

PAKISTAN

**COUNTRY REPORT
FOR
THE FOLLOW-UP OF THE IMPLEMENTATION
OF
WORLD FOOD SUMMIT - PLAN OF ACTION**

Prepared by

National Committee for World Food Summit-Plan of Action

**Ministry of Food, Agriculture and Livestock
Government of Pakistan
Islamabad
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3. Institutions/Committee responsible for reporting: Ministry of Food, Agriculture and Livestock, Government of Pakistan constituted an inter-ministerial National Committee for Preparing the Report. The list of members of the committee is attached
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SECTION-I

PRIORITY FOOD SECURITY ISSUES AND THE IMPLEMENTATION OF THE WORLD FOOD SUMMIT PLAN OF ACTION

Efforts are underway for achieving World Food Security goals and implementing World Food Summit-Plan of Action. The Government policies focus on achieving sustainable food security through increasing productivity, encouraging entrepreneurial agriculture and introducing income diversification interventions at farm level. The main thrust is to increase income and farm profitability enabling the rural, poor masses and farming community to raise their living standard and ensuring access to food. Food production during the last decade has increased. Pakistan is self sufficient in rice, maize, coarse grains, vegetables, fruits, potatoes, onions, sugar (most often), milk, meat and poultry. The democratically elected government is fully cognizant of the challenges ahead and is committed to keep good policies on track. Improving the lives of a common man, enhancing food supply and access, investing in human capital and improving governance are the central objectives of the medium-term policy. The economy has taken-off very well there is a need to sustain it for a longer time.

I. Food Security Policy

2. The basic objectives of Pakistan National Food Policy are: (a) adequate production/ supply of food, (b) stability of food prices and (c) access to food by the all consumers. An adequate food supply is the cornerstone of food security policy. It is linked with appropriate food and agricultural marketing facilities, equitable rural development, price stabilization mechanism and most importantly adequate access to the means of food production or income generating opportunities especially for the poor farming community.

3. Pakistan being an agricultural country, the main emphasis has been on achieving self reliance in food production through developing agriculture sector. Resultantly, the production of all food and cash crops grew many folds since 1970. Despite substantial increase in production, the rapidly growing population has upset the supply-demand equation. Under this situation, the need is to expand and strengthen the food production and supply base by increasing the productivity of the land.

4. Every possible effort is being made by the government to maximize production. Including:

- Adequate quantities of inputs (seed, fertilizers, pesticides etc.) are made available for improving agriculture production.
- Adequate credit facility is provided to farmers.
- A well elaborated National Agriculture Research System is in place to develop improved crop varieties and production technologies.
- Information on improved farming techniques is disseminated through mass media and extension services.
- Support price as incentive to produce more wheat, the major staple food, is announced well before the commencement of the sowing time.
- Agriculture development budget has been enhanced substantially during last five years.

II. Food Stock Policy

5. Wheat being the main staple food, its availability and steady supply through out the year is the foremost responsibility of the Government. Therefore, provincial food departments and the federal organization, Pakistan Agriculture Storage and Service Corporation (PASSCO) procure 4-6 million tons of wheat every year soon after the harvest of the crop during May-June. This mechanism on one hand allows storage of wheat grains for the year on the other hand helps stabilize wheat price. The private sector is also encouraged to play its due role in food storage and supply. They are provided with credit on the same terms and conditions that of the public sector for the purpose. The wheat stocks are released to flour mills on demand basis on a predetermined price. In years of low production, sufficient quantity of wheat is imported by Government well in time to maintain the stock and adequate availability. Wheat import and export is free and private sector is allowed to import any quantity at any time.

6. Pakistan also maintains a strategic wheat stock of about one million tons for providing food supply incase of natural calamity. In general, the national stocking policy of Government is based on the following broad consideration:

- a) The level of stocks maintained should serve as the essential bulwark against food insecurity in any part of the country.
- b) The stocks should be available for free and uninterrupted flow into the public distribution channel without any serious disruption even if there are failures and consequent fluctuations in food grains production.

7. PASSCO is a public limited company established in June, 1973 to effectively implement the food security and support price policy and provide ample storage space for stabilizing food supply. Other objectives were: (i) ensuring support price to the growers; (ii) stabilizing prices by releasing buffer stocks for the benefit of consumers; (iii) setting up agro-based industrial units for processing and preserving food items and (iv) construction of storage accommodation to minimize storage losses.

III. Nutritional Improvement Policies and Programs

8. The incidence of malnutrition is the reflection of inadequate food intake. Persistent malnutrition led to poor education, low labour productivity and poverty. The extent of poverty and progress in MDGs is directly related to the intensity of nutritional problems prevalent in the country. Specific programs with the aim to control micro-nutrient deficiencies, infant mortality and low birth rate remain under implementation during the year.

9. Pakistan currently has several social, health and agriculture programs designed to improve welfare of population and improve nutritional balance. Due to high prevalence rates of malnutrition, policy makers have begun to include a nutrition component in many national programs. Since 8th Five Year Plan (1993-98), nutrition and nutrition indicators are included in every subsequent National Economic Development Plan and all other development programs. Growth monitoring and ante-natal care has been instituted in many local level health facilities through the Pakistan Child Survival Project, NGOs, the World Food Programme (WFP), the Ministry of Health, Basic Health Units, and Provincial Offices of the Planning and Development Departments.

10. Tawana Pakistan Project was started in 2003-04 covers 5300 schools for 29 poor districts across the country. A National Nutrition Program was launched in 2005 which is targeting specific population groups and prioritizing its related activities to improve nutritional intake. Food fortification programs have also been launched to control iodine, iron and Vitamin A deficiencies.

IV. Food-Aid Programs

11. The Food Support Program (FSP) is a social safety net targeting poorest of the poor to provide relief against increase in the wheat prices since August 2000 with annual budget of Rs 2.5 billion. Pakistan Bait-ul-Mal (PBM) administers FSP in collaboration with Pakistan Post Office and Provincial Governments. Under this program, annual subsidy of Rs 3000 is provided to 1.46 million households. At present, an annual budget of Rs 4.38 billion was utilized for this program.

12. In addition, World Food Program (WFP) has an experience of over 30 years in development and emergency assistance operations. In the earthquake hit areas of Northern Pakistan and State of Azad Jammu and Kashmir, the WFP has launched a relief operation of six months which was completed in March, 2006. Now they have started a two years rehabilitation program with a cost of US\$ 67.0 million in the earthquake affected areas where interventions such as food for work, food for repatriation of displaced population back to their homes and food for education will be the main focus. Moreover, food assistance programs are already working in some of the poorest areas of Pakistan and their main focus is on rural women and girls and families in the marginal watersheds of the north and west. These offer food incentives to mothers to participate in MCH programs, parents to send their daughters to primary schools and poor families to change their land use system in favour of tree plantation and grass land development – “Food for Change”.

V. Agriculture Based Food Security Strategy

13. The Government has taken a number of measures to strengthen overall economy of the country and to increase food production for meeting ever increasing food requirements. The immediate targets are: (i) to raise overall economic growth rates, (ii) increase employment, (iii) reduce poverty and (iv) strengthen food security. Agriculture sector will play a key role in achieving these objectives. With regard to food security, at national level, the Government's plans include reaching self-sufficiency in basic foods and reducing import reliance for other food items at household level. The focus is on increasing productivity and ensuring adequate and stable supplies in remote areas. In recent years, the Government has put in place a series of policies and programs aimed at raising agricultural productivity and living standards in rural areas. Key elements of these programs are: (a) improvements in the irrigation system and water use; (b) promote use of adequate inputs and modern techniques; (c) application of IPM technology; (iv) increased wheat production and (v) diversifying agriculture by giving more emphasis on high value crops, livestock and value addition to improve profitability. Main elements of future planning are as follow:

- Massive improvement in rural infrastructure is to provide farm to market roads, electricity and basic educational and health facilities in all rural areas.
- A major program of expansion of rural based industries to provide employment and higher incomes to the rural population.

- Modernization of agriculture sector through increasing public and private investment for efficient utilization of country's water resources, using high tech technologies and their dissemination and provision of agricultural machinery, implements, fertilizers, seed and tractors.
- Special attention on increasing the productivity of the small farmers.
- Significant improvement in agricultural marketing to ensure that all farmers receive remunerative prices for their crops and livestock and that the consumers have abundant access to daily necessities like flour , sugar, edible oil and other items of daily use.
- Introduction of the private corporate sector to do actual agricultural production operations on modern lines especially for horticulture, high value crops and livestock.
- A comprehensive program of environmental protection to conserve and develop the countries lands, waters and forest resources.
- Invitation of foreign investment for agri-business initiatives

VI. Macro-Economic Based Strategy

14. Government introduced macro-economic policies from time to time for making structural adjustments. The main macro economic objectives were to increase the rate of economic growth, reduce inflation rate and contain the external current account deficit. To achieve these targets, the budget deficit was to be reduced through revenue raising and expenditure restraining measures. To reduce inflation, tight monetary policy was re-enforced by lowering the target for monetary expansion. On the trade account, the emphasis was not only to improve competitiveness but also to break the stagnation of 1990's both in imports (US\$ 9.0 billion) and in foreign exchange reserves (US\$ 1.3 to 3.7 billion). The government had to adopt several reinforcing measures in order to minimize macro economic imbalances. These included reforms in fiscal, banking and other economic areas.

15. In agricultural sector, the Government continues to monitor closely the markets for output and inputs. In order to meet food security objectives, prices of wheat were kept low. Prices of rice and cotton, the main exports, were below world prices. The price of sugar was higher than world prices. In order to give incentives to farmers, the Government allowed duty free imports of various forms of farm equipment. Import tariff on agricultural machinery (not manufactured locally) has been eliminated. Upper ceiling on land holding for registered agricultural companies has been lifted.

16. In order to expand the role of private sector, the Government of Pakistan (GOP) has undertaken a wide ranging program of privatization and liberalization. Marketing of pesticides, fertilizer and agriculture commodities have been liberalized. A number of state-owned enterprises, including units producing fertilizer, tractor and farm machinery, have been privatized and new private investment is being encouraged in these areas.

17. These policies have started paying the dividends from last few years. Pakistan's economy attained higher economic growth that in turn led to expansion in employment and reduction in poverty. Having remained below 5 percent during Fiscal Year 2001 to 2003, the GDP growth picked up thereafter and touched a level of 7.5 percent in Fiscal Year 2004 and rose further to 20-

years high 8.4 percent in 2004-05. The GDP growth for FY 2006 has been estimated at 6.6 percent despite setbacks experienced in production of major crops and large scale manufacturing. Growth picked up in agriculture and industry sectors. Similarly, services sector has also shown rates of growth in line with the higher growth of commodity producing sectors. Services sector which exhibited growth of 3.1 percent in Fiscal Year 2000-01 has shown sign of improvement and its growth thereafter increased to about 5.0 percent during FY 2002-03 and further increased to 8.0 and 8.8 percent in FY 2004-05 and FY 2005-06, respectively. The main contributors to this higher-than-targeted growth have been finance & insurance sectors followed by wholesale & trade, transport, storage and communications sectors. The real per capita GNP (in 1999-00 prices) increased by 3.6 percent, from Rs 27,471 in 1999-00 to Rs 34,015 in 2005-06. In nominal dollar terms, it rose from \$526 in 1999-00 to \$847 registering an increase of 8.3 percent per annum.

18. Sector wise brief account of economic development is given below:

(a) Agriculture: Agriculture sector has grown by 2.5 percent in 2005-06 compared to 6.7 percent last year with major crops registering a negative growth of 3.6 percent due mainly to adverse weather conditions. Significant reduction of 13.0 percent is being reported in the production of cotton (13.0 million bales). But this reduction may be viewed as reversion of this crop from its extraordinary high level of 14.6 million bales last year to its normal level attained in previous years, e.g., 10.6 million bales in Fiscal Year 2001-02, 10.2 million bales in FY 2002-03, and 10.0 million bales in FY 2003-04. Other crops registering declines in their production have been sugarcane (6.2%) and gram (39.3%). Wheat has increased by 0.4 percent. Rice and maize registered a respectable growth of 10.4 percent and 27.3 percent, respectively in their production over the previous year's levels.

(b) Large Scale Manufacturing: The large scale manufacturing accounting for about 70 percent of total manufacturing sector has increased by 9.0 percent as compared to 15.6 percent last year. This relatively slower growth, in large scale manufacturing, may be attributed to poor performance of steel & steel based manufacture and to some extent due to textile sector on account of reduced production of cotton.

(c) Employment: The latest information available on employment position in the country reveals additional employment generation of 5.64 million during two years of FY 2004-05 and FY 2005-06. The employment level which was 42 million for the FY 2003-04 rose to 47.64 million in FY 2005-06. This has an implication for reduction in unemployment rate from 7.7 percent to 6.5 percent during the period under review. Agriculture is still the major source as its share in total employment is about 44.8 percent in FY 2005-06 followed by, wholesale & trade (14.1%), manufacturing (13.6%) and construction (5.9%). Since employment generation has direct implications for poverty reduction, the data shows that as a result of high economic growth, overall unemployment rates is exhibiting declining trend. It has declined from 8.3 percent in 2001-02 to 7.7 percent in 2003-04 and further to 6.5% in 2005-06.

(d) Poverty: Sustained and rapid economic growth is essential for poverty reduction. Over the last three years GDP in real term has increased on average by 7.5 percent during FY 2005-06. Preliminary number on poverty, based on the latest survey, depicts substantial improvement in poverty incidence. Population below the poverty line which was 34.5 percent in FY 2000-01 came down to 23.9 percent in FY 2004-05. In absolute terms, population below poverty line which was 49.2 million in FY 2000-01 came down to 36.4 million in FY 2004-05.

(e) **Savings and Investment:** During FY 2005-06, total investment in terms of ratio to GDP, stood at 20.0 percent, about 2 percentage point higher than the ratio for FY 2004-05. Of the total investment about 82 percent was financed through national savings with remaining 18.0 percent from external resource inflows. As a ratio to GDP, domestic savings works out to be 14.4 percent in 2005-06 against 14.5 percent last year. Over the course of time, the composition of investment has changed considerably. Public investment which was 36 percent of gross fixed capital formation in FY 2000-01 has declined to 26 percent in FY 2005-06 whereas the share of private investment in the same period has risen from 64 percent to 74 percent reflecting increasing importance of private sector.

Table 1.1. Saving and investment during last six years

Total Investment	Savings and investment (as percent of GDP)					
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
	17.2	16.8	16.9	16.6	18.1	20.0
Gross Fixed Investment	15.8	15.5	15.3	15.0	16.5	18.4
Public Investment	5.7	4.2	4.0	4.0	4.4	4.8
Private Investment	10.2	11.3	11.3	10.9	12.1	13.6
Foreign Savings	0.7	-1.9	-3.8	-1.3	1.6	3.7
National Savings	16.5	18.6	20.8	17.9	16.5	16.4
Domestic Savings	17.8	18.1	17.6	15.7	14.5	14.4

Source: Economic Survey of Pakistan (several issues)

(f) **Foreign Private Investment:** Pakistan has taken various steps and reforms in different sectors of the economy with emphasis on restoring the macroeconomic stability to attract foreign investment. The resulting conducive investment environment in the country fetched foreign private investment which, during July-May FY 06, amounted to \$3.5 billion, higher by 201 percent compared to same period last year. Of the total, \$3.2 billion (91%) pertains to foreign direct investment (FDI). The largest inflow in FDI was recorded in Communications (54.0%), followed by Power (9.8%) and Financial Business (9.7%).

Table 1.2. Foreign direct investment

Economic Groups	Investment during July-May (\$ million)	
	2004-05	2005-06
Telecommunications	152.1	1734.0
Power (thermal)	67.4	315.0
Financial Business	214.0	310.0
Oil & Gas Explorations	177.5	270.5
Trade	44.6	112.3
Construction	36.3	82.5
Personal Services	24.1	57
Chemicals	40.5	55.8
Food	8.0	48.7
Others	265.5	226.2
Total	1030.0	3212.0

Source: Economic Survey of Pakistan (2004-05 & 2005-06)

(g) **Foreign Trade and Exchange:** Vibrant trends have been experienced both in exports and imports during the year. Sustained and strong economic growth of the world economy has resulted in increasing the demand for Pakistani products. Consequently exports grew at an average rate of 15.9 percent over the last four years. Besides global economic activity,

domestic economic policies have also played its role in increasing the level of exports. Exports which remained around US\$9.0 billion during FY 2000-02 have increased to \$16.5 billion in 2005-06. Exports during 2005-06 grew by 14.4 percent. Higher economic growth in the domestic economy has also led to massive surge in import demand. Imports during 2005-06 have increased by 38.8 percent. As a result, trade balance for 2005-06 works out to be \$12.1 billion compared to \$6.2 billion observed during last year. During the 11 months, remittances amounted to \$4.1 billion, higher by 8.6 percent from that recorded during the same period last year. As on 17th June 2006, cash foreign exchange reserves stood at \$13.0 billion, equivalent to 24 weeks of imports compared to \$10.5 billion as on 30th June, 2005.

(h) **Fiscal Development:** For FY 2005-06, the overall fiscal deficit was set at 3.8 percent of GDP, with revenues at 13.3 percent and expenditures at 17.1 percent. Accordingly, the CBR tax collection target was fixed at Rs 690 billion, up by 16.9 percent over the collection of 2004-05 (Rs 590 billion). During July-May 2005-06, CBR collected total taxes of Rs 610.6 billion as against Rs 500.5 billion in the corresponding period last year (up by 22.0 percent). It constitutes 88 percent of the full year target for 2005-06. The ratio of direct taxes to total tax collections during July-May 2005-06 works out to be 29.8 percent as compared to 29.2 percent for the same period last year. On the other hand, the ratio of indirect taxes to total tax revenues declined from 70.7 percent to 70.2 percent. It implies that the tax structure is moving towards correct, progressive direction. The observed progress in tax collection has been the result of tariff rationalization undertaken earlier by the Government. Despite significantly reduced custom duty, higher collection owes to recovery in economic activity. According to modified budget estimates, the fiscal deficit during FY 2005-06 stands at 3.4 percent of GDP against the target of 3.8 percent.

V. Food Production and Availability

19. Major food crops performed well during last decade. Production of wheat has increased by 30.0% since 1996-97 from 16.65 million tons to 21.7 million tons in 2005-06; rice production increased by 29.0%, maize production by 139%; all cereals together increased by 36.0 percent. Significant increase in the production of cash crops also obtained. Cotton, production increased by 39.0% and sugarcane production increased by 19.0 percent. Minor crops registered a marginal growth of 1.6 percent against the target of 4.0 percent. However, livestock registered an impressive growth of 8.0 percent over the last year growth of 2.3 percent.

