nutrition specific interventions shall be worked out and deployed at existing service delivery points and institutional set ups throughout the country in close coordination and collaboration with the provincial and area governments. Particularly, targeted interventions on Nutritional Supplement for Pregnant Women below the poverty line with provision of supplements conditional upon attending four antenatal care visits and facility-based delivery will be deployed further augmenting the process indicators of identifying high-risk pregnancies and reducing maternal mortality.

Polio Eradication Programme

Polio Eradication Programme Pakistan is focused on ensuring the objectives of stopping poliovirus transmission in all remaining WPV1 reservoirs through focused, intensified national efforts and coordinated strategies across country. The Government is considering the double prong approach to concentrate rapidly detecting, containing and eliminating all polioviruses from any newly infected areas and transforming approach from centralized to decentralized robust strategy. The Provincial Governments will prepare their respective PC-Is instead of one national PC-I so that more focused approach with decentralized decision making can be adopted to strengthen supplementary immunization activities (SIAs) and essential immunization. The year 2023 has witnessed 6 WPV1 cases and 126 sites of Environmental samples were positive that alarms for concentration on decentralized approach to put more emphasis with close monitoring and supervision of Polio Eradication activities.

Reducing Maternal and Perinatal Mortality

Literature reported that a ten percent rise in GDP correlates with a four percent decrease in child mortality rates (MGM Journal of Medical Sciences, 2021). Investment is an intervention targeting a reduction in maternal and perinatal mortality (stillbirth + early neonatal deaths) and is considered to have the highest returns in the country's economic growth. Interventions include the provision of referral support for pregnant

women with risk pregnancies, such as hypertensive disorders (which account for 29 percent of maternal deaths), anemia, previous C-Section, and previous stillbirth. The following initiatives shall be endorsed to provide support to high-risk pregnancies.

Ambulance Vouchers for Pregnant Women Below the Poverty Line

To ensure equitable access to emergency obstetric care, pregnant women below the poverty line may receive ambulance vouchers, facilitating timely transportation to healthcare facilities.

Community-Based Detection of High-Risk Pregnancies

Provincial resources may be leveraged to implement community-based health programs (LHWs and CMWs) for identifying high-risk pregnancies, timely referral and supporting technology solutions for early detection of high-risk pregnancies, and provide Digital support to community midwives' birth stations. And facilities at PHC.

Vaccination

The public expenditure on vaccines for the EPI program in 2022-23 was Rs. 12,876 million. This is projected to reach Rs. 22,324 million in 2029-30. This warrants an urgent need to take policy measures for the indigenous production of vaccines. Given the complexities of vaccine production and meeting the GMPs (Good Manufacturing Practices) standards, it is proposed that vaccines with the highest need, such as BCG and Measles, may be manufactured in collaboration with the pharmaceutical industry. The intervention may include allocating sites in economic zones and providing buy-back guarantees to manufacturers.

Plasma Fraction Facility

The Safe Blood Transfusion Services Program with a policy shift to a centralized collection, screening and storage of blood and products at regional blood centres and their provision on needs basis to the hospital based blood banks is rapidly expanding its operations throughout the country. A huge quantity of plasma is thus produced and wasted due to absence of plasma fractionation technology. Plasma fractionation results in a wealth of health products which even have export potential. The Government has realized that there is absence of Plasma Fraction facility as a bio-product of blood transfusion services. The potential of its exploration to meet the indigenous needs as well as prospects of export of such products is envisaged during the plan period in collaboration with research and development organizations like NUST etc.

Pakistan Deworming Initiative

The Pakistan Deworming Initiative (PDI) was launched in 2018 based on the results from a nationwide Soil-Transmitted Helminths (STH) prevalence Survey conducted between 2016-2017 that showed that approximately 17 million school-aged children in 45 districts across Pakistan are at-risk of intestinal worm infections, and require annual treatment. Till date the program has treated more than 20 million children in multiple rounds of deworming across Pakistan. The PDI program has been implemented in all four provinces and special areas. The programme would be institutionalized within the routine health system during the plan period.

Health Information System

A reliable information system can provide timely data to analyze gaps between health indicators at input, process, output, and outcome levels for the effectiveness and efficiency of health interventions. During 2024-25, health information system through One Patient One Id Software (OPOID) would be made fully operational and functional within the Islamabad Capital Territory. The system interalia would capture information on births, deaths along with cause of deaths in a dedicated module. All the health facilities in Islamabad Capital Territory shall be connected with the Union Councils of Islamabad to real-time online communicate the information on the occurrences of births and deaths along with cause of deaths for registration. The software shall be integrated with the CRMS software of NADRA so that the information on births and deaths registered with the Union Councils under the Local Government Department of Islamabad is available to NADRA to strengthen its ID Management function. The system would be replicated in other geographic jurisdictions of the country based upon its successful piloting in Islamabad. All the information collected through health information system (OPOID) shall be available, assimilated and analysed at a central dashboard. Health Section of Ministry of Planning, Development and Special Initiatives shall play the role of a steward and coordinator for an effective and efficient deployment of the system at Islamabad Capital Territory as a pilot and later its replication at the provincial levels.

Primary Health Care System Reengineering

To address the strain on tertiary hospitals and enhance healthcare accessibility, it is suggested to embark on an initiative aimed at upgrading Primary Healthcare Centres (PHCs), encompassing Basic Health Units (BHUs) and Rural Health Centres (RHCs) through Public-Private Partnerships (PPP). This strategy can effectively alleviate the burden on higher-level medical facilities while fostering a Family Medicine approach

within communities. Encouraging the population to utilize PHCs can be achieved by instilling confidence in these centers' ability to deliver proficient medical care, dispense medications, and provide diagnostic services. Providing incentives, such as free diagnostic tests and medicines for individuals below the poverty line, can substantially mitigate out-of-pocket healthcare expenses. Furthermore, enforcing mandatory referral protocols for accessing private sector healthcare services, covered under the Sehat Sahulat Program, can streamline patient flow and optimize resource utilization across the healthcare continuum.

To augment healthcare delivery mechanisms, it is recommended that remote diagnostic support systems be introduced. This entails establishing digital connectivity between RHCs and Tertiary Health Quarters (THQs) with District Health Quarters (DHQs), facilitating the seamless sharing of diagnostic results and real-time reporting for on-site healthcare practitioners. Additionally, implementing community-based digital solutions, spearheaded by midwives, can significantly enhance healthcare accessibility. Specialized genealogical hubs in teaching hospitals can serve as digital access points, empowering midwives to efficiently extend medical services to remote areas. Equipping midwives with essential supplies and introducing community-based transport systems like bikes can further optimize service delivery, especially in underserved regions. These measures collectively aim to improve healthcare access, promote preventive care, and strengthen healthcare infrastructure.

Malaria Control Programme

The Malaria Control program is working to align the WHO Global Technical Strategy for Malaria 2016-2030, the goals of the National Plan for Malaria Elimination in Pakistan, 2021-2030 are as follows:

- Ultimately interrupt transmission of and eliminating indigenous malaria throughout the entire country by 2035.
- Maintain malaria-free status in areas where malaria transmission has been interrupted and prevent re-establishment of local transmission.

Malaria control Program under the grant from Global Fund is Principal recipient for control of Malaria at Federal areas as well as with the support of Provincial Governments at the Provincial limits. The Program will continue to achieve the near target by the end of 2025: An estimated reduction in the reported malaria incidence of 30 percent at the national level compared with 2019. Transmission of malaria including *P. falciparum* malaria interrupted and zero incidence of indigenous cases of malaria including *P. falciparum* malaria attained in Provinces/Federal Territories (Punjab, Azad

Jammu & Kashmir, Gilgit Baltistan and Islamabad Capital Territory) and these Provinces/Federal Territories moved from Category 2 to Category 3. The re-establishment of local transmission prevented in areas where malaria has been eliminated.

Tuberculosis (TB) Control Programme:

According to the National TB Control program Pakistan is the 5th highest burden country in the world for Tuberculosis (TB) with an estimated incidence of 263/100,000 amounting to more than 580,000 cases appearing annually, while around 44,000 die due to the disease annually. In the efforts to Stop TB events the National TB Control program is focusing to adopt digital analytical technology of Artificial Intelligence (AI) for Radiological diagnostic tool. The National Tuberculosis (NTB) Control Program is also principal recipient of Global Fund grant through mechanism of Single Stream Funding (SSF). The program continues to collaborate with international community to effectively end the TB epidemic in Pakistan by 2035.

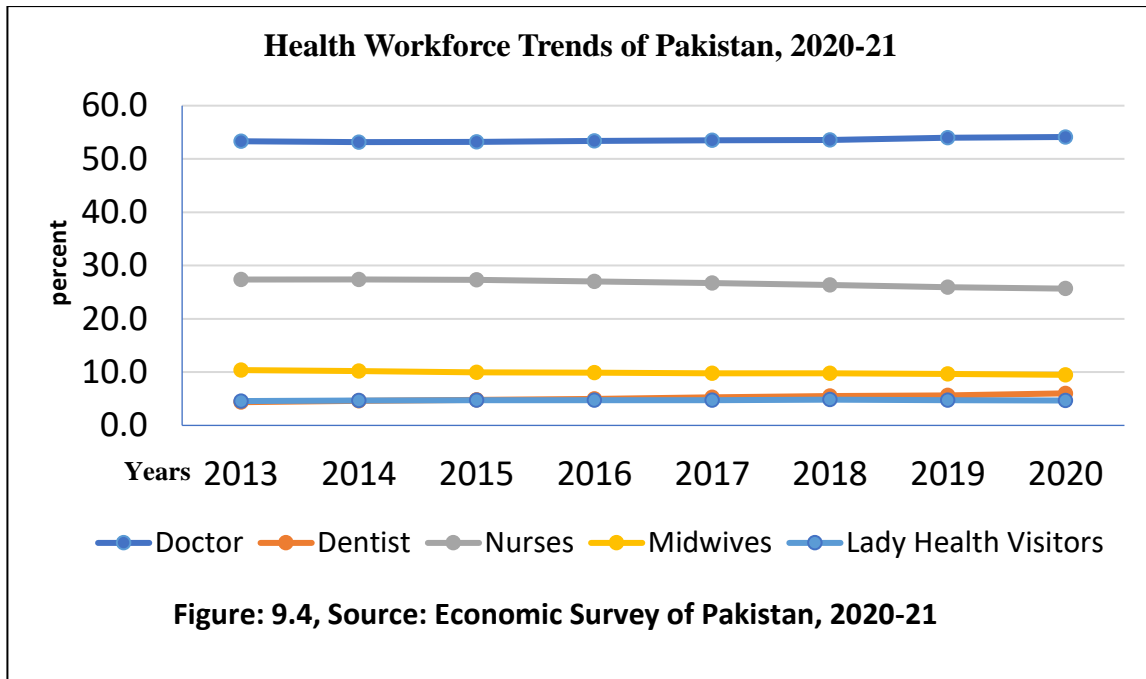
Essential Package of Health Services for Improved services and DCP-3:

The Disease Control Priority-3 (DCP-3) will spearhead energizing package of Essential Universal Health Coverage (EUHC) for the year 2023-24. The strategy for enhancing Universal Health Coverage has been developed through a consultative and collaborative process and hospitals and health service delivery outlets will ensure Minimum Service Delivery Standards (MSDS) for quality health services.

Human Resources for Health (HRH):

The Government is cognizant of the gap between the availability of doctors and access to health service delivery which will be addressed as a priority. The figure 9.4 shows currently there is shortage of paramedical staff including nurses is alarming. The density of physicians and specialists in 2017 was reported to be 0.96 per 1,000 people (Government of Pakistan, 2018). This is much lower than the minimum density of 4.34 skilled health workers (physicians and nurses/midwives) per 1,000 population required to provide quality healthcare service (World Health Organization 2016). The density of nurses, Midwives, and Lady Health Visitors was 0.49 per 1,000 population. Wider geographical gaps were noted in the density of healthcare professionals in Pakistan, from two per 1,000 in Sindh to 0.72 per 1,000 in Balochistan (Government of Pakistan 2018). In 2017, the number of Lady Health Workers in Pakistan was 92,949 (0.43 per 1,000 population). This shortage is further augmented by the regional disparities in unemployment in urban and rural areas, where 33 percent of degree holders, in

general, were unemployed in 2017 in urban areas compared to 13percent in rural areas (Pakistan Bureau of Statistics, 2018).



Health Insurance Schemes (Sehat Sahulat Programs)

The Federal Government envisaged that Sehat Sahulat Program may be confined to marginalized vulnerable population below the poverty line and the Program may be shifted from Development budget to a self-sustaining setup. The Government of Punjab also observed the burden of staggering daily expenditure of Rs. 260 million on Sehat Sahulat cards prior to the reforms, underscoring the need for fiscal responsibility. Through innovative initiatives, costs have been slashed by up to 50 percent, alleviating the financial burden on Punjab’s residents. Similarly, the Khyber Pakhtunkhwa Government also envisaged to review the financial liability on the development budget due to health insurance scheme and may review the funding streams for upcoming financial year.

One Health Approach

The Government of Pakistan envisaged integration of health, animal and environmental sectors to recognize the interconnection between people, animals and their shared environment to lead opportunities to control diseases of inter-sectoral origin.

Global Health Security

The Annual Plan 2024-25 will embark on strengthening the Points of Entry at all International entry and exit points to deploy integrated disease surveillance and response with particular emphasis on initial piloting and assessment of current practices at Points of Entry and formulating strategy to implement One Health approach Nationwide to ensure international commitment of Global Health Security.

PM National Program for Elimination of Hepatitis C Infection

The project envisages to eliminate HCV infections from Pakistan. The project will screen 69.028 million (age 12 years and above), undertake diagnostic confirmation (PCR) in 5.155 million and treat 4.124 million. The scope of the project also includes development of information system, capacity building, supply chain management, monitoring & evaluation, and behaviour change communication.

The Prime Minister's program shall support the provinces in undertaking 50 percent of their screening, testing and treatment (Rs. 35.42 billion) while rest of the disease burden in each province shall be addressed by their own resources. Hence Federal Government will pay Rs. 35.42 billion and Provincial Governments will also pay Rs. 35.42 billion for five years (making a total of Rs. 70.84 billion). Federal Government support shall be provided to the provinces on need and coverage (result) basis after meeting certain disbursement linked indicators.

PM National Program for Prevention of Diabetes

The programme envisages prevention, diagnosis and treatment of Diabetes through awareness, advocacy, & communication, diagnosis at PHC facilities and referral for treatment at THQ/DHQ facilities. There will be provision of diagnostic kits (Urine sticks and Haem-glucostix testing) and procurement of medicines at PHC facilities, training and capacity building of healthcare workers, awareness, advocacy, & communication campaigns.

10. NUTRITION

Adequate nutrition not only promotes physical health but also enhances cognitive abilities and productivity, serving as a cornerstone for social development and economic growth. Its multifaceted impact underscores its indispensable role in realizing broader societal objectives, from poverty eradication to the promotion of health, gender equality, and the mitigation of climate change. To mitigate the issue of malnutrition a multi-sectoral lifecycle approach needs to be adopted starting from Early Childhood Development (ECD), which is the physical, social, emotional, and cognitive abilities a child acquires during pregnancy to age eight and is essential for all children to achieve their full potential.

Despite concerted efforts, the country struggles with persistent nutritional challenges, marked by a triple burden of malnutrition. Rising rates of childhood obesity, coupled with persistent levels of wasting and micronutrient deficiencies, as evidenced by the National Nutrition Survey (NNS) 2018, underscores the urgency of comprehensively addressing nutrition issues. Against this backdrop, the government has outlined robust strategies and initiatives to combat malnutrition and promote nutrition security. The inclusion of nutrition interventions into social protection programs and prioritizing vulnerable populations exemplify the government's commitment to addressing nutritional disparities. This commitment is further underscored by the launch of the National Multisectoral Nutrition Program under the Pakistan Nutrition Initiative (PANI). This flagship initiative encompasses a spectrum of interventions to reduce stunting and other forms of malnutrition in underprivileged and flood-affected areas with high rates of stunting.

As Pakistan embarks on its 13th Five-Year Plan and 5E's Framework, the government aims to enhance nutritional security and combat malnutrition through a sustainable, multi-dimensional approach. This aligns with the country's commitment to the SDGs, particularly SDG 2, which highlights nutrition's crucial role. Prioritizing nutrition is essential for individual and societal prosperity, impacting health, education, gender equality, and climate action.

Performance Review 2023-24

Federal

Throughout the fiscal year, a series of initiatives and activities were undertaken to advance the nation's nutritional objectives while aligning provincial priorities. The main initiatives/ activities/ Programs included the following:

- The National Multisectoral Nutrition Program to Reduce Stunting and Other Forms of Malnutrition under the PANI, costing Rs. 8.583 billion, has been launched. Targeting 36 high-stunted, calamity-hit and poor districts across the country, the program aims to mitigate stunting and other forms of malnutrition in three years (2023-26).
- Substantial progress was made in formulating a comprehensive National Early Childhood Policy Framework, accompanied by the development of ECD standards, index, and Key Family Care Practices (KFCP) & its optimization. These initiatives underscored the commitment to nurturing the developmental needs of children from their earliest stages.
- High-level coordination efforts were facilitated through convening the National Nutrition Forum (NNF)'s meeting, providing a platform to discuss progress and future plans for multisectoral nutrition policy and programming.
- The Benazir Nashonuma Program (BNP) continued its support to pregnant and lactating women and children under 2, offering cash assistance and nutritious food for maternal and child well-being across the country.
- Advancements were achieved in developing the Multi-sectoral National Nutrition Policy through robust stakeholder engagement. This initiative aims to guide provinces, areas, and other stakeholders to address nutrition challenges comprehensively and align interventions with national & global priorities.
- The finalization of Scaling Up Nutrition (SUN) Joint Annual Assessment for 2023 and provincial SUN Networks' annual work planning for 2024 demonstrated continued commitment to harmonizing SUN initiatives and alignment with global benchmarks.
- Collaboration and knowledge-sharing were further fostered through the Annual General Meeting of SUN Civil Society Alliance (SUNCSA) members, fostering collaboration among stakeholders and driving initiatives forward.
- The SUN Business Network (SBN) organized an event focused on empowering SMEs with sustainable business solutions, emphasizing sustainable practices that contribute to positive nutritional outcomes.
- For the Optimization of Nutrition Markers to Track public Nutrition Expenditure and development of ECD Markers, a series of consultative sessions of relevant stakeholders were conducted. Discussions surrounding the Nutrition public

expenditure review as a robust advocacy tool have provided valuable insights into maximizing resources for improved nutritional outcomes.

- Stakeholder consultations have been done to establish a National Multi-sectoral Nutrition Management Information System/Dashboard (NMSNMIS/D). The NMSNMIS/D will serve as a hub for multi-sectoral nutrition data to be used for policy planning and evidence-based program development to address the issue of malnutrition.
- Provincial and stakeholder consultation has been done to initiate school meal/nutrition and ECD programs.

Food Availability

The per capita availability of major food items has been calculated by analyzing annual data on food production, imports, and exports. In the fiscal year 2023-24, the per capita availability of several food items, such as meat, fish, eggs, fruit, vegetables, and sugar, remained consistent with the preceding fiscal year, 2022-23 (Table 10.1). However, the availability of cereals showed a modest increase since 2021-22. A minor decrease has been observed in the availability of pulses, milk, and edible oils/ghee during 2023-24, following a rise in the previous year. The availability of calories per capita per day slightly decreased in 2023-24 but in general, calories availability has increased compared to 2021-22.

Table 10.1: Food Availability per Capita per Annum

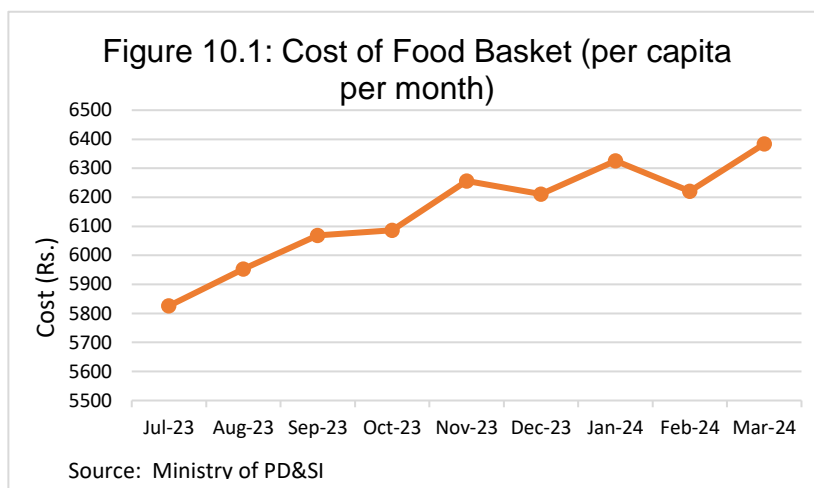
Food Items (kgs)	2021-22	2022-23	2023-24(P)
Cereals	154.50	161.50	165.90
Pulses	6.00	7.20	6.20
Milk (liter)	170.60	172.60	169.10
Meat	22.50	24.00	24.10
Fish	2.90	2.70	*2.80
Eggs (dozen)	7.90	8.70	8.70
Edible oil/ghee	13.40	15.00	13.50
Fruits & Vegetables	69.90	66.70	*66.20
Sugar	28.40	29.10	*28.10
Calories (per day)	2621.00	2742.00	2719.00
P: Provisional; *Estimates			

Source: Ministry of NFS&R and PBS

Cost of Food Basket

Food inflation in Pakistan has been a significant concern, driven by supply chain disruptions, climate-related disasters, and economic and political instability. The fluctuations in food prices disproportionately affect vulnerable populations, impeding the affordability and variety of nutritious foods available to individuals and thereby impacting overall nutritional health.

The cost of a minimum food basket per capita per month, which meets an individual's daily energy and protein requirements, has been calculated using PBS Monthly Price Indices data.



Starting at Rs.5826 in July 2023, the cost of food basket gradually increased over the months, reaching its highest point at Rs.6384 in March 2024, with some fluctuations in between (Figure 10.1). Overall, from July 2023 to March 2024, the cost of a minimum food basket has increased by 9.6 percent, an increase of Rs. 558 per capita per month.

Provincial

The provincial and area governments have also implemented nutrition-specific and sensitive programs, directly and indirectly contributing to SDGs, particularly those related to hunger, health, education, gender equality, water & sanitation, and climate action, which are summarized below:

Punjab

- Integrated Reproductive, Maternal, Newborn and Child Health and Nutrition Program (IRMNCH & NP) costing Rs. 6,706.99 million with an allocation of Rs. 1,454.426 million, is being implemented in all districts of Punjab
- Chief Minister's Stunting Reduction Program (CMSRP) costing Rs. 8,993.00 million with allocation of Rs. 500.00 million
- Prime Minister's Health Initiative (PMHI) costing Rs. 2,525.45 million with allocation of Rs. 500.1 million
- Punjab Rural Sustainable Water Supply and Sanitation Project costing Rs. 96,202.00 million with allocation of Rs. 6,063.84 million

- Multi-Sectoral Nutrition Strategy for WASH including Water Supply, Sanitation, Hygiene, and Wastewater costing Rs. 1,108.063 million with an allocation of Rs. 60.00 million
- Provision of ECCE Facilities in 150 Schools in Punjab costing Rs. 50.00 million with allocation of Rs. 5.00 million
- Awareness Campaign to Enhance Fish Production and Per Capita Fish Consumption in Punjab to Meet the Nutritional Requirements of Masses costing Rs. 70.163 million with an allocation of Rs. 22.497 million
- Southern Punjab Poverty Alleviation Project (SPPAP)-IFAD Assisted costing Rs. 2,5243.13 million with an allocation of Rs. 1,085.322 million

Sindh

- Accelerated Action Plan (AAP) for Reduction of Stunting and Malnutrition with the allocation of Rs. 5505 million
- Strengthening Social Protection Delivery System in Sindh costing Rs. 4,830.00 million with an allocation of Rs. 742.17 million, is being implemented in its 15 districts based on the Multidimensional Poverty Index. The program will enhance accessibility and utilization of mother and child health services, promote behavioral change to increase uptake of the MNCH services focusing on the first 1,000 days of life, and provide Conditional Cash Transfers (CCTs) and contingent emergency response to gain quick access to bank financing.

Khyber Pakhtunkhwa

- Stunting Prevention through Improved Nutrition and Agriculture Development Initiative costing Rs. 1,500.000 million with allocation of Rs. 83.334 million
- Poverty Alleviation through the Development of Rural Poultry in Khyber Pakhtunkhwa costing Rs. 643.614 million with an allocation of Rs. 1.667 million
- Development of Cold-Water Fisheries in Khyber Pakhtunkhwa costing Rs. 772.148 million with an allocation of Rs. 66.667 million
- Establishment of Trout Villages in Malakand and Hazara Division costing Rs. 395.949 million with allocation of Rs. 0.001 million
- Khyber Pakhtunkhwa Food Security Support Project at a total cost of Rs. 22,880.001 million. The total allocation for the current fiscal year is Rs. 0.001 million
- Integration of Health Services Delivery with a Special Focus on MNCH, LHW, and Nutrition Program costing Rs. 7,027.226 million with allocation of Rs. 500.00 million
- Provision of 1000 ECE facilities in primary schools on a need basis in KP(SBSE) costing Rs. 1,000.001 million. The total allocation for the current fiscal year is Rs. 0.001 million

- Provision of Facilities in Existing Primary Schools for Early Child Education costing Rs. 198.500 million with allocation of Rs. 17.450 million

Balochistan

- National Maternal Newborn & Childcare (MNCH) Programme costing Rs. 1,614.00 million with allocation of Rs. 171.00 million
- Gwadar- Lasbela Livelihood Support Project Phase-II (GLLSP-II) IFAD at a total cost of Rs. 12,328.549 million with an allocation of Rs. 2962.30 million, is being implemented in two districts i.e., Gwadar and Lasbela

Gilgit Baltistan

- Targeting Blue Revolution Towards Food, Nutrition & Livelihood Security through Conservation of Local Species in GB costing Rs. 80.00 million with allocation of Rs. 10.124 million
- GB Scaling Up Nutrition Program costing Rs. 175.00 million with allocation of Rs. 3.455 million
- Ensuring Food Security and Economic Growth Through Extension of Trout Farming in District Ghizer costing Rs. 50.00 million with allocation of Rs. 8.516 million
- Establishment of ECD Centres in Educational Institutions of GB costing Rs. 190.00 million with allocation of Rs. 40.00 million
- Improving Rural Livelihood and Food Security Through Modern Agricultural Techniques in District Ghizer costing Rs. 30.00 million with allocation of Rs. 21.00 million

Azad Jammu & Kashmir

- Early Childhood Development Program (ECD) in 300 Middle Schools in AJ&K (Phase-III) costing Rs. 84.975 million with allocation of Rs. 83.643 million
- Promotion of Olive cultivation in AJ&K costing Rs. 63.875 million with allocation of Rs. 20.00 million
- Sheep / Goat Development Program in AJK costing Rs. 60.15 million with allocation of Rs. 25.312 million
- Agro-Ecological Based Fruit, Vegetable & Agriculture Development as Enterprise in AJ&K costing Rs. 64.794 million with allocation of Rs. 5.466 million
- Water quality Profiling and source characterization in AJK costing Rs. 35.368 million with allocation of Rs. 11.046 million
- Establishment of 03 Mobile Food Testing Laboratories at the Divisional Headquarters of AJ&K costing Rs. 107.158 million with allocation of Rs. 55.00 million

Outlook 2024-25

The government remains steadfast in its resolve to scale up national nutrition plans and initiatives. In 2024-25, considerable focus will be given to activities spanning relevant sectors to tackle the alarming prevalence of malnutrition among children, adolescents, and women of reproductive age. In this regard, the Government plan to adopt a multidimensional approach to break the intergenerational cycle of malnutrition.

In tandem, concerted efforts will be directed towards the development of necessary national policy frameworks and evidence-based strategies for nutrition. By laying the groundwork for robust policy frameworks aimed at improving nutrition, addressing food safety concerns, and nurturing children's development from early years of life will ensure effective planning and implementation of interventions for sustainable nutrition security.

Recognizing the interconnectedness of nutrition with issues such as water and sanitation, food security, health, and education, a comprehensive approach to address these underlined determinants will be adopted. Strategic partnerships with the private sector, coupled with mass nutrition awareness and advocacy campaigns across various media platforms, will intensify the reach and impact of nutrition interventions, nurturing a culture of health and well-being nationwide.

Under the PANI, various nutrition interventions will be continued. These include promoting optimal infant and young child feeding practices, providing iron-folic acid supplements to pregnant and lactating women and adolescent girls to address iron-deficiency anemia. Additionally, deworming and nutrition-sensitive interventions will promote healthier diets, improve access to nutritious foods, support local production of Specialized Nutritious Foods (SNF), optimize nutrition-focused curricula, and foster evidence generation. This model emphasizes local solutions for local issues. The programs contribute directly to SDG targets, such as reducing undernourishment (SDG Indicator 2.1.1) and addressing stunting and wasting/overweight in children under 5 (SDG Indicators 2.2.1 & 2.2.2).

Strengthening nutrition information mechanisms, finance tracking and research endeavors will generate evidence to inform policy decisions. This will involve initiating a multisectoral nutrition information system, surveys, and closely monitoring the public expenditure for nutrition.

Through these integrated measures and concerted actions, the government reaffirms its commitment to advancing nutrition outcomes and fostering a healthier

populace, in alignment with the overarching objectives of the 13th Five-Year Plan and 5-E's Framework.