20. The food balance sheets for 1996-97 to 2005-06 indicate that the overall per capita availability of food items has been marginally maintained. During this period, population in the country increased by 26.4% from 122.99 million in 1995-96 to 155.4 million in 2005-06. The availability of per capita calories declined during this period from 2542 kcal/day to 23328 kcal/day and per capita availability of protein declined from 68.6 grams/day to 65.5 grams/day. Per capita per day caloric level in Pakistan is less than the recommended dietary allowance (RDA) of 2550 kcal/day. However, the protein level is 9.2% more than the recommended dietary allowance of 60 grams/day.

21. Per capita availability of total cereals (wheat, rice, maize, millet sorghum, barley) has declined from 156.5 kg/annum in 1996-97 to 144.7 kg/annum in 2005-06. The production of coarse grains has shown a declining trend over the years. Wheat, rice and maize production, however, increased significantly from 22.445 million tons in 1996-97 to 30.8 million tons in 2005-06, but per

capita availability of cereals reduced from 156.9 kg/annum to 147.3 kg/annum during the same period due to increase in population.

22. Per capita availability of edible oil and sugar remained almost stagnant at 11.42 kg/annum and 27.8 kg/annum, respectively from 1996-97 to 2005-06. Per capita availability of meat declined during this period from 17.25 kg/annum to 14.56 kg/annum. Milk and eggs availability, however, increased from 67.16 kg milk/annum and 44 eggs/annum in 1996-97 to 83.87 kg milk/annum and 55 eggs/annum in 2005-06.

23. **Future Outlook:** Pakistan's economy has grown on average by 7.0 percent during the last four years. This growth has mainly emanated from sound macroeconomic policies and the structural reforms carried out by the government in last few years. In order to have sustained growth in future, Pakistan will have to focus on increasing investment rate as well as its productivity. To have developed prosperous and food secured Pakistan having improved access of poor segment of population to food, education and health care, efforts will have to be made for high economic growth with macroeconomic stability, rapid development of agriculture sector, diversification and enhancement of production base, expansion of social and physical infrastructure and providing an enabling environment to foster local and foreign investment and enhance both public and private savings.

On-Going and New Development Projects of Ministry of Food Agriculture and Livestock

Project	Year of initiation	Duration (year)	Rs (million)	Status
Water Management				
National Program for Improvement of Watercourses in Pakistan	2004-05	4	68373.5	On-going
OFWM-IV (IDA Assisted) Project	2003-04	5	134.0	On-going
Chaghi Water and Agriculture Development Program	2002-03	5	567.2	On-going
Improvement of Water Management Practices in Northern Areas	2004-05	4	37.8	On-going
Exploitation and Management of Water Resources for development of Peri Urban areas around ICT	2004-05	4	27.9	On-going
National Research and Development Project on Water Management of Spate Irrigation System in Pakistan	2004-05	4	95.9	On-going
Water Conservation and Productivity Enhancement through high efficiency irrigation system	2006-07	5	15000.0	New
Total:			84236.3	
Livestock				
Strengthening of Livestock Services for livestock diseases control in Pakistan, Eradication of Rinderpest	2004-05	4	1992.7	On-going
Milk Collection/Processing and Dairy Production and Development program	2005-06	5	1984.3	On-going
Livestock Production and Development for Meat Production	2004-05	4	1747.2	On-going
Up-gradation of Animal Health laboratories at NARC to Serve as National Reference Laboratory for Poultry Diseases	2004-05	4	39.7	On-going
Strengthening of Animal Quarantine Station, Quetta	2005-06	4	38.8	On-going
Prime Minister's Special Initiatives for Livestock	2005-06	5	1696.4	On-going
National Program for control and prevention of Avian Influenza	2006-07	4	1000.0	New
Improvement of Agriculture Livestock Marketing System	2006-07	4	2000.0	New
Total:			10499.1	
Fisheries				
Monitoring of Deep Sea Fishing Vessels through Establishment of 03 GPS Based Stations and Deputation of MFD Representative on each Vessels, Karachi	2005-06	4	25.0	On-going
Strengthening of Quality Control Laboratory at Marine Fisheries Department, Karachi	2004-05	4	47.4	On-going
Major Repair Work of Jetty Structures and Procurement of Port/Fish Handling Equipment for Korangi Fisheries Harbour	2004-05	3	39.3	On-going
Additional Improvement of Marine Fish Development Laboratories in view of WTO Requirements	2004-05	3	13.4	On-going
Establishment of Post-Entry Quarantine Section	2005-06	3	13.6	On-going
Reduction in Seafood Post Harvest Losses by Improvement of Fish Holds of Local Fish Boats	2006-07	3	5.0	New
Stock Assessment Survey Program in EEZ of Pakistan through Chartering of Fisheries Research Vessel and Capacity Building of Marine Fisheries Department	2006-07	4	495.0	New
Aquaculture and Shrimp Farming	2006-07	5	500.0	New
Total:			1138.7	

On-Going & New Development Projects of M/o Food, Agriculture and Livestock(Contd.)

Projects	Year of initiation	Duration (Year)	Rs (million)	Status
Food Security and Poverty Reduction				
Agri-Business and Diversification Project	2005-06	5	4066.0	On-going
Land and Water Resources Development Project for Poverty Reduction in Pakistan	2006-07	5	3400.0	New
Special Program for Food Security and Productivity Enhancement of Small Farmers in 1,000 villages	2006-07	5	7821.0	New
National Project to Stimulate the Adaptation of Permanent Bed in Maize, wheat and cotton wheat farming system in Pakistan	2006-07	5	445.0	New
Establishment of Facilitation Unit for Participatory Vegetable Seed and Nursery Production Program	2006-07	5	900.0	New
Total:			16632.0	
Quality Control				
Operationalization / Commissioning of Plant Quarantine Laboratory	2004-05	4	17.7	On-going
Pesticide Quality Control and Research Laboratory in Baluchistan	2004-05	4	19.3	On-going
Establishment of Seed Testing Laboratories and Rehabilitation of Existing Laboratories	2004-05	4	81.28	On-going
A Special Program for Sanitary and Phytosanitary – Technical Barrier to Trade (SPSTBT) Management under WTO Agreement	2006-07	5	611.78	New
Up-gradation and Establishment of Animal Quarantine Station in Pakistan	2006-07	3	336.09	New
Establishment of Animal quarantine Station, Gawadar	2006-07	3	38.37	New
Accreditation of Quarantine facilities and Training of staff of Central Plant Quarantine, Laboratory, DPP, Karachi	2006-07	3	22.52	New
Total:			1127.04	
R & D Strengthening				
Managing Burewala Strain of Cotton Virus	2004-05	5	149.085	On-going
Restructuring and Strengthening of National Agriculture Research System Baluchistan Phase-I	2004-05	5	614.10	On-going
National Integrated Pest Management Project	2003-04	7	197.43	On-going
Adaptation of Integrated Pest Management approach for Cotton Crop in Sindh	2004-05	5	75.54	On-going
Etiology and Management of Sudden Death Phenomenon in Mango: Punjab and Sindh	2004-05	4	25.47	On-going
Etiology and Management of Cotton Leaf Reddening Malaise in Sindh	2004-05	4	24.13	On-going
National Agricultural Land Use plan, Phase-I	2004-05	5	136.90	On-going
National Agricultural Research Program	2006-07	5	2750.00	New
Total:			3972.66	
Grand total:			117,605.8	
US\$ (million)			1,960.9	

Source: Ministry of Food, Agriculture and Livestock, 2006

SECTION-II

FOLLOW-UP OF THE WORLD FOOD SUMMIT-PLAN OF ACTION

Commitment No.1: We will ensure Creation of an enabling political, social and economical environment designed to create best conditions for the eradication of poverty and durable peace, based on full and equal participation of women and men, which is most conducive to achieving sustainable food security for all.

I. Strengthening Democratic Political Systems and Broad Based Participation

1. Pakistan introduced "Local Government System" on 14 August, 2001 in every district across the country to ensure that the genuine interests of the people are served and their rights are safeguarded. The salient features of the new local governance system are: (a) empowerment of people at grass root level especially of women, peasants and workers, and minorities; (b) political, administrative and financial empowerment of local governments for efficient management and better delivery of services; (c) making government functionaries responsible to elected representatives; (d) ensuring transparency in decision making and reducing chances of corruption; (e) identification of local priorities through participation of people; (f) provision of inexpensive justice; and (g) improvement in law and order and protection of public against police excesses.

2. The local government's political structure includes: 110 districts (including 8 city districts), 394 Tehsils/Talukas (including 62 Towns) and 6125 union councils. All these institutions are run and managed by the people's representatives. District establishments are composed of federal and provincial civil servants, the employees of defunct zila councils and staff of all groups of offices devolved to the district government. The Zila Nazim is head of the District Government and the District Coordination Officer (DCO) is coordinating head of the District Administration. The head of District Police is responsible to the Zila Nazim concerning the maintenance of law and order in the district. This system integrates the rural and urban local governments and the bureaucracy into one coherent structure.

3. The new system also reduces the gender inequality and provide opportunities to the women to play an active role in socio-economic and political aspects of the country. The Local Government Ordinance, 2001 allows women to participate in the local government elections on 33% seats reserved for them as well as to contest elections against other seats including those of Nazims and Naib Nazims. The council-wise position of seats reserved for women as specified in the Ordinance is as under:

Seats reserved for women in Zila Councils	= 2041
Seats reserved for women in Tehsil (Taluka)/Town Councils	= 2041
<u>Seats reserved for women in Union Councils</u>	<u>= 24467</u>

4. Women, in addition to contesting the election against their reserved seats, have also contested for against the seats of Nazims and Naib Nazims. In the Local Government Elections of 2005, 32 women were elected as Nazims and Naib Nazims in different councils.

5. In addition to the elected members, the new local government system also involves a group of non-elected citizens for energizing the community for development and improvement in service delivery through setting up Citizen Community Boards (CCBs) as a non-profit organization. The CCBs contribute in project design, implementation, management and monitoring at grass root level with a view to improving services. Development projects are also made and implemented by the CCBs where local government share of funds does not exceed 80% and rest is contributed by the concerned CCB. In Pakistan, 24,828 CCBs had been registered till March 2006. These include more than three hundred female CCBs. The communities have shown great interest in development of their areas through CCBs' schemes. An analysis reveals that the communities are interested in investing in projects relating to agriculture, water supply, drainage, education, Women Development, and Health. Status of CCBs and projects submitted by them are depicted in the following table:

Table 1. Utilization of funds through Citizen Community Boards for social development programs

Name of Province	CCBs Registered	Projects Submitted	Projects Approved	Projects Completed	Projects On-Going	Funds Utilized (Rs in Million)		Total Utilization (Rs In Million)
						L. Govt.'s Share	CCBs Share	
Punjab	12591	4339	2043	653	1063	1030.1	312.5	1342.6
NWFP	8068	2005	1082	668	375	217.85	61.8	279.65
Sindh	3098	1601	1099	621	167	161.1	38.9	200
Balochistan	1071	156	15	9	2	2.6	0.7	3.3
TMA's	71	2466	2122	1008	773	-	-	578.0
Total	24828	8101	4239	1951	1607	1411.7	413.9	2403.6

Source: NRB/DTCE

6. During the last four years (2002 to 2006), the political Government has been stable and performed well in terms of developing political institutions, economic development and building relations with outside world. During the last three decades, none of the Government was able to complete its full tenure. The present political Government will complete its tenure of five years and new elections will be held in December, 2007. The political stability led the country to the path of rapid economic development, increasing job opportunities, reducing poverty by 7.0% and finally more stable food security.

II. Create Best Conditions/Environment to Eradicate Poverty

7. Pakistan's economy has been progressing at a reasonably high growth rate for the last three consecutive years. The real GDP grew at 6.6 percent in 2005-06, 8.6 percent in 2004-05 and 7.5% in 2003-04. The key drivers of this growth have been the service sectors and industry. Large-scale manufacturing grew weaker than expected by 9.0 percent during 2005-06 as against 15.6 percent of 2004-05. It is expected that continuation of current trend and present policies and programmes would lead to achieve high economic growth rate of around 7 percent per annum during coming years. The reform process will further be strengthened through financial sector reform, investment policy reform and privatization, capital market development, trade liberalization and export growth and deregulation. This economic growth will have a positive impact on poverty reduction.

8. The government is making all efforts to facilitate and encourage investors for which a business friendly and liberal "Investment Policy" has been formulated. All sectors are open to

investment without government permission. Industrial, infrastructure and social sectors are open to 100% foreign ownership, and 60% in service and agriculture. As part of a generous array of fiscal incentives, only 5% duty is levied on import of plant, machinery and equipment (PME) for value-added, export and high-tech industries and for registered agricultural companies. Duty has been reduced to 10% on PME imports for other priority industries, infrastructure and social services projects. Most of agriculture machinery, however, can be imported at zero customs duty. All these efforts are made in pursuance of encouraging greater participation of private sector in business, creation of competitive environment and generating greater number of job opportunities thus trickling down the economic benefits to a large proportion of the population.

9. Poverty reduction is an overarching objective of the Medium-Term Development Framework (MTDF) 2005-10 of the Government. It assigns high priority and commitment to poverty reduction by articulating broad-based policies of accelerating economic growth, improving governance, ensuring enhanced allocation for social sectors and strengthening of social protection programmes. Poverty has manifestations in lack of asset ownership, unsustainable livelihoods, voiceless-ness and powerlessness, inaccessibility to social services, and vulnerability to shocks.

10. The overall effort of poverty reduction policies of the Government has started paying dividends. The Pakistan Social and Living Standard Measurement (PSLM) Survey 2004-05 has shown that the poverty headcount ratio has fallen from 34.5 percent in 2001 to 23.9 percent in 2004-05. Around 12.8 million people are out of poverty trap as the count of poor persons fell from 49.23 million in 2000-01 to 36.45 million in 2004-05. Poverty gap has also narrowed down from 7.0 percent to 4.8 percent. Similar trend has been recorded in Severity of Poverty, which shows a decline of 0.6 percentage points.

11. In urban areas headcount ratio was 22.69 percent in 2000-01 and it decreased to 14.94 percent showing reduction of 7.75 percentage points over this period. Rural areas also experienced a decline in poverty over this period. Incidence of poverty in rural areas reduced by 11.13 percentage points from 39.26 percent in 2000-01 to 28.13 percent in 2004-05 (table 2). Moreover, the difference in the incidence of poverty between urban and rural areas has declined from 16.57 percentage points to 13.19 percentage points over this period.

Table 2. Poverty trends in Pakistan based on head count (%)

Region	1987-88	1990-91	1998-99	2000-01	2004-05
Pakistan	29.3	26.1	30.6	34.5	23.90
Urban	30.3	26.6	20.9	22.69	14.94
Rural	29.3	25.2	34.7	39.26	28.13
Poverty line (Rs per adult per month)	-	-	-	723.4	878.64

Source: Economic Survey of Pakistan, 2005-06 and several other issues

12. The progress in other areas also supports this declining trend in poverty. Pakistan's Human Development Index (HDI) ranking has improved and is now included among the medium human development countries compared to the previously low human development index. Given the continuity and sustainability of policies, sustaining economic growth rate of 6-8 percent per annum in the medium to long term period, poverty is likely to decline further and Pakistan is in track achieving the Millennium Development Goals (MDG) targets of reducing poverty level down to 13 percent by 2015.

III. Education, a Tool to Create Enabling Environment under District Governments

13. Education is one of the areas run by the local elected representatives with the assistance of the government officials. In this context, Universal Primary Education (UPE) has been given top priority to develop the people socially, politically, and economically enabling them to share in the society for its sustainable development. At present, about 160,000 formal primary schools both public and private sector and 10,000 non-formal primary schools are functioning in the country. Missing facilities in schools are being provided under federal Education Sector Reform (ESR) and Punjab ESR. Monitoring cell has been created in the Ministry of Education with an objective to strengthen monitoring and supervision. Incentives for UPE are being given in shape of free distribution of textbooks and provision of stipends/scholarships in the provinces. Around 25,000 adult literacy centers have been already been opened throughout the country whereas, 90,000 centers have been planned to be opened during next two years. Skill Training Project has become operative to impart functional literacy to alleviate poverty.

IV. Enhancing Gender Equality and Women Empowerment

14. Government of Pakistan created Women's Division in the Ministry of Women Development, Social Welfare and Special Education at federal level in late 1990's. It has now attained the status of full-fledged ministry named as Ministry of Women Development. The key role of the Ministry is: advocacy, policy making, planning and implementation of programmes to ensure protection of women rights and other matters relating to them in collaboration with other Federal Ministries and Provincial Governments, National and International NGOs.

15. The quality of life of women and girls in Pakistan has improved during last decade. School enrollments have risen across all income categories. Child health indicators such as immunization rates and infants mortality have improved for girls and boys. Fertility rates have declined leading to better health for women. Women's participation in paid labor has increased, particularly in agriculture, and their involvement in the political process has risen. Thanks to Federal Mandate in 2001 to reserve seats for women at selected levels of government.

16. A policy on women empowerment was announced in 2002 which promoted vital interests of women and helped uplift their status in society. An upward trend is becoming more and more visible in gender and development indicators. Several development programmes and projects have been launched by the Government primarily for: (a) political empowerment of women; (b) economic empowerment; (c) social empowerment and (d) legal empowerment.

17. **A. Political Empowerment:** Women's political representation in Assemblies and Local bodies has enhanced which made their participation effective in decision making. The first four year tenure of Local Council installed on 14th August 2001 was completed in June, 2005. Several steps have been taken to further promote women's role in the society as a whole. Some of these are illustrated below.

(a) **Women Political School:** Women's Political School is a second generation project on women's political empowerment for women councilors in all tiers of the local government. It builds upon the gains of a previous Political Participation Project (W3P) and addresses the gaps identified by the review team. The UNDP and the Royal Norwegian Government are

the strategic partners with a funding of US\$ 4.5 million. The project started in December, 2004. The objective of the project are to improve the capacity of women councilor's so that they are able to identify, focus, discuss and get the development projects related to their constituencies approved. The training program under this project will cover almost 27000 women counselors of District, Tehsil and Union councils. The project will run for three years 2004-2007.

(b) IT Training for Elected Women Councilors: The project aiming at providing training, familiarizing women councilors in the filed of IT was launched in June, 2003. On the successful completion of pilot phase in January, 2005 (1000 women councilors were trained in this phase) the project was extended for sixteen months to provide training to another 3000 women councilors. Training has so far been provided to almost 1900 women councilors. This training has proved useful as women councilors learn basics of computer.

(c) District Resource Centre: Twelve (12) District Resource Centres (DRCs) for women in the premises of District complex or close to District council, one each at Rawalpindi, Lahore, Sargodha, Multan, Peshawar, Hangu, Quetta, Jafferabad, Karachi, Sukkur, Dir and Mardan for women in local government are being established. Out of these, DRCs in Karachi, Peshawar, Hangu are completed while others will be built in due course of time. The objectives of the project are:

(i) Provision of conference room, office support, washrooms, computers, fax machine for assistance to nearly 10% of women councilors in different tiers of the local government systems for effective participation in the decision making.

(ii) Provision of linkages with all capacity building programs initiated by GOP, civil society and donor organization by themselves or in collaboration with each other.

18. **B. Economic Empowerment:** The Ministry of Women Development initiated a few schemes aiming at the economic empowerment of women. For this regard, three pilot projects with the collaboration of executing partners have been initiated to diversify the women skills and provide training for income generation activities aiming at their economic empowerment. These projects are: (i) Jafakash Aurat: Economic Empowerment of Rural Women, through First Women Bank costing Rs 35 million covering rural areas of Shaikuhpura and Gujranwala Districts; (ii) Jafakash Aurat: Supporting Skills & Micro Enterprise Development Amongst Gwadar Women, through Khushhali Bank costing Rs. 39.785 million; and (iii) Jafakash Aurat: Patti Development Project Chitral through Aga Khan Rural Support Programme for a cost of Rs 35.985 million.

19. **C. Social Empowerment:** Following interventions are being done for social empowerment of women:

(a) Awarded 59 Mohtarama Fatima Jinnah Gold/ Silver/Bronze medals to outstanding Women and Men in different categories including awards for life time achievements.

(b) Established 25 crisis centers one each at district level in the four provinces and Azad Jammu and Kashmir State to provide relief/support on emergent basis and rehabilitate the survivors of violence and women in distress. Out of these 25 center, nine one each at Vehari, Sahiwal, Lahore, Mianwali, Peshawar., Kohat, Quetta, Karachi and Islamabad have started working whereas building of rest of these are in progress. Five crisis center one each at Kushab, D.G Khan, Khuzdar, Jacobabad and Swat would be operational from 1st July 2006.

(c) Financial Assistance of poor women, widows and orphans girls/children, is available for which the Finance Division allocates Rs 17.0 million every year under the head "Grant-in-Aid".

(d) The National Gender Reform Action Plan (GRAP) was approved by the Federal Cabinet in May, 2005 which proposes a coherent gender reform agenda to align policies, structures, processes, programs and projects for enabling the government to implement its national and international commitments on gender equality. Ministry of Women Development has an allocation of Rs 300.0 million during the financial year 2005-06 for implementation of the program. This program proposes some specific key area-wise reforms such as : (i) institutional reforms; (ii) Women's employment in public sector; (iii) Policy, Gender Development Grants and supportive Financial Reforms; (iv) Reforms to improve women's political participation and (v) Supporting Reforms.

20. **D. Legal Empowerment:** Violence against women is a fundamental violation of the human rights and one of the worst forms of violence against women is murder in the name of the 'honour'. The Government of Pakistan is alive to the situation, and has responded to the issue in a very effective manner. The recent legislation (Criminal Law Amendment, Act, 2004) would ensure bringing to justice the culprits perpetrating these crimes in the name of honour (e.g. murder, attempt to murder, hurt, burn, acid throwing etc). A project named "Community Campaign to Prevent Violence Against Women Including Media" has been also initiated which was approved in September, 2005 with a total cost of 3.8 millions. The objective of the project is to promote issues related to women rights with possible solutions through media campaign using TV, radio, press, articles and supplements and to mobilize the community and its organizations (NGOs/CBOs) to work in the field of women rights.

21. **E. Jail Reforms:** Jail reforms committees were constituted to improve the physical environment, staff conditions and the protection of women and juveniles from abuse and their eventual rehabilitation. Assessment survey of women in jails of Punjab, NWFP, Sindh and Balochistan were completed in collaboration with different organizations. Report is being published. Law Division has been lobbied to provide legal assistance and bail money to women prisoners and to ensure speedy decisions.

Commitment No.2: We will implement policies aimed at eradicating poverty and inequality and improving physical and economic access by all, at all times, to sufficient, nutritionally adequate and safe food and its effective utilization.

I. Specific Policies and Targeted Intervention to Reduce Poverty

22. Economic growth is an essential condition for poverty reduction, but not sufficient as it alone cannot tackle the problem of the extremely poor. Pakistan's growth performance in recent years is commendable. It is expected that continuation of current trend and present policies and programmes would lead to achieve high economic growth rate of around 8 percent per annum. The reform process will further be strengthened through financial sector reform, investment policy reform and privatization, capital market development, trade liberalization and export growth and deregulation. These interventions will have positive impact on poverty reduction. In fact, Pakistan's poverty alleviation approach in medium and long terms consists of sustained high economic growth with emphasis on equity and human resources development. This is supported with short-term measures of special programmes to improve earning capacity for the poor and well targeted social safety nets for real indigents. An account of these programmes has been given below.

23. **A. Income Generation Programmes:** Income generation programmes obligate the recipient to exchange labour time for an income transfer. Two programmes have been used widely: labour-intensive public works and credit-based self-employment (livelihood) programmes. While public works can be used as temporary measure for consumption smoothing during economic or natural shocks (such as drought), credit-based livelihood programmes aim to raise the average real income of the poor in the long term. Public works provide immediate income; credit programmes aim to generate medium-term income streams.

(a) **Employment Creation:** Growth rate of employment during 2000-04 in various sectors was at 3.3 percent. It is above the population growth rate as well as the labour force growth rate of 1.9 percent, during the period. Within the labour intensive and informal sectors, employment growth in agriculture is below the average. Construction, trade, transport and services sectors absorb labour above the overall average growth. Employment growth in manufacturing (partly labour intensive) was also more than twice of overall average during the period. Weak labour absorption capacity of agriculture sector with overall low human capital index accentuates that generation of employment opportunities for existing reserve and growing supply of unskilled and semi-skilled workers will remain a challenge. There is enough evidence that growth in the last 4-5 years was accompanied by quantitative growth in jobs, even in lower rung of skills at least in the urban areas and in informal sectors (except agriculture).

(b) **Small and Medium Enterprises:** The emphasis of poverty reduction strategy is on inducing rapid growth in labour intensive SME sectors. These sectors include minor agricultural crops, livestock and fisheries; agro-processing industries; textile sector, transport and light engineering; marble and granite, leather product, gems and jewelry and construction activities. The Development of SMEs with proper institutional reform in terms of orienting the banking system towards providing credit, human resource development, organizing export marketing and removing discrimination against the growth of SMEs will help significantly at the micro level to reduce poverty. Government has established Small and Medium Enterprises Development Authority (SMEDA) with the responsibility to

develop programs for managerial skill development, technical and informative support to SMEs.

(c) **Micro Credit:** Estimates suggest that about 6 million households need micro-credit services in Pakistan. The existing windows such as Khushhali Bank, Pakistan Poverty Alleviation Fund (PPAF), Zari Taraqayati Bank of Pakistan (ZTBL) and a number of private sector institutions are providing micro credit facilities. The Khushhali Bank is supporting NGO's and Rural Support Programs (RSPs), which are already dealing with micro-credit. Khushhali Bank have been working to develop an efficient distribution system capable of handling large volume of business across diverse operating. It has a network of 130 service outlets across 64 districts of the country; has processed nearly 423,000 loans valuing about Rs 4.2 billion and with a predominantly rural portfolio and 33% women clients. Khushhali Bank's ratio of livestock loans to total micro credit is already around 36 percent. Disbursement of micro-credit by various credit institutions and number of beneficiaries is given below.

Table 3. Disbursement of micro-credit by various institutions

Programme/ Institution	Non-budgetary pro-poor expenditure			
	2004-05		2005-06	
	Amount Disbursed Rs million.	No. of Beneficiaries (000's)	Amount Disbursed Rs million	No. of Beneficiaries (000's)
ZTBL	44.598	1.883	34.196	1.439
PPAF	4,063.000	2,614.000	3,893.000	2,365.000
Pakistan Baitul-Mal	2,703.300	1,113.600	2,138.400	891.000
EOABI ^A	1,929.400	121.400	2,893.200	138.400
Zakat	6,626.500	2,373.100	1,917.900	1,130.300

A = Employees Old-age Benefits Institution. Source: P&D Division (Poverty Section)

(d) **Khushhal Pakistan and Tameer-e-Pakistan Public Works Programmes:** Public works have been an important counter cyclical intervention for poverty reduction. These two programmes provide essential public works on nationwide basis as a supplementary means for economic revival and to restore quality of life and incomes. The focus of the Programmes is on provision of sustainable sources of drinking water, local level infrastructure, restoration of existing physical works to raise the quality of life. The latter Programme will supplement the Khushhal Pakistan Programme in undertaking labour intensive schemes in all National Assembly constituencies, spread over the provinces of Balochistan, NWFP, Sindh, and Punjab including FATA. All schemes are being implemented through district governments.

(e) **Development Funds:** Total size of the Public Sector Development Programme (PSDP) 2005-06 was Rs 272 billion (3.9% of GDP) with a Federal Programme of Rs 204 billion, including foreign assistance component of Rs 41 billion. The allocations of the federal programme included Rs 100.8 billion (49.4%) for infrastructure, Rs 98.9 billion (48.4%) for the social sectors and balanced development and Rs 4.3 billion (2.2%) for the production sectors. It was also assessed that provinces would spend Rs. 68 billion through their Annual Development Programmes. The PSDP of 2006-07 of Rs 359 billion has been formulated with an increase of 32% over 2005-06. The provinces are expected to spend Rs 115 billion including foreign aid component of Rs 26.7 billion through their Annual Development Plans. Development funds to the tune of Rs 36 billion will be raised from other sources and Rs 50 billion will be sent for earthquake reconstruction totaling the development funds to Rs 470 billion. This PSDP aims to achieve national objectives envisaged in the MTFD 2005-10

such as reducing poverty, achieving Millennium Development Goals (MDGs), equitable development of regions and social groups, minimizing wastages and ensuring sustainable development. The size of PSDP (Rs. 359 billion) for 2006-07 represents 4.3 % of projected GDP (mp) which is higher than the last year's PSDP/GDP ratio of 3.9 %. The PSDP/GDP ratio would be gradually increased and at the end of terminal year of MTDf 2009-10 it is targeted at 6.3% of the GDP.

(f) Poverty Reduction Programme: The expenditure on pro-poor sectors increased from Rs 167 billion in 2001-02 to Rs 379 billion in 2005-06, thus registering an annual average growth rate of 22.6 percent. The pro-poor expenditure during the fiscal year 2006-07 has been estimated at Rs 452 billion. The pro-poor allocation for 2006-07 is 5.25 percent of GDP as compared with previous year's allocation which is 5.02 percent of GDP. The Fiscal Responsibility Law requires pro-poor expenditure during a year not to be less than 4.5 percent of the GDP. The increased allocation for poverty related programmes will help ensure that the government is on track in achieving the targets relating to poverty and human development. The sector-wise pro-poor expenditure during 2004-06 are given in the table below.

Table 4. Pro-poor budgetary expenditure during last five years

Sector	Actual Expenditure (Rs million)				Up to Dec., 2005
	2001-02	2002-03	2003-04	2004-05	
Roads, Highways, Buildings	6,340	13,145	22,746	35,181	13,946
Water Supply and Sanitation	4,644	3,421	5,799	6,538	3,665
Education	66,290	78,613	97,697	116,873	58,068
Health	19,211	22,368	27,009	31,426	14,915
Population Planning	1,311	3,120	4,689	4,578	2,871
Social Security and Welfare	3,664	1,301	4,144	2,030	2,085
Natural Calamities	189	410	529	922	8,487
Irrigation	10,133	15,535	22,506	37,871	23,810
Land reclamation	1,838	1,759	2,016	2,111	971
Rural Development	12,325	16,883	18,607	15,369	7,398
Rural Electrification	-	-	1,422	4,354	969
Food Subsidies	5,513	10,859	8,513	5,359	1,125
Food Support Programme	2,017	2,236	2,804	2,703	637
Tawana Pakistan	800	590	590	78	0
Low Cost Housing	-	60	423	318	172
Administration of Justice	1,981	2,247	2,437	3,116	1,508
Law and Order	31,004	36,293	39,370	47,416	25,428
Total:	167,250	208,840	261,301	316,243	166,055

Source: Planning & Development Division (Poverty Section)

(g) Poverty and Human Development: Majority of human development indicators have shown visible improvement in terms of coverage and quality. Pakistan's HDI ranking measured by the UNDP improved in 2005, moving it from low to medium human development countries. The adult literacy rate shows an increase from 54 percent in 2003-04 to 56 percent in 2004-05. Primary school participation rate has witnessed improvement from 90 percent in 2003-04 to 92 percent in 2004-05; the female participation rate also increased from 81 percent to 82 percent within the same period.

(h) Poverty and health care: Effective implementation of health programs has helped reduce infant mortality rate from 75 (per 1000) in 2003-04 to 73 (per 1000) in 2004-05. In health sector, additional 10,000 Lady Health Workers (LHWs) were employed to improve coverage of target population from 70 percent in 2003-04 to 80 percent in 2004-05. Population growth rate reduced from 1.92 percent in 2003-04 to 1.87 percent in 2004-05.

Access to safe water to the population increased from 64 percent in 2003-04 to 65 percent in 2004-05, particularly access to safe drinking water of rural population increased from 53 percent to 55 percent within the same period. Sanitation coverage improved to 42 percent in 2004-05 from 41 percent in 2003-04, while in rural areas the sanitation coverage increased from 29 percent to 30 percent in the same period.

II. The Social Protection System and Income Safety Nets

24. The expenditure for social safety nets was to the tune of Rs 8.43 billion for the year 2004-05. Social protection programmes remain an important component of the governments anti poverty programme to ensure that the poorest are not neglected. Social protection strategy of the Government is being finalized in consultation with the stakeholders. It will align all four types of non-budgetary transfers, viz., Zakat/Bait-ul-Mal, EOBI, Social Security and micro-credit. Zakat, being the largest program in monetary terms, increased by 5 percent to Rs 6.9 billion in 2004-05. The Old-Age, Invalidity and Widow Pensions and Health Care programmes are governed by the Employees Old-age Benefits Institution (EOBI) and Provincial Social Security Institutions. Old-Age Benefits Institution (EOBI) is regulated and administered at the Federal level, whereas medical care is a provincial subject and is provided by the Employees' Social Security Institution of each Province under the similar legislation. Invalidity pension is being paid by both of these institutions. However, benefits cannot accrue from both the institutions simultaneously. Invalidity pension under EOBI is converted into invalidity pension for life (if invalidity lasts continuously for 5 years). Medical care is provided through social security hospitals and health dispensaries. The systems of social security and pension need broadening of their coverage and reforms.

(a) **Zakat, a Safety-Net:** is an Islamic safety-net mechanism and is one of the obligatory pillars of Islam. The Muslims who are Sahib-e-Nisab (a person who possesses 87.48 grams of gold or 612.32 grams of silver for one full year or amount of savings equal to their cost will pay 2.5% of the total amount of his such savings and gold/silver to poor relatives, neighbors, or any poor deserving person voluntarily. The system of Zakat at Government level was introduced in Pakistan through an Ordinance titled "Zakat and Ushr Ordinance, 1980" in June, 1980. The institution of Zakat and Ushr plays an important role in mitigating the sufferings of the poor segment of the society. A total of Rs 4664.93 million and Rs 4247.16 million were collected as Zakat by Govt. during 2004-05 and 2005-06, respectively.

Table 5. Zakat Collection During Last Two Financial Years

Year	Amount (Rs million)
2004-2005	4664.93
2005-2006	4337.04

Source: Ministry of Religious Affairs (Zakat & Ushr)

(i) **Zakat Utilization:** Zakat fund is utilized for the following:

- a) Assistance to the needy, the indigent and the poor particularly orphans and widows, the handicapped and the disabled.
- b) Assistance to the needy persons affected or rendered homeless due to natural calamities.

(ii) **Zakat Programmes:** Zakat fund is utilized for various purposes. It includes yearly stipend, education stipend, health care, social rehabilitation, marriage assistance, Eid grant, etc. Head wise distribution of Zakat and number of beneficiaries for 2004-05 and 2005-06 are given below.

Table 6. Head wise distribution of Zakat and number of beneficiaries for 2004-05 and 2005-06

Sr. No.	Head	Amount Released		No. of Beneficiaries	
		2004-05	2005-06 ^a	2004-05	2005-06 ^a
	(a) Regular Zakat Programs(Rs million).....			
1.	Guzara Allowance	1858.956	2172.910	755075	374601
2.	Educational Stipends	557.688	651.873	430512	202653
3.	Stipends for Students of Deeni madaris	247.862	289.723	124440	53387
4.	Health Care	185.897	217.291	140794	74745
5.	Social Welfare Rehabilitation	123.928	144.859	27669	18991
6.	Marriage assistances to un-marriage women	123.928	144.859	13061	5944
	Sub-Total (a)	3098.259	3621.515	1491551	730321
	(b) Other Zakat Programs				
1.	Eid Grant	210.153	210.153	419401	415305
2.	Leprosy Patient	0.570	0.570	92	92
3.	Emergency Relief / Natural calamities	--	--	--	--
4.	National Level Health Institutes/ Hospitals	352.900	340.100	252569	159972
5.	Model Deeni Madaris	--	3.936	--	667
	Sub-Total (b)	563.623	554.759	672062	576036
	(c) Special Zakat Programs				
1.	Permanent Rehabilitation Scheme of Zakat	2500.000	-	166712	-
2.	Educational Stipends (Technical)	701.974	788.414	42766	20009
	Sub-Total (c)	3201.974	788.414	209478	20009
	Grand Total:(a+b+c)	6863.856	4964.688	2373091	1326366

a = July to March (9 months). Source: Ministry of Religious Affairs (Zakat & Ushr)

(iii) Revamping of Zakat System: Owing to a criticism on present Zakat system from different fora / quarters and in pursuance of the Cabinet decision the Prime Minister has constituted a Committee headed by the Minister for Religious Affairs, Zakat and Ushr for revamping of Zakat and Bait-ul-Mal systems. The Committee thoroughly deliberated on weaknesses of Zakat system. In-puts from other stake-holders were obtained and recommendations were submitted to the Prime Minister in a meeting held on 21-2-2006. The Prime Minister has given his agreement to the recommendations, in principle, for amendments/additions in the Zakat and Ushr Ordinance, 1980. The report of the Committee and Zakat & Ushr (Amendment) Bill, 2006 have since been submitted for approval of the Cabinet.

(iv) Drought Relief Programme: The drought conditions in Pakistan affected the physical assets as well as the social capital of the poor specifically the landless rural poor. The weakening of these assets reduced flows of product and/or cash income and destroyed the physical asset of the poor household, communities and areas through dramatically reducing its value due to prolonged collapses of asset markets (e.g., declines in the value of farm land in drought affected areas) resulted in increase in poverty level. The DERA programme was implemented from 2002 to 2005 across the country for a cost of Rs 10.48 billion with the assistance of World Bank and Asian Development Bank. It aimed at mitigating the effects of drought and generate employment through implementing labour intensive programmes and reducing poverty and vulnerability in drought prone areas.