Programmes 2024-25

Key federal and provincial programs/ interventions planned for 2024-25 to tackle malnutrition challenges are as follows:

Federal

- Implementation National Multi-Sectoral Nutrition Program to Reduce Stunting and other Forms of Malnutrition under Pakistan Nutrition Initiative (PANI)
- Scale-up of PANI initiative across provinces and areas
- Development of Multi-Sectoral National Nutrition Policy
- Launch of National ECD Policy Framework
- Finalization of ECD standards and index
- Rollout of ECD programs including key family care practices
- Initiation of School Nutrition/ Meal Program
- Revision of Pakistan Multisectoral Nutrition Strategy (PMNS)
- Establishment of National Multi-sectoral Nutrition Management Information System/Dashboard (NMSNMIS/D)
- Implementation of Pakistan Dietary Guidelines for Better Nutrition for Mass Awareness
- Development of National Nutrition Research Agenda
- Launch of SUN Youth Network
- Initiation of National Multisectoral Nutrition Survey
- Review of pre-primary to university level curricula regrading Nutrition
- Financial Tracking for Nutrition and updating the nutrition financial tracking tool
- Facilitate Private Sector Engagement and Scale up of Food Fortification/ Bio-Fortification Program
- Advocacy for dedicated Human Resource for Nutrition Initiatives in relevant Departments
- Advocate and facilitate Utilization of Cess Tax on Sugary Beverages and CSR for Promotion of Nutrition
- Launch of Revised Agro-Ecological Zones-based Food Composition Table (FCT)
- Cross Provinces and Networks synergies including Business to Universities (B2U) for innovative approaches regarding local cause local solution to provide sustainable nutrition solutions

- Initiation of food science and nutrition council
- Conduct study to evaluate the “impact of climate change on the nutritive value/ quality & quantity of foods” and further exploration of food security, climate change and nutrition nexus
- Monitor cost of food basket per capita per annum at federal and provincial level
- Conduct studies for local evidence generation for nutrition

Provincial

Punjab

- Launch of Multi-Sectoral Nutrition Strategy
- Integrated Reproductive Maternal Newborn & Child Health (IRMNCH) & Nutrition Programme (Phase-III)
- Chief Minister's Stunting Reduction Program

Sindh

- Accelerated Action Plan (AAP) for Reduction of Stunting and Malnutrition-Nutrition specific and sensitive interventions

Khyber Pakhtunkhwa

- Revision of Multisectoral Integrated Nutrition Strategy
- National Health Support Programme (KP Component)
- Khyber Pakhtunkhwa Food Security Support Project
- Stunting Prevention Through Improved Nutrition and Agriculture Development Initiative

Balochistan

- Integrated Community-Based Management of Acute Malnutrition (CMAM) Program
- Reviving activities related to the Scaling Up Nutrition (SUN) movement
- Initiation of PC-1 for School Nutrition Program

Gilgit Baltistan

- Establishment of ECD Centre of Excellence on PHQ Hospital GB – Innovation in ECD
- Convergent programming in the prioritized district (Diamer)
- Nutrition for middle aged and adolescents

- Tracking of sectoral ADPs for nutrition markers in 2023-24 and PF4N
- DHIS- 2 Nutrition Module

Azad Jammu & Kashmir

- Promotion of Nutrient dense agricultural activities to improve nutrition status of Women & Children's and vulnerable communities in AJK
- Provision of Clean drinking water
- Integrated community nutrition program
- Provision of missing facilities in Girls higher and secondary schools
- AJK Multi-Sectoral Nutrition Program Initiative (AJK-MNPI)

11. BASIC AND COLLEGE EDUCATION

Education is undeniably crucial for shaping individuals and societies in contemporary times. It is the cornerstone for personal development, social advancement, and economic prosperity. Education transcends mere acquisition of knowledge, focusing on critical thinking abilities and practical skills indispensable for navigating life's multifaceted challenges. Moreover, it promotes social cohesion, tolerance and a sense of unity. Empowered by education, individuals are poised to make substantive contributions to their communities and the broader global milieu. Education is not solely about attaining credentials, it is about empowering individuals and catalyzing positive societal transformation.

Basic and college education plays a crucial role in shaping young individuals by instilling concepts of cooperation, tolerance, and peaceful coexistence, along with equipping them to be competitive and knowledgeable citizens.

Under Article 25A of the Constitution of Pakistan the "State shall provide free and compulsory education to all children of the age of five to sixteen years in such manner as may be determined by law". Likewise, Goal 4 of the SDGs and 13th Five Year Plan underscores the paramount importance of education. Education is a devolved subject and the responsibility of the provinces, but the federal government continues to prioritize it through various initiatives and funding programmes. This ensures nationwide improvements in educational access and quality.

The Education sector has been facing many challenges like, Out of School Children (OOSC), access to educational institutions, pedagogy skills, educational management & administration, and missing facilities etc. Pakistan is lagging behind in nearly all education indicators in the region. To revamp the education sector, special initiatives are required, such as increasing investment from 2 percent to at least 6 percent of GDP, providing missing facilities, ensuring quality education, bringing OOSC into educational institutions, focusing on equity, training education managers and teachers, and equipping institutions with modern technology.

Performance Review 2023-24

The Ministry of Federal Education and Professional Training (MoFE&PT) is implementing 21 projects/schemes on Basic and College education from PSDP 2023-24 (12 ongoing and 6 new projects) at the federal level while three projects (1 ongoing and

2 new projects) are being implemented in Balochistan. The detail of these projects is tabulated in Table 11.1.

Table 11.1: MoFE&PT PSDP Funded Projects 2023-24

Sr#	Status of Projects / Schemes	No. of Projects / Schemes	Area / Sector (Basic & College Education)	Allocation 2023-24 (Rs. Million)
1	On-going	12	Training of Education Managers / Teachers, Provision of access to education and missing facilities in educational institutions, curriculum reforms, mainstreaming of religious education,	3,776.80
2	New	06	Pandemic Response Effectiveness Project (PREP for Covid-19), Teacher Education, addressing Out of School Children	1,100.00
Government of Balochistan				
3	On-going	01	Provision of access to quality education	402.65
4	New	02	Provision of access to quality education	400.00
Total				5,679.45

Under a project titled “Establishment of National Curriculum Council Secretariat” the National Curriculum of Pakistan has been developed to bring about uniformity in curricula. Directorate General of Religious Education (DGRE) has been established with its Head Office in Islamabad and 16 regional offices all over Pakistan to mainstream religious education, register Deeni Madaris of Pakistan, and facilitating foreign students in obtaining Pakistani visas (maximum 09 years) for admission in local Madaris.

Major Initiatives

A launching ceremony of the project titled “Challenge Fund to Address the OOSC Crisis in Pakistan” at a total cost Rs.25000 million) was held on 4th August, 2023. The project envisages, inter-alia, provision of quality education as envisaged in SDGs, enhancing education coverage, addressing both supply and demand side issues, and ensuring a learning environment that caters to the needs of different groups of OOSC.

To bring OOSC to educational institutions in ICT and provide quality education to the children of marginalized sections of ICT, another project titled “Enrolment, Retention & Progression of OOSC at a total cost of Rs.700 million was approved. Moreover, the following projects are expected to be completed by June 2024:

- Capacity Building of Education Managers (CBEM) (Revised).
- Establishment of Directorate General of Religious Education.
- Establishment of Islamabad Model College for Girls, G-14/4, Islamabad.
- Establishment of National Curriculum Council (NCC) Secretariat (6th Revised).
- Pilot project for Blended E-learning in 200 x classrooms of Federal Capital (Grades 6 – 12) (Knowledge Economy Initiative).
- Pandemic Response Effectiveness Project (PREP for Covid-19).

Outlook 2024-25

In Pakistan, the lack of essential school facilities remains a significant barrier to achieving quality education. Many schools, especially in rural and underprivileged areas, lack basic infrastructure such as clean drinking water, functional toilets, electricity, and adequate classrooms. These deficiencies not only hinder the learning environment but also contribute to high dropout rates, particularly among girls. Addressing these gaps is crucial for creating a conducive learning environment, improving student retention, and ensuring that all children have the opportunity to receive a quality education. Investing in the provision of missing school facilities is vital for Pakistan's educational reform and development.

To revamp the education sector, especially basic and college education, various initiatives and policy decisions are underway. The government is actively working to address these issues by increasing funding for education infrastructure and implementing initiatives to provide essential facilities in schools. The primary focus is on bringing OOSC into educational institutions, provision of basic facilities and providing access to quality education, particularly in marginalized areas, through the establishment of residential educational institutions. Additionally, various policy measures and initiatives have been implemented to address the issue of OOSC across the country, including in Islamabad. These projects aim to enhance the supply side by improving access to education, providing quality education, ensuring missing facilities in educational institutions, integrating Information Communications Technologies (ICT) in education, and training educational managers and teachers. These efforts aim to create a better learning environment and improve educational outcomes across the country.

Programmes 2024-25

Prime Minister’s Directives

To provide quality education to marginalized and talented students, the Government of Punjab established a chain of Danish Schools across the province, which is the largest network of boarding schools for girls and boys in Pakistan. These schools are designed to serve the most marginalized segments of society. Following the Prime Minister’s directive, other provinces are also establishing Danish Schools. Further, a project “Establishment of Danish School at Kuri, Islamabad” aims to provide quality education from class six to intermediate for the population of Islamabad.

In addition, various project proposals (PC-Is) for Danish Schools received from the Ministry of FE&PT and the Government of Balochistan are in the process of approval to be included in the PSDP 2024-25. Furthermore, a project proposal (PC-II) for providing educational facilities to the children of Gwadar Port Authority employees and children residing in the Housing Complex at Gwadar, Balochistan, is also under process. Through the Prime Minister’s Pakistan Fund for Education, the government will annually create an endowment fund titled “Prime Minister’s Pakistan Fund for Education” to support these initiatives.

Various initiatives under the already implemented “Establishment of Challenge Fund to Address the OOSC” will be undertaken during 2024-25. To address the OOSC issue in AJ&K, a project titled “Reaching OOSC in AJ&K” is in process. Additionally, to introduce children to emerging technologies from an early age and prepare them for the increasingly digital landscape, the project “Emerging Technology Centres” is also under process. Details of education sector’s PSDP 2024-25 are given in Table 11.2.

Table 11.2: PSDP Allocations 2024-25

(Rs. Million)

Ministry of Federal Education and Professional Training				
Sr#	Status of Projects / Schemes	No. of Projects / Schemes	Area / Sector (Basic & College Education)	Allocation 2024-25
1	On-going	10	Provision of access to education, missing facilities in educational institutions, introduction of ECE classrooms in Primary Schools, teacher education , addressing OOSC	4948.88
2	New	8	Provision of ECE Centres in Primary Schools, Pakistan Education Fund, Provision of Access to Quality Education	20,815.00
Ministry of Defence				
3.	New	2	Provision of access to quality education	379.67
Government of Balochistan				
4.	On-going	1	Provision of access to quality education	302.65
Total				26,446.20

12. HIGHER EDUCATION AND S&T – KNOWLEDGE AND TECHNOLOGY-BASED DEVELOPMENT

Higher Education and Science and Technology (S&T) sectors play vital roles in driving economic growth, productivity, and employment. Universities are crucial for producing skilled manpower that fuels innovation, enhancing productivity, and creating job opportunities, thereby fostering overall economic development. Similarly, S&T is essential for the progress of developing nations, requiring strengthened technology institutions, improved governance of scientific research, and enhanced indigenous innovation systems. Advancements in S&T can significantly contribute to clean energy development, high-tech manufacturing, sustainable transportation, and energy-efficient housing.

In the context of SDGs, Goal 4 emphasizes quality education, while Goal 9 focuses on industry, innovation, and infrastructure. Higher education and S&T are indispensable for achieving these SDGs as they drive innovation, nurture critical thinking, and address global challenges. Investing in these sectors can build resilient societies, foster inclusive growth, and pave the way for a sustainable future.

Performance Review 2023-24

Higher Education

Since 2002, the Higher Education Commission (HEC) has provided strategic guidance and an enabling environment for higher education reforms in Pakistan. As a key decision-making forum, HEC facilitates higher education institutions in becoming world-class centers of education, research, and development. Quality education and research are crucial drivers of socio-economic development in the globalized world. Knowledge and technology-based development offer pathways to inclusive, sustainable, and resilient societies, harnessing innovation to drive economic growth and address global challenges.

HEC focuses on three main objectives: access, quality, and relevance of higher education and research. While access has increased from 2.6 percent in 2002 to 10 percent today, Pakistan still lags behind comparable countries. Significant improvements in quality and relevance are also needed. To address these areas, HEC has implemented measures to expand education, develop human resources, enhance education quality, and foster research.

Under PSDP 2023-24, the government allocated Rs. 69.700 billion (including Rs. 10.00 billion for laptop scheme) to HEC for the implementation of 169 development projects (139 ongoing & 30 new approved projects) of Public Sector universities/HEIs/. Under PSDP 2023-24 the following major development initiatives have been launched by HEC for achieving SDG-4:

- 5000 scholarships for Balochistan and FATA students (Phase-III)
- Allama Muhammad Iqbal Scholarships for Afghan National Students (Phase III)
PM's Youth Laptop Scheme Establishment of Institute of Science & Technology, Bahawalpur
- Establishment of China-Pakistan Joint Research Centre (CPJR) on Earth Sciences, QAU, Islamabad
- Establishment of NUTECH Railway Engineering Technologies and Skills School (NURETSS) at National University of Technology (NUTECH) Main Campus
- Provision of permanent infrastructure to Women University Swabi, LCWU Lahore, UET Mardan, ITU Lahore, Aror University Sindh, MNS Agriculture Multan and MCKR University Sibi

Major activities undertaken during 2023-24 are as follows:

- National Academy of Higher Education (NAHE) a Professional Development & Capacity Building Hub of the HEC. NAHE conducted 4 cohorts of Pre-Service NFDP, providing intensive training to 98 IPFP fellows during July-Dec, 2023.
- To create an opportunity for fresh PhDs to obtain academic experience and mentorship, for one year in HEIs, prior to their formal entry into the academic job market, through Interim Placement of Fresh PHDs (IPFP) Program 115 IPFP Fellows have been placed at HEIs during the July-Dec, 2023.
- 128 PhD Supervisors from all over Pakistan were trained in Phase II of PhD Supervisors Capacity Building Program under the Pak-UK Gateway Development Project.
- 500 faculty members trained in multiple areas
- To enhance equitable access to quality higher education, the total number of universities in the country both in the Public Sector & Private Sector have been increased to 263 (Public Sector: 154 & Private Sector: 109). Similarly, the number of sub-campuses of these universities has also been expanded to 131 (Public Sector: 90 & Private Sector: 41). Ultimately, the total enrollment has also been increased to around 2 million.
- Completion of task on Revamped Quality Assurance (QA) Framework, a collaborative effort between QAA UK and QAA Pakistan. This framework, was developed through extensive consultations with key stakeholders such as Vice-Chancellors, Faculty, Directors of Quality Enhancement Cells (QECs), and

Students from 22 diverse Public and Private Universities across different regions and institutional types

- HEC provides scholarships to talented individuals to enhance their qualifications for universities, research organizations, and industry needs. The Human Resource Development (HRD) Division formulates policies, oversees quality processes, and monitors scholarship projects. It aims to foster a research environment crucial for economic and social development, aligning with national needs and global trends. Details of scholarships awarded during 2023-24 are as under:
 - Foreign scholarships to 267 scholars to study abroad were awarded
 - A total number of 6,000 indigenous scholars are on board
 - 13 scholars proceeded to study abroad for their post-doctorate
 - 278 scholars studied abroad under the Faculty Exchange programme
- Evaluate the responses received from 133 Universities. The feedback shows the interest and excitement of the sector in adapting QA practices considering contemporary international best practices.

Research & Development

Major Higher Education and R&D related programmes carried out during 2023-24 are as given below:

- **National Research Programme for Universities (NRPU):** Around 403 projects have been completed during 2023-24.
- **Business Incubation Centres (BICs):** HEC successfully concluded the Innovator Seed Fund Call by awarding 28 startups with seed funding grant of up to \$35,000. A total number of 144 innovative startups competed for the award, with 66 shortlisted for the National Pitching Competition and finally 28 were awarded.
- **HEDP Research Grants:** 12 projects have been approved under the Rapid Technology Transfer Grant (RTTG) Program
- **Offices of Research Innovation and Commercialization (ORICs):** 4 ORICs were recognized during the period, bringing the total count of HEC-recognized ORICs to 89.
- **Pak-France PERIDOT Researchers Mobility Grant Program:** The 10th phase of PERIDOT Researcher programme Mobility grant was announced in 2023, that is in final stages of award.
- **Pak-UK Education Gateway Project:** Six Innovative Collaborative Research Grants have been awarded under this project that are in the final year of execution. A comprehensive Research Capacity Building programme.

- **Prime Minister's National Innovation Award (PMNIA):** It is a flagship initiative of the Prime Minister's Youth Programme (PMYP) and implemented by the Higher Education Commission Pakistan (HEC), invites applications from Pakistani youth aged 15-30. Participants propose innovative ideas and receive funding and technical support to develop their ideas into businesses. The jury evaluates ideas based on creativity, planning, execution, and problem-solving techniques, awarding the top 10 winners with Rs. 2.00 million each and 40 runners-up with Rs. 1.5 million each. Round 1 concluded in June 2023, with 50 winners, and round 2 finalists participated in a national bootcamp and pitching competition in July 2023, with 50 additional winners. All winners are eligible for a follow-up grant of Rs. 1 million and six months of incubation at designated centres across the country.

Outlook 2024-25

Higher Education

For 2024-25 an amount of Rs. 66.315 billion has been allocated for HEC ongoing and new projects. During 2024-25, the following major projects aligned with SDGs will be initiated:

- Strengthening of Labs and Research Facilities at Public Sector Universities
- Establishment of National Centre of Nano- Technology
- Establishment of National Centre of Quantum Computing
- Establishment of Manufacturing Technology, Automation and Innovation Centre
- Establishment of National Centre for Brand Development
- Establishment of National Growth Centre
- Dr. A. Q Khan Institute of Metallurgy and Emerging Sciences

Performance Review 2023-24

Science & Technology

Under PSDP 2023-24, an amount of Rs. 8000.00 million was allocated to Ministry of Science & Technology (MoST). This allocation included 31 ongoing projects and 06 new scheme. Rs. 5600 million have been released to this Ministry during 2023-24 and the same are expected to be utilized. This year 05 projects are expected to be completed by the end of 2023-24.

Following are some of the key highlights of the progress made by MoST during 2023-24.

- The MoST supports SMEs in adopting international competitiveness, productivity, and quality standards. So far, 1,748 applications for the Incentive

Grant from various sectors have been received, with 1,189 firms approved, totaling Rs. 376 million in grants. 255 applications were rejected for not meeting criteria, while the rest are under verification. For SME capacity building, MoST designed training programs in consultation with stakeholders and outsourced them to Bureau Veritas Pakistan (Pvt.) Ltd. They conducted 65 training sessions across 19 certification standards in industrial hubs nationwide, benefiting around 2,600 SME personnel.

- Capacity Building, Awareness and HRD in S&T Sector: The STEM programme aims to build the capacity of schools, develop science teacher skills, and empower students to become future scientists, engineers, and entrepreneurs. The following major activities were carried out during 2023-24
 - The PSF Competitive Research Programme and Research Support Programme focus on developing processes, technologies, products, and improving academic-industry relations.
 - The PSDP scheme, "Extension of Display Exhibits, Collection Repositories Improvement and Research Facilities Enhancement at Pakistan Museum of Natural History (PMNH)," raises awareness of Science & Technology through museum visits, science centers, and caravan exhibitions.
 - The PSDP project "Data Repository of Scientific Instrumentation" facilitates researchers by providing access to well-equipped research centers and university instruments for a reasonable fee. So far, 392 students have been granted access, with awards totalling Rs. 86.58 million, and additional applications amounting to Rs. 20 million are under review.
 - COMSATS University, Islamabad (CUI), ranks second among 134 universities in Pakistan and first in Information Science & Technology. CUI has signed 185 MoUs with leading global universities to promote student exchanges and collaboration.
 - The National University of Science & Technology (NUST) has retained its top position in Engineering & Technology in Pakistan, improving its QS ranking from 214 to 179 in 2022. NUST's project "Establishment of Additional Production Lines for Research & Development of Indigenous Electro-medical Devices" aims to replace imported medical devices with locally produced ones, reducing foreign exchange expenditure. Additionally, the "Establishment of NUST Chip Design Centre (NCDC)" focuses on developing skilled manpower in chip design through comprehensive training programs.
- A PSDP project titled "Data Repository of Scientific Instrumentation" is underway to facilitate researchers. This scheme provides access to well-equipped research centers and university instruments across the country at a reasonable analysis cost. So far, 392 students have received award letters for instrument access,

- totalling Rs. 86.58 million, with additional applications amounting to Rs. 20 million currently under evaluation.
- **Industry Focused R&D:** The Pakistan Council of Scientific and Industrial Research (PCSIR) is the premier public sector R&D organization with 17 labs and units, including 6 training institutes nationwide. PCSIR's ISO-17025 accredited labs offer advanced technology, quality control, and industrial linkages, providing essential analytical and calibration services to the industrial sector.
 - **PCSIR Hemp Development Programme:** The PCSIR Hemp Development Programme is a project on cultivating/processing medicinal and industrial cannabis to develop high-value products, expected to significantly boost revenue. Hemp has been cultivated on 0.75 acres at Rawat and in a 6-kanal greenhouse at PCSIR Labs, Lahore, with 4500 plants processed for dried biomass.
 - **Research, Development and Technology:** Under the "Transfer of Selected Active Pharmaceutical Ingredients (APIs) for Import Substitution" scheme, PCSIR aims to establish domestic capabilities by introducing cutting-edge biotechnologies for API development. This initiative ensures a rapid and reliable API supply for the pharmaceutical industry, reducing reliance on imported raw materials and enhancing self-sufficiency in pharmaceutical manufacturing.
 - **MoST's trade-related interventions** are conducted through PSQCA, PNAC, and NPSL. These organizations enhance exports, trade, and consumer health and safety through standards. PSQCA sets standards, while NPSL ensures metrology standards' traceability. PNAC, meeting TBT agreement requirements, secured regional and international memberships, accrediting 242 calibration/testing labs, 33 medical labs, and 14 inspection bodies.
 - In the health sector, MoST is establishing a Centre for Artificial Intelligence in Health Sciences, with advanced computing and networking equipment installed. Additionally, the Medicinal Botanic Centre at PCSIR Peshawar is being upgraded to the National Centre for Herbal Medicine to enhance the quality and export of herbal products and nutraceuticals.
 - In the field of nanotechnology, MoST is establishing an Industrial Production of Nanomaterials facility at the Latif Ebrahim Jamal Nanotechnology Centre. Scientific equipment has been installed, and one scholar has been selected for a three-month international training program, with stipend and travel expenses covered.

Outlook 2024-25

Science & Technology

In 2024-25 MoST plans to launch development initiative in the areas i.e. HRD, Popularization & Promotion of Science, SME Facilitation, Oceanography, Herbal

Medicines, Quality Assurance and Standards, Medical Devices & Health, Renewable Energy, Electronics, Artificial Intelligence, Nanotechnology. For 2024-25 the total allocation for the MoST is Rs. 7.149 billion. Following is the brief detail of some of the key initiatives/ projects planned to be continued/undertaken in the proposed PSDP 2024-25:

- i. Balochistan's development takes precedence in MoST's agenda for 2024-25. Key initiatives include setting up a Mineral Resource Centre in District Dukki, Balochistan, focusing on product design, development, and value addition to boost exports, alongside establishing the Khuzdar Science & Technology Block at NBC Quetta.
- ii. Provision of the Research Grants to address the mega national issues and promote world-class research through the Competitive Research Programme.
- iii. Funding of Innovative Research Projects, establishment of Incubators and development of Technology Innovation Portal will be made under National Technology Innovation through Industry-Research Centres and Other Stakeholders Collaboration.
- iv. Funding for Product-oriented Research/Utilization of Research Results to various R&D organizations and Universities through the Research Support Programme.
- v. Promotion of more R&D in Natural Sciences with special emphasis on issues of national importance especially agriculture, energy, water and food security.
- vi. Under the Certification Incentive Program, efforts to strengthen SMEs and raise awareness about certification systems for improved performance will persist. More awareness seminars in collaboration with local Chambers of Commerce & Industry will be organized nationwide, aiming to boost SME participation in the grant application process, with regular Incentive Award Committee meetings to decide grant allocations.
- vii. Under the project titled "Establishment of Medical Cannabis Greenhouses for Biotechnology Derived Bio-Products, National Hemp & Cannabis Analytical Laboratory and National Industrial Hemp & Medicinal Cannabis Authority" greenhouses and downstream processing facilities will be established at PCSIR labs at Karachi, Lahore, Peshawar and Skardu. Moreover, a National Industrial Hemp and Medicinal Cannabis Analytical Laboratory will be established at PCSIR Laboratories Complex, Islamabad. In the proposed lab, biotechnology based fermentation technology will be developed to produce multiple cannabinoids (CBD, THC, CBG, CBC etc.)

under good manufacturing practices (GMP) and indigenize production of industrial hemp and medicinal cannabis seeds will be initiated in collaboration with private sector.

- viii. Research, Development and Technology transfer of selected APIs for import substitution (PCSIR). This project focuses on developing local production capabilities for key APIs using advanced bio-catalytic and metabolic engineering methods. By reducing reliance on imported APIs and fostering local production, it aims to enhance self-sufficiency in pharmaceutical manufacturing and create opportunities for exporting high-value pharmaceutical products and APIs.
- ix. Strengthening the existing and establishing new higher education institutional facilities and allied infrastructure for promoting higher education in the fields of STEM.
- x. Technology Development in Areas of Semiconductor Technology, Electric vehicles and Industrial engineering. The objective is to develop semiconductor chip design to tape-out technology which will be a baseline for electronics manufacturing in the country. Design & modelling of electric vehicles and conversion of local cars to EV. Automation solution for local industry as per industry 4.0 standards.
- xi. Establishment of 3-D printing manufacturing technology to cater the local manufacturing needs.
- xii. In Nano Technologies, MoST is looking forward to creating new opportunities and vision for 2024-25. The research in Nano Tech will help to create new fields of study and export materials which will enhance the FEC.

13. LABOR & EMPLOYMENT

The devastating 2022 floods, political uncertainty, ongoing security situations and external shocks i.e. Russia-Ukraine War has direct bearings on Pakistan's overall macroeconomic stability and outlook. It resultantly magnified the pressures on its workforce and businesses paving a way for an alarming surge in unemployment rates. Unemployment means people above a specified age not being in paid employment or self-employment but currently available for work during the reference period. Pakistan's ranks 9th in labor force and 6th in population i.e. 241 million (Population census 2023) with annual growth rate of 2.55 percent echoes demographic expansion which may increase unemployment rate further in future. The share of unemployed labor force comprising on the youth which is 64 percent of total labor force. The major challenges of labor force are: the significant rate of youth, not in education, employment, or training (NEET) i.e. 33 percent, the rate of unemployed who holds degree than uneducated one's, mismatching of demand of skills, education and trainings than supply. In order to enhance the potential of economic growth and sustainable development through youthful demographic dividend requires a strategic emphasis on employment opportunities, skills development, and training. Investing in Research and Development (R&D) is crucial for the long-term success and growth of any country. A mere 0.16pc of Pakistan's GDP finds its way into domestic R&D investment. This minimal allocation reflects a pervasive pattern and raises a red flag on commitment to fostering innovation and pushing industrial progress.

Performance Review 2023-24

In the post-devolution scenario, the government has recognized the challenges of NEET (Not in Education, Employment, or Training). It has taken various policy and program actions to address this challenge at federal and provincial level. Initiatives such as the draft National Youth Employment Policy Framework, and youth employment programs i.e. Youth Employment Schemes (YES), Kamyab Jawan, and PM Youth Program have been implemented to promote employable skills. Other measures include digital skills initiatives, innovation programs, piloting the National Skills Program, providing access to finance through subsidized loans, and implementing Technical and Vocational Education and Training (TVET) through Technical Education & Vocational Training Authority (TEVTA) and National Vocational and Technical Training

Commission NAVTTC. These efforts are part of the government's strategy outlined in the five-year plans to address NEET and promote youth's engagement in labor market.

Pakistan is among those countries which has demographic dividends but due to a mismatch of skills, low-level skills and a stagnant job market, the country is unable to harness the demographic dividend. It is estimated that almost 60 percent labour force between 15-29 years of age. Despite this demographic dividend, the country is facing a high rate of youth unemployment. It is imperative to design policies to promote self-employed schemes and private sector. Besides, another major challenge is the significant rate of youth Not in Education, Employment, or Training (NEET) at 33 percent in 2020-21 (LFS), revealing an urgent need to address the employment gap. Gender disparity is also evident, with young women experiencing a NEET rate of 54.9 percent compared to 7.6 percent of young men. Weak implementation of labour legislation within the formal sector, growing informality, and lack of access to decent work are growing concerns in Pakistan.

The government has targeted SDG 8.6 (reduce the proportion of youth not in employment, education or training) and SDG 10 Facilitation of orderly, safe and regular emigration for overseas employment. The Bureau of Emigration and Overseas Employment reported since 1971 to 2024 (upto February), 13.43 million emigrants have been registered for overseas employment by Bureau of Emigration and Employment(BEOE). It has been reported that in 2022, around 829,549 Pakistanis migrated for overseas employment. This represents a three-fold increase compared to 2021. The reasons for this increase include a lack of economic opportunities at home, rising inflation, political instability and a variety of other factors. Gulf Cooperation Council (GCC) are the top destination countries for emigrants. Most of the emigrants registered for employment are unskilled or low-skilled workers, and, consequently, earn less than a third of what a skilled worker earns. Anticipating and matching skills supply and demand for migrant workers is thus crucial for maintaining Pakistan's attractiveness as a source of skilled migrant workers. The certification of skill and qualification acquired formally or informally is a "gateway" to finding a job and accessing further training for re-skilling and up-skilling. Therefore, it is in the greatest interest of emigrant workers to have better recognition of their skills, as this could potentially lead to better job matching and improved wages. This initiative also contributes to supporting the government of Pakistan, while implementing the National Strategy "Skills for All," which provides a road map to prepare for the challenges and gaps of the Pakistani industry and develop youth for the Fourth Industrial Revolution.