(b) Pakistan Bait-ul-Mal (PBM): Pakistan Bait-ul-Mal is social welfare arm of Federal Government under Ministry of Social Welfare & Special Education since 1992. It aims at:

- a) Enhancing gender equality and women development and empowerment
- b) Eradicating poverty & hunger

- c) Improving physical and economic access to adequate food
- d) Generating income & employment
- e) Developing social safety nets
- f) Ensuring access to basic education & primary health care

Bait-ul-Mal under its drive for helping poorest of the poor has following projects/schemes:

(i) Vocational Training Centres (VTC): Vocational Training Centres have been established throughout the country including Azad Kashmir & Northern Areas since 1995. These centres are providing free training to widows, orphan & poor girls in different skills. Currently 150 centres are providing training to 8699 trainees in different marketable skills. PBM is gradually upgrading these centres into Diversified Vocational Training Centres by incorporating modern skills like beautification, glass painting, computer operating, cooking etc. During financial years 2004-05 and 2005-06 an amount of Rs. 207 (m) has been utilized for training of 26,880 trainees who are now earning their livelihood in respectable manner.

(ii) Food Support Programme (FSP): The Food Support Program (FSP) is a social safety net targeting poorest of the poor to provide relief against increase in the wheat prices since August 2000 with annual budget of Rs 2.5 billion. Pakistan Bait-ul-Mal (PBM) administers FSP in collaboration with Pakistan Post Office and Provincial Governments. In financial year 2003-04, the Federal Government revised the ceiling of annual subsidy from Rs 2000/- to Rs 2400/- paid bi-annually. From financial year 2005-06 the rate of subsidy has been increased from Rs 2400/- to 3000/- to be paid in one annual installment instead of two bi-annual installments with increase in coverage from 1.25 million to 1.46 million households. At present the annual budget of FSP is Rs 4.38 billion. During financial years 2004-05 and 2005-06 an amount of Rs 4.853 billion has been disbursed amongst 1.25 million households countrywide. To make it effective, a system of means testing has been adopted for identification of beneficiaries by linking the programme with the 'Zakat System' where records of Mustahiqeen are developed through extensive participation.

(iii) Individual Financial Assistance (IFA): Through Individual Financial Assistance (IFA) the poor, widows, destitute women, orphans and disabled persons are supported for Medical, Education, Rehabilitation and General Assistance. During financial years 2004-05 and 2005-06 an amount of Rs 644 million has been disbursed covering 76,611 households countrywide.

(iv) Institutional Rehabilitation (IR): PBM provides grant to NGOs engaged in welfare projects under different strategy such as (i) Institutional support to orphans, disabled, abandoned and destitute women, aged, children of juvenile (ii) Institutional care with stress on eye care and (iii) Innovative Pilot Rehabilitation Project. During financial years 2004-05 and 2005-06 an amount of Rs 172 million has been disbursed benefiting 2.16 million households countrywide.

(v) National Centre(s) for Rehabilitation of Child Labour (NCsRCL): Child labour is another issue where state intervention has become necessary in the context of the rights of the child. National Centre(s) for Rehabilitation of Child Labour have been established countrywide since 1995. Children between the age of 5-14 years are weaned away from hazardous labour and enrolled in these centres where they are provided free education,

clothing, footwear and stipend to the children as well as parents. The current strength of NCRCL centres is 150. During financial years 2004-05 and 2005-06 an amount of Rs 477 million has been utilized for education of 30,120 students.

(vi) **Conditional Cash Transfer under Child Support Programme (CSP):** The Government has approved to pilot a new add on Programme of FSP namely, Child Support Programme (CSP) from current financial year (i.e., 2005-2006) with additional cash incentive (Conditional Cash Transfer) to existing FSP beneficiaries @ Rs 200/- to family with one child and Rs. 350/- to the family with two or more children for sending their children to primary schools. In pilot phase five districts one from each province/region shall be covered with additional budget of Rs 120 million. Field work is underway. The pilot shall start from academic year 2006.

(vii) **Jinnah Burn & Reconstructive Surgery Centre, Lahore:** Pakistan Bait-ul-Mal, Health Department Government of Punjab and Jinnah Hospital, Lahore has signed a memorandum of understanding for construction of single purpose state-of-the-art 60-65 bedded burn and reconstructive surgery centre in Lahore. Pakistan Bait-ul-Mal will provide Rs 150 million. Master plan and conceptual designs / drawings have been approved. Construction work will start very shortly. Project will be completed in next four years.

(viii) **NWFP Advanced Diagnostic and Research Centre, Peshawar:** Bait-ul-Mal Board has approved a project named NWFP Advanced Diagnostic and Research Centre to be established in Peshawar. PBM shall bear the cost of construction upto Rs 150 to 200 million. MoU has been signed and construction of building will be completed in next 02 years.

II. Food Security and Food Availability

25. **Food Security Issue:** Food is one of the basic rights of the people to live and adequate nutrition is essential for human development. It is the primary responsibility of the state, to ensure that people have physical and economic access, at all times to enough nutrition and safe food to live a healthy and active lives. However, it does not imply the state to simply feed its people, but to protect the rights of individuals to feed themselves, through adequate food availability and access which includes seasonal, regional and prices stability. Food security on one hand is fundamental right and state's responsibility, while on the other hand addressing the issue at national and household levels, is a complex in nature. It involves factors, such as physical, economic access, and effective biological utilization, the key determinants of food security. Availability of sufficient quantities of food is necessary although not sufficient condition, but depends upon food supply, household's own production, other domestic outputs, commercial imports and food assistance.

26. **Food Availability:** During the period 2001-06 availability of food items remained satisfactory. The average annual per capita availability of wheat during this period increased from 115 Kg to 118.5 Kg. Increase was also recorded in other grains, milk, meat, and edible oils. However, marginal decrease was recorded in pulses, sugar, fruits and vegetable (Table 7).

27. **Nutritional Situation and Food Availability:** Despite the resource, environmental and technology constraints, the food production capacity in the country was sufficient to meet the national requirement while on the other hand malnutrition continues to be a public health problem, affecting at-least one third of the children. This indicates general food insecurity at the household level, issue responsible for cause of malnutrition. Among the causes of malnutrition, the immediate are food insecurity, and environmental factors leading to ill health. Thus it raises the need to help

food deficit regions, communities and families to achieve food security in terms of individual's physiological needs, and absorption issues. The micronutrient deficiencies which otherwise are not recognized therefore referred as hidden hunger are also the cause of malnutrition. The malnutrition limits individual income earning capacities, resulting in poverty, which continue to limit families demand for food. Economic and social factors are underlying this situation, therefore, improvement in the nutritional status of the population as a whole is a socio-economic challenge as well as a nutrition awareness problem. The solution lies in an integrated approach in agriculture, health, education, women development, social welfare sectors consistent with economic development associated with the participatory and distributional aspects. Nutritional Status and Targets for MTFD are given in Table 8.

Table 7. Per capita availability of food items

Items	Unit/year	1989-90	1996-97	2001-02	2002-03	2003-04	2004-05	2005-06
Wheat	Kgs	128.97	130.85	114.7	112.0	116.3	115.8	118.5
Rice	Kgs	20.70	16.85	13.97	17.24	16.84	17.57	13.00
Other grains	Kgs	15.03	9.20	11.15	11.10	11.57	11.52	13.22
All cereals	Kg	164.7	156.9	139.8	140.3	144.7	141.9	144.7
Pulses	Kgs	5.4	6.00	7.02	5.80	8.00	6.80	6.90
Milk	Litres	59.81	67.16	83.14	83.87	85.91	85.86	86.18
Edible oils	Kgs	10.3	11.42	11.57	11.95	11.53	11.70	12.33
Meat (beef, mutton, poultry, fish)	Kgs	13.63	17.25	21.26	21.34	21.55	21.04	22.63
Fruits & Vegetables	Kgs	68.5	81.70	80.54	83.27	87.51	82.97	7.70
Sugar	Kgs	27.0	27.0	30.27	30.77	30.50	30.75	29.80
Eggs	dozens	2.1	3.67	4.5	4.5	4.6	4.6	4.8
Calories*	Number	2534	2542	2260	2333	2381	2271	2328
Protein per day	grams	65.5	68.6	65.0	66.7	67.7	65.5	66.9

* Calories availability differ from the poverty line

Source: Economic Survey of Pakistan (several issues)

Table 8. Nutritional Status (2004-05) and Targets (2010)

INDICATOR	2004-05	Targets (2010)
Low birth Weight %	25	20
Wt for age (5years) moderate to sever malnutrition % (pre-school)	38	20
-Severe malnutrition % (preschool)	13	5
IDD/Goitre prevalence % average		
- School Going Children	6.7	5
- Mothers	21	10
Households consuming iodised salt (%)	24.7	50
- Net	17	50
Iron Deficiency Anaemia (HB.Level) (%)		
- Mothers	25.5	15
- Children < 5 years	35.6	20
Mass Awareness		
- Mothers Exclusively Breastfeeding (4 months) %	59.0	75
- Introducing weaning foods 4-6 months (%)	62.5	80
Mothers getting calories less than recommended Allowance. (%)	51	30
Maternal Nutritional Status:		
- Under-weight mothers (Non-pregnant) %	12.5	8
- Under-weight mothers (lactating) %	13.3	9
Population below minimum level of dietary energy consumption	31	20

Source: National Nutritional Survey

III. Education, a Mean to Eradicate Poverty

28. Education and training are the top priorities of the Government of Pakistan. It helps to make poor classes conscious about their importance in the society and reduce the poverty through skill development. Broad sector policies covering the implementation of (i) National Education Policy, (ii) National Plan of Action, Education For All (EFA) (2001-2015) and (iii) Education Sector Reforms (2001- 2005) are being materialized.

29. A ten-year prospective plan (2001-11) has been chalked out based on macro-economic and sectoral growth strategies such as poverty reduction, human development being the prioritized areas. Donor Agencies such as Asian Development Bank, World Bank, UNESCO, UNICEF, UNFPA, etc are assisting Government of Pakistan to translate policy plans into practice and achieve goals and objectives optimally for developing human capital. World Food Program (WFP) is one of the UN agencies assisting Girls Primary Education to improve access and equity in primary education with ultimate objective of achieving Universal Primary Education (UPE).

30. Ministry of Education based on the vision to meet learning needs of all, is committed to Education for All (EFA) goals responding to Dakar Frame Work. The federal government has chalked out a National Plan of Action (NPA) for Education for All (EFA) 2001-2015. It is a strategic plan to meet the physical targets as set in the National Education Policy 1998-2010. This includes raising the literacy rate from 53 % to 77 % by the year 2010 through adult literacy program, establishing 270,000 adult literacy centers and 82,000 Non-Formal Basic Education Community Schools. The National Commission for Human Development (NCHD) has planned to open 5000 adult literacy centers in the next two years.

31. The provincial governments have launched a number of incentive schemes to educate and train the people of respective provinces. This includes Elementary Education, Adult Literacy, and Early Childhood Education. Under Adult literacy program skill development is at the priority. Punjab has opened 160,000 centers, NWFP has opened 18,000 literacy centers. NWFP Government has launched Adult Literacy Project through Elementary Education. This will help in making the adults literate in life and economic skills. These steps will help in promoting self dependency and eradicating ignorance and poverty from the society.

32. A National Curriculum on HIV/AIDS has been designed for in-service teacher training program. It is designed in collaboration with UNESCO. Health and Environment Education are the integral part of the National Curriculum both in formal and non- formal systems of education. Empowering women through population and environment education for sustainable development is a specific feature of developing our human capital.

33. Government of Pakistan in collaboration with UNFPA is promoting female literacy through a UNFPA Support Program PAK/01/P03. Its purpose is to (i) improve standards and quality of education through curriculum, teacher learning material development and (ii) capacity building besides providing financial support to girls' primary schools in Pakistan. The support to the girls' primary schools includes (i) the promotion of girls participation and education, (ii) incentives to girl child of deprived families in catchments areas, (iii) establishing linkages between girls primary schools and their teachers with the staff of local family health centers / clinic and LHV for better quality life, (iv) up-gradation of Girls Non-Formal Education Center to Girls Non-Formal Middle Schools, and (v) monitoring & evaluation of the program. Initially ten districts two in each province are focused. Among them are: **Punjab** (Chakwal and Muzaffargarh), **Sindh** (Thatta and Jacobabad),

NWFP (Kohat and Mansehra), **Balochistan** (Nushki and Killa Saifullah), **AJK** (Muzafarabad and Kotli).

34. World Food Program (WFP) is assisting Pakistan to promote girls primary education in the country since January, 2002. The purpose of the assistance is to promote Primary Education for Girls in food insecure areas and increase girls literacy rate overall. Initially it is started with a project entitled Assistance to Primary Education for Girls at the capital cost of US\$ 14.2 million for the period January 2002 to June 2004 (30 months) Under the project nine months school year, the girls used to receive one 4-litre tin of oil for each month in which they attend school for a minimum of 22 days. The project covers 27 districts: **Punjab** (Khushab, Mianwali, Bhakkar, Layyah, Muzaffargarh, D.G. Khan and Rajanpur), **Sindh** (Tharparker, Thatta, Badin and Dadu), **NWFP** (Swat, Dir, Buner, Mansehra, Battagram and Kohistan), **Balochistan** (Chagai, Kharaan, Lasbella, Khuzdar, Kalat, Bolan, Loralai, and Killa Saifullah), and **AJK** (Muzaffarabad and Bagh).

35. Poverty Reduction Strategy Paper (PRSP) Education related interventions includes: (i) KHUSHAL Pakistan – Public works program for school rehabilitation, (ii) TAWANA Pakistan – School nutrition program (iii) Education Stipends – all levels for deserving students.

IV. Healthcare, a Mean to Eradicate Poverty

36. Pakistan is making efforts to meet the given targets of health and nutrition improvement under Millennium Development Goals (MDGs, 2000) and United Nations General Assembly Special Session (UNGASS, 2002). In general, in Pakistan, progress in reducing child deaths and maternal and child morbidity has been slow. Micronutrient (vitamin and mineral) malnutrition in Pakistan is a problem of major magnitude with enormous development consequences.

Relatively, low health indicators in Pakistan are a product of various factors such as poverty, malnutrition, unhealthy living environment, unequal distribution of wealth, high population growth, low literacy, lack of access to safe drinking water, inadequate sanitation, poor housing conditions etc. The analysis of the burden of diseases shows a very close relationship between the dimensions of health and poverty. Trends in overt childhood malnutrition, resulting from combinations of inadequate access to food, care and health, are shown in Table 9, spanning the last four decades.

Table 9. Trends in prevalence of malnutrition among children under 5 in Pakistan

Malnutrition Measure	1965 NSWP	1976-77 MNS	1985-87 NNS	1990-94 NHS	2001-02 NNS
Underweight	NA	53.3	47.9	40.1	37.4
Stunted	49.0	43.3	41.8	36.3	40.0
Wasted	11.0	8.6	10.8	11.8	14.9

NSWP= Nutritional Survey of West Pakistan; MNS= Micronutrient Survey; NHS= National Health Survey of Pakistan; NNS= National Nutritional Survey

37. **National Nutrition program:** To overcome problems related to poverty, global efforts are being made. The IMF/ World Bank initiated a strategy “Poverty Reduction Strategy Paper (PRSP)” to reduce poverty and to attend the imbalances in health sector. In this connection, a National Nutritional Survey 2001-2002 was carried out after a lapse of 20 years, shows that malnutrition is one of the major health problems in Pakistan. More than half of the world’s malnourished children are to be found in just three countries Bangladesh, India and Pakistan. Micronutrient deficiency in Pakistan are widespread and reflect a combination of dietary deficiency, poor maternal health and

nutrition, high burden of morbidity and low micronutrient content of the soil especially for iodine and zinc. Most of these micronutrients have profound effects on immunity, growth and mental development and may underlie the high burden of morbidity and mortality among women and children in Pakistan.

38. **Nutritional Indicators:** The following comparative nutritional status indicators (Table 10) are available to the National Nutrition Program in targeting specific population groups and prioritizing its related activities:

Table 10. Various Nutritional Indicators

Sr.	Indicator	PC-1/ NNS 85-87	Human condition report '02	NNS 2001-02
1.	Low Birth Weight % (Less than 2500gm)	25%	30%	-
2.	Wasting % (Low Weight for Height)	15.3%	11.7%	11.6%
3.	Stunting% (low Height for Age)	46.3%	61.9%	31.1%
4.	Under Weight% (Low Weight for Age)	51.5%	44.6%	41.5%
5	Anemia (Children)	42%	42%	50.9%
6.	Anemia (Women)	45%	60%	29.4%
7.	Iron Deficiency Anemia (Children)	-	-	35.6%
8.	Iron Deficiency Anemia (Women)	-	-	25.5%
9.	Vitamin A Def (Children) (Serum Retinol Level)	-	-	12.5%
10.	Vitamin A Def (Mothers) (Serum Retinol Level)	-	-	5.9%

Source: National Nutritional Survey and Human Condition Report

39. **Health Policy and its objectives:** Government announced a health policy to improve the nutritional status of the people of Pakistan in general, with special emphasis on certain sub-group such as women of child bearing age, adolescence girls and children. Its specific objectives are: (i) to reduce low birth weight babies from 25% to 20%; (ii) reduce malnutrition percentage (preschool), i.e., moderate 38% to 30% and severe 13% to 5%; (iii) reduce iron deficiency anemia (Hb Level) in mothers from 25% to 15% and in children of < 5 years from 35% to 20%; (iv) increase mass awareness for: mothers exclusively breastfeeding (six months) from 59% to 75% and introducing complementary foods at 6 months from 62% to 80%; (v) reduce maternal nutritional status for under weight mothers (non-pregnant) 12% to 8% and for underweight mothers (lactating) 13% to 9% (vi) increase household consumption of Iodized salt from 25% to 50%; (vii) reduce mothers getting calories less than recommended allowance from 30% to 5%; (viii) reduce vitamin A deficiency in women from 6% to 4% in women and from 12% to 4% in children; (ix) prevention of new cases of IDD in endemic areas from 35% to 15% and (x) decrease in PEM (moderate to severe) among young and school children from 39% to 15%.

40. **Major Achievements in health sector during last two years:** Following are the major achievements of the Government various programmes on health care:

- Developed a National Plan of Action on Micronutrient in collaboration with Micro Nutrient Initiative, and was approved by the Ministry of Health.
- Developed a National Nutrition Strategic Plan of Action, after consulting National and Provincial health managers during the consultative meetings and lastly approved by the National Nutrition Technical Committee.
- The first ever project on Nutrition (2006-10) was initiated in early 2005.
- The National TB Control Programme, Ministry of Health required micronutrient supplementation for the TB patients. Purchase of Drugs & Medicine for the 40,000 T.B

patients (combination two micronutrient, i.e., Tab Supradyn and Stress Tab 600 (a combination of B-Complex, Zinc,-Vitamin C, Folic Acid) that can delay absorption of over dosage and toxic effects of isoniazid, were procured.

- UNICEF did a lot of efforts for the reduction of IDD. Now for the strengthening of the project, UNICEF in collaboration with M. I has started a combined work action plan to achieve 30% of salt iodization in 20 districts.
- A media campaign, using both the electronic and print media, was designed and successfully launched during 2004-05 covering a wide range of topics such as: promotion of breastfeeding, vitamin A supplementation, Iodized salt promotion, Iron/Folic Acid supplementation and importance of female child nutrition.
- The President of Pakistan has promulgated “Protection of Breast feeding and Child Nutrition Ordinance 2002” on 26th October 2002. It extends to the whole of Pakistan. The ordinance is to ensure safe and adequate nutrition for infants and young children by promoting and protecting breast-feeding and by regulating the marketing of certain infant’s foods, including breast milk substitutes, and of feeding bottles, valves for feeding bottles, nipple shields and pacifiers.
- Lactation management Training workshops was conducted in Nov.2004 for creating a new team of National Master Trainer’s utilization the 12 manuals curriculum on Lactation Management developed by the Planning Commission of Pakistan. This training activity was supported by UNICEF. Thereafter, the newly created team of National Master Trainers was utilized to conduct 10 countrywide LMT workshops for the FY 2004-2005 with the PSDP allocation.
- The nutrition section included in the LHW Training curriculum was upgraded and some sections were added to develop a revised curriculum of Nutrition with special reference to micronutrients. The curriculum was in Urdu titled as “(GAZA AUR SEHAT)” 10, 000 copies of this curriculum were printed with the support of TAMT and disbursed to PPIUs of LHWs on Nutrition – micronutrient component.

41. **National Strategy:** As a new nutrition initiative of the Ministry of Health, the Government of Pakistan has requested a national nutrition strategy of which this micronutrient strategy will be a vital component. This micronutrient strategy has emerged from an elaborate process of interdepartmental discussion and a widely attended national workshop which dealt with micronutrient issues in the context of national needs.

42. The strategy focuses on population groups where consequences of micronutrient malnutrition are most severe, i.e., very young children, pregnant women and adolescent girls. The approaches used are: **micronutrient supplementation, food fortification and behavioral change communications.** Nutrients such as Iron, iodine and vitamin A form a primary focus of the strategy with increasing attention to zinc. Systematic monitoring and evaluation underlie the entire strategy, with monitoring specified for each supplementation and fortification activity. In addition, an ambitious system of sentinel sites is proposed to allow tracking of coverage trends pertinent to each of the strategy's primary activities. The strategy culminates in a comprehensive three year action plan to address the country's micronutrient malnutrition problems systematically and efficiently. The action plan identifies concrete objectives, specific activities, timetables and agencies responsible for carrying out the plan.

43. **Micro-nutrient Supplementation:** It includes: (i) Iron and folic acid supplementation for pregnant women, adolescent girls and young children with the objective to increase the coverage of iron-folate supplementation to pregnant women in rural areas from 20% to 50% by the end of 2007;

(ii) home based multi-micronutrient fortification (HMF) for young children with the objective to initiate and scale up the sprinkles intervention to combat IDA and other micronutrient deficiencies, including vitamin D and iodine deficiencies, among infants and young children in Pakistan aged 6-36 months and (iii) vitamin A supplementation for 6-59 months old children and postpartum women.

44. **Food Fortification:** It envisages to: (i) reduce iodine deficiency through salt iodization with the goal to increase salt iodization coverage from 27% in 2003 to 60% by the end of 2006; (ii) reducing iron deficiency through wheat flour fortification in order to fortify 40% of wheat flour produced by roller flour mills, or roughly 20% of the country's wheat supply, with high quality factory-level monitoring and proper fortification levels by the end of 2007. A National Wheat Flour Fortification Project (NWFFP) with GAIN (Global Alliance for Improved Nutrition) assistance of 3 million US\$ and technical assistance of Micronutrient Initiative (MI) has been launched for the purpose and (iii) reducing edible oil deficiency through edible oil/ghee fortification with the goal to fortify at least 50% edible oil/ghee produced in the country with Vitamin A by the end of 2007.

45. **Lady Health Workers (LHW) Programme:** The most important single means of delivering health care interventions at the community level is the Lady Health Workers (LHW) Programme which presently covers an estimated 70% of the country's rural population. This Program was envisaged to deliver community based maternal and child health care to address some of the challenges faced by the health sector particularly the restrictions on women's mobility that impedes their access to health care. The Program has helped in increasing access of women to health care. LHWs are local residents with at least grade 8 education, selected by the local committee headed by the in charge of health facility. The LHWs are paid a small stipend to provide basis preventive, promotive and curative services in the communities where they live. They are responsible for monitoring the pregnancy of women, ensure safe delivery through linkages with TBAs and SBAs, provide family planning services, ensure TT vaccination to all CBAs and EPI immunization to children, provides nutritional supplementation to children, carry out growth monitoring of children under three years, besides providing health education and referrals to the health facilities. A cadre of LHW supervisors, who are mobile, supervise about 20-25 LHWs per month. Presently, the Program employs about 85,000 LHWs nationwide, reaching 70% of the target population. The Program now covers almost all districts of Pakistan.

46. **Water and sanitation:** In this area too, the LHWs play a very important role. They discuss with the community, issues related with better health, hygiene, nutrition, safe drinking water and sanitation emphasizing their benefits towards improved quality of life. This sanitation services coverage is low in Pakistan, however, there is steadily improving. The percentage of population with access to flush toilets increased from 30% in 1990 to 45% in 2001. In the last five years, situation has further improved and the coverage has increased to 54% in 2004-05. This indicator is better in urban than rural areas. Furthermore, nearly 51% of households have access to any form of drainage including 35% with open drains and only 5% of households have municipal garbage collection arrangement. Targets of 70 and 90% are fixed for the years 2010, and 2015, respectively. Achieving these targets for drinking water supply and sanitation crucially hinge on the successful implementation of the recently approved "Clean Drinking Water for All" policy within the stipulated time. The achievement of the target requires 27% increase in the population coverage in the coming ten years compared to 13 % increase recorded in the past 15 years.

47. **HIV/AIDS:** According to UNAIDS estimates, some 70,000 to 80,000 persons, or 0.1 percent of the adult population in Pakistan, are infected with HIV. Officially reported cases are, however, much lower. Until September 2004, only some 300 cases of full-blown AIDS and another

2300 cases of HIV infection were reported to the National AIDS Control Program. Until recently, Pakistan was classified as a low-prevalence country with many risk factors that could lead to the rapid development of an epidemic.

48. Ministry of Health, Government of Pakistan initiated a National AIDS Prevention and Control Program (NACP) in 1987. In its early stages, the program was focused on diagnosis of cases that came to hospitals, but progressively began to shift toward a community focus. Its objectives are the prevention of HIV transmission, safe blood transfusions, reduction of STI transmission, establishment of surveillance, training of health staff, research and behavioral studies, and development of program management. The NACP has been included as part of the government's general health program, with support from various external donors.

49. At least 54 NGOs are involved in HIV/AIDS public awareness and in the care and support of persons living with HIV/AIDS. These NGOs also work on education and prevention interventions targeting sex workers, truck drivers, and other high-risk groups. NGOs serve as members of the Provincial HIV/AIDS Consortium, which has been set up in all four of Pakistan's provinces to coordinate HIV/AIDS prevention and control activities. International Development Partners are actively involved in HIV/AIDS related activities. UNAIDS has established a Theme Group and a Technical Working Group on HIV/AIDS to coordinate the response of United Nations Agencies and to provide assistance to the government in the strategic development of activities

50. Programmes have been initiated to expand knowledge, access, and coverage of vulnerable populations—particularly in large cities—to a package of high impact services, through combined efforts of the government and NGOs. Programmes are being launched to change the behavior related to HIV spread and prevention interventions. Efforts are being made to strengthen and expand the surveillance and monitoring system, implement a second-generation HIV surveillance that tracks sero-prevalence and changes in HIV-related behaviors, including the spread of STIs and HIV, sexual attitudes and behaviors, and healthcare-seeking behaviors related to STIs. Government under the enhanced HIV/AIDS programme is providing service deliver packages to the High risk groups (FSWs, MSM, IDUs, Jail inmates, long distance truck drivers) through NGOs in various cities of the country. Presently the services are in place for FSWs and IDUs and Jail inmates in Karachi, FSW, MSM and IDUs in Lahore since mid 2004 and IDUs in Faisalabad, Sargodha and Sialkot since mid 2005 and Jail inmates and IDUs in Peshawar since 2005.

Commitment No.3: We will Peruse participatory and sustainable food, agriculture, fisheries, forestry and rural development polices and practices in high and low potential areas which are essential to adequate and reliable food supplies at the household, national, regional and global levels, and combat pests, drought and desertification, considering the multifunctional character of agriculture.

I. Policies and Actions Taken to Develop Agriculture Sector and Intensify Food Production

51. **Importance of Agriculture in Economy of Pakistan:** Agriculture is a priority area for the Government for boosting overall economic development and addressing problems of unemployment, poverty alleviation and food security. This sector is also important because about 67% of country's population live in rural area and are dependent on agriculture directly or indirectly. It is the single largest sector contributing about 22% in national Gross Domestic Product (GDP). It comprises of crops, livestock, fisheries and forestry sub-sectors having share of 46.2%, 50.8%, 1.3% and 1.6%, respectively in Agriculture GDP. It employs about 44.8% of the total labour force in the country. It contributes about 68% to the foreign exchange earnings through exports of raw material and value added products. More than 50% industry is agro-based. It supplies raw material to various industries and also it is the major market for industrial products, showing very strong input output relationship with industrial sector. It is also acknowledged that major part of the economy depends on agriculture through production, processing and distribution of major agricultural commodities. The **government policy** focuses on sustainable food security, increasing productivity, encouraging entrepreneurial agriculture, income diversification and export orientation. The main thrust in agriculture sector is to increase farm productivity and profitability.

52. **Agriculture Poverty Nexus:** Poverty in rural areas is higher than the urban areas. In 1998, the poverty in urban areas, on head count basis, was 20.6% while it was 34.7% in rural areas, about 14% more than the urban areas. In 2000, the poverty gap between rural and urban areas increased further to 16.5% when rural poverty increased to 39.2% and urban poverty to 22.69 percent. This gap reduced to some extent in recent years (2004-05) when overall poverty in the country reduced by 10.6% and the gap between rural and urban poverty reduced to 13.2% registering urban poverty at 14.94% and rural poverty at 28.13 percent. The major reasons for higher poverty rates in rural areas are: higher proportion of landless people involved in low paid jobs or remain unemployed during most part of the year, division of land due to heir system resulting in fragmentation of land and generation of small farmers with poor resources, lack of opportunities for work and even self-employment possibilities, above all, poor rural economy gives birth to high rural poverty. In fact, agriculture has strong nexus with poverty and most poverty is rural based.

53. **Objectives of Agriculture Development:** In Pakistan the strategic objectives to improve performance of the agriculture sector for higher food security consist of following elements:

- i) Higher growth rate of agriculture than the population growth rate.
- ii) Enhancing productivity of wheat, rice, oilseeds, cotton and sugarcane.
- iii) Land and water development for a sustained agricultural growth.
- iv) Agricultural inputs supplies and appropriate technology to the farmers timely and at the users' end.

- v) Balanced emphasis on all aspects of agricultural production, including livestock and fisheries.
- vi) Improving marketing of agricultural commodities.
- vii) Emphasizing agricultural research to generate innovative technology including biotechnology for raising productivity per unit of land, water and livestock.
- viii) Improving the productivity of small farmers while encouraging the large farmers for utilization of modern technology.

54. The main objective of sustainable agriculture development is to achieve self-reliance in agricultural commodities, ensure food security and improve productivity of crops. Keeping in view the objectives an average annual growth rate of 5.2 percent has been projected for agriculture in the Medium Term Development Framework (MTDF) 2005-10. However, two years progress (2004-05 and 2005-06) is discussed in preceding paragraphs.

55. **Agriculture Sector Performance during Year 2004-05:** The agriculture sector including livestock and fisheries registered an impressive growth rate of 6.7 percent against the target of 4.0 percent. It was possible due to favorable weather conditions, timely widespread rains coupled with policy measures of ensuring proper price to growers, simplified credit policy, timely availability of fertilizer and pesticides and measures adopted for efficient use of water. There was record production of wheat and cotton. Wheat production was 21.6 million tons against the target of 20.8 million tons showing an increase of 3.8 percent against the target and 8.2 percent against last year's production of 19.5 million tons. The cotton production of 14.6 million bales was 36.2 percent higher than the target of 10.7 million bales. Maize production of 2.8 million tons was 2.9 percent higher than the target and 47.7 percent higher than actual production during 2003-04. The production of rice was 5.0 million tons, which was close to its target of 5.1 million tons and 3.0 percent higher than last year's production of 4.8 million tons. However, sugarcane production of 45.3 million tons was 11.0 percent below the target, which was mainly due to reduction in area by 4.2 percent. The main reason for reduction in area was water shortage and problems between growers and sugar mills. The production of potato and onion was 1,888 and 1,854 thousand tons against their targets of 1,970 and 1,800 thousand tons, respectively.

56. The growth rate of major crops was 17.8 percent and minor crops was 3.0 percent against the target of 3.5 percent each. The livestock and fisheries sub-sectors registered a growth rate of 2.3 and 2.2 percent against the target of 4.4 and 3.2 percent, respectively (Table 11). The production of meat was 2,271 thousand tons against a target of 2,263 thousand tons. The milk production target was 29,472 thousand tons. The production of fish was 573 thousand tons against a target of 567 thousand tons.

Table 11. Growth rates of Agriculture Sector

Item	Growth rates (%)			
	2004-05		2005-06	
	Target	Actual	Target	Actual
Agriculture	4.0	6.7	4.8	2.5
Major crops	3.5	17.8	6.6	-3.6
Minor Crops	3.5	3.0	4.0	1.6
Livestock	4.4	2.3	3.5	8.0
Fisheries	3.2	2.2	4.0	1.9

Source: Economic Survey of Pakistan (2004-05 & 2005-06)

57. **Agriculture Sector Performance during Year 2005-06:** The agriculture sector as a whole could not perform well during the year. The major crops registered a decline of 3.6 percent against the target of 6.6 percent. Unfavorable weather conditions and lesser availability of water explain the relatively lower growth in agriculture. Minor crops registered a marginal growth of 1.6 percent against the target of 4.0 percent. However, livestock registered an impressive growth of 8.0 percent over the last year growth of 2.3 percent. All this taken together resulted the growth of 2.5 percent in overall agriculture sector.

58. Four major crops cotton, sugarcane, rice and wheat account for about 90 percent of the value added of the major crops. The wheat production was targeted at 22.1 million tons, whereas it has been assessed as 21.7 million tons, depicting a nominal growth of 0.4 percent over the last year (Table 12). An extraordinary crop of cotton produced 14.6 million bales of cotton last year. However, reversal of cotton crop production to 13.0 million bales showed a decline of 11.0 percent over the output of last year. The rice production estimated at 5.5 million tons indicated an increase of 10.4 percent over the production of the last year. The production of sugarcane had been estimated at 44.3 million tons against the target of 50.1 million tons showing a short fall of 11.5 percent from the target and 6.2 percent from the output of the last year.

Table 12. Food production in Pakistan: 1970-71 to 2003-05 (000 Tons)

Items	1970-71	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06 P
Wheat	6476	21079	19024	18226	19183	19499	21612	21700
Rice	2199	5156	4803	3882	4479	4848	5025	5547
Maize	718	1652	1643	1664	1737	1894	2797	3560
Millet	354	156	199	216	189	273	193	221
Sorghum	329	220	218	221	203	238	186	153
Barely	91	118	99	100	100	98	92	87
All cereals	9520	28380	25986	24311	25890	26854	29905	31268
All Pulses	667	802	621	594	930	871	1094	N/A
Sugar	519	2415	2466	3197	3652	3996	2922	2600
All Vegetables	1621	4731	4526	4605	4826	4967	5073	N/A
All Fruits	1602	5846	5892	5902	5742	5692	6637	N/A
Meat	591	1956	2014	2073	2134	2185	2271	2419
Milk (gross)	7758	31804	32695	33624	34593	35603	36620	38931
Fish	190	654	615	630	566	564	573	581
Eggs(m dozens)	54	705	625	640	666	675	716	758

Source: Agricultural Statistics of Pakistan (various issues)

59. The minor crops contributing 12.3 percent of the agriculture value added in 2005-06, recorded a growth rate of 1.6 percent against the target of 4.0 percent. One of the main reasons for the lower growth in minor crops was the low value addition of pulses, vegetables and oilseeds, which witnessed negative growth of 13.2, 6.4 and 12.1 percent, respectively.

60. Livestock the major component of the agriculture contributing 50.8 percent in agricultural value added and 11.0 percent of the overall GDP of the country during 2005-06. It witnessed the growth of 8.0 percent against the target of 3.5 percent during 2005-06. The production of meat and milk was 2,419.0 thousand tons and 38,931.0 thousand tons, respectively, were achieved. Livestock is a fast growing sub-sector in Pakistan. It has great potential for further growth. It provides 25 to 30 percent of the income to small farmers and landless livestock producers. Empirical studies have shown that small farmers who combine livestock with crop production have income twice as high as those with only crops. Therefore, efforts are underway to increase flow of funds to this sub-sector. The strategy in this sector will be to focus on genetic improvement of breeds of livestock, increase development of feed and fodder resources, establish feed mills, eradicate diseases of economic and

trade importance, build state of the art slaughter houses, establish milk chilling plant and milk powder units and improve marketing of livestock and livestock products. The Provincial Governments have initiated their own programs to promote livestock breeding as a tool to reduce rural poverty under various area development projects.

61. Fisheries is another important sub-sector, though small, but has played a significant role in the national economy and food security. The production of fish was 581 thousand tons during 2005-06. It contributes 0.3 percent to national GDP. Fisheries is one of the most important economic activity along the coastline of Sindh and Balochistan where the poorest of the poor communities live. The Government has taken certain policy initiatives to improve this sub-sector. Deep Sea Fishing Policy has been revised that encourages export of fish and fish products. Marine fishing program has been started. It includes aquaculture development, up-gradation of marine fisheries, installing global positioning system (GPS) in fishing boats, survey of the fish stocks, improving post-harvest facilities (chilling, refrigeration, hygienic conditions), up-gradation of fisheries quality control laboratories, and European Union accredited processing units. Programme of inland freshwater fish farming is further promoted and it is gaining momentum. Under this program, about 40,000 hectares have been brought under fish farms in the provinces of Punjab, Sindh, and NWFP. Trout culture is being developed in the northern areas of the country by establishing private hatcheries and fish farms.