During the year (July 2023-February 2024) BEOE has initiated the process of digitization of Emigration Management for facilitation of intending emigrants. It has

also collaborated with NITB for development of a Mobile Application for the welfare of overseas Pakistanis under the directives of the Special Investment Facilitation Council (SIFC). The audit of overseas employment promoters has been made stricter by cancelling the licenses. 109 new licenses have been issued to promoters and opening 03 new protectorate offices at Bagh, Rawalakot to facilitate safe emigration as per SDG-10. The M/o Overseas and Human Resource Development (OP&HRD) and BEOE has revised existing MoU with Malaysia on manpower export and also proposed to extend such arrangements with France, Russia, Italy and Portugal for creation of employment opportunities for intending emigrants.

During 2023-24, the government announced different youth development initiatives to empower the 2/3rd youth population of the country which included:

- 60,000 internships under Ba-Ikhtiyar Naujawan Internship Program
- Technical and vocational training for 100,000 youth and 100,000 laptops
- 5,000 scholarships for students of Baluchistan and former FATA
- 1,000 PhD scholarships at top 100 universities in the US, 75 percent scholarships at top 25 universities of the world and the 25 percent women quota has been observed for these initiatives for gender equity.
- Establishment of 21 university campuses in remote districts
- 500 innovation grants worth Rs. 5 to 20 million each
- The government is dedicated in promoting gender equality and made allocation of Rs. 5,000 million for the Prime Minister's Initiative for Women Empowerment in PSDP 2023-24 plus a new project titled "Women on Wheels" for which PSDP allocation of Rs. 500 million for 2023-24.

Outlook 2024-25

- Creation of job opportunities for the youth as well as the unemployed not only in the domestic market but also in international market for absorbing 1.4 million youth during next year.
- Enhancement of demand driven skills to bridge the gap of demand & Supply in domestic as well as in international labor market.
- Acquisition of multi-skills by workers for increasing their demand and productivity.
- Upgradation of the skills of existing employed labour from Semi skills to skilled and skilled to highly skilled.
- Provision of necessary trainings and tool kits to start up livelihood of Unskilled labour.

- Increase in female participation by investing in skill development programs and education.
- Accreditation of skill [Skill Passports] in at least 5-10 trades for international market

It is observed that 23 percent of jobs are expected to change in the next five years, driven by industry transformation caused by increased adoption of technology, the green transition and macro-economic conditions. Where the world economies are at the stage of a fundamental transformation driven by digital technologies and skill-based³. The country needs to equipped its labour force as per requirement of the domestic and World labour markets. Entrepreneurship education is an appealing factor for job creation and development; therefore, it may be imparted in the curriculum of general as well as technical and vocational education. This aspect would remain an integral part of all forthcoming plans.

It is imperative to devise a mechanism to train the labour demand-driven skills both for males and females. Female mainstreaming is vital to increase female participation rate which is one of the lowest among the regional country. The WDI indicator/ILO estimates reflected that the female participation rate for Pakistan is 25 percent. Efforts should be made to increase participation of Women from 25 percent to 26 percent. women’s disproportionate burden of unpaid care and domestic work are key factors holding women back from participation in the Labour market which requires special attention to address this impediment.

There is need to make necessary interventions and to introduce reforms in E-commerce industry & online businesses through SBP which may facilitate young entrants to open foreign currency account which impedes direct inflow of foreign exchange remittances in Pakistan. If timely measures are not implemented, the growing potential of the IT industry may relocate to other countries, similar to what occurred in the textile industry

Labour and manpower is a devolved subject to provinces after 18th amendment. The major responsibility of achieving the targets and objectives rest with provinces. Our national strategy is to work together to achieve targets. In order to achieve the national vision, its objectives and targets the federal government shall work in close collaboration with the provincial governments. Hence a comprehensive National Employment Policy (NEP) should be devised in collaboration with provinces aftermarket based research. HEC and Academia may also be engaged for research to evaluate the impact of Govt initiatives towards employment

³ The World Economic Forum’s Future Jobs Report 2023

generation. Monitoring and evaluation of the research studies and field surveys conducted by the NAVTTC, TEVET, TEVTAs and Commercial Welfare Attaches report should be carried out with a view to make the report up to the mark for future policy recommendations and guidelines.

In today's dynamic global economy, research and development (R&D) serve as a pivotal driver of progress, nurturing the birth of innovative products, state-of-the-art technologies, and revolutionary methods to enhance market share and profit margins. A worrisome trend has been surfaced in Pakistan's business realm — a hesitancy to allocate resources for R&D. A recent survey of firms conducted by the Pakistan Institute of Development Economics (PIDE) confirmed this alarming trend, with 88 percent of firms surveyed admitting to having spent zero funds on R&D in the preceding year. A mere 0.16pc of Pakistan's GDP finds its way into domestic R&D investment. This minimal allocation reflects a pervasive pattern and raises a red flag about the commitment to fostering innovation and pushing industrial progress. There is need to cultivate a culture of innovation, inspire investments in R&D, and develop a skilled labour force. Only through these concerted efforts, a path toward sustainable growth, technological advancement, and global recognition of Pakistan's labor can be secured. Embracing R&D isn't merely an option, it's an imperative. It's the key to navigating a rapidly changing business landscape, to unlock untapped potential, and to secure a competitive edge by adopting Decent Work environment.

Programmes 2024-25

The following programmes will target the SDG 8 which aims to “promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

- Invest strategically in Technical Education and Vocational Education and Training (TEVET) sector reform to improve the quality and coverage of vocational training programs by enhancing the curriculum, upgrading training facilities, and strengthening the capacity of TEVET institutions and accreditation process which will target SDGs 4.3 & SDG 4.5
- Integration among NAVTTC and TEVET programs with international standards and industry requirements to ensure graduates are equipped with relevant and marketable skills through collaboration with industry partners, regular skill gap analysis, and curriculum reviews.
- HEC in collaboration with Academia may introduce industry-led apprenticeship programs and on-the-job training initiatives to provide practical work experience and industry exposure to students, enhancing their employability and bridging the gap between education and employment.

- Strengthen entrepreneurship education in schools and universities by incorporating entrepreneurial principles, practical business skills, and innovative thinking into the curriculum.
- Foster partnerships between the public and private sectors to create job opportunities, attract investment, and collaborate on skill development initiatives. This can be facilitated by establishing formal mechanisms, such as Skills Development Councils & NAVTTC to bring together government, employer organizations, and private sector stakeholders.
- Ministry of OP&HRD may establish a dashboard of skills demanded in local and international labor markets which could be utilized by NAVTTC, TEVET & TEVTAs to chalk out training modules for imparting skills and enhancing supply of demanded skills.
- Certification of on-ground skills should be facilitated by NAVTTC or from private sector
- During the next Fiscal Year, M/o OP&HRD may approve the 1st ever National Emigration and Welfare Policy and Emigration Portal will be established to facilitate overseas employment opportunities for Pakistani nationals which will compliment to SDGs 10.7.
- Ministry of OP&HRD may also establish an International Call Centre (ICC) for providing assistance and guidance to international workers to provide facilitation required under SDGs 10.7. An exclusive and dedicated Labor Market Research cell would be established in the ministry to analyze the labor market dynamics for informed decision making based on reports of commercial Welfare Attaches.
- Agreements of collaboration should be undertaken by Govt. with destination countries for provision of training of skills, upgradation of skills, acquirement of multiple skills and accreditation of those skills by the host country which could be funded/sponsored by Govt. of Pakistan.
- A comprehensive National Employment Policy (NEP) should be devised in collaboration with provinces.
- HEC and Academia should also be engaged in research to evaluate the impact of Govt. initiatives towards employment generation.
- Monitoring and evaluation of the research studies and field surveys conducted by the NAVTTC, TEVET, TEVTAs and Commercial Welfare Attaches report should be carried out to make the report up to the mark for future policy recommendations and guidelines.
- A targeted subsidy should be introduced by Govt. for specified skills and academic areas
- R&D budget should be enhanced for organizations.

- Decent Work environment by Protecting labour rights and promoting safe and secure working environments for all women and men, including young people and persons with disabilities, and equal pay for work of equal value should be focused on to achieve full and productive employment
- CPEC should be used for stimulation of Technology Transfer by collaborating with china which may also upgrade the skills of labours within the country and those skills can be exported to other countries as well.

14. YOUTH AND SKILL DEVELOPMENT

Technical and Vocational Education & Training (TVET) Sector plays a pivotal role in the socio-economic uplift of people by developing and grooming technical and vocational skills of a country's human resources, leading to increased productivity and economic growth. A robust TVET system reduces skills mismatch providing timely identification of skill gaps in local and international markets and providing demand-driven skills to youth. TVET-trained individuals can contribute to increasing the overall productivity and competitiveness of industries, enabling them to compete in both domestic and global markets. The TVET sector can establish strong industry-academia linkages, ensuring that its curriculum and training programs are aligned with the evolving needs of the industries. This collaboration can produce graduates who are immediately employable, thereby reducing the time and cost of on-the-job training for industries. National Vocational and Technical Training Commission (NAVTTTC), in this regard, plays a regulatory role in TVET Sector development through policy formulation, standardization of education on international trends, curriculum development, international accreditation, labor market database, and performance evaluation system within the National Skills Strategy Framework. On the other hand, Provincial TEVTAs play a role at a relatively more operational level to impart updated skills to youth for possible absorption in local and international markets by ensuring excellence in training and education.

This plan aligns with the 13th Five Year Plan by addressing skill gaps and providing training in cutting-edge technologies. To reduce the trade deficit, development programs will be tailored to meet both local and international market needs, focusing on export-related skills in 2024-25. Supportive policies, infrastructure investments, access to finance, and a favourable business environment are crucial for fostering skilled industries and exports. Enhancing technical and vocational skills among youth will boost workforce productivity and competitiveness, leading to high-quality goods and services that can compete globally, thus boosting exports and reducing the trade deficit. Additionally, skilled youth can support domestic industries, replace imports, and attract foreign investment, strengthening the economy further.

Performance Review 2023-24

A proficient and skilled workforce matching global job market standards across diverse economic sectors, encompassing construction, hospitality, services, energy, as

well as emerging fields like IT, blockchains, and high-tech/high-end trades had been part of TVET Strategy. Furthermore, the Government launched numerous donor-funded initiatives to drive TVET sector reforms, enhancing training quality, capacity building, quality assurance, Competency-Based Training (CBT), and fostering private sector engagement. The progress of PSDP Projects alongside the financial expenditures during the 2023-24 are given in Table 14.1.

Table-14.1: PSDP Projects and financial expenditures - 2023-24

Sr. #	Project Name	Project Cost	Allocation (2023-24)
1.	Prime Minister’s Hunarmand Pakistan-Skill For All Program	9877.00	1471.64
2.	Introducing Matric-TECH Pathways for Integrating Technical and Vocational Education and Training and Formal Education	315.00	100.00
3.	Prime Minister ‘Ba-Ikhtiar Naujawan’ Internship (Component of Social Sector Accelerator Project)	4828.05	3042.53
4.	Skill Development Program (NAVTTTC)	4700.00	1500.00
5.	Prime Minister’s Youth Skills Development Program	4938.00	4938.00
	Total	24658.05	11052.16

Physical Achievements

Following major physical progress/ achievements have been made so far through above- mentioned interventions;

- National Employment Exchange Tool (NEXT) is a fully functional job portal. On the portal, currently, 1451 private & public sector employers are registered. Currently, 212,441 government jobs, 154,407 private jobs; and 837,828 overseas jobs are posted.
- More than 4800 skills are verified for 30,156 youth through 114 nationwide institutes/testing centres.
- 655 institutes are accredited based on meeting TVET qualification sets. Institutes can apply through the NAVTTTC website. Out of these 655 institutes, 376 are from Punjab only accounting for more than half of the total accreditations followed by 112 from Sindh.
- High-tech and conventional trainings were imparted through partner institutes countrywide.

- So far 56,000 youth are trained at present under Prime Minister's Youth Skill Development Program (PMYSDP); a program of Rs. 4.9 Billion for skill training in emerging 39 IT, 53 Industrial and 34 hardcore skills, targeting domestic and international job markets, especially for Kingdom of Saudi Arabia, UAE, Gulf countries, EU and far-Eastern states like; Japan, Korea etc.
- Pilot program for Healthcare and Nursing training is initiated with the Pakistan Nursing Council and POEPA to meet the healthcare sector demand of far-eastern countries like Japan and Korea.
- 1,000 Youth will be skilled in German, Japanese, Korean, English and Arabic Language through genuine language training platforms with collaboration of Training service providers like NUML.
- During last year 22,000 skilled workers were jointly skilled assessed and certified with TAKAMOL-KSA and were facilitated to migrate to the Kingdom of Saudi Arabia as skilled workers under NAVTTC-TAKAMOL joint skill verification program.
- Under the Matric-Tech Program, 15 schools are selected for selected trades. Among conventional trades, it includes Tourism, Plumbing & Solar Water Heating Systems, Fashion design, Chef, and Hair & Beauty. Additionally, three high courses are IOT & Data Coding, Industrial Electrician and Graphic Designing & Media Production. The project is running under consultation with relevant stakeholders including the Federal Board of Intermediate and Secondary Education (FBISE), Federal Directorate of Education (FDE), concerned TVET and general education departments.
- 50 smart labs are established while the remaining 25 are under process.
- 4,809 Conventional Trainings; 96,741 High-Tech Trainings; 2,100 Apprenticeships; and more than 48,000 certifications are completed.
- Under of guidance of the Ministry of Federal Education, 16 general education colleges converted into high-impact IT training centers to teach youth with Game development, AI, Block Chain and Cloud Computing.

Outlook 2024-25

Addressing the identified issues necessitates a clear definition of the roles for NAVTTC, provincial TEVTAs, and other stakeholders to prevent fragmentation and overlap in the TVET sector. To generate sustainable cash flows, innovative financing methods will be adopted by offering highly demanded skills (Data Science, Machine Learning, and Artificial Intelligence) to boost foreign remittances. The design capacity of existing TVET Institutes should be optimized by expanding skill offerings, recognizing prior learning, implementing double-shift programs, fostering university collaborations, engaging in public-private partnerships, and introducing technical workshops in

madrassas. Additionally, enhancing the TVET system's capacity can be achieved by prioritizing skills that yield better employment and financial outcomes in the short to intermediate term.

Quality assurance in the TVET system is crucial for economic growth and must be ensured through the National Vocational Qualification Framework (NVQF), updated lab equipment, international linkages, HR development at TVET Institutes, and continuous monitoring and evaluation.

The Plan aligns with the 5Es framework and the 13th Five Year Plan by focusing on high-tech fields such as artificial intelligence, blockchain, the internet of things, and other IT-related trades. It encourages the use of e-learning in TVET institutes and the export of skilled workers abroad. In line with Goal 5 of the SDGs, the plan promotes female participation in the TVET sector and monitors programs to assess their progress and contribution towards this goal. Women empowerment objectives are supported through house-based business and entrepreneurship skills like sewing and embroidery. Additionally, the plan includes development interventions such as scholarships, exchange programs, and childcare support to further encourage women's participation.

Programmes/Initiatives to uplift Youth through Skill Development

The entirety of youth development initiatives maintains strategic alignment with 5Es framework, 13th Five Year Plan and the National Skill Strategy. These encompass both ongoing projects as well as novel undertakings slated for implementation during the fiscal year 2024-25. Following are PSDP and non-PSDP funded continuing and new initiatives for Youth Skill Development;

Ongoing Development Initiatives

- “The "Skill Development Program (NAVTTTC)" with a total cost of Rs. 4700 million focuses on industry-based training and encompasses various aspects such as overseas employment, establishing an endowment fund, entrepreneurship, and improving TVET qualification standards.
- The "Prime Minister's Youth Skills Development Program" aims to provide IT-related training to 16,000 youth, high-tech training to 25,000 youth, training in conventional trades to 15,000 youth, and Recognition of Prior Learning for 15,000 youth. Additionally, the Prime Minister's 'Ba-Ikhtiar Naujawan' Internship Initiative, with a budget of Rs. 4,828.05 million, seeks to offer paid internship opportunities to 40,000 young individuals. These interns will receive a monthly stipend of Rs. 25,000 for six months and will be placed in positions that align with their skills within host organizations across the public, private, and development sectors nationwide.

New Initiatives 2024-25

Baikhtiyar Nojawan Internship Programme – Balochistan is a proposed intervention under the approved PSDP Project of the “Post-flood 2022 Reconstruction Program”. The project envisages awarding paid internships to all eligible applicants who qualify for the program through the proposed selection criterion for six months. Interns having university degrees will receive a stipend of Rs. 30,000/month while that for TVET graduates is Rs. 25,000/month. A total of 10,000 internships will be awarded throughout the project life.

15. MASS MEDIA, CULTURE AND NATIONAL HERITAGE

Media development signifies the continuous change and progress within the realms of news media and communication. This evolution pertains to various aspects such as institutional frameworks, operational practices, and societal behaviors. It involves advancements in areas like legal frameworks, freedom of expression and press, journalist training programs, business climates, the skill sets of journalists and media managers, and fostering an environment conducive to diverse perspectives within society. This evolution can be stimulated by public funds, donor support, private investment, or local processes of change led by media owners, managers, journalists, media industry associations, and other collective efforts.

The media serves as a platform for dialogue and collaboration among diverse groups, promoting accountability and transparency in pursuit of all 17 SDGs. They strategically facilitate information sharing among stakeholders, aiding in the achievement of SDGs such as; gender equality, climate action, poverty eradication, reducing inequalities, and building sustainable cities. Independent media is essential for ensuring public access to information and fundamental freedoms, contributing significantly to the attainment of these global objectives.

In the era of globalization and digital advancement, traditional media formats like print and electronic have transitioned into digital platforms and are now predominantly accessed through internet-enabled devices. This shift from analogue to digital systems has revolutionized the ways of communication. The boundaries between digital media and conventional broadcasting are converging and will merge shortly. All of these drastic changes have made the role of media in the process of development much more critical. The role of mass media in development communication cannot be overemphasized. No policy, programme or intervention could achieve the desired results without the support of an effective communication strategy. Keeping in view, the importance of digital and related media in the near future, the government has chalked out a plan for digitalization of the terrestrial network of Pakistan Television Corporation (PTVC) and digitalization of analogue transmission of Pakistan Broadcasting Corporation (PBC) in the public sector. Moreover, the private cable operators have been tasked with extending cable TV network to rural and far-flung areas along with upgrading to optical fibre for digital programming.

Performance Review 2023-24

Mass Media Sector

In PSDP 2023-24, an amount of Rs. 2000.00 million was allocated to nine ongoing and two new projects of the Ministry of Information & Broadcasting aimed for improving programming, production, transmission, quality of video/audio signals and increasing the coverage area by digitalizing the terrestrial network of PTV and analogue transmission system of PBC. Similarly, the Mass Media Sector was adequately funded for different developmental projects such as; the creation of a dedicated Press Information Department (PID) Media Cell to counter violent extremism, establishment of the National Film Production Institute at PTV Academy H-9, Islamabad, publication of consolidated documents for Speeches of Quaide-Azam Muhammad Ali Jinnah from 1906-1948, up-gradation of Central Board of Film Censors, and establishment of Pakistan Information Centres at seven different locations across the country. Six out of the 11 projects are expected to be completed by June 2024 while the remaining four will be carried over to 2024-25. An amount of Rs. 1338.500 million has been released and utilized. An overview of public and private sector media is provided in Table 15.1:

Table 15.1: Overview of Public and Private Sector Media

MASS MEDIA IN PAKISTAN	
PTV Stations	7
TV Transmitters	110
Radio Stations (Public)	33
FM Radio Broadcast Station Licences (Commercial)	175
FM Radio Broadcast Station Licences (Non-Commercial/Education)	56
Total Number of Cable TV Operators	4152
Total TV viewership (Terrestrial, Cable & Satellite)	144 million
Total Cable & Satellite viewership	96 million
Total Terrestrial viewership	48 million
Total Satellite TV Licenses	122
Landing Rights Permissions (LRP)	42
Mobile TV Content Licenses	06
Teleport	1
Long-Term Temporary Unlinking Permission	1
Short-Term Temporary Unlinking Permission	On Need Basis
Direct to Home TV Licenses	1

Source: PEMRA, PTV & PBC

Sub-sectoral physical and financial details of the Mass Media Sector for 2023-24 are as under:

Pakistan Television Corporation (PTVC)

Under PSDP 2023-24, Rs. 254.650 million were allocated to PTVC for one ongoing and one new project. The ongoing project is the establishment of an integrated production and post-production facility as well as an academy to impart training in film trades in the premises of PTV Academy, Islamabad to revive and promote the local film industry through the provision of film production and post-production facilities in the country. While the new project aimed at digitalization of the terrestrial network of PTVC.

Pakistan Broadcasting Corporation (PBC)

For PBC, under PSDP 2023-24, an amount of Rs. 764.014 million was allocated to two ongoing and one new project. The two ongoing projects i.e. up-gradation of Studios and Master Control Rooms of PBC and rehabilitation of Medium Wave Services from Khairpur (Sindh) aim to promote local language and culture and strengthen radio coverage in uncovered areas of the Khairpur District and counter cross-border propaganda. The new project of PBC envisages the up-gradation of HPT Rawat, Transmitting Station by installing a 1000 KW DRM-Enabled Medium Wave Transmitter. The project aims to replace the current outdated shortwave transmitters with a single 1000 KW DRM Medium Wave Transmitter at the High Power Transmitting (HPT) Station in Rawat. This upgrade is designed to enhance radio coverage across the entire country while improving audio quality. The project holds significant importance for PBC as it envisages the digitalization of its existing analogue terrestrial radio transmission in a phased manner and PBC is going to adopt DRM (Digital Radio Mondiale) in the Medium Wave (MW) band (where *Mondiale* means 'worldwide'). However, lack of funding has not only hindered the physical/financial progress of PBC projects but also made it impossible for PBC to complete its projects within the approved cost and implementation time period.

Press Information Department (PID)

Under PSDP 2023-24, PID was allocated Rs. 75.00 million for two ongoing projects. The project titled "Establishment of Pakistan Information Centre Phase-I" aimed at the establishment of Information Centres for imparting training and capacity building of media professionals/journalists in seven cities including Islamabad, Karachi, Lahore, Peshawar, Quetta, Gilgit-Baltistan and AJ&K. The second project "Establishment of PID Media Cell to Counter Violent Extremism" is part of the National Security Policy Implementation Plan.

Directorate of Electronic Media & Publications (DEMP)

Similarly, an amount of Rs. 479.00 million was allocated for the two ongoing projects of DEMP. The project, titled “Central Monitoring Unit” aims to upgrade the monitoring/media asset management plan enabling tagging and elastic search options and the use of artificial intelligence frameworks for easy and fast access to retrieve data and processing data for projections while the scope of the other project is to consolidation and publication of the speeches of Quaid-e-Azam Muhammad Ali Jinnah from 1906-48.

Cyber Wing

The project of Cyber Wing, Ministry of Information & Broadcasting i.e. National Information Media Archive Repository (NIMAR) was allocated Rs. 379.412 million in PSDP 2023-24 to develop a centralized digital archival and retrieval platform for historical, classical and current data of M/o Information & Broadcasting and all of its organizations under one roof.

The agency-wise allocation for the Mass Media Sector for 2023-24 is given in Table 15.2:

Table 15.2: Agency-Wise Allocations

(Million Rupees)

Sr.#	Agencies	Allocation 2023-24	Estimated Expenditure 2023-24
1.	PTVC	254.65	33.46
2.	PBC	764.01	388.95
3.	DEMP	479.00	448.53
4.	PID	75.00	40.00
5.	Cyber Wing	379.41	379.41
6.	CBFS	48.14	48.14
	Total	2000.00	1338.50

Source: PSDP 2023-24

Culture & National Heritage Sector

Pakistan is blessed with a large of number of ancient and historical sites that connect us to our past and conserve our culture/customs for the future. Pakistani culture is rich in a variety of traditions, customs, dresses, foods, festivals, music etc. which are highly prominent. The rich cultural heritage includes both tangible and intangible aspects, encompassing ancient sites, historic structures, languages, beliefs, rituals, traditions, music, dance, folktales, and arts. Cultural heritage has huge

importance for a country's development. It provides economic gains, protects a state's identity, and pride, and reminds people of their common history and progress.

Additionally, culture has the potential to significantly impact the attainment of sustainable development goals, particularly in addressing poverty. Poverty, a multifaceted issue with social and economic dimensions, can be addressed through cultural participation and expression. These cultural activities contribute to personal fulfillment, empower individuals, foster social recognition for marginalized groups, resolve intercultural challenges, and cultivate the skills necessary to navigate the complexities of today's society and professional environment. National Heritage and Culture Division promotes a true image of Pakistan through the conservation and preservation of national heritage and culture, mapping of historical/religious sites, projection of thinking of Allama Muhammad Iqbal and Quaid-e-Azam Muhammad Ali Jinnah, the welfare of writers/artists, promotion of literature and creation of peace and harmony in the society through culture. A budget of Rs. 540.000 million was allocated for eight ongoing and one new project of the National Heritage & Culture Division in PSDP 2023-24 for strengthening and upgrading existing facilities at National Library of Pakistan, establishing a National Language Processing Laboratory at National Language Promotion Department (NLPD), Mapping Historical Sites, conservation and promotion of cultural heritage of Pakistan, feasibility study of upgradation of National Museum Karachi and Construction of Fiaz Ahmad Faiz Complex at Narowal. An amount of Rs. 92.655 million has been released and utilized.

Physical and financial review of the National Heritage & Culture sector for 2023-24 is given below:

Pakistan Academy of Letters (PAL)

For 2023-24, Rs. 350.00 million were allocated for PAL's project titled "Construction of Faiz Ahmad Faiz Complex" to propagate and disseminate literary and research activities especially the poetry of Faiz Ahmad Faiz, facilitate the writer community of Pakistan and to promote awareness and research activities regarding the literary heritage of Pakistan.

Department of Archaeology & Museum (DOAM)

A budget of Rs. 78.00 million was earmarked for six ongoing projects of DOAM in PSDP 2023-24. The major ongoing projects are; Master Plan for Preservation, Restoration, Presentation and Development of Rewat Fort, Islamabad, Conservation, Preservation of Allama Iqbal's Old Residence Situated at 116-Mecleod Road, Lahore, Establishment of Research & Development (R&D) Centre at Department of Archaeology and Museums to Promote soft image of Pakistan through Cultural Heritage and

feasibility study for upgradation and revamping of National Museum, Karachi. Four out of six ongoing projects will be completed by June 2024.

National Library of Pakistan (NLP)

A budget of Rs. 94.500 million was allocated to one ongoing project of NLP to upgrade the existing building in Islamabad. The allocated amount has been utilized and the project will be completed by June 2024.

National Language Promotion Department (NLPD)

An amount of Rs. 16.755 million was allocated to one ongoing project of NLPD for establishing a national language processing laboratory. The project seeks to establish a modern language processing laboratory equipped with advanced technology/applications/software at the national level for optical character & speech recognition, machine translation, Urdu data bank, fonts & dictionary development for PCs/android etc. The physical progress on the project is nearing completion and the project team has so far developed the beta version of various softwares including Automatic English-Urdu translation, Text Extraction from Images (OCR), and Speech to Text converter. The project will be completed by June 2024.

The agency-wise allocation for the National Heritage & Culture Sector for the financial year 2023-24 is given in Table 15.3:

Table 15.3: Allocations for the National Heritage & Culture Sector for 2023-24

(Million Rupees)

S. No.	Agencies	Allocation 2023-24	Estimated Expenditure 2023-24
1.	PAL	350.00	0.00
2.	DOAM	78.75	57.50
3.	NLP	94.50	0.00
4.	NLPD	16.75	35.16
	Total	540.00	92.66

Source: PSDP 2023-24

Outlook 2024-25

Digital and new media i.e. video broadcasting, digital audio broadcasting, Internet Protocol Television (IPTV), mobile TV, and digital multimedia broadcasting etc. are the future of broadcasting culture. The Mass Media sector during 2024-25 would foster its growth through the upgradation / digitalization of broadcasting networks of

PTVC and PBC. A growing middle class, young demography, high volume of content consumption and a rise in consumer income hold significant potential for investment in media.

Since the launch of 3G and 4G internet, Pakistan’s digital media has been growing rapidly as internet penetration rate and social media users stand at 36.5 percent and 32percent of its total population respectively. A snapshot of Pakistan’s digital media landscape is given below:

Social Media Internet/Mobile/Broadband users in Pakistan

A detail of social platform-wise media users and Internet/Mobile/Broadband users in Pakistan is given in Table 15.4 and Table 15.5 respectively.

Table 15.4: Social Media Users

S.#	Platforms	Users/Subscribers (Million)
1.	YouTube	71.70
2.	Facebook	57.50
3.	Snack video	20.00
4.	Snapchat	18.80
5.	TikTok	18.30
6.	Instagram	15.60
7.	LinkedIn	7.60
8.	Bigo and like	4.20
9.	Twitter	3.40

Source: Pakistan Telecommunication Authority (PTA)

Table 15.5: Internet/Mobile/Broadband users

#	Platform	Users/Subscribers (Million)
1.	No. of Internet Users	87.35
2.	No. Viewers of Over the Top (OTT) platform	23.90
3.	No. Users of Smartphones	73.00
4.	No. of WhatsApp Users	46.20
5.	No. of Subscribers of Broadband	124.00
6.	No. of Subscribers of Telecom (Fixed& Mobile)	197.00
7.	No. of Cellular Mobile Connections Active	191.80

Source: Pakistan Telecommunication Authority (PTA)/Digital 2021

Programme 2024-25

Mass Media Sector

The allocation for the 2024-25 for the Mass Media Sector is Rs.5649.209 million. An amount of Rs.324.209 million has been provided to PTVC for one ongoing and one new project.