62. **Potential for Food Production in Pakistan:** National yields in Pakistan are substantially lower than that obtained by progressive growers in the country. The yield gaps between potential (yields realized at research farms) and the national average are even larger (Table 13). These gaps indicate that there is a fair scope for increasing food production in the country. It can be doubled with efforts and strategic planning. The reasons of present low yields are: capital constraints at the farm, slow rate of diffusion of modern technologies, marketing constraints and physical barriers arising from lack of availability of hardware as seeds, soil amendments and others. This calls for more efficient extension system and correcting availability of the hardware. As agriculture primarily is a provincial subject, therefore, major over-hauling of the system will have to be carried out in provinces.

Table 13. Comparison of national average yields and yields obtained by progressive farmers and potential yields

Particular	Average yield (tons/hectare)				
	Wheat	Cotton	Rice	Maize	Sugarcane
Potential: yields realized at research stations	6.50	4.60	8.00	12.50	189.0
Progressive farmers	5.50	3.50	4.80	7.50	106.70
National Average yields (2005-06)	2.614	2.055	2.117	3.483	48.86
Yield gap between progressive farmer and national average	52.5	41.3	58.9	53.6	54.2
Yield gap between potential & national average	59.8	55.3	73.5	72.1	74.1

Source: Ministry of Food Agriculture and Livestock

63. **Strategy to Increase Food Production:** The main policy of the Government for development of the agriculture in the country is to increase the level of technical skills and working capacities, education of the farmers to increase food production, provide financial resources, reduce poverty in the rural areas, introduce new production technologies and improved varieties and to provide safety to farm workers including women cotton pickers. Efforts are being made to increase the yields/productivity at farm level through provincial agriculture extension departments. Provincial departments organize trainings for farmers at union council level and educate them in advanced production technologies through use of mass media (electronic and print media). For efficient transfer of technology to the farmers, the Government has launched and implemented different programs. The training programs include the following:

- Provincial Extension Services are providing farmers with information and training on application of technology, pest management practices, IPM and other agronomic practices to increase productivity per unit area.
- The on-going IPM program aims at capacity building of farming communities in self-organization, decision-making and rural development. This program will also involve university teachers and school children to enable them to care for the ecology, biodiversity and rural development.
- Provision of agricultural inputs through establishment of Farm Services Centers network in each district.
- The services of agriculture experts/specialists through Out-Reach Programme have been interlinked with Farm Services Centers.
- NGOs and Rural Support Programs are also involved in capacity building of farmers and providing them micro credit.
- Daily radio/TV programs, monthly information bulletins are in vogue for information of the farmers.

64. **Rationalization of Tariff Structure:** Central Board of Revenue (CBR) plays a vital role in macroeconomic stability of the country with main focus on resource mobilization through promotion of voluntary compliance, facilitation of taxpayers as well as rationalization of tariff structure to promote industrial and agriculture growth in the country. Food and Agriculture has been the priority sectors for CBR, where concessions-based policies have been perused over the years. In the budget 2006-07, a number of concessions have been announced to promote growth in these vital areas. Some of the decisions taken have been summarized below:

(a) Package for Revival of Poultry Industry: Poultry farming has been hit hard due to avian influenza disease. Poultry is a source of protein required as a part of healthy diet of the people. Therefore, it required incentives to stand up again on its feet. CBR exempted duty on import of bird flu vaccine. In addition, disinfectants, pre-fabricated structures for poultry farms (PCT 9406.0000) were allowed @ 5% customs duty without any sales tax and withholding tax at import stage has been reduced to 1%.

(b) Package for Development of Dairy and its Packaging Industry: Pakistan is the 5th largest producer of milk in the world but still imports milk powder and condensed milk. Out of the 28 billion liter milk produced in the country every year, only 5% is processed on hygienic lines. Shelf life of the remaining 95% un-processed milk being very little, coupled with lack of proper storage facilities, most of it is consumed immediately or go waste. Therefore, Government emphasize on encourage establishment of processing and packaging industry in the country. In this connection, CBR has already allowed Dairy industry to import dairy and livestock related machinery free of customs duty, sales tax and withholding tax under SRO 575(I)/2005. Now CBR has exempted customs duty with exemption from sales tax and withholding tax reduced to 1% on import of livestock, plant machinery, equipment (not manufactured locally). In addition, import of raw material and intermediary goods used in the manufacture of packaging material for dairy products have been allowed at 5% duty and 1% WHT.

(c) Package for Horticulture and Floriculture products: Horticulture and floriculture are the growing sub-sectors which need incentive for further improvement. Especially for improving constraints of handling, packaging and transportation of perishable fruits and flowers. In order to provide enabling environment for investment in this sector, CBR has exempted equipments, machines like ripening chambers, hot water treatment plants, vapor hot treatment plants, modern cold storage, packing machinery, power generating sets of 10-25 KV and battery operated fork lift trucks from customs duty, sales tax and withholding tax reduced to 1% from earlier rate of duty on these items ranges between 5%-25%. In addition, Refrigerated vans have been allowed @ 30% duty against the existing 60%.

(d) Incentives for Development of Fish-farming: Being a perishable item, fish requires soft handling and transportation in controlled environment. This sector also needs priority attention of the government. The import of items like fish eggs (PCT 0511.9110) which are @ 5%, fish feed (PCT 2309.9000) and fishing nets (PCT 5608.1100) @ 25% has been exempted from customs duty and sales tax, and refrigerated vans has been allowed at 30% duty against the existing rate of 60%. Other processing and packing machinery/equipment required for fish farming has also been allowed @ 5% customs duty with total exemption of sales tax and withholding tax reduced to 1%.

(e) Exemption from Customs Duty on Import of Agriculture Tractors (CBU): There is a gap in demand and supply of the tractors in the market to the extent of 27,128 tractors till April, 2006. Consequently, the tractor prices in the local market have increased beyond the reach of the average farmer. In addition, a time lag of 4 - 14 months occurs from placement of order and delivery of tractor to the buyer. On the request of Ministry of Food Agriculture & Livestock, import of all recognized makes/models of tractors in CBU (complete built-up) condition has been exempted from customs duty.

(d) Exclusion of Agriculture Income from Personal Tax Rate Card: Agriculture income derived by a person is exempt from tax under the Income Tax Ordinance. On the other hand, the personal tax rate card provides that where, for a tax year, an individual or AOP derives income from agriculture and the gross amount of such income for the year exceeds Rs 80,000, basic exemption limit will not be available to work out the taxable income. This provision has created an anomalous situation where total income includes income from agriculture. Therefore, provision to account for agricultural income to workout income tax liability has been deleted.

65. **Achievements in Increasing Food Production:** In pursuance to national food security policy aim at achieving self reliance in food production through developing agriculture sector, the production of all food and cash crops grew many folds since 1970. Wheat production increased by 235.1% from 6.476 million tons in 1970-71 to 21.700 million tons in 2005-06. During the same period, rice production increased by 152.3% from 2.199 to 5.547 million tons, sugarcane production by 103.9% from 23.167 to 47.244 million tons, potato by 9 fold from 0.228 to 2.025 million tons and onion by 7 fold from 0.247 to 1.764 million tons, milk by 401% from 7.758 to 38.9 million tons, meat by 309% from 0.591 to 2.419 million tons and eggs by 14 folds from 54.0 to 758 million dozens (Table 12).

66. **Rural Infrastructure Development:** Improving of rural infrastructure is another priority area necessary for the development of agriculture. Most of the development work on this front is being carried out by Ministry of Local Government and Rural development under two major programs. Their brief account of activities is given as under.

(i) Khushal Pakistan Programme-I (KPP-I): It is based on the need to focus on people and their needs by involving national, provincial and local representatives of the people in planning process. Launched in 2003, the program, earlier named as Tameer-e-Pakistan, covers schemes related to sectors such as road, electrification, gas, telephone, education, health, water supply, sanitation and build-dozer hours. The Programme covers essential infrastructure at the village, union, tehsil and district levels; basic education and health; support for creating entrepreneurial and employment capacity; and support for creating direct employment. Federal Government allocated Rs. 4.42 billion for the financial year 2005-06 and allocation for year 2006-2007 is also Rs. 4.42 billion. Under this Programme Rs 10,257 million have so far been disbursed to the Executing Agencies in the Federal/Provincial/ District Governments for execution of 20,772 schemes in aforementioned approved sectors. So far 12,536 schemes have been completed. A large population of 50.7 million have been benefited from this Programme whereas so far 4.25 million number of jobs (man-days) have been created. Sector/ Province wise details of the number of schemes funded and completed is given in Table 14. The detail of the Province wise jobs created and population benefited is depicted in Table 15.

Table 14. Province wise account of development schemes completed under Khushal Pakistan Program-I

Province	No. of schemes prepared	No. of schemes completed
Punjab	9180	5919
Sindh	2898	1863
NWFP	5222	2923
Balochistan	1342	797
FATA	1929	720
Islamabad	201	85
Total:	20,772	12,536

Source: Ministry of Local Government and Rural Development

Table 15. Province wise jobs created and population benefited

Province	Job created (man-days)	Population
Punjab	1,589,817	21,700,229
Sindh	1,920,016	17,321,778
NWFP	496,713	8,816,794
Balochistan	93,660	1,206,881
FATA	109,660	1,391,494
Islamabad	41,608	307,754
Total:	4,251,474	50,744,930

Source: Ministry of Local Government and Rural Development

(ii) Construction of Farm to Market Roads: Ministry of Local Government and Rural Development launched countrywide foreign assisted program for construction of farm to market roads (Rural Roads). The aim behind this Programme was to provide dependable infrastructure to farmers to bring their agricultural produce in time to markets and allow rural poor to have access to rural finance and credit. Against present road density of 0.32 Kms per square kilometer in the country, the requirement for balanced economic growth was to attain the figure of 0.52 kilometer per square kilometer. This necessitated the construction of farm-to-market roads on large scale to cover the scope. Two foreign lending agencies namely Asian Development Bank (ADB) and Japan Bank for International Cooperation (JBIC) provided loan facility to government to achieve the objectives.

Presently, about 5200 Kms of farm to market roads stand completed in selected districts of four provinces. They are contributing to national economy and impact of these roads is visible in the form of increase in mobility, level of awareness, general level of prosperity and increase in number of private enterprises in the road influence area.

II. Special Programme for Food Security

67. **Background:** Pakistan launched a Pilot Project on Food Security under FAO's Special Programme for Food Security (SPFS) from 1998-2001 under the commitment of World Food Summit Declaration and Plan of Action, 1996. The aim of the project was to enhance agricultural productivity and increase income of small farmers and rural households to reduce poverty and ensure food security. This initiative was in line with the Government policy to fighting hunger, reducing poverty and ensuring food security.

68. **Project Strategy and Components:** The project piloted critical technology interventions for two years in two districts of Punjab, one district of NWFP, and Sindh with the financial assistance of FAO and subsequently aiming at replicating it on National level with the help of Government of Pakistan and other donor agencies. The technology interventions were implemented with the help of Provincial Agricultural Extension and On-Farm Water Management departments where federal and provincial research institutes provided technical backstopping. The strategy chosen was to mobilize small farmers through an intensive participatory extension and training approach, provision of key ingredients such as quality seed, fertilizers, pesticides, small farm equipment/ implements and establishment of revolving funds for financing operations by the local communities. The Model so developed and demonstrated was named as "Sargodha Model for Productivity Enhancement"

69. **Project Results/Performance:** Over the next three years the pilot projects demonstrated the benefits associated with the use of quality inputs combined with better land and water management techniques such as precision land leveling, lining of watercourses and zero tillage. The revolving fund was established with grant funds which provided a micro-credit mechanism for timely purchase of inputs at village level. A farm machinery pool was established to ensure timely availability of appropriate machinery. Legally constituted Village Organizations were established to conduct the business of the members. Based on the successful pilot programme, a guide plan was prepared for replicating the Model in other villages, districts and provinces. The results of the pilot SPFS were extremely encouraging. The productivity of rice, wheat and other food crops increased by 60 to 70 per cent invariably at all the pilot locations. The household income from wheat crop was almost doubled besides the extra income derived from other crops and diversification activities. Water saving from on-farm water management interventions ranges from 25 to 40 per cent for different crops.

70. **Project Replication/Expansion:** The success of this project encouraged Government of Pakistan (through Ministry of Food, Agriculture and Livestock (MINFAL) to allocate Rs 500 million (US\$ 8.47 million) for the expansion of the pilot SPFS to 109 villages in 20 union councils of 15 districts through a four years national programme called the Crop Maximization Project (CMP). This project was executed by MINFAL in collaboration with the provincial Governments of Punjab, Sindh, NWFP, Balochistan and State of Azad Jammu and Kashmir from July 2002 to June, 2006. Beneficiary households aggregated to 1,400 (10,000 people) and the area to be benefited totaled at 95,999 acres. The strategy, approach, principles and physical components of the CMP were to be essentially the same as the SPFS. Productivity was targeted to be enhanced by 30-40 percent through farmers' participation under the umbrella of Village Organizations.

71. **Performance of up-scaled Project:** Despite many odds due to change in the design of the project, especially in the credit disbursement, the project gave positive results by increasing productivity from 20% to 50% in an area of more than 90,000 acres under various crops. Besides, significant progress was made in the On-Farm Water Management component, where more than 56 watercourses with a total length of more than 96,000 meters were brick lined in the four provinces and AJK. Moreover, earthen improvement of more than 190 watercourses was done with a total length of 125,000 meters. Similarly, more than 4900 acres of land was laser leveled and more than 60 PLL¹ demo-plots were established.

72. The key lessons learnt from the SPFS/CMP experience were that ownership at the local level is critical for success and that the VOs can play major role in bringing about rural change and development. In order to do this, it needs to establish adequate membership, a worthwhile mandate and the right kind of support. Such support has to be in the form of specific empowerment, legal status to implement its mandate, creation of technical, administrative and management skills, as well as some catalytic seed money for creating common assets and facilities (such as a store or collection point) or an endowment for establishing a revolving fund to finance income earning activities.

73. **Further Up-scaling of the Project:** The Special Programme for Food Security will now be up-scaled to 1000 villages in 26 districts of the four provinces, AJK and FATA from the current financial year (2006-07). The total cost of the project for five years will be Rs 7.854 billion (i.e., US\$ 130 million). The project will cover 500,000 acres and 60,000 households (about 400,000 beneficiaries). During five years of the project, the project farmers will get additional income of Rs 14.0 billion (US\$ 230 million). Additional income of Rs 7.4 billion (US\$ 123 million) will be coming to farmers of the project villages every year due increase in crop productivity after the termination of the project. In addition, more than 10,000 full time jobs will be created at village level which will fetch in an addition annual income of Rs 0.700 billion in the project villages. Income generation interventions will generate another Rs 1.6 billion for the farmers of the project area. In view of the large benefits to the project farmers in-terms of additional income and increasing productivity and its impact on reducing poverty and ensuring food security, the SPSF will further be up-scaled to 13,000 villages under a phased program within next 15 years (2014-15) by adding 3000 villages after very two years.

III. Consumption Planning

74. **Consumption Planning:** To improve food security availability of sufficient quantities of food is necessary which depends upon food supply, household's own production, other domestic outputs, commercial imports and food assistance. The national food requirement and availability is based on minimum physiological requirements, prevailing consumption patterns and the national food basket is determined to ensure food security at households level by Nutrition Section of Planning and Development Division of Government of Pakistan as part of the planning exercise. The consumption planning was introduced in the Fourth Five Year Plan, adopting projection approach. The present Medium Term Development Framework (MTDF) (2005-2010) proposes nutrition requirement based Consumption Plan. While adopting nutrition based approach, the objective is availability and accessibility of basic food items to the people, based on their nutritional needs for maintenance of their health. Because of change in the strategy of the Consumption Plan, following are the revised approaches introduced in the Plan (MTDF):

¹ PLL means precision land leveling done by laser technology and it also includes farm redesigning element.

- consider the desired or adopted norms for consumption, taking these as a basis of requirement.
- review of the prevailing consumption pattern of the population, based on the food basket or consumption/nutrition surveys etc.
- determine demand at the national level based on the food requirement and population growth rate.

75. **Dietary Pattern:** Dietary pattern of Pakistani population is highly skewed to non-essential food items in the high income groups, as opposed to this, essential food items are available in lesser quantity than the requirement for the low income segment of the population. Thus a little less than half of the population has imbalance consumption between essential and non-essential food items as far as food requirement is concerned. The Consumption strategy in the MTFD discourages the consumption of non-essential items by the high income groups and to improve the consumption level of essentials particularly for individuals in the low income groups, through mass awareness and consumer protection. In terms of micro-economic targets, the Consumption Plan estimates the per capita requirement of key food commodities which constitute the bulk of expenditure in a family budget for basic food items of Pakistani diet such as wheat, rice, pulses, sugar, edible oils and vanaspati ghee, milk, meat, and vegetables.

76. **Universal Accessibility:** Universal accessibility to food, i.e., physical, economic and quality, is a basic issue. Generally, economic accessibility is hampering optimal consumption of basic food items. Poverty chiefly is responsible for economic accessibility, while lack of quality accessibility is due to number of factors. In the rural areas, deviating factors are seasonal variation of food items and more population in lower levels of income groups.

77. **Guiding Policy for MTFD:** The guiding policy for MTFD is to achieve food security for nutritional adequacy, through availability, efficient distribution, adequate storage capacity for buffer stocks, minimum post harvest losses, physical and economic accessibility of food, and community empowerment for internal resource mobilization.

78. **Elements of Strategy for MTFD:** The elements of strategy for MTFD are:

- Framework which includes overall demand and supply considerations for food and other commodities.
- The overall economic policy environment has changed, it once heavily welfare oriented to that of the market oriented that private sector taking over the activities on much more rational basis;
- Creation of an environment to encourage increased private sector participation;
- Creation of opportunities to increase income and reduce income disparities.
- Consumer awareness, promotion of rational consumption strategy.
- Strategy for Agriculture Sector consist of:
 - greater efforts towards increased production;
 - increase and maintain a buffer stock of wheat of about 4-5 million metric tons, by increasing storage capacity;
 - uninterrupted smooth marketing of food commodities, through rural communication network, particularly suiting small to medium farmers;
 - creation of increased employment opportunities through multiple cropping, small and medium-scale rural based industries;
 - Sustained efforts to gradually bridge the import gap of wheat, edible oils and pulses.

Commitment No. 4 We will strive to ensure that food, agricultural trade and overall trade policies are conducive to fostering food security for all through a fair and market-oriented world trade system.

79. **Diversify Food and Agricultural Trade:** The trade policy is guided by market driven forces and also aimed at to further liberalize and deregulate the economy and provide incentives for reducing the cost of doing business in Pakistan and diversify export trade and maximize foreign exchange earnings. The focus has been placed on macro-economic stability, especially in terms of inflation, interest rates and exchange rate, with a view to expand and diversify the country's export base both market-wise and product-wise.