Similarly, an amount of Rs.4250.00 million has been earmarked to PBC for one ongoing and four new projects.

An amount of Rs. 500.00 million has been given for the one ongoing project of DEMP. The organization-wise details of allocation for the Mass Media Sector in PSDP 2024-25 are given in Table 15.6.

Table 15.6: Organization-Wise Allocations for Mass Media Sector

(Million Rupees)

S. #	Agencies	Allocation 2024-25
1.	PTVC	324.209
2.	PBC	4250.00
3.	DEMP	500.00
4.	Centre for Digital Communication (CDC)	405.00
5.	Ministry of Information & Broadcasting	170.00
	Total	5649.209

National Heritage & Culture Sector

The allocation for 2024-25 for National Heritage & Culture Sector is Rs. 1015.00 million. Organization-wise details of allocation for National Heritage & Culture Sector in PSDP 2024-25 are given in Table 15.7:

Table 15.7: Organization-Wise Allocations for National Heritage & Culture Sector

(Million Rupees)

S. No.	Agencies	Allocation 2024-25
1.	DOAM	268.49
2.	NLP	263.00
4.	PAL	483.51
	Total	1015.00

Integrated Planning for Energy Development

16. SUSTAINABLE ENERGY

The energy sector is crucial to Pakistan's economic development. The demand-supply gap over the past decade has adversely affected growth, prompting a prioritized focus on expanding power generation capacity. Reliable energy is essential to addressing Pakistan's energy deprivation, fueling economic growth, improving quality of life and achieving SDG 7. The energy sector faces challenges like circular debt, fuel import dependency, depleting gas supplies, volatile prices, and high T&D losses. The 5E Framework and 13th Five Year Plan prioritize energy, focusing on Diversification & Indigenization, Affordability/Competitiveness, Financial Sustainability, and Private Sector Development.

Going forward, the government will focus on four macro-level thematic areas for the uplift of the energy sector: Diversification & Indigenization, Affordability/Competitiveness, Financial Sustainability, and Private Sector Development. Future projects must meet the least-cost criteria under the Indicative Generation Capacity Expansion Plan (IGCEP), with a coordinated Transmission System Expansion Plan (TSEP) and Distribution Integrated Investment Plan (DIIP). The Competitive Trading Bilateral Contract Market (CTBCM) will liberalize power trading at the wholesale level.

During 2023-24, power generation capacity was 41,348 MW, with hydel power at 10,682 MW. The maximum demand was 25,516 MW. By June 2024, the grid will add 3,010 MVA at 220kV. In 2024-25, the grid will see an additional 1,962 MW, mostly hydel, raising capacity to 43,310 MW against a projected peak demand of 27,140 MW. Additions in transmission capacity include 4,950 MVA at 500kV, 5,840 MVA at 220kV, and 1,000 MW at ± 660 kV HVDC. The distribution sector will add 3,328 MVA at 132kV, powering 1,775,643 new consumers, and electrifying 6,937 villages.

In 2023-24, crude oil production met 89 percent of targets, imports 88 percent, while natural gas production was 59 percent. LPG production hit 96 percent, LNG imports 83 percent, and coal production 100 percent. SNGPL and SSGCL exceeded targets, extending pipelines by 3,773 kilometers, 149 percent of the target. The Annual Plan 2024-25 continues to prioritize the fuel sector, building on the successes and targets achieved in the previous fiscal year.

For 2024-25, targets are set at 2.75 million tons for crude oil production, 10.4 million tons for crude oil imports, and 8.8 million tons for POL imports. Natural gas

production remains targeted at 1.28 trillion cubic feet, while indigenous LPG production is set at 0.79 million tons and LPG imports at 1.05 million tons. The PSDP funding demand for 2024-25 stands at Rs. 2554.67 million, allocated to ongoing projects like PETCORE and SUGS, and new projects such as the Supply of Gas to Villages/Localities for SSGCL (Phase-I).

A. Power Sector

Performance Review 2023-24

As of 30th June 2023, the installed capacity of the Power Generation of Pakistan was 41,198 MW (excluding K-Electric system). Table 16.1 shows a fuel-wise breakup which clearly shows that the generation mix of the country is dominated by hydel power plants, with gross share of 25.93 percent in the generation mix in Table 16.1.

Source/Fuel	As on June 2023 (MW)	Percent Share
Solar	500	1.21
Wind	1,845	4.48
Hydel	10,682	25.93
Coal (Local)	2,640	6.41
Coal (Imported)	4,620	11.21
Gas	3,986	9.68
RLNG	8,125	19.72
Oil (RFO)	4,906	11.91
Baggase	364	0.88
Nuclear	3,530	8.57
Total Capacity	41,198	

Source: NTDC

An amount of Rs. 205,933 million was allocated in PSDP 2023-24 for power sector projects including self-finance by Power Sector Corporations and excluding the cost of Independent Power Producers (IPPs), details are provided in Table 16.2.

Table 16.2: Power Sector PSDP Allocations 2023-24

Department	Number of Projects	Allocation 2023-24 (Rs. In Million)
Power Division (Generation, Transmission and Distribution Projects)	102	107,413
Pakistan Atomic Energy Commission (Power Projects)	2	15,409
Kashmir Affairs and Gilgit Baltistan (Power Projects)	8	3,000
WAPDA Hydropower Generation Projects	14	80,111
Total	126	205,933

Source: PSDP 2023-24

During 2023-24, 150 MW of Solar Power Generation has been added to the national grid (Details are mentioned at Annex-4.1) which resulted in a cumulative installed generation capacity of 41,348 MW. The share of renewable resources (including hydel) in the generation mix was 32.75 percent while thermal resources (including nuclear energy), occupied 67.25 percent of the generation mix. Source- wise detail is provided at Table 16.3.

Table 16.3: Installed Capacity up to June, 2024 (MW)

Source/Fuel	Addition 2023-24 (MW)	Up to June 2024 (MW)
Solar	150	650
Wind	-	1845
Hydel	-	10,682
Coal (Local)	-	2,640
Coal (Imported)	-	4,620
Gas	-	3,986
RLNG	-	8,125
Oil	-	4,906
Bagasse	-	364
Nuclear	-	3,530
Total Capacity	150	41,348

Source: NTDC

Transmission System

The investments in the transmission system resulted in a capacity addition of 3010 MVA on 220kV, while the transmission lines increased by 662 km and 294 km, each, on 500 kV and 220 kV voltage levels. Detailed achievements made during 2023-24 are given in Table 16.4.

Table 16.4: Achievements of Transmission System in 2023-24

Items	Existing Capacity June 2023			Achievements/ Enhancement up to June 2024		
	500 kV	220 kV	±660 kV	500 kV	220 kV	±660 kV
Transmission Capacity (MVA/MW)	28,500	38,167	4,000	28,500	41,177	4,000
Length of transmission line (km)	8,825	11,634	1,772	9,487	11,928	1,772
No. of Grid Stations/ Converstations	20	53	2	20	54	2

Source: NTDC

Distribution System

The distribution system will see a capacity addition of 2,246 MVA and an extension of 678 km transmission lines on the 132kV Network by the end of 2023-24. 8,111 villages will be electrified while 1,626,618 consumers will be added to the distribution network of DISCOs by June 2024. Detailed performance review in respect of DISCOs is provided in Table 16.5.

Name of DISCO	132 kV MVA Added	132 kV Transmission Line (Km) Added	11 kV MVA Added	11 kV Transmission Line (Km) Added	400 Volt Transmission Line (Km) Added	Consumers Added (Nos.)	Loss Reduction (percent)	Village Electrification (Nos.)
FESCO	652	99.00	287.00	607.00	342.00	255,630	0.02	1,050
GEPCO	420	22.60	136.70	286.40	219.70	232,633	-0.10	108
HESCO	149	17.70	61.90	199.00	23.50	20,681	0.30	80
IESCO	78	1.00	91.60	108.40	130.80	167,448	0.20	375
MEPCO	249	157.00	137.00	585.00	70.00	416,434	*0.00	2,000
PESCO	129	31.00	66.00	97.00	51.00	126,720	*0.00	2,932
QESCO	226	161.00	99.70	430.00	2,088.00	27,331	-0.60	1,101
SEPCO	39	30.00	31.00	106.00	48.00	13,978	*0.00	88
TESCO	144	112.70	16.70	267.90	16.90	1,112	0.01	140
LESCO	160	46.00	228.00	653.00	91.00	364,651	0.50	237
Total	2,246	678.00	1,155.70	5,339.60	3,080.90	1,626,618	0.11	8,111

Source: DISCOs/PPMC

*PPMC Data, as the concerned DISCOs didn't furnish data

Outlook 2024-25

Generation System

The Power Sector will witness a public investment to the tune of Rs. 253,660 million from PSDP 2024-25 which includes government budgeted, self-finance projects of Power Sector Corporations excluding IPPs (Table 16.6):

Department	Number of Projects	Allocation 2024-25 Rs. In Million
Power Division (Generation, Transmission and Distribution Projects)	82	175,940
Pakistan Atomic Energy Commission (Power Projects)	1	18,453
Kashmir Affairs and Gilgit Baltistan (Power Projects)	8	4,603
WAPDA Hydropower Generation Projects	11	54,010
Total	102	253,006

Source: PSDP 2024-25

During 2024-25, an incremental capacity of 1,962 MW will be added to the generation mix, making the cumulative figure rise to 43,310 MW. This includes the addition of 1,302 MW from renewable energy (incorporating hydel) by June 2024, when the overall Generation mix will be comprised of 34.3 percent renewable resources (including hydel) and 65.7 percent thermal (including nuclear). Source-wise details of Planned Additional Capacity are given in Table 16.7, while Project wise details are at Annex-16.1.

Table 16.7: Planned Additional Installed Capacity up to June, 2025

Source/Fuel	Addition 2024-25 (MW)	Upto June 2025 (MW)
Solar	132	782
Wind	-	1,845
Hydel	1,138	11,820
Coal (Local)	-	2,640
Coal (Imported)	660	5,280
Gas	-	3,986
RLNG	-	8,125
Oil	-	4,906
Bagasse	32	396
Nuclear	-	3,530
Total Capacity	1,962	43,310

Source: NTDC

Transmission System

By the end of June 2025, the transmission sector will be boosted by an additional 4,950, 5,840 and 1,000 MVA capacity on 500kV, 220kV and ± 660 kV grids, respectively. The transmission lines on 500 kV, 220 kV and ± 660 kV voltage levels will be extended by 24, 420 and 226 km, each. Details are given in Table 16.8.

Table 16.8: Targets for Addition in Transmission Capacity during 2024-25

Items	Addition in 2024-24 (MW)			Cumulative Addition up to June 2024		
	500	220	± 660	500	220	± 660
Transmission Type (kV)	500	220	± 660	500	220	± 660
Transmission Capacity (MVA)	4,950	5,840	1000	33,450	47,017	5,000
Length of transmission line (Km)	24	420	226	9,511	12,348	1,998
No. of Grid Stations	3	6	1	23	60	3

Source: NTDC

Distribution System

The investments in distribution sector will result in the electrification of 6,937 villages and an increase in 1,775,643 no. of connections for DISCOs during 2024-25. In

addition, the distribution lines i.e. 132 kV lines will be extended by 1,599 km and the capacity of 132 kV Grids will be strengthened by 3,328 MVA. Detailed performance review in respect of DISCOs is provided in Table 16.9.

Table 16.9: Targets of Power Distribution Companies 2024-25

Name of DISCO	132 kV MVA Added	132 kV Transmission Line (Km) Added	11 kV MVA Added	11 kV Transmission Line (Km) Added	400 Volt Transmission Line (Km) Added	Consumers to be Added (Nos.)	Loss Reduction (percent)	Village Electrification (Nos.)
FESCO	617	117.00	299.00	656.00	376.00	268,411	0.03	1,000
GEPCO	520	55.00	146.30	306.40	235.10	283,266	0.05	114
HESCO	215	141.00	116.00	300.00	30.00	21,031	1.00	200
IESCO	236	334.00	122.00	352.00	297.00	175,820	0.20	300
MEPCO	516	129.50	200.00	900.00	150.00	450,000	0.10*	2,440
PESCO	137	73.00	71.00	106.00	68.00	196,268	0.10*	1,500
QESCO	601	558.50	149.50	820.00	2,088.00	29,216	-0.70	1,000
SEPCO	49	33.00	33.00	112.00	48.00	20,000	0.10*	93
TESCO	170	148.00	34.00	121.50	35.60	1,375	0.11	40
LESCO	267	10.00	333.00	705.00	113.00	330,256	1.84	250
Total	3328	1599.00	1503.80	4378.90	3440.70	1,775,643	0.48	6,937

Source: DISCOs/PPMC

*PPMC Data, as the concerned DISCOs didn't furnish data

Way Forward - Power Sector 2024-25

The government is making concerted efforts to develop the energy sector for enhanced efficiency and to achieve SDG 7 targets, focusing on reliable, affordable, and sustainable energy for all. Way forward in this regard is as follows:

Generation System

- The share of indigenous energy resources i.e. domestic coal, renewable and hydropower resources would be increased to achieve sustainability, affordability and self-reliance in the Power Generation Sector.
- The government has taken the initiative to substitute imported coal-based IPPs with Thar coal and a feasibility study has been conducted in this regard.
- Transformation towards CTBCM will make Pakistan Power Market a multi-buyer market.
- GoP intends to expedite mega Hydropower Projects i.e. 2160 MW Dasu HPP, 1410 MW Tarbela 5th Extension HPP and 4500 MW Diamer Basha HPP, being financed through PSDP, to increase the share of hydel energy in the generation mix.

Transmission System

- TSEP and aligned integrated plan investments in the transmission sector will be implemented.
- Private sector participation in transmission would be encouraged.
- Transmission system constraints would be addressed through upgradation of existing grids and addition of new transmission lines based on innovative technologies.

Distribution System

- A pilot program on management outsourcing of DISCOs shall be undertaken on short-term basis till privatization of DISCOs.
- Capacity building of DISCOs and Bulk Power Consumers (BPCs) will be enhanced to have full benefits of CTBCM.
- Result based implementation and tracking of Energy Loss Reduction (ELR), Distribution of Power (DOP), Secondary Transmission Grids (STG) and Advanced Metering Infrastructure (AMI) projects across DISCOs.

B. Fuel Sector

Performance Review 2023-24

Oil Production & Imports

The target for indigenous crude oil production in 2023-24 was 3.08 million tons, achieving 89 percent with 2.74 million tons by 30th June 2024. Crude oil imports targeted at 10.2 million tons reached 88 percent with 9.0 million tons imported, while POL (Petroleum, Oil, and Lubricants) imports aimed at 10.2 million tons achieved 80 percent with 8.1 million tons.

Natural Gas

The target for domestic natural gas production was 1.3 trillion cubic feet, but only 0.77 trillion cubic feet achieved by June 2024, accounting for 59 percent of the target.

Liquefied Petroleum Gas (LPG)

During 2023-24, Pakistan achieved 96 percent of its target of indigenous LPG production, reaching 0.75 million tons against its target of 0.78 million tons, while LPG imports amounted to 76 percent of the target, with 0.9 million tons imported against a target of 1.18 million tons.

Liquefied Natural Gas (LNG)

In 2023-24, Pakistan aimed to import 9 million tons of LNG, based on customer demand, international spot LNG prices, and macroeconomic conditions. The country achieved 83 percent of this target, importing 7.5 million tons.

Indigenous Coal

Indigenous coal production reached 100 percent of the target with 15.4 million tons.

Petroleum Exploration

A total of 56 wells were targeted to be drilled, out of which 41 drilled by June 2024, achieving 73 percent of the target. Details are given in Annex-16.2.

Gas Consumer Addition and Pipelines Construction

As of June 2024, both Sui Companies, SNGPL and SSGCL, have shown varied achievements. While SNGPL added 25,000 domestic consumers, the actual figures for the addition of domestic gas consumers are contingent upon regulatory approval and the lifting of moratoriums on indigenous gas to the domestic sector. However, SNGPL has achieved 61 percent of its target for commercial consumers and 14 percent for industrial consumers. On the other hand, SSGCL added 2,689 domestic consumers, representing only 2 percent achievement of its previous year's target. SSGCL added 227 commercial and 47 industrial consumers, achieving 45 percent and 25 percent of their respective targets. Overall, the total gas consumers added by both companies stood at 29,698, achieving 22 percent of the target.

Moreover, both the Companies added 3,773 km of transmission and distribution pipelines against the target of 2,526 km.

Furthermore, SNGPL achieved 100 percent of the target, SSGCL achieved 86 percent of the targets for curtailing gas losses which now stands at 4,500 MMCF for SNGPL and 13,000 MMCF for SSGCL. Details are given in Annex-16.3.

PSDP 2023-24

During 2023-24, the Petroleum Division allocated Rs. 774.27 million to implement four ongoing projects. Details in this regard are in Annex-16.4.

Outlook 2024-25

For 2024-25, the target for crude oil stands at 2.75 million tons, with crude oil imports remaining steady at 10.4 million tons and POL imports at 8.8 million tons. The target for natural gas production remains unchanged at 1.28 trillion cubic feet. Additionally, the target for indigenous LPG production is set at 0.79 million tons, while the target for LPG imports is established at 1.05 million tons.

The gap in indigenous gas supply will be supplemented through LNG imports, the target of which remains unchanged at 9 million tons for the 2024-25, indicating a continued reliance on LNG to support energy requirements.

Both SNGPL and SSGCL have collective target of adding 403,050 new consumers and 7,215 km transmission and distribution pipelines in the year 2024-25.

The target for indigenous coal production in 2024-25 remains steady at 15.4 million tons.

PSDP 2024-25 - Fuel Sector

The total demand for PSDP funding for 2024-25 is Rs. 2,554.67 million. This includes Rs. 1,461.23 million for ongoing projects, such as the Expansion and Upgradation of Pakistan Petroleum Corehouse (PETCORE), Strategic Underground Gas Storage (SUGS), and Supply of Gas to villages/localities for SNGPL. Additionally, there is a demand of Rs. 1,093.44 million for a new project, "Supply of Gas to Villages/Localities for SSGCL (Phase-I)".

Project-wise demands of the Petroleum Division for 03 ongoing and 01 new projects to be implemented during 2024-25 are given at Annex-16.4.

C. Integrated Energy Planning

The Energy Planning and Resource Centre established at Energy Wing, Ministry of PD&SI continues to carry out policy analysis of energy sector challenges. For the first time, a modern tool based integrated energy demand and supply document has been prepared. The center has published a comprehensive analysis on various dynamics of energy sector challenges, notably discussed Natural Gas Policy Analysis and Large Scale Solar Penetration.

Annex-16.1

I Power Generation 2023-24 (Plants commissioned from July 2023 till date/expected to commission upto 30th June 2024)						
Sr. #	Name of Project	Location	Agency	Fuel	MW	Commissioning Date
1	Helios	Sukkur, Sindh	PPIB	Solar	50	Jan-24
2	Meridian	Sukkur, Sindh	PPIB	Solar	50	Jan-24
3	HNDS	Sukkur, Sindh	PPIB	Solar	50	Jan-24
Generation Additions in 2023-24 (MW)					150	
II Power Generation 2024-25 (Targets) (July 2024 to June 2025)						
Sr. #	Name of Project	Location	Agency	Fuel	MW	Commissioning Date
1	Chamfall	Azad Kashmir	AJK-HEB	Hydro	3	Jul-24
2	Shahtaj	Mandi Bahauddin, Punjab	PPIB	Bagasse	32	Jul-24
3	Jamshoro	Jamshoro, Sindh	GENCOs	Imported Coal	660	Jul-24
4	Koto	Lower Dir, KPK	GoKPK	Hydro	41	Jul-24
5	Mangla (U #1-2)	Mirpur, Azad Kashmir	Yet to be determined	Hydro	75	Jul-24
6	Suki Kinari (U #1)	Mansehra, KPK	PPIB	Hydro	221	Jul-24
7	Kurram Tangi	North Waziristan	WAPDA	Hydro	18	Jul-24
8	Suki Kinari (U #2)	Mansehra, KPK	PPIB	Hydro	221	Aug-24
9	Access Electric	Jehlum	PPIB	Solar	10	Sep-24
10	Access Solar	Jehlum	PPIB	Solar	12	Sep-24
11	Suki Kinari (U #3)	Mansehra, KPK	PPIB	Hydro	221	Sep-24
12	Safe	Bahawalnagar, Punjab	PPIB	Solar	10	Sep-24
13	Zorlu	Bahawalpur, Punjab	PPDB	Solar	100	Oct-24
14	Suki Kinari (U #4)	Mansehra, KPK	PPIB	Hydro	221	Oct-24
15	Jagran-II (U #1)	Azad Kashmir	AJK-HEB	Hydro	12	Dec-24
16	Jagran-II (U #2)	Azad Kashmir	AJK-HEB	Hydro	12	Jan-25
17	Lawi	Lower Chitral, KPK	GoKPK	Hydro	69	Jan-25
18	Jagran-II (U #3)	Azad Kashmir	AJK-HEB	Hydro	12	Feb-25
19	Jagran-II (U #4)	Azad Kashmir	AJK-HEB	Hydro	12	Mar-25
Generation Additions in 2024-25 (MW)					1962	

Oil and Gas Targets and Achievements

S.No	Items	Units	Targets 2023-24	Achievement up to 30-06-2024	Percent Achieve- ments	Targets 2024-25
1.	Production & Imports					
i.	Indigenous Crude Oil	Million Tons	3.08	2.74	89	2.75
ii.	Crude Oil Imports	Million Tons	10.20	9.00	88	10.40
iii.	POL Imports	Million Tons	10.20	8.10	80	8.80
iv.	Indigenous Gas	Trillion CFT	1.30	0.77	59	1.28
v.	Indigenous LPG	Million Tons	0.78	0.75	96	0.79
vi.	LPG Imports	Million Tons	1.18	0.90	76	1.05
vii.	LNG Import	Million Tons	9.00	7.50	83	9.00
viii.	Indigenous Coal	Million Tons	15.40	15.40	100	15.40
2.	No of wells drilled	Nos.	56.00	41.00	73	-
i.	Exploratory	Nos.	21.00	11.00	52	-
ii.	Development	Nos.	35.00	30.00	86	-

Source: DG (PC), DG (Gas), DG (LGs), OGRA, TCEB

Gas Consumer Addition and Pipelines Construction

S. No	Items	Units	Targets 2023-24	Expected Achievement by June 2024	Percent Achievements	Targets 2024-25
A.	Gas Consumers Added					
1.	SNGPL					
i.	Domestic	Nos.	-	25,000*	-	400,000
ii.	Commercial	Nos.	2,800	1,700	61	2,800
iii.	Industrial	Nos.	250	35	14	250
	Sub Total	Nos.	3,050	26,735	-	403,050
2.	SSGCL					
i.	Domestic	Nos.	133,284	2,689*	2	-
ii.	Commercial	Nos.	500	227	45	-
iii.	Industrial	Nos.	192	47	25	-
	Sub Total	Nos.	133,976	2,963	2	-
	Total (SNGPL + SSGCL)	Nos.	137,026	29,698	22	403,050
B.	Transmission & Distribution Extension					
1.	SNGPL					
	Transmission & Distribution	Km	1,080	3,423	317	6,617
2.	SSGCL					
	Transmission & Distribution	Km	1,446	350	24	598
	Total (SNGPL + SSGCL)	Km	2,526	3,773	149	7,215
C.	Gas Sales & UFGs					
1.	SNGPL					
i.	Domestic Gas Sales	TCF	0.31	0.37	119	0.34
ii.	LNG Gas Sales	TCF	0.32	0.26	80	0.33
iii.	Gas Losses (UFG)	MMCF	4,500	4,500	100	4,500
2.	SSGCL					
i.	Domestic Gas Sales	TCF	0.21	0.26	123	0.25
ii.	LNG Gas Sales	TCF	0.63	0.75	120	0.90
iii.	Gas Losses (UFG)	MMCF	15,035	13,000	86	5,000

* Currently, moratorium is imposed on the new domestic gas connections.

Source: SNGPL, SSGC

Annex-16.4

Petroleum Division's Project-wise PSDP Allocations

(Rs. Million)

Sr.No.	Name of Project	PSDP 2023-24 Allocation	Demand for PSDP 2024-25
On-going Projects			
1.	Expansion and Up-gradation of Pakistan Petroleum Corehouse (PETCORE) for its Sustainable Operations to Facilitate Oil & Gas Exploration Research in Pakistan	424.27	507.05
2.	Strengthening, Up Gradation and ISO Certification of Karachi, Laboratory Complex (KLC) at HDIP Operation Office, Karachi <i>(Scheduled to be completed in June 2024)</i>	100.00	-
3.	Development of Strategic underground Gas Storage (SUGS)	150.00	135.00
4.	Supply of Gas to villages /Localities falling within 5-km radius of gas producing fields for SNGPL(Phase-I)	100.00	819.18
New Projects			
5.	Supply of Gas to Villages/Localities falling with 5-km radius of gas producing fields for SSGCL (Phase-I) – 4 th Year <i>(PC-I awaited)</i>	-	1,093.44
	Total	774.27	2,554.67



Transformative Infrastructure
for a Sustainable Future

17. WATER RESOURCES DEVELOPMENT

Water resource sector plays a vital role in socio-economic development and food security of the country. Pakistan's agriculture contributes around 22.9 percent to the GDP of Pakistan⁴. The primary source of the water in Pakistan is precipitation and glacier melt that contributes to the Indus Basin, groundwater, lakes and streams. Indus Basin Irrigation System (IBIS) is one of the largest contiguous irrigation networks in the world, it comprises 03 major reservoirs with a live storage capacity of 13.44 MAF, 19 barrages, and 12 inter-river link canals, 2 syphons and 44 canal commands. The main canals and distributaries network consist of 64,000 km in length, whereas watercourses comprise another 1,621,000 km.

The average annual canal withdrawal water is 110 Million Acre Feet (MAF) and annual groundwater extraction is 53.07 MAF through 1.285 million tube wells installed in Pakistan⁵.

Despite its abundant water resources, Pakistan grapples with a myriad of challenges arising from factors such as population growth, land degradation, and sea water intrusion into the Indus delta due to insufficient environmental flows. Additionally, the impact of climate change, including rising sea levels and temperatures, exacerbates these issues, leading to extreme weather events like devastating floods and severe droughts. Pakistan has consistently been ranked among the top 10 most vulnerable countries to climate change, according to the Global Climate Risk Index Report (2021), spanning from 2009 to 2019.

The outlook of Annual plan 2024-2025 is based on the targets of National Water Policy (2018), 5Es Framework and 13th Five Year Plan. Water sector development projects in Pakistan also play a crucial role in aligning with SDGs, particularly SDG 6, which focuses on ensuring access to clean water and sanitation for all. These projects aim to address various challenges such as; water scarcity, pollution, and inadequate infrastructure, contributing to the country's efforts to achieve water security, improve water quality, and enhance access to safe drinking water and sanitation facilities, thus promoting sustainable development and resilience to climate change.

⁴ *Population Census, 2023*

⁵ *Pakistan Council of Research in Water Resources*

Performance Review 2023-24

Pakistan's water sector faces daunting challenges, including scarcity due to population growth, climate change impacts, pollution, inefficient management, and transboundary disputes. Addressing these demands comprehensive strategies focusing on sustainability, efficiency, and equitable management aligned with SDGs. Throughout 2023-24, various initiatives were implemented to enhance and upgrade the water sector. Below is the performance summary of the water sector during this period.

Financial Review

The ongoing development portfolio of the Water Sector is derived from the key strategic priorities and policy objectives set under National Water Policy 2018. Keeping in view, the strategic importance of water sector, 2023-24 development programme was comprised of 71 projects of total estimated approved cost to Rs. 2,089.230 billion. The total PSDP allocation for 2023-24 was Rs.100.348 billion, released amount till March 2024 was Rs.30.237 billion (30.13 percent). It is likely that the remaining allocated budget will be utilized up until June 2024. Category-wise budget 2023-24 bifurcation is given in Table 17.1.

Table 17.1: Sector wise Allocations 2023-24

Projects	Rs. Billion
Large Dams (Basha & Mohmand Dam)	35.50
Medium/small Dams	28.89
Canals	3.10
Water supply	18.23
Irrigation Infrastructure Improvement	1.08
Flood Protection	12.00
Studies & Research	1.17
Miscellaneous scheme (Watershed Management activities)	0.38
Total	100.35

Physical Review

Notwithstanding several challenges encountered during the implementation of the projects, it was earnestly attempted to accelerate the pace of on-going water sector's development program 2023-24. The following major goals and targets are expected to be met by the end of June 2024:

- Out of total water sector 71 projects of year 2023-24, around 30 projects amounting to Rs. 102,993.390 million are expected to be completed by June

2024, 15 projects in Balochistan, including mega projects; Kachhi Canal Project (Remaining works Ph-I), Basol Dam, Mangi Dam, 100 Small dam Project (Package –III, 20 Dams), 08 projects in Sindh including canal, small dam and drainage projects, 06 in KP, 01 in Punjab.

- Progress on two mega dam projects of national importance remained satisfactory i.e., Mohmand Dam (generation capacity 800 MW, live storage 0.676 MAF and CCA 18,233 Acres), Diamer Basha Dam (generation capacity 4,500 MW and live storage capacity 6.40 MAF).
- Kachhi Canal (Phase-I) with 72,000 acres of land, a culturable command area (CCA) in Balochistan has been substantially completed.
- Kachhi Canal Phase-I (remaining works) for the additional 30,000 acres of CCA has been substantially completed.
- Chashma Right Bank Canal (Lift-cum-Gravity) (CRBC) aims to irrigate 286,100 acres of land in Khyber Pakhtunkhwa. Project has been initiated to utilize due share of KPK in WAA 1991. Project activities are in progress
- Mangi Dam project is expected to be completed in current financial year. The Mangi Dam will supply 8.1 MGD (15.1 cusecs) to Quetta City, Balochistan.
- The key activities on Naulong Multipurpose Dam Project (Jhal Magsi, Balochistan) are in full swing. The key objectives of the project are to provide irrigation water for the command area development of 47,000 acres of land and to produce 4.4 MW of electricity.
- To cope with urban flooding, efforts were taken by the federal government through Storm Water Drain Projects Under Karachi Transformation Plan; Restoration & Revamping of three main nullahs were undertaken; Gujjar Nullah & Orangi Nullah and Mahmoodabad Mullah.
- Water requirement for I-V Project Improvement of Kalri Baghar Feeder and Keenjhar Lake – Plain Cement Concrete (PCC) Lining of Kalri Baghar Feeder Upper Phase-I, 50% Co-sharing, PSDP share Rs. 19,470.467 million project was approved at a total cost of Rs. 393.942 billion.
- PC-I of Remodelling of Pat Feeder Canal System District Naseerabad in Balochistan at a cost of Rs.61,793.367 million was approved
- Approval of PC-I of Sindh Barrage Improvement project for rehabilitation of Guddu and Sukkur Barrage (Amalgamated PC-I).

National Initiatives for Climate Resilient and Sustainable Development after Flood 2022

Monsoon floods in 2022, caused by heavy rainfall and flash flooding affected almost one-third of the country. The catastrophic flood caused more than 1700

causalities, nearly 8 million people have reportedly been displaced and 33 million people have been affected. (PDNA, 2022). The government of Pakistan has taken many measures including the following to make the development sector more climate resilient through a build-back-better approach:

- Considering the climate change scenario, the government of Pakistan through the Planning Commission and Federal Flood Commission with technical support of ADB and Deltares Consultants initiated the updation of National Flood Protection Plan-IV (NFPP-IV) in line with the Flood 2022 scenario considering flood protection measures against flash floods and hill torrents. This 10-year plan has been finalized after intensive consultation with all stakeholders including Provincial Governments and line agencies and ready to be launched. The plan comprises 514 projects with a total estimated cost of Rs.850 billion.
- Preparation of sub-projects under umbrella PC-I of the Flood Protection Sector Project (FPSP-III) amounting to Rs. 194.625 billion. This five-year project aims to deal with flood risk challenges through an Integrated Flood Risk Management Approach.
- Formulation of comprehensive Drainage Master Plan to address inter-provincial drainage issue (Balochistan, Punjab and Sindh)
- Sub-project titled “Post-Flood 2022 Reconstruction Programme: Resilience Enhancement and Livelihood Diversification in Balochistan (Irrigation Infrastructure)” at a cost of Rs. 8,500 million was recommended to ECNEC.
- To synchronize the restoration of flood damages to Kachhi canal PC-I of the project regarding the restoration of Flood Damages 2022 (RD 0+000 to RD 1005+000) amounting to Rs. 8,280.647 million was approved by ECNEC.
- Approval of Revised PC-I for Installation of Telemetry System for Real Time Discharge Monitoring at 27 Key Sites on Indus Basin Irrigation System (IBIS) amounting to Rs. 23,834.707 million. The overall objective of the project is the availability of online and accurate information of water availability and flow information at barrages/ dams and allied off-taking canals and at crossing points of inter-provincial canals which is transmitted to all concerned authorities in parallel, which will eventually help in planning irrigation water management on scientific grounds.

Outlook 2024-25

Water sector development strategy will be concentrating on climate resilient infrastructure development based on Integrated Water Resource Management (IWRM). The Annual Development Plan 2024-25 will prioritize the 5Es Framework and 13th Five Year Plan. It will focus on implementing the Updated National Flood Protection Plan-IV and Flood Protection Sector Project -III (FPSP-III) to safeguard infrastructure and

agricultural lands from floods. Development projects will undergo rigorous screening for climate resilience, aligning with national and international commitments such as Pakistan Vision 2025 and Sustainable Development Goal 6. Core projects like; mega dams and water supply schemes will receive maximum resources, and those with over 80 percent physical progress will be prioritized for completion to reduce backlog in the water sector.

Programmes 2024-25

Updated National Flood Protection Plan 2023-33

Implementation of Phase-I of Updated National Flood Protection Plan (2023-33) is Flood Protection Sector Project-III (FPSP-III). The key initiatives under FPSP-III are as under:

- Flood Protection/ Mitigation initiatives based on Integrated Flood Risk Management approach
- National Master Plan for Flood Telemetry Network
- National Drainage Master Plan
- Glacier Monitoring & Research Centre
- Automatic Weather Stations in Pakistan
- Establishment of Regional Flood Forecasting and EWS
- Hill Torrent Management Studies update (PCRWR)
- Recharge Pakistan Project

Installation of Telemetry System for Real Time Discharge Monitoring at 27 Key Sites on Indus Basin Irrigation System (IBIS)

The project will be given priority to implement on fast track basis for Real-time monitoring of river flows through telemetric monitoring to maintain transparent water accounting system and to check the increasing trend of unaccounted-for water in the Indus System of Rivers.

Mega projects for Enhancement of Water Storages

- **Diamer Basha Dam and Mohmand Dam:** Out of the total allocated PSDP 2024-25 funds for the Water Sector's Development Programme amounting to Rs.418.812 billion, Water Sector's Development Programme has its share of Rs.205.588 billion. An amount of Rs. 127.384 billion has been allocated for construction of large/medium/small dams including Rs. 93.328 billion for both

mega projects. It is, expected that about 12 on-going projects of medium/small dam's will be completed during 2024-25.

- **Nai Gaj Dam:** Progress on a project costing Rs. 46.98 billion will be expedited by the allocation of funds amounting Rs.10.00 billion. This project aims to develop the command area of about 28,800 acres in the district Dadu Sindh.
- **Naulong Multipurpose Dam:** A sum of Rs. 600.00 million has been allocated to this project for the development of 47,000 CCA in the district of Jhal Magsi of Balochistan Province.

Irrigation Canals, Water Supply and Drainage Projects

- Chashma Right Bank Canal (Lift Cum Gravity Canal) Project
- To irrigate 286,100 acres of land in KP, CRBC- L-G Canal is initiated at a total cost of Rs.189,606.428 million with allocation of Rs. 17.51 billion for 2024-25.

K-IV Greater Water Supply Scheme

To overcome the water demand of the metropolitan city of Karachi, K-IV project will be given priority for timely completion. Rs. 25.00 billion is allocated for 2024-25.

Water Requirement for K-IV Project Improvement of Kalri Baghar Feeder and Keenjhar Lake – PCC Lining of Kalri Baghar Feeder Phase-I

To ensure the availability of water for Bulk Water Supply Project (K-IV project) to Karachi City, the implementation of a project titled "Improvement / Lining of Kalri Baghar Feeder and Extension of Keenjhar Lake; PCC Lining of Kalri Baghar Feeder Upper Phase-I, 50% Co-Sharing, PSDP Share Rs. 19,470.467 million" amounting to Rs. 39942.559 million will be expedited Rs. 1.00 billion is allocated for 2024-25.

Remodeling of Pat Feeder Canal System in Balochistan

Remodeling of the Pat Feeder Canal System in Balochistan District Naseerabad was approved by ECNEC on 27.07.2023 at a cost of Rs.61,793.367 million. The project aims to provide a due share of the Province under WAA 1991. Rs. 10.00 billion is allocated for 2024-25.

Sindh Barrage Improvement project for rehabilitation of Guddu and Sukkur Barrage

The Sindh Barrage Improvement project for the rehabilitation of Guddu and Sukkur Barrage (Amalgamated PC-I) is a World Bank-funded project. The project aims to safeguard a reliable supply of irrigation water to about 2.6 million acres in Guddu Barrage Command Area and 8.23 million acres in Sukkur Barrage Command Area. Rs.37.323 million is allocated for 2024-25.

The water resource projects outlined above are aligned with key SDGs to address pressing global challenges. Initiatives such as the installation of a telemetry

system for real-time discharge monitoring contribute to SDG 6.4 by ensuring sustainable freshwater withdrawals and supply. Mega projects like Diemer Basha Dam and Mohmand Dam support multiple SDGs, including SDG 6.1 for water availability and management, SDG 7.2 for renewable energy promotion, and SDG 9.1 for resilient infrastructure. Similarly, projects like Nai Gaj Dam and Naulong Multipurpose Dam aim to enhance water availability and promote sustainable terrestrial ecosystems, aligning with SDGs 6.1, 6.4, and 15.1. Furthermore, irrigation canal projects like the Chashma Right Bank Canal and K-IV Greater Water Supply Scheme contribute to SDG 2.4 for sustainable food production and SDG 6.1 for universal access to safe drinking water. These projects collectively support Pakistan's efforts to achieve its national and international commitments, addressing water scarcity, enhancing water-use efficiency, and ensuring the conservation of freshwater ecosystems.

Overall expected physical progress by the end of 2024-25

Out of total 59 water sector's projects tentatively 12 projects will be completed by the end of 2024-25 including small dam projects, irrigation canals and feasibility studies.

Financial Outlay 2024-25

An amount of Rs. 205.588 billion has been proposed to the water sector for PSDP 2024-25. Out of the total water sector's allocation, Rs. 93.328 billion is allocated for large dam Projects (Diemer Basha Dam and Mohdand Dam), Rs. 34.056 billion for Medium and Small Dam Projects, Rs. 34.638 billion for Canals and Rehabilitation of Irrigation System, Rs. 14.62 billion for Flood Protection, Rs. 25.00 billion for Water Supply (i.e. K-IV Project), Rs. 669 million for Feasibility and Research studies and miscellaneous project.

18. SUSTAINABLE TRANSPORT & COMMUNICATION INFRASTRUCTURE

Transport infrastructure is a precursor to sustainable economic growth in Pakistan. Transport infrastructure is indispensable for fostering economic growth, promoting regional integration, enhancing accessibility and connectivity, supporting urban development, facilitating tourism and recreation, optimizing logistics and supply chains, driving rural development, and enhancing resilience to emergencies. Investing in transport infrastructure is essential for sustainable development and improving the overall well-being of societies.

Improving transport and connectivity remains one of the seven pillars of Pakistan Vision 2025 and the sectoral interventions have been reflected in subsequent national economic/development plans and programmes.

Improving transport infrastructure has a positive spillover effect on economic growth, creating greater access to global markets, higher foreign investment, opportunities to exploit economies of scale, and enhanced employment opportunities. Transport infrastructure consists of all the basic means of transportation, including roads, railways, airports, and seaports. Geographically, Pakistan is centrally located in South Asia, sharing borders with China, India, Afghanistan, and Iran. Due to its strategic position in the region, Pakistan has been a key player in the One Belt One Road (OBOR) initiative spearheaded by China. One of the corridors of OBOR is the China-Pakistan Economic Corridor (CPEC), which has been prioritized by the Chinese Central Government. And in the CPEC a considerable amount of work and investment has been made in the Transport infrastructure projects.

Transport-related infrastructure development can contribute to economic growth in multiple ways. It helps to generate employment opportunities, increases industrial productivity, improves the cost-effectiveness of businesses, and provides access to various public services for citizens engaged in socio-economic activities. Two economic activities that heavily depend on transport are: 1) Logistics and Distribution which includes the movement of goods from manufacturers to distributors, retailers, and consumers and efficient transport systems are essential for timely delivery and cost-effective operations, and 2) Tourism and Travel as the tourism industry relies heavily on transport infrastructure to facilitate the movement of tourists to and from destinations, as well as within destinations for various activities and sightseeing.

Pakistan has the potential to grow its economy through transit trade. Being part of the China-Pakistan Economic Corridor (CPEC), Central Asia Regional Economic Cooperation (CAREC) and Khyber Pass Economic Corridor (KPEC) has tremendous potential of revenue generation through road and rail connectivity. The Federal Government along with the provincial stakeholders is making effort to invest in the road and rail connectivity throughout the country and working on various policies and plans to facilitate the transit trade thus boosting the economy of the country.

After the approval of National Transport Policy 2018, as an overarching/guiding document to help plan and manage (maintain/operate) the transport infrastructure, in alignment with the Vision 2025. The Pakistani transportation system needs modernization. The National Transport Master Plan is in the final stages of approval and many actions under the policy and the plan are being already adopted and implemented.

In the recent years the work in the transport infrastructure projects was carried in the districts of the southern Punjab, southern KP and Southern Balochistan based on equitable regional development of the poor districts especially in the transport sector with the Federal. The road projects under Southern Balochistan development package connecting the Iranian border with the national network was approved and started. The CPEC projects are re-initiated / started with full swing and the negotiations with the Chinese especially regarding the project of ML-1 (Main Line -I and KCR (Karachi Circular Railway) are underway

The Pakistan was hit with the flash floods in July 2022 and major roads and rail infrastructure was damaged. With the assistance of World Bank (WB), Asian Development Bank (ADB) and others donor agencies, major road rehabilitation projects in Sindh, Khyber Pakhtunkhwa and Balochistan were approved and initiated under the 4RF programme. Four R Framework outlines programmatic priorities, policy framework, institutional arrangements, financing strategy, and implementation plans for resilient, recovery, rehabilitation, and reconstruction.

With the arrival of the new government, the Plan for providing the efficient public transport system in major cities is under preparation with the consultation of the Provincial Governments. With the Focus of the Government on the connectivity of the Rekodiq with the Ports of Karachi and Gwadar is also being initiated and plans are ready to be implemented in the coming years.

Federal Investments / PSDP Review 2023-24

The SDG: Goal 9, seeks to build resilient infrastructure, promote sustainable industrialization and foster innovation. In order to develop the resilient infrastructure the Federal Government in the PSDP for 2023-24 provided an outlay of Rs. 239.78 billion for the federal program under T&C sector. Against this, an expenditure of Rs. 92.54 billion is expected to be incurred by the end of 2023-24, giving an overall utilization of 38.6 percent. Owing to financial constraints only 80 percent of the funds allocated have been authorized / released on the projects. Many Road sector projects under various Federal Ministries were ongoing, therefore an amount of Rs. 195.1 billion were originally allocated towards the road sector.

During the year, certain policy level changes have been made as well especially with regard to execution of the Provincial level road projects through the Federal PSDP. The SIFC (Special Investment Facilitation Council) and the NEC (National Economic Council) discouraged the federal funding on provincial projects. Many projects with zero national and strategic significance and no expenditure have been shifted / stopped or are capped.

Sectoral Review – 2023-24

Railway Sector

Against an allocation of Rs. 32.5 billion for 36 schemes of Railways, an expenditure of Rs. 19.3 billion is incurred during 2023-24, giving utilization of 59.2 percent. The focus was on the improvement of existing infrastructure, signaling system, and procurement and manufacture of rolling stock like; locomotives including high horse powers locos, coaches, and bogie wagons. Further, a re-modified / rationalized PC-I of ML-I costing US \$ 6.67 billion has been submitted by the Ministry of Railways, the same will processed through relevant development forums. Thar Coal Railway Project has also been approved on 50:50 cost sharing basis between PSDP and ADP of Sindh. A total of 09 number of projects are expected to be completed by the Pakistan Railways (PR) by the end of 2023-24.

Maritime / Ports & Shipping Sector

Against an allocation of Rs. 2.1 billion for 06 schemes pertaining to T&C Sector of Maritime Affairs, an expenditure of Rs. 1.6 billion is incurred by 2023-24, showing utilization of about 77.3 percent. During the year, major ongoing projects included Maintenance Dredging of Gwadar Port, Gryone Wall / Break Water and Allied Works at East Bay(Demi Zer) Gwadar, Floating Jetty at Gwadar Fish Harbour and others.

Defense Production Sector

Against an allocation of Rs. 1.6 billion for 02 schemes, an expenditure of Rs. 0.798 billion is incurred on the project of infrastructure upgradation of Karachi Shipyard and Engineering Works (KS&EW) and the project of PMC Gwadar, giving an overall utilization of 50 percent.

Aviation Sector

Against an allocation of Rs. 4.7 billion for 02 scheme, Rs. 1.26 billion expenditure has been incurred on the project of NGIA (Pakistani side components). The NGIA is expected to be operational in the next 2024-25.

Road Sector

National Highway Authority (NHA) - Against the allocation of Rs. 154.5 billion for 123 schemes, an expenditure of Rs. 58 billion is incurred for completion of ongoing works of various National and Regional Connectivity Road projects by the Federal Government. During the year, funds were utilized to gear up the slow moving and ongoing projects, especially for Gwadar links and regional connectivity, and for those projects, which were near completion.

Road Safety

NH&MP - Against the allocation of Rs. 92 million for 02 schemes, an expenditure of Rs. 5.8 million is incurred for completion of ongoing works, though Rs. 66 million has been sanctioned from MoPD&SI; for providing necessary infrastructure on securing the newly built Motorways and National Highways.

Construction Technology Training Institute – CTTI - (R&D)

Against the allocation of Rs. 92.1 million for one scheme, an expenditure of Rs. 55.26 million is incurred for completion of newly initiated scheme of Construction of 1 x Dormitory for 200 Students at CTTI, Islamabad.

Provincial Road Infrastructure

Provinces and Special Areas

Against the allocation of Rs. 26.0 billion for 48 schemes, an expenditure of Rs. 2.9 billion is incurred for completion of ongoing works of various provincial road projects fully or co-financed by the Federal Government. To support the provinces and equitable development of regions of south Punjab, South Balochistan and northern

areas several projects with Federal Funding was initiated after approval of the Special packages by Federal Cabinet for South Balochistan and South Punjab.

Sindh Infrastructure Development Company limited (SIDCL) -MoPD&SI

Against an allocation of Rs. 3.3 billion for 03 schemes, an expenditure of Rs. 1.99 billion is incurred on the projects of Sindh Infrastructure Development Company limited, envisioned with the goal of improvement of infrastructure of Sindh, especially, Karachi.

Housing and Works Division (Provincial Road Infrastructure Projects)

Against an allocation of Rs. 13.05 billion for 84 projects, Rs. 6.34 billion is incurred for completion of the ongoing works of various provincial & Federal Road projects for the community good.

Interior Division (Capital Urban Projects)

Against an allocation of Rs. 1.53 billion for 07 schemes, an expenditure of Rs. 0.3 billion is incurred on the projects of Islamabad urban areas.

PSDP Planned Activities for 2024-25:

Strengthening efficiency of Transport & Logistics for Domestic Commerce and Regional Connectivity

An allocation of Rs. 313.25 billion has been made for the development programme of the transport infrastructure sector. The funding has been made in line with the present newly elected government priorities and strategies to improve the transport infrastructure in the country. The broad distribution of funds; sector / ministry wise is as under. Further during the plan period major issues being faced by the Transport sector will be addressed appropriately through various forums which includes;

- Finalization and approval of the NTMP
- Finalization of NHA Business Plan and resolution of CDL issue
- Breakthrough / approval of the ML-1 Project
- Resolution of Issues for fast track implementation of the PPP / BoT projects
- Finalizing the feasibility for the Reko Diq Connectivity with Gwadar and initiation of the thar coal rail link project.
- Completion of the New Gwadar International Airport Project
- Processing of the KKH Thakot to Raikot Project under CPEC financing

- Re-initiation of the Rathoa Haryam Bridge Project in AJK
- Preparation/finalization of the Public Transport Plan
- Finalization of the Reko Diq Connectivity plan

Table 18.1: Allocations (2023-24), expenditures and Proposed Allocations (2024-25) for T&C Sector Projects

(Rs. Million)

Division / Authority	No. of Projects	Allocation (2023-24) including F. Aid	Expenditure*	Proposed Allocation (2024-25)
Aviation Division	02	4,763.00	1262.70	3050.60
Communications Division (other than NHA i/c CTTI & NH&MP & NTRC)	03	18.30	61.00	728.00
National Highway Authority	123	154,481.00	57,955.00	180,284.00
Defence Division	01	191.80	60 .00	420.00
Defence Production Division	02	1,600.00	798.00	3,776.00
Provinces and Special Areas	48	26,015.00	2,895.60	63,125.59
Housing & Works Division	84	13,058.70	6,339.70	7,950.17
Interior Division	07	1,530.10	290.60	450.00
Maritime Affairs Division	06	2,084.00	1,610.60	5,250.00
Planning, Development & Special Initiatives Division	03	3,322.80	1,990.50	3216.60
Railways Division	36	32,549.00	19,279.00	45,000.00
Total	-	239,779.70	92,542.7	313,250.96

* the expenditure amount is based upon the utilization figures last updated on 15th May 2023, this may slightly be higher than the above indicated amount by the end of June 2024.

19. SUSTAINABLE URBAN DEVELOPMENT

Urban and regional development, including Physical Planning & Housing (PP&H), are crucial for creating sustainable and livable environments in Pakistan amidst rapid urbanization. Challenges arise from stretched resources and providing essential services to the growing urban population. Despite these hurdles, urban areas hold significant economic potential. The 2023 Digital Population Census, reveals a population of 241.49 million, with urbanization increasing from 36.44 percent to 38.82 percent from 2017 to 2023. These trends necessitate a stronger focus on SDG-6, which aims to guarantee universal access to sustainable water and sanitation management, and SDG-11, which strives to create inclusive, safe, resilient, and sustainable cities and human settlements. This situation calls for comprehensive strategies prioritizing affordability, sustainability, and inclusivity; besides, fostering partnerships among government, private sector, and civil society.

To address these challenges, the federal government underscores the importance of consensus in crafting comprehensive sustainable urban development strategies, particularly in the realm of affordable housing. This emphasis aligns with the decentralization of powers to provinces and local governments as per the 18th Amendment to the Constitution. Thus, there's a unified push to foster collaboration among national, provincial, and local entities, aiming to create an innovative and sustainable framework that promotes coherence, inclusivity, and sustainability across urban and rural areas.

The 13th Five-Year Plan prioritizes consensus-based legislative and policy reforms in sustainable PP&H, aiming to develop urban and regional planning-specific legislation and enhance capacity building at various administrative levels. It emphasizes reducing duplication in spatial planning functions and involving civil society and the private sector in settlement development to align with SDG-6 and SDG-11, fostering sustainable, inclusive, and resilient communities.

Annual Plan 2024 is aligned with 5Es Framework, the 13th Five Year Plan and SDG-6 & SDG-11, integrating federal and provincial development plans with Sustainable PP&H priorities to establish an ecologically grounded, technologically advanced, and participatory system.

Performance Review 2023-24

Financial Review

To achieve the sectoral objectives, an allocation of approximately Rs. 46 billion was made in PSDP 2023-24 to different federal ministries and line departments for the implementation of physical planning & housing sector programmes/projects. Similarly, the provincial governments allocated a substantial amount for the execution of projects relating to the sector, i.e., Punjab Rs.54.9 billion, Khyber Pakhtunkhwa Rs.11.4 billion, Balochistan Rs.45.5 billion and Azad Jammu and Kashmir Rs.3.0 billion.

Physical Planning and Housing Sector encompasses planning and development of urban and rural areas including housing, drinking water, sanitation, government office accommodation; besides, development of Islamabad Capital Territory. These initiatives are being supported through the Government's resources (PSDP and Provincial ADPs) as well as international development partners.

Major allocations were made to the Ministry of Interior, Housing & Works, Aviation Division, Cabinet Division, Defence Division, Establishment Division, Finance Division, Foreign Affairs Division, Kashmir Affairs & Gilgit Baltistan Division, Law & Justice Division, Maritime Affairs Division, Narcotics Control Division, PD&SI Division, Religious Affairs & Inter Faith Harmony Division, and Revenue Division for execution of projects relating to water supply, sanitation, construction of office and residential buildings. It is estimated that at the end of 2023-24, more than 60 percent would be spent on the development of projects related to the PP&H sector.

Physical Review

The Federal Government launched several initiatives to address the housing shortage and improve living conditions in Pakistan. The implementation of the Housing Programmes continued, aiming to construct affordable housing units for low and middle-income households across the country. The government introduced regulatory reforms and incentives to encourage private sector investment in housing development, including tax incentives and streamlined approval processes. Efforts were made to strengthen urban planning and land use management frameworks, with a focus on promoting sustainable and inclusive urban growth.

Significant progress was made in the construction of housing units under various government-sponsored schemes, including the housing reconstruction programs in flood affected areas and low-cost housing projects in urban centers. The private sector contributed to housing development, with increased investment in residential real

estate projects in major cities. Efforts were made to ensure that housing projects were accessible to marginalized communities and low-income earners. The government has prioritized infrastructure investments to support housing development and improve urban livability.

Projects were undertaken to upgrade water supply systems, expand sanitation networks, and enhance transportation infrastructure in urban areas. Major sectoral projects undertaken during 2023-24 include Flood Response Emergency Housing Project; Infrastructure Development of Islamabad Technopolis; Construction & Establishment of FC Hospital (200 Bedded) for Frontier Corps KP North; Post-Flood 2022 Reconstruction Programme - Resilience Enhancement and Livelihood Diversification in Balochistan (Public Health Engineering/Water Supply Infrastructure Sector); Developing Resilient Environment And Advancing Municipal Services (DREAMS); Karachi Water and Sewerage Services Improvement Project (KWSSIP); Construction Of Model Prison at H-16, Islamabad; Resilient Housing Reconstruction and Restoration (Balochistan); Construction of Litigants Facilitation Centre for Litigants of District Courts in Sector G-10/1, Islamabad; Construction of Audit House, Lahore; Project Management Unit (PMU) for Construction of Wastewater Treatment Plant (WWTP) at Babu Sabu, Lahore; Establishment of Special Protection Unit (SPU) in Azad Jammu & Kashmir; Gravity based safe drinking water supply system in Havelian Abbottabad Khyber Pakhtunkhwa; Improvement of Water supply Network at Site Area Karachi; Construction of Federal Election Academy and other Offices of Election Commission of Pakistan; Gravity Flow Water Supply Scheme, District Mansehra (SFD Assisted).

Despite progress, challenges persisted in addressing the housing backlog and improving urban livability in Pakistan. Informal settlements and slums continued to proliferate, highlighting the need for comprehensive slum upgrading programs and social housing initiatives. Spatial inequalities and inadequate urban services remained major challenges, requiring coordinated efforts from government agencies, civil society organizations, and the private sector.

Outlook 2024-25

Sectoral Objectives

- Development of Urban master plans, regional development plans, and environmental impact assessments to guide future urban and regional development in a planned manner.
- Ensuring optimal use of land resources while minimizing sprawl and promoting compact development.

- Re-generation / revitalization of prime government land and construction of Mega Housing Projects on PPP mode;
- Promoting inclusive development by providing access to housing, amenities, and services for all socio-economic groups.
- Provision of Housing Facility for Government servants including monetization of housing facility to encourage home ownership.
- Increase housing stock through facilitation to the Ministry of Housing & Works, Pakistan Housing Authority, National Housing Authority, and Federal Government Employees Housing Authority; besides, provincial governments to initiate housing programs/projects, particularly for low-income groups.
- Increase progress achievement of SDGs by providing technical and financial assistance to provincial governments in devising and implementing physical planning & housing programs/projects including social housing, urban water supply, sanitation & solid waste management infrastructure/services.
- Improve existing service delivery and improve the performance of local service delivery organization through promotion/facilitation to provincial/local governments to launch programs in a Public-Private-Partnership mode.
- Enhance the efficiency of urban land markets, through appropriate and affordable land use, building standards and regulations by assisting provincial/local governments to initiate urban land management programmes.

Programmes 2024-25

An amount of Rs. 86.0 billion has been allocated to implement PP&H sector programmes by various ministries /divisions and departments as per the following:

- Prioritization of affordable housing programs to address the growing housing demand, particularly in urban areas. This includes promoting public-private partnerships, incentivizing developers, and implementing subsidy schemes to make housing accessible to low and middle-income households.
- Upgradation of informal settlements programs to provide infrastructure improvements, and access to basic services, along with integrating informal settlements into the formal urban fabric.
- Strategic investments in infrastructure to support urban growth and enhance liveability. Prioritize investments in water supply, sanitation, transportation, and utilities to address infrastructure deficits and promote sustainable urban development.
- Programs for effective spatial planning and land use management for guiding urban growth, preventing sprawl, and promoting compact, walkable communities. Strengthening urban planning frameworks, enforcing zoning

regulations, and promote mixed-use development to create vibrant, inclusive urban environments.

- Housing Programs / projects particularly for low-income groups to be implemented by Pakistan Housing Authority, National Housing Authority, FGEHA, Ministry of Housing & Works as well as by provincial governments
- Programs / projects to increase progress on achievement of SDGs by providing technical and financial assistance to provincial governments in devising and implementing physical planning & housing programmes/projects including social housing, urban water supply, sanitation & solid waste management infrastructure/services.
- Strategic programs / projects to improve existing service delivery and performance of local service delivery organization through promotion/facilitation to provincial/local governments to launch programmes on Public-Private-Partnership mode.
- programs / projects to ensure availability & sustainable management of water & sanitation for all. Efforts will be made to complete ongoing schemes; launch new schemes (expansion/augmentation) and augment budgetary resources through various modes of financing.

20. CHINA-PAKISTAN ECONOMIC CORRIDOR

The China-Pakistan Economic Corridor (CPEC) is a long-term program between China and Pakistan. It aims to act as a “Gateway of Prosperity” for both the countries and the region at large. The CPEC is focused on facilitating industrialisation, trade and market access, integration with global value chains, socio-economic development & poverty alleviation, agriculture modernization, Gwadar City & blue economy, regional connectivity, and third-party participation. Moreover, the ambit of cooperation has been extended to include cooperation in Science & Information Technology in the overall CPEC Framework.

The CPEC would connect Gwadar port in the southwest of Pakistan to China’s northwestern region of Xinjiang via a network of highways and railways, covering the entire country from North to South through three different alignments: Eastern, Western and Central Alignments. Road infrastructure on the Eastern Alignment is complete except the Sukkar-Hyderabad section. On the Western alignment, D.I. Khan-Zhob road has been conceived. The remaining projects on the alignment have either been completed or are under implementation. The central alignment is expected to start in the third phase of CPEC.