80. Pakistan has liberalized its trade policies significantly over the last decade, being among the more open trade regime countries in relatively protectionist South Asia. The Government of Pakistan, encouraged by the IMF and the World Bank, has initiated a process of trade liberalization and has reduced tariffs, streamlined procedures and deregulated import restrictions on industrial raw material to stimulate increased manufacturing activity.

81. Pakistan has unilaterally reduced import tariffs so that the rates applied are often below the bound rates to which Pakistan is committed by WTO membership. Pakistan uses the Harmonized System to classify and describe goods, while customs duties are levied on an ad valorem basis. The maximum average import tariff for Pakistan is 25% and the weighted average tariff is 15.2% (which used to be 56% in 1995 and almost 80% in 1985). The tariff on most consumer goods has been reduced to 25%, for most intermediate goods 10% and for most raw materials 5 percent. Pakistan also charges sales tax at 12.5% on the duty-paid value of a variety of goods produced in the country.

82. The Pakistan Planning Commission elaborated an export development strategy (Medium Term Development Framework, 2005-10), which highlights the need for: Consistency in economic policies, product/market diversification, improved competitiveness, cluster development to broaden export base, encouragement of brand development, joint ventures, human resources development, focus on specialized units, meeting of international standards (Quality/ Environment/ Social), increased EPZ's role, and image building in global market.

83. **Overall Market Oriented Trade and Trade Policies to Fostering Food Security For All:** For ensuring food availability, a reliable, efficient and integrated system of Domestic Commerce needs to be established in Pakistan. As the results, of the trade policy reforms of the past few years importance of domestic commerce has become more visible. Therefore, Ministry of Commerce has launched a massive effort to improve the business climate within country and unleash the enormous potential of domestic commerce. There is now international consensus that the effective development of domestic commerce and its seamless interface with the international markets leads to much greater gains from globalization than the reduction of tariff barriers alone. To better understand domestic commerce and devise policy to unleash its full potential Ministry of Commerce has initiated a number of research studies. These studies cover cross cutting issues as competitiveness, protection, subsidies and incentive regimes and market regulations as well as specific, detailed analysis of retail markets, wholesale markets, storage and warehousing, real estate and transport. At the heart of these studies is the determination of factors that will improve the competitiveness of Pakistani commerce to participate in the increasingly globalized world.

84. **Establish Well Functioning Internal Marketing and Transportation Systems to Facilitate Better Linkages Within and Between Domestic and External Markets:** The Ministry of Commerce is executing a Trade and Transport Facilitation Project (TTFP) with the technical assistance of UNCTAD since 2001. The objective of the project is to improve Pakistan's international competitiveness through simplified export and import documentary procedures, modernization of related legislations and creation of national capacity to solve potential problems between transport users/providers and the public sector expeditiously. A lot of useful work envisaged in the Project Document has been carried out, which is summarized below:

- i. The Goods Declaration Form as Single Administrative Document implemented in all Collectorates of Customs in Pakistan.
- ii. Minimum standards of professional qualifications and standard trading conditions for the freight forwarders developed.
- iii. Substantial work on legislation of various Acts for carriage of goods (i.e., Road Act, Sea Act, Air Act and Marine Insurance Act) completed.
- iv. A study carried out to identify requirements and policies needed for promotion of refrigerated transport and cold storage of perishable commodities and necessary measures recommended focusing on mangoes and fisheries.
- v. To harmonize the international trade documents used by Pakistani traders with international practices, a model commercial invoice based on UN layout Key developed in consultation with the representatives of trade and industry.
- vi. Phyto-sanitary Certificate based on UN Layout Key introduced.

85. The TTF project will end in June this year. Phase two of the project is likely to start from July 2006. The second phase named as TTF2, besides carrying out the ongoing activities of the present TTF Project will also include various new initiatives concerning various aspects of trade facilitation such as (i) developing an inventory of Pakistan's trade documents to identify and remove constraints in using simplified documents; (ii) improving transport infrastructure being planned under National Trade Corridor Improvement Programme (NTCIP); (iii) identifying the provision of revised Kyoto Convention on the Simplification and Harmonization of Customs Procedures of the World Custom Organization which could pose particular difficulties for traders. It is highly important to vigorously focus and pursue plans and policies towards facilitating trade and transport to become competitive enough to meet the future global challenges.

86. Prime Minister has constituted a Task Force under the chairmanship of Deputy Chairman Planning Commission to facilitate better coordination between concerned stakeholders, ministries and organizations. Prime Minister himself reviews the progress of implementation of NTCIP every two months. The programme will be implemented in the next 5 years with 6 billion dollars funding from the World Bank.

87. **National Policies Related to International and Regional Trade Agreements that do not have Adverse Impact on Economic Activities:** One of the important objectives of Pakistan's trade policy is to significantly increase the rate of export growth by adopting a Rapid Export Growth Strategy (REGS) based on five pillars:

- Improved market access through trade diplomacy and new FTAs/PTAs with selected priority countries.
- Focusing on neglected regions and countries like Africa, Latin America, Eastern Europe, Central Asia and the Far East.
- Strengthening of trade promotion infrastructure of the Government including the EPB and the trade offices abroad.
- Improving skill development and productivity through provision of large scale training.
- Provision of state of the art physical infrastructure by the government to spur investment and FDI.

88. Government is intensively interacting with global trade partners to obtain additional market access for Pakistani exports. Preferential Trade Agreement (PTA) and Free Trade Agreement (FTA) are being negotiated with countries of the region and also with other important countries having potentials for Pakistani exports. FTA with Sri Lanka is operational since 12th June 2005 and Early Harvest Agreement (EHA) with China and Malaysia has been signed with effect from 1st January 2006. Agreement on South Asian Free Trade Area (SAFTA) which was signed on 4th January 2004 has now been ratified by all countries and has become operational with effect from 1st January 2006. Bilateral negotiations are in progress with Malaysia, Singapore, Indonesia and Turkey for expanding trade.

89. Envoys Conferences have been chaired by the Commerce Minister in Central Asia, Latin American, Africa and China to identify export potential and marketing strategy for each region/country. For achieving a quantum leap in exports, Pakistani products will have to be competitive in international market and supply side constraints i.e., cheap and skilled manpower, improved trade and transport facilitation infrastructure will have to be addressed. The Prime Minister constituted a Committee to recommend measures for reducing the cost of export production. The recommendations of the Committee addressing important fiscal and policy issues are under implementation. The Export Development Fund has allocated resources to the Ministry of Textile Industry for the Skill Development Board to launch training programmes in 250 textile and clothing units. The trained manpower will be employed in the respective units and will facilitate production of value added textiles and clothing articles for export.

90. To provide the inputs and essential infrastructure needed for export growth, important projects such as (i) Construction of Building for Pakistan School of Fashion Design at Lahore; (ii) Automation of Export Promotion Bureau, Karachi; (iii) Expo Centre Lahore; (iv) Adoption of SA-8000; (v) Capacity Building of National Tariff Commission; (vi) Trade & Transport Facilitation Project Phase-II and (vii) Creation of Domestic Commerce Wing in MoC, have been initiated. Under Social Accountability – 8000 Project, 250 industries will be provided financial assistance on acquiring SA-8000 certification.

Commitment No.5 We will endeavor to Prevent and be prepared for natural disaster and man made emergencies and to meet transitory and food requirements in ways that encourage recovery, rehabilitation, development and a capacity to satisfy future needs.

I. Pre-Earthquake 8 October, 2005 Response Mechanism

91. A three tier mechanism was in place before 8 October earthquake. It includes National Crisis Management Cell (NCMC), Emergency Relief Cell (ERC) and Civil Defence (CD). The NCMC is a nerve centre placed under Ministry of Interior. It deals with the all matters of national importance. It also acts as principal point of contact in all crises and emergencies. It is supported by Provincial Crisis Management Cells in Punjab, Sindh, NWFP, Balochistan, AJK and Northern Areas. The ERC is the only organization at federal level, which works under Cabinet Division and provides emergency relief and also coordinates the relief activities carried out by all provincial Governments, national and international agencies. It keeps some stock of relief goods (blankets and tents) all the time with it. The ERC has also been effective in extending relief to the disaster-affected people abroad. Other Federal Government's organizations for assisting the provinces to combat the disasters are: Federal Flood Commission, Meteorology Department, and Civil Defence. Armed Forces play a major role in all rescue/relief operations on the occurrence of major disasters. The Federal Flood Commission is a well-organized standing source of assistance to the provinces in case of floods especially in relation to preparedness and the restoration/rehabilitation of protection works. The mechanism has been showing ever-increasing efficiency to combat the floods.

92. The Civil Defence maintains the normal life activities and its restoration without delay when disturbed due to enemy action or natural calamities. Other aim of Civil Defence Organization are: (i) minimize damage and dislocation of essential services; (ii) provide active civilian support in the remedial services; (iii) ensure uninterrupted production in industrial complexes; (iv) safeguard the home front facilitating the armed forces to concentrate on borders and (v) reduce or minimize the number of casualties. Problems and short comings associated with Civil Defence Organization are:

- inadequate capacities, lack of commitment,
- inter agencies integrated response,
- poor skill levels and low standards of performance,
- poor search, rescue and evacuation expertise and technical capacities,
- ineffective command & control structure,
- inadequate opportunities of advanced training and
- resource constraints.

93. The primary combatants are the provinces and the only law, viz., the "National Calamities Act, 1958, available on the subject, is provincial. At the provincial level, Relief Commission, is the only agency responsible for disaster relief, but only as part time job. The other institutions, like Provincial Irrigation Department and Civil Administration are exclusively meant for other purposes and their help is involved at the onset of a calamity only, for they could, by virtue of the nature of their original job, play a role in the relief activities. The mechanism before the 8 October earthquake was evidently short of a central authority at the national level invested with the power of vertically administering disasters. A proactive all-risk disaster management approach was still missing at all tiers of governance, resulting in the lack of preparedness, prevention and recovery, while it is essential to address disaster wholesomely.

II. Response in the 8 October Earthquake

94. The earthquake of 8 October, 2005 that struck Northern Areas of Pakistan and State of Azad Jammu and Kashmir caused widespread devastation and enormous loss of life and property with extensive damage to economic assets, infrastructure and social service delivery (Table 16). What took decades to build disappeared in minutes. The misery did not end there as hundreds of post-earthquake tremors multiplied the shock and trauma. The rescue, relief and rehabilitation work was constrained by destruction of infrastructure and communication. The difficult hilly terrain made it even more difficult.

Table 16. Summary of destruction of 8 October, 2006 earthquake

Nature of damage	NWFP	AJK	Total
Human loss			73,338
People injured			128,304
Families affected			500,000
House destroyed	195,212	204,940	400,152
Houses damaged	542,604	244,972	787,583
Education institutions destroyed	3,984	3,685	7,669
Education institutions damaged	7,577	3,879	11,450
Health facilities destroyed	188	594	782
Roads destroyed (Km)	2,063	2,366	4,429
Roads damaged (Km)	6,658	5,305	11,963

95. This earthquake devastation became an opportunity to strengthen the natural disaster handling setup/institutions in the country. Within 48 hours after the earthquake, Federal Relief Commission (RCP) was formed by the Prime Minister, which took the gigantic task of rescue and relief of the affected population. Mandate of FRC is: "The Federal Relief Commissioner shall coordinate and monitor the relief efforts. All agencies concerned with the relief and rehabilitation efforts, including Cabinet, Health, Interior, Foreign Affairs, Communication and Information Divisions shall function through him and form a part of the team, for which purpose their reps will be attached with him. Reps from the concerned agencies of the Armed Forces shall also be a part of the team". The objectives of FRC are as follows:

(a) **Short Term Objectives:** FRC was established to address the immediate crises emanating from the earthquake. The short-term objectives set forth by FRC were disaster and damage management, capacity building and coordination for conducting rescue and relief operations while ensuring partial rehabilitation. Restoration of depilated communications infrastructure, life support means and civic order were also on the agenda. To fulfill these objectives the entire concerned government machinery and various national/international organizations working in the relief were placed in the ambit of FRC for better coordination.

(b) **Long Term Objectives:** In continuation with the short term objectives, work on certain long terms objectives also started simultaneously. The long-term objectives include full recovery and revival of civic and social order and essential services. Apart from this the formulation and implementation of consequence management and rehabilitation strategies also remained in focus.

96. While rescue and relief operation was under way, the Federal Relief Commission made an elaborate National Action Plan in close coordination with cluster heads, stakeholders and

representatives of the humanitarian community including UN. This plan was made for a coherent response spelling out domains, policies and end states for all the stakeholders and key players. The key players that took part in the earthquake relief operations were: Pakistan Army, Civil Administration, Para-military forces and national and international NGOs. Pakistan Army provided the operational mechanism, resources and infrastructure to implement the relief operations. While the multi-agency coordination aspects and synchronization of relief efforts are being ensured through Strategic Leaders Group Meetings. Coordination with International Organizations and Non Governmental Organizations remained the major area of operational focus. Following arrangements were made to tackle various tasks.

(a) Establishment of Joint Coordination Centre: Over 200 international and national organizations, government institutions and an unprecedented military contingent was involved in the relief operations. The relief operations was articulated by the Federal Relief Commission through a Joint Coordination Centre. It includes military wing, responsible for logistics and rescue and relief operations, and a civilian wing, within which concerned line ministries are represented and it coordinates the sectoral elements of the relief operations. The UN Humanitarian Coordinator provides overall leadership for the humanitarian community and established ten thematic clusters led by nominated agencies. The issues, coordination aspects and synchronization of relief efforts are being undertaken by the following mechanism and parameters:

(b) Strategic Leaders Group Meetings: This leaders group consists of the FRC, VCGS, Engineer in Chief, GOC Army Aviation Command, DG Logistics, civil coordinators and major international organizations/agencies involved in relief operations. This group met every week to address strategic issues, action strategies and to overview progress. The forum adopts the strategic positions and makes all the major policy decisions through consultative engagements. Area specialists are often included based on the scope and agenda for each meeting. So far the group has met six times in last five weeks.

(c) Joint Operation Centre: A full represented joint forum of logistic support elements and the entire compliments of aviation assets constituted the joint operation centre. It plans, coordinates and implements the aviation logistic effort as well as aviation traffic management and safety aspects.

(d) Focal Persons/Liaison Officers: There are permanent contact and focal persons and liaison officers nominated who frequently inter act and resolve tactical issues and overview inter agency coordination and integration of effort.

(e) Formulation of Clusters: The very nature and the magnitude of the disaster and the time and communication constraints demanded a thoroughly coordinated and quick response to immediately address the sufferings of the affected people. Thus, with all sorts of help pouring in from various directions into the realm of FRC, clusters were made to address various issues like HEALTH, CAMP MANAGEMENT, SHELTER, WATER AND SANITATION, FOOD etc. Each cluster comprised relevant multiple agencies working for a specific cause.

(f) Health: The major challenges were faced in health sector. Efforts to minimize the deaths and disease in second and third waves were substantially successful. In order to achieve this, emphases was laid on restoration of health facilities, implementation of well planned expanded programme of immunization (EPI), disease surveillance and monitoring and

meeting the requirement of medicine and medical equipment. The establishment of planned/spontaneous camps also brought along the water, sanitation and waste management problems, which were addressed through an efficient camp management and concerned agencies. It may be highlighted here that the significant medical assistance provided by foreign countries, NGOs and IOs were instrumental in achieving the desired objectives.

(g) Food: Basing on the estimates of the food cluster the total food requirement for 3.5 million affected people for 120 days was 524,352 tons. In order to fulfill the food requirement, a comprehensive food support plan involving all segments of food cluster was prepared. The food effort were jointly launched by the World Food Programme and the respective Governments since 1 December, 2005. World Food Program supported the population of 1 million, with the assistance of their co-opted partners, whereas, the remaining population was being looked after by the Government of Pakistan and the Provincial Governments.

(h) Shelter: Provision of a “dry and warm” room from retrievable materials and with issue of additional CGI sheets remained the major focus of transitional shelter strategy. The strategy evolved focused on areas above 5000 feet while subsequently below 5000 feet in Phase-2. The construction teams formed by the Armed Forces, volunteers and NGOs apart from providing the materials also shared methods for insulations and heating with the population.

(i) Internally Displaced People: Sustenance, regulation and management of internally displaced people remain major concerns. The population is spread over a broad spectrum from spontaneously sited local tent villages to well-established camps and relief facilities. Camp management was a serious concern and efforts were made to address sanitation, health, fire hazard and social ills among the camp population. Most of the temporary camps have already been closed and the population conveniently repatriated to their homes.

(j) Infrastructure: The vast part of the road infrastructure was restored. Some of it has been restored for restoring the communication links. However, all of it is vulnerable to the climatic conditions and unstable geographical pattern due to frequent landslides.

III. Establishment of National Disaster Management Agency

97. As a prelude to the 8th October devastation and noticing weaknesses of the present disaster management system, the Government has decided to set up a National Disaster Management Authority (NDMA) along with the allied support organization at the provincial and local levels. The authority should be provided all the legal coverage for the proposed mandate to cover all possible disasters. This step is also in line with the international risk prevention program especially for the high risk countries like Nepal, Bangladesh, India, Pakistan, Iran, Turkey, Japan and others. The inception of NDMA will cater for adequate management control and reduce the magnitude of future disasters. This will provide a forum at national level to enhance acquire and maintain minimum capacity/capability levels for all times. A legislation will be prepared with the help of the concerned Ministries as well as the provincial Governments. The proposed bill, a comprehensive draft covering detailed aspects of NDMA, will be placed before National Assembly for approval and this expedition's execution.

98. The main lesson learnt from 8/10 earthquake was to establish an effective national mechanism to deal with the disaster of great magnitude. Emergency relief cell (ERC) in the Cabinet Division and National Crisis Management Cell (NCMC) in the Ministry of interior were simply inadequate and incapable of handling a massive earthquake with such deadly consequences and trauma. The Federal Relief Commission, therefore, has recommended to establish NDMA with such a structure and empowerment that enables it to respond to the disaster quickly without delay. This would be possible only if: (i) the organization is placed directly under the control of the Chief Executive; (ii) should avoid becoming a big bureaucracy; (iii) should have the legal mandate to obtain obligatory assistance, cooperate and help from the federal, provincial and district governments; (iv) it should have a limited staff, flexible and effective enough to expand in emergency by drawing recourses and personnel of existing institutions, government servants of military or civil service to work for the disaster management task assigned for a stipulated time frame; (v) effective civil-military coordination, federal-provincial government cooperation and one window operation are some of the crucial factors that can lead to legal effective rescue, relief and recovery measures; (vi) the Authority should have coordination committee to over see and coordinate the rescue operation; (vii) no need to create separate National Disaster Management Force (NDMF) as this function can and should be performed by required number of armed forces, civil forces, police and civil defense organizations; (viii) special response teams can be developed from these disciplined organizations; (ix) the organization should acquire heavy machinery and equipment for removal of debris, clearance of roads etc; (x) the existing disaster management structure and system at the district level need strengthening; and finally (xi) local civil defense setups at district level also need to be upgraded, highly trained and well equipped to tackle disaster situations.