In the first phase of the implementation of CPEC, investments in infrastructure and energy sectors, through the implementation of early harvest projects, have filled in the voids and accelerated the pace of economic growth of the country which will ultimately provide a momentous boost to the economy of Pakistan. To realize the vision of CPEC in letter and spirit, CPEC emphasizes areas which contribute to the socio-economic uplift for the people of Pakistan. Industrialization and Agriculture Modernization are the preferred areas to bring about employment, enhance trade and earn foreign exchange. Science & Technology cooperation has been added as new avenue of cooperation with an emphasis on technology up-gradation and transfer to support the development process under CPEC.

Most importantly, the CPEC projects in Pakistan significantly contribute to several SDGs. Through extensive infrastructure development and energy projects, CPEC supports SDG 9 (industry, innovation, and infrastructure) by enhancing connectivity, promoting industrialization, and fostering sustainable infrastructure. It drives economic growth (SDG 8) by attracting investment, creating jobs, and reducing poverty (SDG 1). Additionally, CPEC addresses energy needs (SDG 7) by investing in diverse energy

sources and promotes trade (SDG 17) by strengthening regional cooperation. Furthermore, CPEC initiatives aim to build sustainable cities (SDG 11) and emphasize environmental sustainability (SDG 13) through cleaner technologies and adherence to environmental regulations.

Performance Review 2023-24

The year 2023-24, witnessed numerous achievements on several fronts. In the Infrastructure sector, the Pak-China Friendship Hospital, 1.2 MGD Sea Water Desalination Plan in Gwadar, operational dredging of the Gwadar Port channels and joint feasibility study of KKH phase-II (Thakot-Raikot) were completed while the New Gwadar International Airport is currently in progress and near-completion. In the energy sector, 884 MW Suki Kinari Hydropower Project is also near-completion. Special Economic Zones (SEZs) like Rashakai, Allama Iqbal, Bostan, and Dhabeji are receiving priority, with progress made in the development and allocation of plots for industrial units. An Action Plan for Agriculture Mechanization & Modernization has been formulated and several protocols to facilitate agriculture export of Boiled meat, Cherry and Chilli to China have been signed. Furthermore, a significant stride has been made in the implementation of socio-economic development projects, with projects completed, under implementation, and in the pipeline. Lastly, the shortlisting of 57 projects for the third batch has been shared with the Chinese side for consideration which is currently under review for finalization.

The year 2023-24 marked the successful completion of “Decade of CPEC”. In this regard, several activities/events were organized including the “two days International Conference on CPEC” in Islamabad and the CPEC Summit which was attended by the Prime Minister of Pakistan and Vice Premier of China, H.E. He Lifeng as special representative of President Xi. Further, a special session of the Joint Cooperation Committee (JCC) of CPEC was organized in Beijing to reflect on the progress of CPEC achieved over the past ten years. Additionally, meetings of the Joint Working Group (JWG) covering Transport Infrastructure, Industrial Cooperation, Science and Information Technologies, Security, Gwadar, and International Coordination and Cooperation were held during 2023-24 to prepare for the 13th session of the Joint Cooperation Committee of CPEC.

Outlook 2024-25

The year 2024-25 is planned to be the year of industrial cooperation, agriculture modernization, socio-economic development, and scientific collaboration in addition to

the ongoing projects in infrastructure and energy. Moreover, projects in the mining sector are envisaged to be taken up in the years to come.

In Industrial Cooperation, out of the nine special economic zones, four economic zones namely Rashakai SEZ, Allama Iqbal Industrial Zone, Dhabjei SEZ and Bostan SEZ have been placed on the priority list. Since necessary utilities are being provided to these zones with utmost priority, it is expected that several industrial units will start their production.

In pursuance of an action plan for agriculture cooperation emphasis is drawn on enhancing the productivity of major crops, value addition in agriculture produce and export, reducing post-harvest waste and pest and disease control as well as human resource development. The development of agriculture mechanization is also part of the plan to enhance efficiency and innovate the sector.

To promote cooperation in Science & Technology, the two sides have agreed to strengthen cooperation in science & technology, people-to-people exchange, joint laboratories, science parks and technology transfer under the BRI Science, Technology & Innovation (STI) Action Plan.

In the socio-economic sector, out of the 27 projects identified under poverty alleviation, health, education, vocational training, agriculture and water supply, 17 fast-track projects will be implemented in 2024-25. The scope and content of the remaining 10 priority projects have been mutually shared, and Letters of Exchange (LoEs) will be signed in the planned year.

Furthermore, collaboration in the security arena under CPEC will further be deepened by signing MoUs on various aspects of security. The overall aim is to provide foolproof security—with a harmonic combination of man and technology, to CPEC projects and beyond.

Future power sector projects will be considered in the CPEC Framework as per the agreed document “Guiding Principles for China-Pakistan Economic Corridor Cooperative Energy Projects” to provide a stronger foundation for energy cooperation during the next stage. The petroleum sector projects will be taken up under the “Development Plan of Oil & Gas for Pakistan”.

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

In infrastructure, Mainline-1 (ML-1) is a strategic project that will achieve significant milestone in 2024-25. The project, once implemented, is expected to considerably improve the logistics performance of the country.

Programmes 2024-25

2nd phase has been initiated with emphasis on Industrialization/Development of Special Economic Zones (SEZ), Agriculture modernization, Sciences & Information Technology cooperation, and Socio-Economic Development. The overall objective is to reap dividends of the investment made in the 1st phase (2015-20) that has created an enabling environment for investment in other sectors as existing voids in infrastructure and energy have been filled.

Next JCC meeting of CPEC is planned to be held in the third quarter of the fiscal year 2024-25. Several deliverables have been identified for the JCC by all stakeholders for the planned year. Following is a summary of the targets and proposed action plan during 2024-25.

Energy Sector

884 MW Sukki-Kinari HPP is currently under construction and is expected to be completed in November 2024. In addition, it is expected that physical work on two Hydro Power Projects, 1,124 MW Kohala and 700.7 MW Azad Pattan, and 300 MW Gwadar Coal Power Project will be started after the financial close.

The “Development Plan of Oil & Gas Sector of Pakistan” has been launched and subsequently, the plan will be implemented which mainly includes projects related to Coal-to-Gasification / Liquid in Thar, North-South Gas Pipeline etc. The aforementioned plan will act as a guiding document for PSDP spending in the Energy Sector.

Transport Infrastructure

In the Transport Infrastructure sector, Sagu-Zhob Project N-50 is under discussion with the Chinese side for financing and expected to be launched in the 2024-25. Due to the construction of Dasu & Bahsha Dams, the existing KKH alignment will be submerged. Therefore, Joint feasibility for the Realignment of Thakot-Raikot Section of KKH has been carried out and the approval of PC-I will pave the way for road construction. Moreover, the Concessional Financing Agreement for the landmark ML-1 project is expected to be finalized during 2024-25.

The Framework Agreement of Karachi Circular Railway (KCR) has been shared with the Chinese side to take up the project under the CPEC framework. Feasibility studies

of the following new projects have been proposed to be considered under the CPEC framework in the forthcoming JWG meeting of Transport Infrastructure:

- Mirpur-Muzaffarabad-Mansehra (MMM)
- M-9 Motorway
- Babusar Tunnel

In addition to the road projects, construction work on New Gwadar International Airport is well underway and likely to achieve the Commercial Operations Date (CoD) by the first quarter of 2024-25.

Industrial Cooperation

Significant progress, in terms of utility provision, has been made under the industrial cooperation. During 2024-25 efforts will be made to attract investors in SEZs through marketing of the prioritized SEZs.

SEZs are envisaged to attract high-quality foreign direct investment by encouraging the relocation of industries not only from China but other countries that will create job opportunities and transfer of advanced technologies. Successful development of SEZs will result in diversification of exports, import substitution and hence improvement in foreign exchange reserves.

Socio-Economic Development

Thus far, 11 projects have been completed. The projects that are expected to be implemented in 2024-25 are given in Table 20.1.

Table 20.1: Projects to be implemented in 2024-25

S.No	Name of the Project	Ministry/Department	Location
1.	China-Pakistan Joint Agricultural Technology Laboratory	M/o NFS&R	Multan/Faisalabad/ Islamabad/Quetta
2.	Provision of Agricultural Equipment and tools	M/o NFS&R	Across Pakistan
3.	China-Pakistan Joint Agricultural demonstrations	M/o NFS&R	AJK, GB, Sindh & KPK
4.	Smart Classroom Project for Higher Education	HEC	Across 50 Universities
5.	Provision and maintenance / renovation for 50 schools in Newly Merged Districts of KPK	P&D Dept KP	Merged Districts KP
6.	Baluchistan Solar Powered Lighting Equipment Project	P&D Dept Balochistan	Balochistan rural regions

7.	Pakistan Drinking Water Security - Equipment Supply Project	P&D Depts KP, AJK	KP & AJK
8.	Cooperative Project with Pak-Austria Fachhochschule: Institute of Applied Sciences and Technology	P&D Dept KP	Haripur, KP

08 projects mainly require on-site feasibilities and will be carried out during 2024-25. Moreover, 3rd Batch projects are anticipated to be finalized in the planned year.

Development of Port City Gwadar

Several projects in Gwadar City are expected to achieve significant milestones in 2024-25. The New Gwadar International Airport project is expected to be completed in the first quarter of 2024-25. The Gwadar Free Zone is a significant initiative for industrial development and transshipment businesses. Moreover, the following projects are anticipated to be launched in 2024-25.

300 MW Gwadar Coal Power Plant

Operational Dredging of Breathing areas and Channels Agricultural Development for Food Security

Under the Agriculture Cooperation, a comprehensive National Action Plan for Agriculture Development and Food Security has been prepared. The plan includes technology transfer to develop mechanized farms and meeting and food processing technologies, a center for sustainable control of plant pests and diseases, an exchange of germplasm and agriculture experts. Furthermore, several other initiatives are proposed to be carried out in 2024-25 for agriculture sector development which includes: facilitation of Business to Business joint ventures, Corporate/contract Agriculture Farming, deceleration of FMD Free Zones and local production of FMD vaccines and bilateral agreements and protocols to enhance trade.

Recently, prolific actions have been taken and various agreements and protocols have been signed to exchange high-quality germplasm resources and strengthen bilateral trade. Both sides encourage and promote G2G and B2B cooperation under CPEC. To create employment opportunities and promote the export of agricultural products. Chinese and Pakistani research organizations and enterprises have joined hands in the fields of animal husbandry, crop cultivation and product processing. The following initiatives are under development:

- Largescale mechanized farming
- Establishment of Centre for Sustainable Control of Plant Pest and Diseases
- Juncao Technology Demonstration and Extension in Pakistan
- Deceleration of FMD Free Zones and local production of FMD vaccines
- Introduce advanced mechanized harvesting and post-harvest management technologies Pak-China Modern Agricultural Science & Technology Transferring Centre

Science & Technology

The Science and Technology sector is fast becoming an essential component for the socio-economic development of any country. It is one of the key areas of cooperation between China and Pakistan under the CPEC framework. Cooperation in Science & Technology has been designed with an emphasis on technology up-gradation and technology transfer initiatives for the high-quality development of CPEC. The JWG on Science and Technology has been established to strengthen cooperation in STI between China and Pakistan. This JWG plays an important role in enabling innovation for the High-Quality development of CPEC. To enhance cooperation in the field of S&T following initiatives are being undertaken.

- Establishment of the China-Pakistan Joint Research Centre on Earth Sciences at Quaid-e-Azam University, Islamabad
- Development of the China-Pakistan Knowledge Corridor
- Establishment of China-Pakistan Technology Transfer Sub-Centre at PCSIR, Islamabad
- Capacity Building and Training for Teachers for STEM Education in Pakistan
- Establishment of mechanism/expert panel to facilitate mutual recognition and accreditation of professional (Engineering) education

Information Technology

Information Technology is one of the fastest-growing sectors of Pakistan's economy. It has assumed a central enabling role in the emerging dynamics of a knowledge society and knowledge economy. To enhance cooperation in the field of Information Technology, a JWG on the Information Technology Industry has been established between China and Pakistan. Both sides have agreed to cooperate in ICT Infrastructure Development, ICT Application Innovation, Cybersecurity, Policy and Regulation, Radio Spectrum Regulation and Human Resource Development.

Building Social Safety Nets
for a Poverty-Free Tomorrow
in Pursuit of SDGs

21. INCLUSIVE AND EQUITABLE DEVELOPMENT

Inclusive and equitable development encompasses a comprehensive approach to advancing economic, social, and environmental well-being, ensuring that all individuals, regardless of their background or circumstances, have access to opportunities and benefits. Its goal is to diminish disparities, foster fairness, justice, and sustainability, and promote prosperity for all. Achieving inclusive and equitable development necessitates collaborative efforts from governments, civil society, the private sector, and other stakeholders. This entails not only addressing immediate inequalities but also addressing systemic barriers and advocating for long-term structural changes to foster a more equitable and prosperous society for everyone.

The social welfare sector is dedicated to promoting inclusive and equitable development by addressing the social challenges faced by marginalized and vulnerable groups through various programs, projects, and initiatives within the PSDP and beyond. Targeted beneficiaries include the impoverished, vulnerable, disadvantaged, women, elderly, persons with disabilities, transgender individuals, and religious minorities, with the aim of reducing inequalities, enhancing opportunities, preventing human rights violations, empowering gender, expanding safety net coverage, and integrating gender perspectives into development processes. Social welfare initiatives encompass human rights protection, social protection, and social safety nets nationwide, engaging both public and private sector stakeholders.

Moreover, the social welfare sector aims to establish policies, interventions, systems, benefits, and guarantees to ensure a decent and stable standard of living for the poor, needy, and vulnerable populations. The focus is on assisting those in need, enabling them to manage risks, enhancing their capacity to engage in opportunities, and lifting them out of poverty while mitigating vulnerabilities.

Performance Review 2023-24

Initiatives promoting inclusivity and equity in 2023-24 spans across Human Rights, women's development, child protection, and special education. These efforts focus on bolstering institutional structures, enhancing information management systems, implementing action plans for human rights, raising awareness, establishing

national mechanisms for reporting and follow-up, ensuring protection for transgender individuals, and providing services for children, including those with disabilities.

In PSDP 2023-24, there are 11 projects aimed at enhancing the institutional structure of human rights and special education. A total allocation of Rs. 184.682 million was designated for these projects. The breakdown of investment and utilization for each project aligned with SDGs targets is detailed in Table 21.1.

Table 21.1: PSDP 2023-24 Allocations and Utilization

(Rs. Million)

S. No.	Project Title	Original Cost	Allocation 2023-24	Utilization 2023-24	SDGs	SDGs Target
1	Establishment of Human Rights Information Management System (HRMIS)	59	18	7	4, 5	4.7, 5.B
2	Establishment of Project Planning and Monitoring Unit (PMU) in MoHR	75	23	10	5, 10	5C, 10.3
3	Establishment of Project Planning and Monitoring Unit (PMU) at Directorate General of Special Education, Islamabad	15	5	2	4, 10	4.3, 4.5, 4.A, 10.2
4	Establishment of Sub-Office Regional Directorate of Human Rights in Merged Districts of KP.	65	19	5	4, 10	4.3, 4.5, 4A, 10.2
5	Human Rights Awareness Programme	55	11	7	4, 5	4.7, 5.2, 5.A, 5.C
6	Human Rights Coordination and Monitoring Unit for National Mechanism for Reporting and Follow-up Framework	44	19	5	5	5.2, 5.3
7	Implementation of Action Plan for Human Rights in Pakistan	58	9	6	5, 8	5.4, 8.7, 8.8
8	Establishment of Transgender Protection Centre, Islamabad	36	15	7	16	16.1, 16.10
9	Pilot Project for Inclusive Education for Children with Disabilities in normal Public & Private Schools at I.C.T. Islamabad.	30	10	4	3, 4	3.3, 3.6, 3.7, 4.2
10	Feasibility Study for Establishment of Rehabilitation Centre for Multiple Disabilities at Primary Level at H-11, Islamabad.	15	8	1	3, 4	3.3, 3.6, 3.7, 4.2

Human development, inclusive growth, and fostering a knowledge economy are fundamental aspects of Pakistan's growth agenda. Central to these goals are human

rights, which form the cornerstone of progress. The Ministry of Human Rights has undertaken various legislative, policy, and awareness initiatives aligned with the development agenda and SDGs to promote sustainable development and uplift communities. These initiatives are prioritized within the PSDP portfolio of the Ministry of Human Rights. Additionally, the implementation of SDGs is paramount for overall growth, and to this end, the ministry has established the Human Rights Information Management System (HRIMS), a digital database aimed at compiling and reporting SDG indicators.

PSDP projects in 2023-24 included two projects of the Poverty Alleviation & Social Safety Division. The first project is the Monitoring & Evaluation Unit for Ehsaas Tahafuz Program, with a total cost of Rs. 200 million and is likely to be completed by June 2024. The second project, the Sehat Tahfuz Program, with a total cost of Rs. 1989 million and aims to treat 38,000 patients across Pakistan through empanelled Public Sector Hospitals over a span of three years. The following major physical progress/achievement have been made so far through the above-mentioned interventions;

- The Sehat Tahafuz Program has currently empanelled 14 Service Providers (Hospitals) out of a target of at least 20 hospitals. These hospitals are located across KPK, Federal, Punjab, Balochistan, Sindh, AJK, and GB, as per the approved revised PC-I. Till date, total 16,059 patient requests got approved for Health financing which includes 177 cochlear implantation patients treated
- Indigenous software developed by NITB for *Sehat Tahafuz* Program during 2022-23, has replaced the earlier software provided as in-kind support by the Bill & Melinda Gates Foundation USA

Other agencies operating in the sectors are BISP and Pakistan Bait-ul-Mal. A total number of beneficiaries to date for the BISP is 29,347,046 and an amount of Rs. 1222 billion disbursed. Pakistan Bait-ul-Mal provides services in the area of shelter homes for families, sweet homes for children, medical assistance, financial assistance, education for poor and old-age homes. Under the Shelter Home Scheme, 0.864 million individuals are provided shelter while 10.909 million are provided meals. The cumulative number of beneficiaries for medical assistance and education are 244012 and 157449 respectively.

Outlook 2024-25

Safeguarding human rights and fundamental freedoms is paramount for all democratic societies, with a nation's international reputation increasingly linked to its human rights record. The government of Pakistan places great emphasis on promoting and protecting the human rights of its citizens, aligning with constitutional guarantees,

religious principles, and international obligations. Despite this commitment, challenges persist, including issues like discrimination against women, child abuse, human trafficking, and bonded labor, stemming from societal norms and limited awareness. Effective enforcement of laws and robust institutional mechanisms are essential to address these challenges and ensure the protection and promotion of human rights nationwide. In the context of human rights promotion, Pakistan aligns its efforts with SDGs targets, emphasizing the importance of upholding universal human rights standards.

Projects for 2024-25 are closely aligned with SDGs 1, 5, and 10, emphasizing poverty eradication, gender equality, and reduced inequalities. By establishing digital systems, providing technical support, raising awareness, and implementing protective measures, they contribute to advancing these key SDGs. Additionally, initiatives like the Sehat Tahafuz Program address health disparities, further supporting SDG 3 on good health and well-being. Overall, these efforts demonstrate Pakistan's commitment to achieving the SDGs and promoting human rights, equity, and inclusivity. The total allocation for ongoing and new initiatives for 2024-25 is proposed at Rs. 1,889 million. PSDP funded new initiatives under PSDP 2024-25 for the social welfare sector are given in Table 21.2.

Table 21.2: New Initiatives 2024-25

Sr	Project Name	SDGs	SDGs Targets
1	Strengthening Social Protection Delivery System in Sindh (SSPD)	16	16.B, 16.A
2	Establishment of Rehabilitation/ Life Skills Development Centres for persons with Disabilities (PWDs) to Enhance Life Skills in 10 Districts in Gilgit Baltistan	4	4.3, 4.4
3	Prime Minister’s Initiative for Women Mobility	5, 8	5.1, 5.5, 8.8
4	Construction of Building for Child Protection Institute, Islamabad	16	16.1, 16.2, 16.3

22. MOVING TOWARDS JUST DEVELOPMENT – ADDRESSING THE CONTOURS OF DEPRIVATIONS

SDGs call for concerted efforts to eradicate poverty in all its forms, ensuring that no one is left behind in the journey towards sustainable development as well as the need to bring forward all those who are left behind in the race of unjust and unbalanced development. Poverty alleviation is crucial for several reasons. The existence of poverty in a country upholds fundamental human rights by ensuring access to food, shelter, healthcare, education, and economic opportunities for all as well as inhibits economic growth by limiting participation in the economy, hindering overall development. Moreover, poverty often correlates with social instability, crime, and conflict, making its reduction vital for fostering peace and cohesion. Additionally, poverty is linked to poor health outcomes and limited access to education, perpetuating cycles of deprivation, disproportionately affecting women and exacerbating environmental degradation. Addressing poverty globally is imperative for achieving stability, sustainability, and prosperity, promoting human dignity and equitable development.

Pakistan has made through significant progress enroute to reducing poverty between 2001 and 2018 (42 percentage points – 2.5 percent every year on average) with the expansion of off-farm economic livelihood opportunities that have increased labour income and increased the inflow of remittances. In Pakistan, the Cost of Basic Needs (CBN) based poverty is computed using HIES data. The latest poverty estimates are calculated on the basis of HIES survey data 2018-19 by applying CBN approach. The estimates show that national poverty has declined from 24.3 percent to 21.9 percent in 2018-19 from 2015-16 (Table 22.1). Urban poverty declined to 11 percent from 12.5 percent whereas, rural poverty declined from 30.7 percent to 28.2 percent. The rural poverty witnessed more decline i.e. of 2.5 percentage points as compared to decline in urban poverty i.e. of 1.5 percentage points.

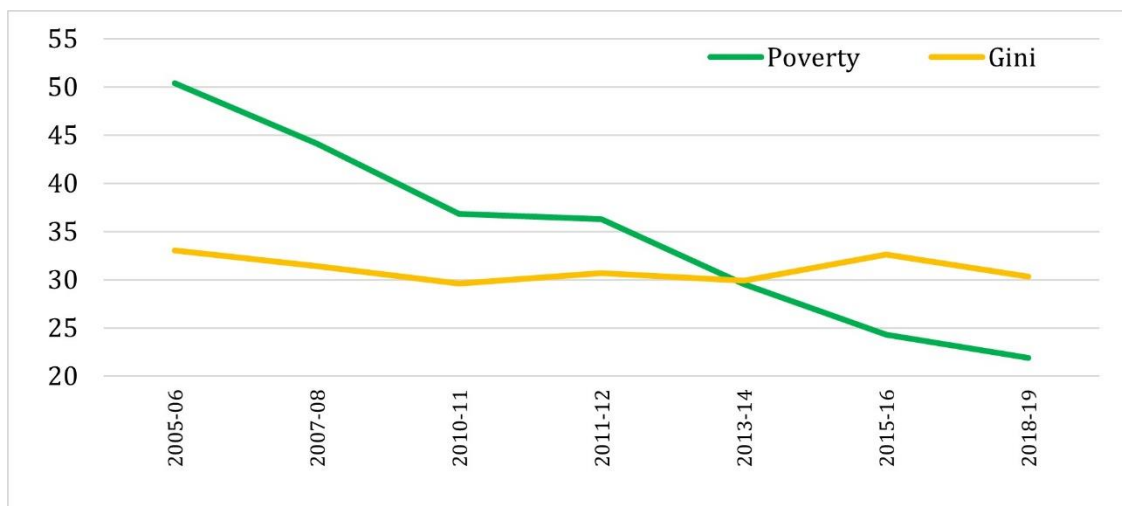
Table 22.1: Poverty trends (CBN based poverty)

Year	National	Urban	Rural
2015-16	24.30	12.50	30.70
2018-19	21.90	11.20	28.50

Source: National Poverty Report 2018-19 and Annual Plan 2021-22

Inequality is concerned with the full distribution of wellbeing; contrary to poverty that focuses on the lower end of the distribution only. Income inequality is an important welfare indicator. Gini index is a measure of the extent to which the distribution of income (consumption expenditure in case of Pakistan) among individuals or households deviates from a perfectly equal distribution. The value of Gini index for Pakistan fluctuated in the past, it tended to have increased between 2013-14 and 2015-16 from 0.28 to 0.30 (Fig. 22.1).

Figure 22.1: Poverty and Inequality



Source: Poverty Report 2015-16, Poverty and Inequality Report 2018-19, MPI Report 2014-15 and MPI Report 2019-20

Although the Government has adopted a unidimensional approach, discussed above. However, the Multidimensional Poverty Index (MPI) captures the socioeconomic deprivations and provides district level data. Nevertheless, the MPI also supports CBN poverty reduction, because better health, education and productivity are the essential determinants of monetary poverty reduction in the long run.

In the latest Pakistan MPI report 2020 using PSLM survey data 2019/20, MPI is calculated to be 30.5 percent; it is important to note that the results represent poverty levels just before and at the onset of the COVID-19 pandemic (Table 22.2). Global projections have indicated that poverty levels would have increased due to the effects of the pandemic – with worst case scenarios simulations projecting a reversal of poverty levels to what they were almost 10 years ago⁶. The subsequent flooding in Pakistan would also have exacerbated poverty in affected areas.

⁶ UNDP and OPHI 2020, 1- Overall, Covid-19 may set progress back 3-10 years.

Table 22.2: Change over Time in H, A and the MPI, 2014/15 to 2019/20

Cutoff (k=33percent)	MPI	Incidence (H) (percent)	Intensity (A) (percent)
2014/15	0.162	38.8	49.4
2019/20	0.146	30.5	48
Change	-0.016***	-8.3***	-1.4***

Source: MPI Report (2019-20), Planning Commission

After 2018-19 HIES, PSLM 2019-20 survey is the latest survey conducted so far, and official number of poverty is unavailable for 2023-24. It is worth-mentioning that the trend of a gradual decrease in poverty in the last decade is likely to be interrupted post 2020 owing to the disruption caused by the COVID-19 crisis, followed by floods 2022 and the impacts of geo-political conflicts.

Inflation, Political Instability and External Sector Vulnerabilities:

Pakistan is grappling with ongoing economic difficulties, exacerbating poverty and social vulnerabilities. Global economic challenges, foreign exchange constraints, and political instability have compounded the nation's economic woes. Persistently high inflation rates, particularly in food prices, alongside increased costs of petroleum products, electricity, and gas, as well as continual currency depreciation, are straining household budgets, particularly in rural areas. During 2023-24, headline inflation remained above 20 percent, with February 2024 recording a year-on-year inflation rate of 23.1 percent.

The aftermath of the 2022 floods is also impacting poverty rates, with the Post Disaster Needs Assessment Report projecting a rise in national poverty levels. Additionally, the ongoing global crisis, fueled by the Russian-Ukrainian conflict, is anticipated to further dampen economic growth in Pakistan, potentially worsening poverty, food insecurity, and dietary standards. As a direct consequence of the floods, the national poverty rate will increase by 3.7 to 4.0 percentage points, pushing between 8.4 and 9.1 million people into poverty⁷. The same report also estimates that multidimensional poverty will increase by 5.9 percentage points, meaning that an additional 1.9 million households will be pushed into non-monetary poverty. World Bank⁸ recently estimated lower-middle income poverty rate is 40.1 percent

⁷ Pakistan Floods 2022 Post Disaster Needs Assessment Report

⁸ Pakistan Overview: Development news, research, data | World Bank

(US\$3.65/day 2017 PPP) for 2023-24, virtually the same as the poverty rate in 2018, but with 7 million more Pakistanis living below the poverty line.

Performance Review 2023-24

The Government of Pakistan, under the auspices of the Ministry of Poverty Alleviation and Social Safety (PASS), has implemented a social protection system to address issues of vulnerable populations. This system, which operates transparently and promotes equal opportunities and social welfare, provides essential life provisions and economic opportunities. The Ministry of PASS is tasked with fulfilling this vision through various mandates, including ensuring access to necessities such as food and shelter, facilitating secure livelihoods, investing in human capital, and overseeing the effective implementation of policies and strategies at both federal and provincial levels.

Key efforts include social safety net programs such as the Benazir Income Support Program (BISP), providing cash transfers (both conditional and unconditional) to vulnerable households. Additionally, microfinance initiatives aim to empower individuals through access to small loans and financial services through different programs including the National Poverty Graduation Program and Pakistan Poverty Alleviation Fund. Education and healthcare reforms seek to improve human capital and break the cycle of poverty. However, persistent challenges such as inequality, regional disparities, and limited economic opportunities require sustained efforts and targeted interventions to effectively alleviate poverty.

Workers Welfare Fund

Workers Welfare Fund (SDG 11.1, 3.1, 3.2, 4.2, 4.3, 4.4) was established for providing low cost housing and other amenities to industrial labour. The WWF is financing the projects relating to establishment of housing estates or construction of housing estates for industrial workers, education of workers' children, health, technical, education and other welfare measures like marriage and death grant. Details are given in Table 22.3 and Table 22.4. respectively.

Table 22.3: Disbursement of Marriage and Death Grant during 2023-24

PWWBs/WWF	Marriage Grant	Amount (Rs. In Million)	Death Grant	Amount (Rs. In million)
Islamabad	124	36.80	18	12.30
Punjab	3552	493.74	927	498.80
KPK	340	93.20	70	41.90
Balochistan	91	36.40	45	22.50

Table 22.4: Disbursement of Scholarships during 2023-24

PWWBs/WWF	No. of Cases	Amount (Rs. In million)
Islamabad	8726	462.44
Punjab	3163	894.93
KPK	04	2.77
Balochistan	410	5.48
Total	12303	1365.61

Benazir Income Support Programme

During 2023-24, the National Socioeconomic Registry remained engaged in enhancing the coverage and efficiency. The following activities were undertaken in 2023-24:

- A total of 11,489,793 households were updated/registered through the Dynamic Registration Centres
- To augment the existing field staff at DRC, BISP engaged 1200 Community Registry Mobilizers (Targets SDG 1.3.1)
- To achieve maximum coverage, especially in Balochistan, BISP has added 500 field-level staff members who are deployed at the union council level.
- To ensure confidentiality of respondent's information, a biometric regime was introduced in the Dynamic NSER survey application.
- 25 Mobile Registration Vehicles are designated for coverage in Balochistan.

Benazir Kafaalat

Benazir Kafaalat (targets SDG 1.3.1) is an unconditional cash-transfer programme that provides payments of Rs. 10,500 every 3 months, savings bank accounts and improved access to mobile phones for poor and disadvantaged women across the country. So far 9.3 million beneficiaries have been registered under this programme. Beneficiaries of Kafalat are determined through Proxy Meant Test methodology and currently 32 is used as the eligibility criteria.

Launch of Social Protection Account

The Social Protection Account (SDG 1.3.1) was launched on 7th July 2023 which is a new Payment model for BISP beneficiaries.

Hybrid Social Protection Scheme

BISP is currently working on Hybrid Social Protection Scheme (SDG 1.3.1) which will blend social assistance with social risk mitigation elements to promote saving that

informal sector workers can fall back on in case of shocks/emergencies while also providing a platform to provide support through crisis. On 14th December, 2023 HSPC was formally launched in an inaugural ceremony attended by all key stakeholders.

Digital and Financial Literacy Training

In pursuance of the Financial Inclusion Strategy, BISP designed and launched a pilot project for provision of Digital and Financial Literacy Training (SDG 4.4) to Kafalat beneficiaries. As of January 2024, the pilot phase of D&FLT has completed with the achievement of target of 4000 successful trainees.

Conditional Cash Transfer (Waseela e Taleem) (Targets SDG 1.a.2)

The GoP is committed to University Primary Education as part of its commitment to SDGs. The stipend rate is different for each category (primary, second and higher secondary level). A total of 2210496 children are enrolled in the program and Rs. 36.93 billion has been disbursed in 2023-24 till date. The region-wise enrolment statistics for July 2023 to March 2024 are given below:

AJK	Balochistan	FATA	GB	ICT	KP	Punjab	Sindh
29905	153068	71766	25835	5399	411382	865081	648060

Benazir Nashonuma

The Nashonuma programme (targets SDG 2.2) aims to address stunting among pregnant and lactating women (PLW) and their children less than 2 years of age through provision of Rs. 2500/- per quarter per PLW and boy child and Rs. 3000/- per girl child of BISP beneficiary families. Benazir Nashonuma programme is now operational through 545 facilitation centres in 158 districts of Azad Jammu and Kashmir, Balochistan, Gilgit-Baltistan, Khyber Pakhtunkhwa, Sindh, Punjab and Islamabad. A total of 1,873,557 pregnant and lactating women and children under two years of age have been enrolled in the programme and Rs. 10.8 billion have been spent. With the cooperation of ECP, PMT has been increased from 32 to 37 in flood affected areas and a universal coverage of 32 to 60 PMT in Balochistan.

Outlook 2024-25

- The Workers Welfare Fund is currently undertaking an extensive initiative to completely digitize the disbursement mechanism for marriage and death grants (SDG 1.3.1).

- Construction of various labor colonies to provide cheaper accommodation to the labor (SDG 11.1.1).
- Finalization of district development plans in order to channelize resources to the twenty backwards districts projects for starting poverty alleviation efforts in the identified districts (SDG 1.1, 1.2, 1.3.1, 1.4.1, 1.a.2, 3.8, 4.1, 6.1, 6.2, 7.1, 7.3, 9.1, 9.5, 11.1)
- Updating of union council library of NSER as well as roll-out of offline application (SDG 1.3.1).
- Enroll 0.6 million children in CCT WeT program on quarterly basis which would add an annual 2.4 million children to the program. (SDG 1.a.2, 4.5)
- Enroll 104,000 adolescent girl till June 2025 in 6 pilot districts under Health and Nutrition Intervention for Adolescent Girls in Kafalat households (SDG 2.2, 3.7, 5.7)
- Development of a Comprehensive Poverty Alleviation Program by the Ministry of Poverty Alleviation and Social Safety (SDGs Overall)
- Ensure Easier Financial Inclusion for Women through devising a financial inclusion strategy (SDG 5.a, 8.10)
- Undertake an Asset Transfer program for employment generation in the country (SDG 4.4, 8.3, 8.5, 8.6)
- Developing provincial social protection policies in light with the National Social Protection Policy Framework (SDG 1.3.1)
- M/o PASS program on livelihood opportunities in the bottom 20 districts, co-financed by IsDB (SDG 1.1, 1.2, 1.4.1, 1.a.2, 3.8, 4.1, 6.1, 6.2, 7.1, 7.3, 9.1, 9.5, 11.1).



Revitalizing Governance:
A Path to Institutional Excellence
and Lasting Reforms

23. GOVERNANCE AND INSTITUTIONAL REFORMS

Governance encompasses the structures and practices through which authority is exercised to oversee a nation's affairs. The good governance principles ensuring effective management through adherence of rule of law, accountability, transparency, participation, and openness. When development flourish, good governance trickle down the impact of development to poor segment of the society. As a fundamental aspect of successful development, governance requires collaborative efforts across various stakeholders to achieve strategic goals and promote economic growth. Effective governance is essential for promoting stability, inclusivity, accountability, and economic development, ultimately contributing to the overall welfare of society.

Democratic governance, characterized by adherence to democratic principles both internally and in interactions with other institutions, aims to foster individual capabilities and stimulate private initiatives within a supportive political, legal, and economic framework.

Performance Review 2023-24

Financial Review

An amount of Rs. 21.00 billion including foreign aid was allocated in PSDP 2023-24 for the governance sector projects. It is expected that an amount of Rs. 17.01 billion including foreign aid would be utilized by 30th June, 2024. The focus of public sector investment remained in the areas of innovation and process reengineering, capacity enhancement of institutions, performance management, effective delivery of public services, and institutional/public sector reforms especially justice, police civil service, financial management, regulatory during 2023-24.

Sectoral Review

Public Sector Management Efficiency (Justice Sector Reforms)

The Justice sector reform during 2023-24 aimed to enhance the capacity of judicial system as per Pakistan's commitments made under United Nations 2030 agenda, particularly focusing on Sustainable Development Goal 16: Peace, Justice, and Strong Institutions. The primary objectives include expediting judicial processes and ensuring equitable access to justice for all segments of society. Furthermore, these

development endeavors are strategically crafted to not only bolster the efficiency of the judicial system but also to stimulate economic growth by creating employment opportunities for deserving candidates. By effectively addressing systemic challenges within the justice framework, projects initiated by the Ministry of Law are poised to yield substantial dividends, including the reduction of societal inequalities and the enhancement of justice accessibility across all strata of society.

The project titled “enhancing the capacity of legal wings and central law officers” aims to enhance the capacity of officers of the federal government in legal matters. An amount of Rs. 173.090 million has been allocated in PSDP 2023-34 for the project. Under the project, Case Assignment & Management System (CAMS) is being developed in collaboration with the United Nations Office on Drugs and Crime (UNODC). Business Requirement Documents (BRDs) have been carefully prepared and reviewed by relevant stakeholders. Additionally, comprehensive training programs, including specialized sessions on civil/commercial mediation, have been conducted for government officers in collaboration with ADR ODR International.

Recognizing the manifold benefits of automation and digitalization, projects titled “automation of Federal Courts/Tribunals” is being implemented for archiving and digitalization of legislation and records within the Ministry of Law and Justice, as well as the strengthening of the Planning and Monitoring Unit and National Judicial Automation Unit. An amount of Rs. 51.99 million has been allocated in PSDP 2023-24 for the project. The objective of this initiative is to enhance the efficiency of judicial system, reduce costs and time of litigants, ensure accuracy, and expedite decision-making processes.

Furthermore, efforts are also being made to provide better infrastructure to justice sector which includes construction of a Legal Facilitation Centre in Islamabad High Court, a new building for the Supreme Court, branch registries in Karachi, Federal Courts/Tribunal complexes in Peshawar, Lahore, and Quetta, as well as the Federal Judicial Academy in Islamabad. Moreover, ICT-enabled libraries are being established at the Federal Courts in Islamabad and Peshawar.

In line with efforts to foster accountability within the tax administrative machinery, particularly within the Federal Board of Revenue (FBR) and its field formations, a development project titled "Expansion of IT Systems of the Office of Federal Tax Ombudsman (FTO) including Computerization of Five Newly Established FTO Regional Offices" has been launched and an amount of Rs. 64.342 million has been allocated in PSDP 2024. The project aims to modernize existing IT systems using state-of-the-art technology and tools, fostering efficiency, transparency, and accountability.

Revenue and Financial Management Reforms

The Federal Board of Revenue (FBR) has undertaken numerous initiatives aimed at enhancing service delivery, mobilizing resources, improving the Tax-to-GDP ratio, simplifying rules, regulations and procedures, separating of functions of tax policy from tax administration, and facilitating trade. The FBR envisions enhancing taxpayer facilitation to boost revenue collection through rigorous enforcement and monitoring measures, alongside efforts to broaden the tax base, document economic activities, and deploy technology to risk areas in support of risk-based audits.

Pakistan Raises Revenue Project programme is being implemented with the financial support i.e. loan amounting to US\$ 400 million from the World Bank (WB) to eliminate country's fiscal constraints by reducing tax expenditures, increasing tax receipts by broadening the tax base. An amount of US 80 million are being spent on modernizing and making FBR well equipped with advanced ICT based operations. The programme aims to increase the Tax-to-GDP ratio up to 17 percent by 2024-25.

The Project titled "Integrated Transit Trade Management Systems (ITTMS)" under ADB's Central Asian Regional Economic Cooperation-Regional Improving Border Service (CAREC- RIBS) Program has been initiated for developing three Torkham, Chaman and Wahga, Border Crossing Points (BCPs) while offering joint port operations by Customs, ANF, Immigration, NADRA, FIA, National Food Security and Livestock, Plant Protection and Quarantine departments etc. under a single roof for transit trade and regional connectivity with Afghanistan, India and Iran. The project aims to address all those inadequacies that are hampering full capitalization of the transit trade potential of Pakistan, by incorporating improved and integrated processes, using ICT- backbone, strengthening customs controls to ensure the security of supply chain, capacity building for BCP operating agencies and establishment of Pakistan Land Port Authority (PLPA). Land at Torkham and Chaman has been acquired and infrastructure construction work is in progress.

National Anti-Smuggling Strategy 2023 is being finalized by Federal Board of Revenue in consultation with stakeholders to address the challenges of smuggling and to deal with this menace. The strategy will convert the existing challenges into opportunities for targeted intervention at both the strategic and tactical levels by setting short, medium and long-term goals. Based on the Whole-of-Government approach, the strategic level interventions include the establishment of National Targeting Centre (NTC) and operationalization of Integrated Transit Trade Management System (ITTMS). In addition, to facilitate the international trade, Pakistan single Window company has been established wherein all trade related activities are being carried out under IT enabled system.

Civil Service Reforms and Capacity Building Initiatives

The Civil Service in Pakistan has long been a foundation of good governance but with the changing times and emerging needs necessitated for reforms. During 2023-24, significant steps towards civil service reforms have been taken including establishment of the Institutional Reforms Cell (IRC) under the Cabinet Division with the approval of federal government. The initiative aimed at optimizing the government's structure to enhance productivity and allocative efficiency aligned with SDGs Goal 16A.

To transform a robust, efficient, effective, responsive, and motivated human resource, Federal Public Service Commission (FPSC) is implementing a project titled "Computer Based Testing (CBT) for tests/exams conducted by FPSC". The project has achieved 85 percent of its physical targets i.e. upgradation/integration of existing Recruitment System Software and the engagement of a consultancy firm to propose the design of the CBT model. The final evaluation of deliverables by the FPSC team is currently underway.

Furthermore, construction work of establishment of the National Institute of Management (NIM) Building Islamabad is in progress, with a total cost of Rs. 349.233 million. The new building will enable NIM Islamabad to conduct Mid-Career Management Course (MCMC) and Senior Management Course (SMC) within its own dedicated premises, courses were previously held in the area allocated within the NCRD building, leading to various logistical challenges.

The NSPP is implementing a project to enhance the capacity of NSPP in conducting policy research and its training capability.

Public Financial Management

The Parliament has passed the Public Financial Management Act, signaling a commitment to effective financial governance. PFM Act aims to ensure transparency and accountability in financial matter aligned with the SDGs 16 (6), To ensure PFM Act implementation, Ministry of Finance has launched the project titled "Implementation of PFM Policy Framework in Federal Government" at cost of Rs. 320 million which aims to integrate PFM Act provisions into federal government operations. Coordination with FABS-PIFRA is underway, with workshops covering accounting procedures. Budget Management Specialists are engaging with 81 CFAOs/joint Secretaries. The project includes integrating key divisions/departments into the system, such as automating the OM Module in SAP for the Budget Wing with FABS-AGPR and linking the MOF server with AGPR server for seamless budget data transfer, fostering modernization and transparency in financial management.

The Accountant General Offices for ensuring transparency and accountability in handling public funds, a project titled "Implementation of Online Billing Solution (SEHAL)" has been initiated at a total cost of Rs. 1998.0 million. An amount of Rs. 1,000 million has been allocated in PSDP 2023-24 for the project. The project has successfully rolled out an "online billing solution" in 22 main ministries' offices and 57 projects in the Islamabad region. Key milestones include electronic bill submission to all federal ministries and capacity building sessions for stakeholders. Efforts are underway to establish real-time linkages with e-procurement systems and upgrade the database to SAP 4/HANA for improved financial management.

To enhance the quality, transparency, and integrity of the audit process, the Office of the Auditor General of Pakistan has launched a project titled "Implementation and Mainstreaming of Audit Management Information System (AIMS)" at a total cost of Rs. 1003.356 million. An amount of Rs. 249.151 million has been allocated in PSDP 2023-24. The project aims to digitize all audit processes and records. Through adoption of digital technologies, the project seeks to modernize auditing practices, improve efficiency, and ensure greater accuracy and transparency in audit procedures.

Efforts to strengthen infrastructure capacity to provide improved working spaces for the Field Audit Offices with the ongoing construction of the Audit House in Lahore are in progress. Additionally, the construction of the Audit Complex, which is underway, seeks to establish permanent government-owned office facilities for two field audit offices. Furthermore, progress is being made on the construction of the Pakistan Audit and Accounts Academy in Islamabad, which will offer training facilities and accommodation for probationers and international students. These initiatives aimed to enhance the country's financial management capabilities and foster overall governance improvement.

To improve access and usage of digital payments and financial services at individual and firm levels through investments and to support the Government's approved National Financial Inclusion and Infrastructure Strategy (NFIS). A project titled "Financial Inclusion and Infrastructure" has been launched by the State Bank of Pakistan. The project is aimed to contribute and support Government's approved National Financial Inclusion and Infrastructure Strategy (NFIS)" is being implemented. The project supports SBP to further strengthen its payment systems infrastructure through launch of a National Payment Gateway (NPG); disburse loans to unique borrowers, microenterprises, and SMES (at least 60 percent loans female borrowers); enhance the capacity of Central Directorate of National Savings (CDNS) to offer additional access points for digital transactions through upgrading its core system

including narrow banking solution, data warehouse, and Enterprising Resource Planning (ERP) system (CDNS); and support Microfinance Institutions.

Pakistan Mint infrastructure and capacity is being modernized / upgraded to meet the emerging coins needs of the country. A feasibility study was conducted for upgradation of Pakistan Mints infrastructure. The existing manpower have been trained to operate new machinery for being procured for upgradation of Pakistan Mints.

Public Procurement Regulatory Reforms

Public Procurement Regulatory Authority (PPRA) has undertaken various strategies initiatives for ensuring transparency, accountability, and quality in public procurement of goods, works, and services. Aligning with international best practices and SDGs 16(6), Standard Procurement Documents (SPDs) have been developed to streamline the procurement process, ensuring clarity, simplification, consistency, and standardization. These include National Standard Bidding Documents for various procurement categories, such as goods, consultancy services, closed framework agreements, therapeutic goods (pharmaceuticals), and information systems.

During 2023-24, amendments in PPRA Ordinance have been made to include provisions for the disposal of public assets. Procuring agencies are now mandated to establish mechanisms for grievance redressal in all bidding processes. PPRA has also issued regulations for the disposal of public assets, mechanisms for blacklisting and debarment of bidders or contractors, and standard bidding documents for procurement of civil works and procurement of cloud services.

The Electronic Procurement and Administration of Contracting Systems (EPADS) project is being implemented under World Bank PFR component which aims to fully automate the public procurement process in Pakistan. Significant progress has been made, including the development of inception reports, feasibility studies, gap analysis, software requirement specifications, and key modules covering the entire procurement cycle. Moreover, memorandums of understanding (MoUs) have been signed with provincial PPRA entities and other government entities including NADRA, SECP, PEC, FBR, PRAL, DRAP, PID, Punjab Revenue Authority etc. for verification, system integration, and information exchange. A help desk has been established to support users. An extensive training program has been implemented at the federal and provincial levels, benefiting over 7,800 participants from various procuring agencies.

Regulatory Reforms

Security and Exchange Commission of Pakistan

Security and Exchange Commission of Pakistan (SECP) has implemented initiatives in the areas of Digitization, Regulatory Reforms, Market Development. SECP launched "eZfile," for companies replacing 'eServices' aiming to streamline access to SECP services and statutory filings; introduced issuance of digital certified-true copies for company statutory returns and profiles; and establishment of online portal for Companies Easy Exit Regulations for streamlining applications for easy exit in a time-efficient manner.

In the area of Regulatory Reforms, SECP issued Companies Regulations 2024 streamlining company registration and compliance with a consolidated framework and reduced statutory forms 75 to 27. Amendments in NBFC and Notified Entities Regulations, 2008, and Amendments in Securities & Futures Advisers (Licensing & Operations) Regulations, 2017 (S&FA Regulations) have been made to promote ease of doing business and enhance protection for digitalization, strengthen supervision and enforcement. SECP has issued the Shariah Governance Regulations, 2023, which provide legal support to "Islamic financial institutions" that provide Islamic financial services, including Shariah-compliant companies and Shariah-compliant securities. SECP has introduced reforms in governance structure of Capital Market Infrastructure Institutions (CMIIS) by imposing tenure limits for the position of Chief Executive Officer and Independent Director of a CMII. In the field of market development, Centralized Gateway Portal (CGP), a 5-year plan for the Insurance Industry, a new category of Future Broker has been introduced. Furthermore, SECP has successfully integrated with the Pakistan Software Export Board (PSEB) and Pakistan Engineering Council (PEC) under the Pakistan Regulatory Modernization Initiative (PRMI) launched by BoI. SECP has issued a circular under section 172 of the Securities Act, 2015, now a company can complete the entire process of raising funds from the general public through an IPO within 29 working days from the date of submission of the listing application to PSX.

National Tariff Commission

National Tariff Commission (NTC) is mandated to implement trade remedy measures against imports that negatively impact Pakistan's domestic industries. It advises government on issues pertaining to industry competitiveness, export promotion, and customs tariff rationalization. NTC administers trade remedy laws, including the Anti-Dumping Duties Act, 2015; Countervailing Duties Act, 2015; and

Safeguard Measures Amendment Act, 2015, ensuring compliance with WTO regulations.

During 2023-24, NTC has conducted 12 sunset reviews on dumped products from various countries, including PR China, Chinese Taipei, India, Indonesia, Iran, and South Korea. Additionally, one anti-dumping investigation has been initiated for another dumped import case.

Ease of Doing Business

Bol has undertaken significant steps to boost FDI inflows into Pakistan and creating business friendly environment in the country. Notably, it has established the Special Investment Facilitation Cell (SIFC), led by the Prime Minister, to promote and facilitate investments from Gulf Cooperation Council (GCC) countries, particularly in key sectors like Defense, Agriculture, Minerals, Information Technology, Telecom, and Energy. Moreover, the Pakistan Investment Policy 2023 has been launched showing government's commitment to attract high-quality and efficiency seeking FDI.

Bol has initiated the Pakistan Regulatory Modernization Initiative (PRMI) to streamline regulations, reducing the compliance burden on businesses and enhancing the effectiveness of the regulatory framework. Bol to drive industrialization is actively supporting the establishment of Special Economic Zones (SEZs), with 35 SEZs already approved. Additionally, the formation of a committee on Ease of Doing Business (EODB) by the Prime Minister's Office, tasked with proposing strategies to improve the business environment, further demonstrates the government's commitment to facilitating investment and fostering economic growth.

Governance Reforms in Provinces and Special Areas

Punjab

Government of Punjab has demonstrated its dedication to enhancing transparency, efficiency, and good governance through a series of initiatives implemented during 2023-24. The Board of Revenue in Punjab spearheaded several key reforms aimed at improving governance and service delivery. These initiatives encompass the establishment of the Punjab Revenue Board E-Library for streamlined access to information, the introduction of Land Record Services at the 'Qanongoe Level' to increase accessibility, and the implementation of IT-based systems for efficient state land management. Additionally, efforts have been made to restructure tax and revenue collection processes through automation.

The Home Department launched initiatives to bolster institutional capacity and service delivery which include implementation of Private Security Service & Information Management System (PSSIMS) and the enhancement of surveillance systems. The automation of District Courts has been launched to modernizing administrative processes and ensuring effective public service delivery.

Sindh

During 2023-24, the Government of Sindh launched several initiatives to enhance transparency, efficiency, and good governance in the province. One of the key initiatives is "Strengthening Social Protection Delivery System in Sindh" which aims to improve human capital-related health indicators in selected districts through qualitative and quantitative enhancements.

Sindh Flood Emergency Rehabilitation Project was also initiated to rehabilitate damaged irrigation and drainage infrastructure, construct roads, restore water supply and drainage schemes, and provide cash transfers to vulnerable households affected by floods in 2022. Furthermore, the project supports the expansion of the Sindh Emergency Rescue Service 1122 and the establishment of satellite stations on highways and motorways.

The government of Sindh also implementing the Competitive and Livable City of Karachi Project (CLICK) with a total cost of Rs. 33.6 billion, supported by the World Bank which aims to enhance urban management, financing, and service delivery in Karachi while fostering private sector development and sustainability, aligning with the vision of transforming urban areas into eco-friendly, sustainable cities through improved city governance.

Khyber Pakhtunkhwa

Government of Khyber Pakhtunkhwa has invested Rs. 827.572 million to enhance its governance framework. This includes the initiation of the Computerization of Land Records project, which is being carried out in two phases. Phase-I, covering seven districts, and Phase-II, covering twelve districts, aim to achieve digitization of manual records and improve the provision of Land Revenue services. The project also prioritizes enhancing public services by providing comfortable waiting areas with amenities.

The government has undertaken initiatives such as the establishment of Resource Centres and E-Stamp services for citizens' facilitation and settlement of land records through digitalization in settled districts including Dir Lower, Dir Upper, and Tehsil Kalam and Swat. Khyber Pakhtunkhwa Government has initiated project for

settlement and digitalization of land records in merged districts with aim to modernize land administration, resolve land dispute, improve public service provisions and establishment of Centralized Land Records Management Information System (CLRMIS) through robust technology digitization.

Balochistan

Government of Balochistan (GoB) has implemented focused strategies and action plans to improve governance and enhance service delivery efficiency. The Local Government & Rural Development Department in Balochistan has proposed various initiatives, including the provision of proper sanitation, sewerage systems, and drainage for urban, rural, and village areas. Additionally, projects for street paving using materials like tuff tiles and concrete, as well as the establishment of basic civic facilities, are underway.

GoB is undertaking efforts to construct new offices, rehabilitate existing ones, and provide accommodation for officials and staff. Furthermore, initiatives to supply solar power to underserved communities are also being implemented to address the energy needs of the population.

Azad Jammu & Kashmir

The AJ&K government is actively pursuing the transformation into a developed society capable of meeting governance challenges head-on. Key strategic interventions include the development of comprehensive databases for all line departments, fostering inter-linkages, and establishing a data bank to monitor the financial and physical progress of development projects through a Management Information System. The Bureau of Statistics plays a crucial role in collecting and disseminating sectoral statistical data to facilitate informed decision-making and effective planning for socio-economic development. Adopting a demand-driven approach, departments utilize GIS-based maps and related services for efficient development planning strategies, particularly in land use planning.

Capacity-building efforts within the Planning & Development Department focus on analyzing project effectiveness through regular monitoring and evaluation, providing feedback to improve sector programs and policies, and ensuring optimal utilization of financial resources. The establishment of AJ&K PPRA aims to enforce laws, rules, and regulations related to public procurement, while the computerization of the AG office under PIFRA-II enhances transparency and efficiency in accounting and budgetary systems. Efforts to enhance tax revenues include conducting studies, automating motor tax payment mechanisms, and improving tax management systems through equipment provision and capacity building. Block provisions for feasibility studies and consultancy

services support various government line departments, such as Health, Education, Irrigation, and Industries, in compliance with ECNEC decisions.

Gilgit-Baltistan

Government of Gilgit-Baltistan in order to strengthen governance processes took various initiatives during 2023-24 which includes 'Strengthening ICT Based Monitoring & Evaluation in GB Development Process & Introducing Reforms', 'Automation & Digitization of Revenue System', 'Strengthening of Disaster Risk Management (DRM) System', 'Raising of Tourist Police', Special Protection Unit, and Automation of GB Police. Furthermore, capacity enhancement initiatives were undertaken for the law department, reflecting the government's commitment to improving governance, efficiency, and public services in the region.

Sectoral Plan / Strategy 2024-25

The governance reform agenda of the government lays special emphasis on institutional strengthening, market fostering, inclusive and sustainable development, participatory approach in policy/decision-making process, civil service reforms, effective delivery of public services, performance management, business process re-engineering including digitization and transparent governance, strengthening criminal justice systems and procedures, domestic resource mobilization, financial management, procurement, legal and intellectual property rights enforcement, and reforming public sector enterprises. Efforts will be made to complete the ongoing government initiatives to enhance the capacity of public sector for efficient and timely delivery of public services

Anti-corruption initiatives & Procurement Reforms is another area which will curb menace of corruption, The financial and administrative autonomy of anti-corruption institutions, capacity Building of investigators in investigation of White-collar crimes, development and implementation of Anti Money Laundering Training Module; Performance Management system for investigator and digitization would be persuaded. The public procurement processes will be strengthen through the implementation of EPADS and standardized bidding documents. The Local Government will be reviewed in consultation with stakeholders and Provincial Finance Commission in line with constitution will be institutionalized.

Rule of Law will be attained by enhancing the capacity of law enforcement agencies and judicial system including a legal wing of Law Division, FIA, NAB, and other Law enforcement agencies, Digitalization of court process, record management system,

implementation of Artificial Intelligence (AI) into legal processes for improving efficiency and delivery of the justice sector will be ensured.

The transformation of Public Financial Management and Tax Administration for modern financial systems through various reforms including digitalization to streamline financial processes will be continued. The role of Public Account Committees and Parliamentary Standing Committees will be enhanced to oversee public spending to ensuring transparency and accountability. Contributory pension reforms will be introduced. The transition from cash basis accounting to accrual basis will be introduced. The Federal Board of Revenue (FBR) will undergo revamping to achieve sustainable revenue increases. Digital Economy Enhancement Project (DEEP) to provide a window solution to businesses regarding their Registrations, Licenses, Certificates and Other permits (RLCOs) will be introduced. One stop shop project will be launched for ease of doing business.

The Security and Exchange Commission of Pakistan (SECP) will introduce digitization in regulatory reforms and Market Development.

Financial Outlay 2024-25

An amount of Rs.28.0 billion including foreign aid of Rs. 16.50 billion has been proposed for the governance sector in 2024-25. The allocation indicates an increase of 33 percent over the last year's allocations. To accomplish the reform agenda, the investment will be made in activities relating to innovation, capacity building, performance management, service delivery, justice sector, police, research, reforms in the civil service and public sector including regulatory framework and statistics during 2024-25.

Part-II
Strategic Embrace:
Amplifying Impact in Crucial Areas
for Sustainable Growth

24. BALANCED DEVELOPMENT – FOCUS ON LESS DEVELOPED REGIONS

Pakistan's geographical and cultural diversity is reflected through varying levels of socio-economic development across its provinces, regions, and districts. Balanced regional development approach can reduce socio-economic disparities among different regions of the country. In Pakistan, Azad Jammu & Kashmir (AJ&K), Gilgit Baltistan (GB) are special regions and merged districts of Khyber Pakhtunkhwa are characterized as less developed in terms of limited access/connectivity and poor socio-economic indicators.

The priorities of Government lay special emphasis to the development of less developed special areas. Narrowing regional disparities through priority resource allocations, special programs, and engagement of special areas governments are being focused for fostering inclusive and sustainable development. Federal government is providing special funds in the form of block allocations for special areas and a Ten-Year Development Plan (TYDP) is being implemented for merged districts of Khyber Pakhtunkhwa to mainstream the region in the aftermath of its merger with the province. The proposed programs/projects during 2024-25 are aligned with long-term goals/targets of the 13th Five Year Plan (2024-29). The investments have been prioritized in SDGs-driven sectors, by the governments of special areas to advance the long-term SDGs.

Performance Review 2023-24

During 2023-24, efforts have been made by the federal government in collaboration with special areas governments to achieve developmental targets in Special Areas. Financial and physical progress during 2023-24 is given below:

Financial progress

During 2023-24, an amount of Rs. 117.9 billion was allocated for Special Areas and merged districts (including block allocation and projects). Out of the total allocation, an amount of Rs. 60.9 billion was earmarked for two special areas. In addition, Rs. 57.0 billion were allocated for merged districts under ADP and the 10-year Accelerated Implementation Programme (AIP). During 2023-24, out of total allocation,

an amount of Rs. 98.32 billion has been authorized. Agency/Division wise allocations & authorization for 2023-24 are given in Table 24.1.

Table 24.1: Agency/Division wise Allocations & Authorization for 2023-24

(Rs. Billion)

Agency/ Ministry/Division	Allocation	Authorization
Azad Jammu & Kashmir	32.45	27.96
Gilgit Baltistan	28.45	24.76
Merged Districts of KP (Block Allocation)	26.00	20.80
Merged Districts 10-year development plan	31.00	24.80
Total	117.90	98.32

Sectoral Performance

During the period, funds provided to special areas by the federal government were utilized in multiple sectors including infrastructure, education, health, food security, industries & production, I.T., natural resources, tourism, science & technology, etc. as per priorities of the area governments. Details of allocation for ongoing and new schemes are as given in Table 24.2.

Table 24.2: Allocation for Ongoing and New Schemes 2023-24

Region	Ongoing		New		Total	
	Schemes	Percent Allocation	Schemes	Percent Allocation	Schemes	Percent Allocation
AJ&K	360	60	61	40	421	100
GB	1,616	79	389	21	2,005	100
NMD-ADP	304	77	21	23	325	100
NMD-TYDP	287	99	74	1	361	100

Azad Jammu & Kashmir

During 2023-24, 132 schemes are targeted for completion. Out of the total allocated amount, 60 percent of funds were earmarked for ongoing projects and the remaining 40 percent have been allocated for new initiatives. Communication & Works sector remained the major recipient of financial resources i.e. 34 percent followed by Education and Power 10 percent each, LG&RD 9 percent, Health 7 percent, PP&H 6 percent, while the remaining 24 percent sources were allocated for other social and productive sectors.

Physical achievements in major sectors against the allocation , include the construction of 14 km major roads, 495 km link roads and 420-meter bridges, reconditioning of 35 km roads and 14 km irrigation channels were rehabilitated. Moreover, 6000 PCC streets/paths/link roads were constructed and water supply was provided to 0.5 million rural population. In the power sector, 25000 consumers were provided electricity connections, 300 transformers and 180 km transmission lines were installed, 01 grid station was constructed and 10 MW Hydel power was generated.

In the education sector, 58 schools and 10 college buildings have been constructed/upgraded and 121 schools were provided with missing facilities. In health, free medicines amounting to Rs. 400 million were provided. In the agriculture sector 12,000 kg of certified seeds & 7,000 bags of fertilizer were distributed among farmers, the sector achieved a 0.15-million-ton increase in cereal crop production and plantation of 3.5 million fruits further improving 450 acres. In livestock, 1,000,000 doses of vaccination were provided to animals. Moreover, 02 I.T. excellence centers have been established and the land record of 3 tehsils has been computerized. 03 food testing labs, 01 child protection unit established, & 1000 orphans were provided an education stipend. Furthermore, 141 mini sports/playgrounds, 20 tourist sites, 01 museum has been established. For industrial development 30000 interest-free loans and trainings have been provided.

Gilgit Baltistan

During 2023-24, in the communication & works sector, 35km metaling of roads, 25km shingle roads and 20 bridges of various types have been constructed. Further, 08 residential 05 non-residential buildings were constructed, 03 water purification plants were installed and 05 number of schemes of clean drinking water supply have been completed. In energy/power, 12 schemes have been completed to generate 21.85 MW of hydropower.

In the education sector, 47 schemes for the construction of schools and 05 schemes for the provision of missing facilities in educational institutes have been completed. In health, medicines and biomedical equipment were procured and various schemes were completed regarding the construction and rehabilitation of hospitals. In the agriculture sector, 700,000 fruit plants, 850 million tons of certified wheat seed, and 15 million tons of maize seed have been distributed. In tourism and culture, 10 playgrounds, 07 indoor sports facilities, 03 rest area buildings & 02 tourist facilitation centers were constructed and conducted 02 training sessions each for high altitude porters, hospitality management & 06 consultancies. Further 55 agriculture-related trainings along with 40 demonstrations for the farmers have been conducted.

Newly Merged Districts of Khyber Pakhtunkhwa

During 2023-24, physical achievements of major sectors under ADP and Ten Year Development Programme, include construction of 89 km roads and 01 bridge, 25 drinking water supply schemes, further 107 km of roads rehabilitated. In the water sector, 191 irrigation channels, 232 water storage reservoirs/ check dams & 30,470 feet flood protection bunds have been constructed and 30 solar tube wells were installed. In the health sector, up to 92 percent work has been completed to establish 04 D-category hospitals in South Waziristan & Khyber, further, a feasibility study for the upgradation of Parachinar DHQ hospital district Kurram has been completed. In the education sector, I.T. equipment was provided to 82 educational institutes.

For Industrial development, 54,041 individuals (50,591 males and 3,450 females) were facilitated through a micro-financing scheme and 41,500 youth were provided trainings with programs of TEVTA. In the Agriculture sector, high-value vegetable seeds were provided for 731 acres along with certified wheat and maize seeds for 2000 and 500 acres of cultivable land. Further, 1156 acres of land was developed and training to 25 farmers was imparted. In livestock, 13 medium scale dairy farms and 06 semi controlled poultry farms were established. In the relief and rehabilitations sector, 06 rescue 1122 stations were established and compensation was provided to 9072 destroyed/damaged shops and businesses.

Outlook 2024-25

During 2024-25, the focus of interventions will continue to address deprivation for the mainstreaming of people of less developed areas. Special areas programmes will be initiated in alignment with the 13th Five Year Plan. In AJ&K, the area government will focus on sustainable development of resources through applying new technology as well as human capital formation, skill enhancement, need-based/market-oriented training and support to small and medium enterprises (SME's). GB main development interventions will mainly focus on the power/energy sector's improvement through prioritizing hydel and renewable energy sources. In addition, the tourism sector will be prioritized through developing/upgrading the tourism infrastructure. To ensure trickle-down effects of development activities to the masses infrastructure development will be prioritized through upgrading road networks, agriculture and industrial development.

Programmes 2024-25

Area-wise Allocations for 2024-25 are given in Table 24.3.

Table 24.3: Area-wise Allocations for 2024-25

(Rs. Billion)

Special Area	Allocation 2024-25
Azad Jammu & Kashmir	40.00
Gilgit Baltistan	34.50
Newly Merged Areas of KP – ADP	27.00
Merged Districts 10-year development Plan	36.00
Total	137.50

Key Interventions 2024-25

The development agenda for Special Areas and merged districts is aligned with the SDGs, and other national-level development frameworks (13th Five Year Plan, 5Es and 4RF) focusing on alleviating poverty, providing quality education, ensuring access to clean drinking water, and taking climate action, among other key targets. The government of AJ&K is pursuing exports-led industrial growth of cottage industry, artisanal crafts, agricultural products, and developing I.T. infrastructure. Further reforestation programmes are being implemented to combat climate change challenges. To align development priorities with the 4RF Framework, efforts are underway for post-disaster recovery and infrastructure rehabilitation. A high significance has been attached to the SDGs framework as these goals have received a significant allocation of 78 percent in the GB Annual Development Programme (ADP) during 2023-24. The top five priority SDGs are Industry and Infrastructure (SDG 9), Quality Education (SDG 4), Clean Energy (SDG 7), Clean Water & Sanitation, and Good Health and Wellbeing (SDG 3). The government of KP in merged districts has prioritized the sectors i.e. infrastructure, health, education, agriculture and clean drinking water etc.

Azad Jammu & Kashmir

In AJ&K-ADP sectoral targets under major sectors during 2024-25, are summarized as follows:

- In Communication & Works sector, construction of 30 km major roads, 500 km link roads, 500-meter bridges and the rehabilitation of 40 km roads is targeted during the plan period.
- In education sector, 60 school & 20 college buildings will be constructed/upgraded, 145 schools will be provided with missing facilities, and 30 buses will be provided for transportation in educational institutes.

- 20 km irrigation channels will be rehabilitated, and 0.8 million rural population will be provided water supply and sanitation facilities.
- In agriculture sector, 600 Acre land will be improved, 15,000 kg of certified seeds & 10,000 bags of fertilizer will be distributed among farmers, plantation of 05 million fruits and a 0.3-million-ton increase in cereal crops production. 1500,000 doses of vaccination to animals will be provided.
- 07 food testing labs will be established and free emergency medicines of Rs.500 million will be provided.
- Electricity connections will be provided to 30,000 consumers, 200 km transmission lines, & 350 transformers will be installed, 04 grid stations will be constructed and hydel power generation of 40 MW has been targeted for next year.
- 22 new tourist sites, 01 IT excellence center and 150 mini sports/playgrounds will be established. Further land records in 10 tehsils will be computerized.
- 40,000 interest-free loans and trainings will be provided.

Gilgit Baltistan

In Gilgit Baltistan, the following development activities under major sectors have been planned for 2024-25:

- In communication and works, 25km metals & 19km shingle roads and 16 bridges of various types will be constructed.
- 08 clean drinking water supply projects will be completed and 01 water purification plant will be installed. Further, 09 residential 06 non-residential buildings will be constructed.
- In energy/power, 15 schemes of hydro power are targeted for completion to generate 34.2 MW electricity.
- In health, hospitals will be strengthened through the provision of missing health facilities and repair & construction.
- In education sector, construction of 38 schools is targeted for completion further 07 schemes will be implemented for provision of missing facilities at educational institutes.
- In agriculture, 800 million tons of certified wheat seed, 20 million tons of maize seed and vegetable seed will be distributed to farmers. Further, 200 tunnels will be installed and training and demonstrations will be conducted for farmers.
- In tourism and culture, 02 rest area buildings & 02 tourist facilitation centers will be constructed and 03 training sessions will be conducted, for altitude porters, hospitality management & tourist guide.

Newly Merged Districts of Khyber Pakhtunkhwa

In the Newly Merged Districts of Khyber Pakhtunkhwa, major schemes/projects under ADP/AIP are as under:

- In roads, 183 km roads will be constructed & 137 km will be rehabilitated further, 03 bridges will be constructed & 01 will be rehabilitated.
- In education, 25 schools will be constructed and 55 will be rehabilitated, further 115 educational institutes will be provided with IT equipment.
- In health, completion of 05 health facilities including 4 category-D hospitals will be targeted and 1700 medical scholarships will be provided.
- 408 water storage reservoirs/ check dams & 53,850 feet flood protection bunds and 409 irrigation channels will be constructed and 178 solar tube wells will be installed & existing 192 will be solarized.
- For small & medium enterprises 25,000 individuals will be facilitated through interest-free loans.
- In the local government & rural Development (LG&RD) sector, 16 link roads and 25 drinking water supply schemes will be constructed.
- In relief and rehabilitation, 06 rescue 1122 stations will be established.
- In Agriculture, 30 new agricultural tube wells will be established and existing 120 will be solarized, seeds for 2000 acres vegetable, 2000 acres wheat & 200 acres of maize will be provided, 6000 acres land will be developed and training will be provided to 200 farmers. In livestock, 28 medium-scale dairy farms will be established.

25. CLIMATE CHANGE AND ENVIRONMENT

Climate change poses a significant threat to Pakistan, despite its minimal contribution to global greenhouse gas emissions. The country ranks as the 10th most vulnerable to climate impacts, as evidenced by devastating events like the 2022 floods, which caused billions of dollars in damages and losses. Heat waves, floods, and other disasters are projected to worsen, requiring urgent adaptation and mitigation measures. The Annual Plan 2024-25 aims to address these challenges by promoting sustainable development, reducing emissions, and enhancing community resilience.

To effectively respond to climate challenges, Pakistan needs to shift its approach to development financing, embracing climate and carbon finance. Currently, reliance on fiscal revenues and international loans overlooks the potential of concessional green finances. With climate-related events projected to impact GDP significantly, urgent action is required. An estimated USD 348 billion investment is needed for climate response from 2023 to 2030, with additional funding to meet Nationally Determined Contributions (NDCs).

The Government of Pakistan is committed to addressing environmental challenges and promoting sustainable development through initiatives outlined in 5Es Framework, 13th Five Year Plan and SDGs Goals. During 2023-24 different environmental initiatives focusing on increasing climate resilience, fostering sustainable growth, and protecting natural resources were initiated. The government has established the Prime Minister's Committee on Climate Change for strategic guidance and coordination of national and international climate change obligations. The government revised the National Climate Change Policy and NDCs in 2021 and launched the National Adaptation Plan in 2023, demonstrating its strong commitment to addressing climate change. By effectively addressing environmental challenges, the government aims to improve the health and well-being of its people, strengthen the country's resilience to climate change, and ensure sustainable development for future generations.

Performance Review 2023-24

Ministry of Climate Change and Environmental Coordination

The Ministry of Climate Change and Environmental Coordination (MoCC&EC) has been allocated Rs. 4,050.00 million under the PSDP 2023-24. This allocation

represented less than half of the revised allocation of Rs. 9,500.00 million received in the prior fiscal year.

During 2023-24, the Upscaling of Green Pakistan Programme (Revised) received the largest share of the PSDP allocation, totaling Rs. 3,902.55 million. This Programme aims to enhance Pakistan's environmental resilience through ecologically focused initiatives such as; afforestation, biodiversity conservation, and policy revisions aligned with SDG 15, Climate Change Policy 2021, and Nationally Determined Contributions. The Table 25.1 outlines the targets achieved by the said project in Phase-I.

Table 25.1 Targets Achieved by Upscaling of Green Pakistan Programme (Ph-I)
(No. of Plants in million)

Province/ Territory	Physical Targets as per PC-1 (2019-23)	Total No. of Plants (2019 up to 2nd Qtr. 2023-24)	Progress (percent)
Punjab	466	344.09	74
Sindh	1000	816.17	82
KP	1000	706.26	71
Balochistan	100	18.8	19
AJK	560	165.36	30
GB	170	70.27	41
Total	3296	2120.94	64

Source: Ministry of CC&EC

Korea International Cooperation Agency (KOICA)-funded project titled “Capacity Building on Water Quality Monitoring and SDG-6.1” with a total cost amounting to Rs.1289.206 million (KOICA support of USD 7.420 million (Rs. 1,187.2 million) and PSDP share of Rs. 102.006 million) is likely to be completed in 2025. The project, with an allocation of Rs. 26.5 million for 2023-24 aims to upgrade water quality infrastructure, provide training, and improve monitoring and reporting in Punjab, KP, highlighting commitment to achieving SDG 6.

Another PSDP project titled “Climate Resilient Urban Human Settlements Unit” with a total cost of Rs. 90.158 million is also under implementation. For 2023-24, the total allocation for the project was Rs. 20.95 million. The core objective of the project is to plan and implement the harmonized Action Plans for developing “Climate Resilient Safe & Sustainable Cities”, in collaboration with the Pakistan Urban Planning & Policy Centre, Ministry of PD&SI; along with the UN-Habitat (Pakistan); all Provincial Urban Units; and the Line Departments of P&D; Local Governments; Housing & Urban Development of the Governments of Gilgit & Baltistan and the AJ&K.

The Ministry of CC&EC launched a new PSDP project titled “Pak-BCH for GMOs Regulation” at a total cost of Rs. 100.00 million. Project’s objective is to establish a framework for regulating GMOs. For 2023-24, Rs. 100 million were allocated to the

project. So far, Pak-EPA has managed to finalize the hiring of human resources required for the project.

Aviation Division (Pakistan Meteorological Department)

Initiatives undertaken by the Pakistan Meteorological Department (PMD) under the Aviation Division aim to improve weather monitoring and forecasting capabilities, particularly in flood-prone regions.

Rs. 32 million was allocated for JICA funded project titled “Installation of a Weather Surveillance Radar in Multan. The core objective of the project is to provide crucial data for issuing flood forecasts and warnings in Multan and the surrounding South Punjab region. The devastating 2022 floods underscored the importance of such early warning systems.

Another JICA-funded project titled “Installation of Weather Surveillance Radar at Sukkur” to enhance weather monitoring capabilities in this critical region of Sindh is under implementation. However, due to COVID-19 and the Russian-Ukraine war, the required equipment could not be procured timely. Aviation Division intends to revise subject.

Furthermore, a new PSDP scheme titled “Establishment of a New Meteorological Observatory at Naran and Hostel for Operational Staff at Balakot” was allocated Rs. 50 million to improve weather monitoring in mountainous regions.

Non-PSDP Initiatives

Climate Adaptation and Resilience for South Asia (CARE)

The World Bank-funded "Climate Adaptation and Resilience for South Asia" project, spanning from 2020 to 2025, aims at fostering policies and investments to enhance climate resilience in the region, with a focus on on agriculture, water resource management, and infrastructure. The project comprises three main components: utilizing data and science for informed climate decision-making, strengthening regulations and expertise to address climate challenges, and ensuring smooth project management.

The first component, implemented by the Regional Integrated Multi-Hazard Early Warning System for Africa and Asia (RIMES), involves developing a Decision Support System (DSS) for the Ministry of PD&SI and the Agriculture Departments of Punjab and Balochistan, set to be operational by July 2024. This system will assist in making informed decisions regarding climate change, agriculture, and transportation. The second component, executed by the Asian Disaster and Preparedness Centre

(ADPC), supports Ministry of PD&SI in three areas: promoting sustainable agricultural practices, managing water resources efficiently in the context of climate change, and developing climate-resilient infrastructure. Ministry of PDSI has approved ADPC's second work plan for 2024-25 to enhance climate resilience in these core areas. The third component ensures the project's smooth management and implementation, reinforcing the use of data and science for smart climate decisions and strengthening regulations and expertise to address climate challenges.

Outlook 2024-25

Clean Energy / Green Hydrogen

- Foster international partnerships for technology transfer and conduct targeted research and development to adapt green hydrogen technologies to Pakistan's context. Encourage local innovation through grants and incentives for R&D activities.

Climate Finance & Monetization of Carbon Credits

- Collaborate with the P3A and other relevant stakeholders to identify and prepare a pipeline of climate-aligned projects. Provide comprehensive guidelines to project proponents on integrating climate finance and carbon credit generation.
- Explore and promote sustainable financing options, including bonds, insurance mechanisms, and blended finance models.
- Support development and implementation of a robust Carbon Emission Trading Policy and related market mechanisms to effectively monetize carbon credits.
- Formulate and implement a National Climate Finance Strategy and a Disaster Risk Financing Strategy.

Data Governance

- Establish a comprehensive, centralized data repository for climate change and disaster-related information in Pakistan, ensuring seamless access and integration for all stakeholders.
- Develop protocols and mechanisms for efficient data sharing between government agencies, research institutions, and relevant stakeholders, facilitating collaborative analysis and action.
- Implement standardized methodologies, formats, and rigorous quality control measures to ensure consistency, accuracy, and comparability of climate and disaster-related data.

- Strengthen existing data governance frameworks and create policies promoting effective data management, secure sharing, and collaborative use for climate resilience planning and action.
- Provide stakeholders with comprehensive training and technical assistance on data management, analysis, visualization tools, and evidence-based decision-making.

Green Growth Strategy

- Develop and implement a comprehensive policy and regulatory framework that propels sustainable investments across diverse sectors.
- Introduce and expand fiscal measures, including green taxation, and financial incentives, in a supportive regulatory environment to stimulate investments in green technologies and practices.
- Encourage the development and adoption of green building standards, energy-efficient designs, and sustainable public transportation systems.
- Implement strategies and policies to transition towards a circular economy model that prioritizes waste reduction and resource optimization.

Climate Change Mitigation and Adaptation

- Conduct vulnerability assessments and implement adaptation and mitigation plans, including resilient infrastructure.
- Strengthen coastal protection, improve agriculture practices, and incentivize climate-smart practices.
- Modernize irrigation, develop a long-term agriculture growth strategy, and promote integrated watershed management.
- Mainstream sustainable land management, improve water quality and quantity, efficient use and invest in coastal and marine resources protection.

Environmental Governance and Policy

- Strengthen legal frameworks for environmental protection, define roles for government agencies, promote transparency, develop mechanisms for monitoring environmental initiatives and coordinate international efforts.
- Pursue economic growth addressing climate challenges, integrate climate policy with national policies, and focus on pro-poor, gender-sensitive adaptation.
- Facilitate effective use of national and international financial opportunities and foster economic incentives for investment.
- Implementation of National Biodiversity Strategy and Action Plan (NBSAP) developed by the MoCC&EC and IUCN.
- Implementation of National Climate Change Gender Action Plan (CCGAP).

- City Biodiversity Index self-assessment tool for cities to evaluate and monitor the progress of their biodiversity conservation efforts against their own individual baselines.

Climate Risk Screening of PSDP Projects

- Estimate climate expenditure for mitigation, adaptation, and benefits while using the uniform digital tools such as MRV as per the UNFCCC's Enhanced Transparency Framework (ETF)
- Establish baselines, align projects with climate commitments, and climate and gender proofing of PC-I to PC-V formats and templates.
- Integration of Environmental and Social Management System (ESMS).

Waste Management and Circular Economy

- Preparation of projects for integrated solid waste management including scientific landfill sites, waste-to-energy plants etc.
- Engage the private sector to support waste management initiatives

Programmes 2024-25

Ministry of CC&EC

- During 2024-25, MoCC&EC has proposed an allocation of Rs. 30.0 million for the ongoing scheme titled "Capacity Building on Water Quality Monitoring and SDG 6 (6.1) Reporting."
- "Upscaling of Green Pakistan Programme (Revised)" with a proposed cost of Rs. 122.146 billion to facilitate the transition towards enhancing Pakistan's natural capital and environmental resilience. It focuses on mainstreaming adaptation and mitigation measures, ecological restoration, carbon sequestration, and the generation of carbon credits. The project has been allocated a sum of Rs. 6.00 billion for the 2024-25.
- Additionally, there is an allocation of Rs. 100.00 million for the project titled "Pakistan Biosafety Clearing House for GMOs Regulation in Pakistan (Pak-BCH)."
- Moreover, the project titled "Climate Resilient Urban Human Settlements Unit" has been allocated a sum of Rs. 25.00 million and a new scheme titled "Strengthening Technical Capacities of the Ministry of Climate Change & Environmental Coordination (STC-MoCC)" is allocated Rs. 101.96 million.

Aviation Division

The Aviation Division's budgetary proposals for 2024-25 demonstrate a strategic emphasis on bolstering Pakistan's meteorological infrastructure and capabilities. This focus aligns with efforts to strengthen national resilience and preparedness in the face of evolving weather patterns. Significant PSDP allocations are earmarked for the

installation of weather surveillance radars in Multan (Rs. 50.000 million) and Sukkur (Rs. 5.00 million). Additionally, the establishment of a new meteorological observatory at Naran (Rs. 95.000 million) is planned.

Moreover, Rs. 3000.00 million has been allocated to “Modernization of Hydromet Services of PMD in Pakistan”. While “Establishment of National Centre for Rainfall Enhancement (NCRE) in Pakistan Metrological Department (PMD) Cloud Seeding Project” has been allocated a sum of Rs. 160.00 million.

ABBREVIATIONS & ACRONYMS

4RF	Resilient Recovery, Rehabilitation, and Reconstruction Framework
ADPC	Asian Disaster and Preparedness Centre
AI	Artificial Intelligence
AIMS	Audit Management Information System
APIs	Active Pharmaceutical Ingredients
APP	Associated Press of Pakistan
BCPs	Border Crossing Points
BEOE	Bureau of Emigration and Employment
BISP	Benazir Income Support Programme
BoI	Board of Investment
BRDs	Business Requirement Documents
B-Ready	Business Ready
CAD-JIP	Command Area Development of Jalalpur Irrigation Project
CAMS	Case Assignment & Management System
CARE	Climate Adaptation and Resilience for South Asia
CAREC- RIBS	Central Asian Regional Economic Cooperation-Regional Improving Border Service
CBFC	Central Board of Films Censor
CBN	Cost of Basic Needs
CBT	Competency-Based Training
CBT	Computer Based Testing
CC & EC	Climate Change & Environmental Coordination
CCGAP	Climate Change Gender Action Plan
CDC	Centre of Digital Communication
CDNS	Central Directorate of National Savings
CDS	Central Depository System
CERT	Cyber Emergency Response Team
CGP	Centralized Gateway Portal
CLICK	Competitive and Livable City of Karachi Project
CLRMIS	Centralized Land Records Management Information System
CMIIS	Capital Market Infrastructure Institutions
CPJR	China-Pakistan Joint Research Centre

CPU	Customs Patrol Unit
CSTY	Culture, Sports, Tourism & Youth
CUI	COMSATS University Islamabad
CvBS	Convergent Billing System
DEEP	Digital Economy Enhancement Project
DOAM	Department of Archaeology and Museum
DRM	Digital Radio Mondiale
DRM	Disaster Risk Management
DTH	Direct-To-Home
ECD	Early Childhood Development
EODB	Ease of Doing Business
EPADS	Electronic Procurement and Administration of Contracting Systems
EPADS	e-Pak Acquisition & Disposal System
ERP	Enterprising Resource Planning
ESG	Environmental, Social, and Governance
ESMS	Environmental and Social Management System
ETF	Enhanced Transparency Framework
EWR	Electronic Warehouse Receipts
FBISE	Federal Board of Intermediate and Secondary Education
FBR	Federal Board of Revenue
FCA	Federal Committee on Agriculture
FDE	Federal Directorate of Education
FDI	Foreign Direct Investment
FLL	Fixed Local Line
FM	Frequency Module
FPSC	Federal Public Service Commission
FTO	Federal Tax Ombudsman
GARL	Geoscience Advance Research Laboratories
GCC	Gulf Cooperation Council
GMP	Good Manufacturing Practices
GoB	Government of Balochistan
GoKP	Government of Khyber Pakhtunkhwa

GSP	Geological Survey of Pakistan
GST	General Sales Tax
HEC	Higher Education Commission
HRD	Human Resource Development
I&B	Information & Broadcasting
IAC	Incentive Award Committee
IPC	Inter Provincial Coordination
IPF	Investment Project Financing
IRC	Institutional Reforms Cell
IRMS	Integrated Risk Management Systems
IRSA	Indus River System Authority
ISA	Information Service Academy
IT	Information Technology
ITeS	IT Enabled Services
ITTMS	Integrated Transit Trade Management System
LG	Local Government
LJCP	Law and Justice Commission of Pakistan
LRP	Landing Rights Permissions
LSM	Large Scale Manufacturing
M ₂	Broad Money
MCMC	Mid-Career Management Course
MM	Mass Media
MMF	Man-Made Fibers
MoUs	Memorandum of Understanding
MPC	Monetary Policy Committee
NBFCs	Non-Banking Finance Companies
NBSAP	National Biodiversity Strategy and Action Plan
NCDC	NUST Chip Design Centre
NDA	Net Domestic Assets
NDCs	Nationally Determined Contributions
NEET	Not in Education, Employment, or Training
NEXT	National Employment Exchange Tool

NFA	Net Foreign Assets
NFDC	National Fertilizer Development Centre
NFIS	National Financial Inclusion and Infrastructure Strategy
NFS&R	National Food Security and Research
NHCD	National Heritage & Culture Division
NIP	National Industrial Policy
NJAC	National Judicial Automation Committee
NJAU	National Judicial Automation Unit
NJPMC	National Judicial Policy Making Committee
NLP	National Library of Pakistan
NLPD	National Language Promotion Department
NNF	National Nutrition Forum
NPSL	National Physical and Standards Laboratory
NRTC	National Radio and Telecom Corporation
NTC	National Targeting Centre
NURETSS	NUTECH Railway Engineering Technologies and Skills School
NUST	National University of Science & Technology
NUTECH	National University of Technology
NVQF	National Vocational Qualification Framework
OP&HRD	Overseas and Human Resource Development
P3A	Public Private Partnership Authority
P3WP	Public Private Partnership Working Party
Pak-BCH	Pakistan Biosafety Clearing House
PakSat MM-1	Pakistan Multi Mission Communication Satellite System
PAL	Pakistan Academy of Letters
PAMA	Pakistan Automotive Manufacturers Association
PANI	Pakistan Nutrition Initiative
PASS	Poverty Alleviation and Social Safety
PBC	Pakistan Broadcasting Corporation
PBS	Pakistan Bureau of Statistics
PD&SI	Planning Development & Special Initiatives
PEC	Pakistan Engineering Council

PEMRA	Pakistan Electronic Media Regulatory Authority
PFM	Public Financial Management
PIC	Pakistan Information Commission
PID	Press Information Department
PIDE	Pakistan Institute of Development Economics
PLPA	Pakistan Land Port Authority
PMD	Pakistan Meteorological Department
PNAC	Pakistan National Accreditation Council
PNCA	Pakistan National Council of Arts
PPR	National Peste Des Petits Ruminants
PPRA	Public Procurement Regulatory Authority
PRIAT	Punjab Resilient and Inclusive Agriculture Transformation
PRMI	Pakistan Regulatory Modernization Initiative
PSDP	Public Sector Development Programme
PSEB	Pakistan Software Export Board
PSQCA	Pakistan Standards and Quality Control Authority
PSSIMS	Private Security Service & Information Management System
PSW	Pakistan Single Window
PSX	Pakistan Stock Exchange Limited
RIMES	Regional Integrated Multi-Hazard Early Warning System for Africa and Asia
RLCOs	Registrations, Licenses, Certificates and Other permits
RMU	Risk Management Unit
S&T	Science and Technology
SBP	State Bank of Pakistan
SDGs	Sustainable Development Goals
SECP	Securities and Exchange Commission of Pakistan
SEZs	Special Economic Zones
SIFC	Special Investment Facilitation Council
SMC	Senior Management Course
SMEs	Small and Medium Enterprises
SNGP	Sub-National Governance Program

SPDs	Standard Procurement Documents
SWARBICA	South and West Asian Regional Branch of the International Council on Archives
TEVET	Technical Education and Vocational Education and Training
TIP	Telephone Industries of Pakistan
TVET	Technical and Vocational Education & Training
UNODC	United Nations Office on Drugs and Crime
WB	World Bank
YES	Youth Employment Schemes



Government of Pakistan

Planning Commission

Ministry of Planning, Development & Special Initiatives

Block 'P', Pak Secretariat, Islamabad

Phone: 92-51-9203865

Fax: 92-51-9201777

www.pc.gov.pk