IV. Drought Relief Measures

99. The main arid rangelands of Pakistan are Thar, Cholistan, Dera Ghazi Khan, Tharparkar, Kohistan, and western Balochistan. Except Balochistan, all of these areas are within the range of monsoon rainfall, which, however, is erratic and scattered. Hence, 2 to 3 years in every 10 years in these areas are drought years. Severe drought episodes in 2000 and 2002 extensively damaged life of poor people in Balochistan, Sindh and Southern Punjab. It affected the livelihood which resulted in human deaths, pushed tens of thousands people to migrate, and killed large number of cattle. This drought led to 120 deaths and affected 2,200,000 people.

100. Unfortunately, no organization dealing with the drought issues existed in Pakistan and the responses to drought for the distressed economic and social sectors, whenever such situation arose, were taken on emergency and on ad hoc basis. Such reactions to crisis often resulted in the implementation of hastily prepared assessment and response procedure that lead to ineffective, poorly coordinated and untimely responses. It is thus inevitable and need of the time that a monitoring and early warning system, which could be the major element of "Drought Mitigation" be developed on scientific grounds.

101. Addressing this important issue Government of Pakistan has established a National Center for Drought / Environment Monitoring and Early Warning System in Pakistan. The major tasks to be accomplished by the center would be:

- To serve as a hub for the collection, consolidation and analysis of drought related relevant data from all the possible sources in the country.
- To prepare and issue the weekly drought monitors and moisture stresses in different regions of the country particularly in drought vulnerable areas.
- To advise Government on drought related matters including drought declaration.

102. This center will also be responsible for extending the rain-gauges network in the country. The existing network of about 100 stations would be extended to 500 stations or even more. Some agencies using rainfall data would be involved to operate the stations on voluntary basis. A research unit will be established under the National Center. It will carry out research in drought related issues such as the climatological conditions leading to the occurrence of droughts and would develop statistical models for improving drought forecasts etc. One operational center will be established in each province. The main responsibilities of these centers would be:

- To collect data from the network stations in its region.
- To co-ordinate with the voluntary agencies operating the network and help them in running the stations smoothly.
- To store and process the data and transmit it to the National Centers in the desired format.

103. **Relief Measures for Sindh and Balochistan:** In addition to substantial immediate measures, development schemes have been initiated in numerous sectors to reduce the effects of drought. To supplement the efforts of provincial government the federal government so far has provided Rs 915 million to Balochistan and Rs 900 million to Sindh. The major sectors being targeted are: (a) water supply; (b) irrigation; (c) electrification; (d) communication and works; (f) health; (g) social welfare and (h) forests and wildlife.

104. **Balochistan:** As an immediate measure a relief package of Rs 245 million were allocated for first ten weeks which were utilized for providing food items, health care, water supply, feed for livestock and their vaccination, shelters and transport etc. The Medium, Long term relief measure and future measures are given in Table 17 to 19.

Table 17. Medium term relief measures for Balochistan

Sector	Project	Cost (Rs. million)
Livestock	Expansion of veterinary facilities	30.200
Irrigation sector	i) Construction of dams (12 dams) ii) Installation of windmills (250 wind mills) iii) Extension and improvement of karazes (100)	316.650
Water supply	i) Development of tube-wells ii) Low cost water supply schemes	92.845
Forest	Development of range lands/ revival of state forests	139.870
Roads	Construction of roads in severely drought affected districts	145.647
Agriculture	i) Distribution of 4000 metric tons of wheat seed ii) Soft loan to farmers for electricity bills	47.930
Sub-total:		773.142

Source: Cabinet Division

Table 18. Long term relief measures for Balochistan

Projects	Cost (Rs million)
Distribution of centrifugal & water lift pumps	079.000
Implementation of irrigation efficiency systems	265.800
Establishment of agro- based cottage industry	070.000
Ballor- Abdul Wahab Myrgha Faqirzai storage dams and Bunab delay action dam	098.000
Restoration of Flood damages to Saroona Irrigation Schemes	004.000
Improvement of existing tube wells	203.000
Community Land development	816.400
Camping ground & water stock points development	050.000
Sub-total	1586.200
Total:	2359.342

Source: Cabinet Division

Table 19. Future measures for Balochistan

Sector	Estimated cost (Rs. in Million)
Irrigation & Power Department	2483.090
Public Health Engineering Department	339.296
Agriculture Department	325.000
Forest and Wild Life Department	90.450
Livestock & Development Department	106.000
Communication and Works Department	950.468
Health Department	15.000
Total:	4309.304

Source: Cabinet Division

105. **Sindh:** The provincial government allocated Rs 165 million for immediate relief measures and immediate relief measures concentrated on provision of food items, including cooked food from 'Lunger' medical care, feed and vaccination of animal, water supply, shelters and transportation. Overall financial implication of short term measures to include provision of food items, free fodder to livestock and health care comes to Rs 2,800 million. Details of their medium term and future measures are given in Table 20 and 21.

Table 20. Medium term measures for Sindh (On-going Projects)

Project	Cost (Rs million)
Construction of Roads	369.250
Piped Water Supply Schemes	295.673
Electricity	122.638
Development Schemes of D.C., Dadu	85.993
Mithi-Islam kot Road (Remaining Portion)	60.000
Total:	973.562

Source: Cabinet Division

Table 21. Future measures for Sindh

Project	Cost (Rs million)
SAZDA	5272.110
Road sector	214.000
Public Health Engineering	7.830
Health Sector	133.963
D. C., Dadu	87.766
Education Department	79.000
Social Welfare	459.000
Agriculture & Livestock	686.813
Total:	7027.782

Source: Cabinet Division

Commitment No. 6 We will Promote optimal allocation and use of public and private investments to foster human resources, sustainable food, agriculture, fisheries and forestry systems and rural development, in high and low potential areas.

I. Public and Private Investment

106. Public sector is responsible for development of agricultural infrastructure and provision of other support services besides expenditure on irrigation works drainage reclamation, flood protection and water management. The financial allocation to agriculture in the Public Sector Development Programme (PSDP) has been steadily increasing since 2002. In 2002-03, only Rs 904 million were allocated to agriculture sector which gradually increased to Rs 2.804 billion in 2003-04, to Rs 7.289 billion in 2004-05 and to Rs 11.4 billion for 2006-07 financial year.

107. **Agriculture Investment Policy:** Highlights of Agriculture Sector in Investment Policy are as follows:

- ◆ 60% foreign equity allowed
- ◆ Minimum investment US\$0.3 million
- ◆ Equal treatment to foreign & domestic investment
- ◆ No Government sanction required
- ◆ Remittance of royalty, technical & franchise fee; capital, profits, dividends allowed
- ◆ Foreign investment fully protected:
 - Foreign Private Investment (Promotion & Protection) Act, 1976
 - Protection of Economic Reforms Act, 1992
- ◆ Investors Facilitation & Full support - BOI
- ◆ Bilateral Investment Treaties: 47 countries
- ◆ Avoidance of Double Taxation: 52 countries
- ◆ Investors are making regular profits ranges from 20 to 60%

108. **Budget Allocations for Agriculture During 2006-07:** Recent developments in agriculture sector in budget for 2006-07 are summarized below:

- A program of Rs 7.8 billion is being introduced to increase the income of the farmers in 13,000 villages. The program will start from 1,000 villages and create jobs in rural areas.
- A public-private partnership in dairy development with Rs 3.6 billion has been launched. This company will set up 1200 Model Dairy Farms and will establish 2,950 farms of raising livestock. This project will enhance rural incomes.
- Drip irrigation and sprinklers technology are being introduced in agriculture with Rs 15 billion.
- Rupees 6 billion will be spent for lining of 15,000 canals. As a result, the loss of canal water will be reduced by 25 percent.
- Rupees 5.5 billion will be spent on katchi canal. The government is constructing Katchi Canal with Rs 22.0 billion in Balochistan.
- Rupees 10.0 billion is allocated for the initial work on big dams.
- To enhance the agricultural productivity the government is launching National Agricultural Research Program with Rs 2.5 billion.

109. **Incentives:** Government provides incentives to private sector to encourage investment. Incentives provided for the current financial are:

Custom Duties (SRO 575(I)/2006 at 5 June, 2006):

- a) No custom duty on dairy and livestock equipments
- b) 5% custom duty on packaging material of dairy products
- c) No custom duty on machinery of agriculture, horticulture and floriculture
- d) No custom duty on machinery for promoting fisheries
- e) No custom duty on new and used agriculture tractors in CBU conditions
- f) No sales tax on production of dairy products, dairy and livestock equipments

110. **Policy for Corporate Agriculture Farming (CAF):** Government recently has decided to invite investment for corporate farming to promote high tech environment in agriculture production system. Following incentives are given for this purpose:

Table 22. Incentives to attract foreign investment for CAF

Conditions	Policy Incentives
Foreign Equity	60%
Minimum Investment	US\$ 0.30 million
Repatriation	Remittances of capital, profit and dividends are allowed
Credit Facilities	Credit available for CAF
Land Holdings	No Maximum Limit State Land leaseable for 50 Years & extendable for further 49 years
Custom Duty	Zero rated (SRO: 575(1)/2006)
Tax Relief	50% cost of Plant, Machinery & Equipment (PME)
Dividends	CAF Dividends not subject to Tax

Source: Ministry of Privatization (Board of Investment)

111. **Foreign Direct Investment:** A total of US\$ 257 million foreign direct investment has been made in agriculture sector for the last ten years. The details are depicted in Table 23.

Table 23. Foreign direct investment made in agriculture sector during last 10 years

Economic Group	Foreign Direct Investment (US \$ million)									
	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06 (July-Apr)
Food Beverages Tobacco	51.5	19.1	7.4	49.9	45.1	(5.1)	7.0	4.5	22.9	54.3

Source: Ministry of Privatization (Board of Investment)

112. **Investment Opportunities:** A vast opportunities exist for investment in agriculture. Some of the areas are given below:

- Off-season vegetables production, dehydration, processing & packaging
- Fruit juices, jams, squashes, syrup, fruit based drinks
- Dairy (UHT Milk, butter, milk, ice cream)
- Fish and poultry meat, processed beef
- Greenhouse facilities
- Cold chains
- Storage facility for fruits and vegetables
- Refrigerated transportation system

113. **Intersectoral Development:** Some of the account of inter-sectoral development is given below:

(i) **Economic Development:** On the basis of agriculture companies operating in Pakistan, there is a very positive result of employment generation, economic growth and development of agri-products.

(ii) **Fisheries:** Fish harbour is being developed at Karachi. To improve fisheries sector, number of initiatives are being taken inter alia include construction of coastal highways, strengthening of extension services, introduction of new fishing methodologies, development of value added products, enhancement of per capita consumption of fish, upgradation of socio-economic conditions of the fishermen's community, etc.

(iii) **Forestry:** Forestry sector plays an important role in soil conservation, regulates flow of water for irrigation and power generation, reduction of sedimentation in water conveyances and reservoirs, employment and maintenance of ecological balance. Under Millennium Development Goals of Forestry sector, Pakistan is committed to increase forest cover from existing 5 percent to 5.7 percent by year 2011 to 6 percent by year 2015. This implies bringing on additional 1.051 million hectares land area under forest.

(iv) **Infrastructure:** A strong, efficient and affordable infrastructure is a critical element of good investment climate and, therefore, is a pre-condition to sustain the growth momentum. Transport and Communications are important elements of infrastructure services and are essential in maintaining growth and competitiveness. Transport and communication sector in Pakistan account for about 11 percent of GDP, 16 percent of fixed investment, 6 percent of employment about 15 percent of the Public Sector Development Programme.

II. Human Resource Development

114. **Share of national budget allocated for human resource development indicating its impact in terms of primary and secondary school and higher education development:** Government is giving highest priority and budget allocation for the promotion of education. New schools have been built and existing ones are upgraded. There are 157 thousand primary schools, 30 thousand middle schools and 16 thousand high schools present in the country. Over last six years, primary, middle and high schools increased by 6.3 %, 19.4 % and 12.2 %, respectively. Similarly, enrollment increased at primary, middle and secondary school level (see Table 24).

Table 24. Enrollment and number of teachers in primary, middle and high schools

Year	Enrollment		
	Primary	Middle	High
2003-04	19781000	4321000	1800000
2004-05	21333000	4551000	1880000

Year	Teachers		
	Primary	Middle	High
2003-04	432500	239400	276916
2004-05	450100	246700	282113

Source: Ministry of Education

115. The budget for human resource development increased exponentially during the last five years (Table 25). The total number of public and private institutions at primary level is 157,157, at

middle level is 30,418 and at high school is 16,590 in the financial year 2004-05. It is encouraging to note that enrollment of girls increased more than boys over the last 5 years.

Table 25. Number and budget allocation for primary, middle and high schools

Year	Number of schools			Budget (Rs million)
	Primary	Middle	High	
2000-01	147,736	25,472	14,786	75,887
2001-02	149,085	26,790	15,051	78,873
2002-03	150,800	27,734	15,051	89,769
2003-04	154,970	28,718	16,100	120,488
2004-05	157,157	30,418	16,590	139,307

Source: Ministry of Education

116. In formal system of education a technical stream at Secondary Level has been introduced. This covers a wide range of technologies such as agriculture, food technology, fishery, etc enabling the secondary school graduates to join job market for earning livelihood if they find little opportunity for further education. The National Curriculum has been made competitive and compatible for promoting technologies. All these programs are helping to achieve sustainable development in the country. The development programs and projects in primary education already initiated being implemented are as under:

i. Education Sector Reforms (ESR): Main thrust of ESR focuses on:

- Comprehensive Literacy and Poverty Reduction Program.
- Rehabilitate / up-grade physical facilities in existing primary schools.
- Improve quality of Education through Teacher Education and Training.
- Enactment and enforcement of Compulsory Primary Education.

ii. Social Action Program (SAP): Main focus of it was on Basic Education.

- Access (special focus on female education)
- Quality (School Effectiveness)
- Gender Equality and Equity
- Community participation

iii. Primary Education Development Project (donor assisted):

- Girls Primary Education Project.
- Sindh Primary Education Project.
- NWFP Primary Education Project.
- Balochistan Primary Education Project.
- Women Empowerment and Literacy Project.
- Northern Areas Education Project.
- Universalization of Primary Education (UPE) in selected districts of Pakistan (UNICEF sponsored) project.
- Female Education in selected districts of Pakistan with financial assistance of UNFPA.
- World Food Program Assistance to Girls Primary Education Project.
- NORAD Assisted NWFP Basic Education Improvement Project.

iv. **Institutional Reforms: Public/Private Partnership and Community Participation Programs through:**

- Restructuring and Strengthening of Education Foundation.
- Establishment of Village Education / School Management Committees and School Councils (making them legal entities).
- Devolution Plan for District based planning, management and monitoring.

Table 26. Indicators showing improvement in education front over last four years

Indicator	2001	2002	2003	2004	Source
Net primary enrolment rate, total (%)	66	67	67	80	NPA
Net primary enrolment rate, male (%)	82	83	70	85	
Net primary enrolment rate, female (%)	50	51	52	53	
Public expenditure on education as % of GDP	1.98	2.14	2.70	2.86	PPWing
Gender Parity Index for net enrolment ratio, primary	0.68	0.70	0.70	0.71	PPWing
Gender Parity Index for net enrolment ratio, secondary	0.65	1.50	0.70	0.72	PPWing
Gender Parity Index for gross enrolment ratio, tertiary	0.60	0.67	0.71	0.65	PPWing

Source: Ministry of Education

III. Share of National and Provincial budget-allocated to Agriculture and Fisheries and Food Security Programs

117. To address food insecurity, nutritional programmes costing Rs 700 million have been identified in the implementation plan of the MTFD, relevant to different sectors. An outline of these programmes containing brief description of project components, implementation agencies responsible and breakdown of year wise allocations have been prepared. This has been provided to the sponsoring agencies which are being pursued for project preparation and implementation of the programmes. This includes initiatives undertaken and resources allocated to promote technology development and its transfer for improved production. In addition, Ministry of Food and Agriculture has identified projects to improve household food security which include activities to reduce food losses, food processing, food preservation and storage and food production at household level.

Table 29. The financial allocation for different development programmes

Project	Rs (million)					Total
	2005-06	2006-07	2007-08	2008-09	2009-10	
Food quality control program	5	20	25	25	25	100
School feeding program	0	25	75	100	100	300
Food stamps for unprivileged	0	50	50	50	50	200
Household Food Security through enhancing food source preservation	5	10	10	15	10	50
Food diversification	0	10	14	16	10	50
Total:	10	115	174	206	195	700

Source: Ministry of Education

118. In Pakistan, public sector is responsible for building up of agricultural infrastructure and provision of other support services besides expenditure on irrigation works drainage reclamation, flood protection and water management. The financial allocation to agriculture, including fisheries and food security interventions, in the Public Sector Development Programme (PSDP) has increased during last five years from Rs 0.904 billion in 2002-03 to Rs 2.804 billion in 2003-04, to Rs 7.289 billion in 2004-05, to Rs 9.135 billion in 2005-06 and to Rs 11.800 billion in 2006-07.

119. **Initiatives undertaken and resources allocated to promote technology development and transfer for improved production:** The National Agricultural Research System (NARS) is

producing technologies for improvement of agriculture. Notwithstanding remarkable achievements on the food and agriculture front, several weaknesses persist in the system while future challenges are complex and daunting. Public sector investment in research system has increased considerably during last two years. The primary objective of agricultural research is to generate new knowledge and technologies for the enhancement of agricultural productivity, quality, competitiveness for export and conservation of the resource base. For effective utilization of the out put of research system, better linkages need to be developed among systems of research, education, extension and production. To transform agriculture sector from self-sufficiency to high value products, following measures are being taken:

- Research programs need to be reorganized and made demand driven. Resources allocation to high priority research areas first. A proper mix of adaptive and basic research is to be maintained to solve the emerging problems in crops, livestock, fisheries and forestry;
- High priority is accorded to the development of disease-resistant varieties of cotton by the relevant federal and provincial research institutions;
- Emphasis is laid on accelerating the development of high yielding, disease-resistant varieties of crops, especially cotton, sugarcane, wheat, rice, oilseeds, pulses, fruits and vegetables;
- Research on value added horticulture products with the aim to promote exports.
- Integrated disease and pest management programs are initiated to meet the WTO requirements;
- Programs on Genetic Engineering and Biotechnology have been established and strengthened in selected institutions which have the capability for undertaking such activities;
- Research is undertaken on efficient harvest and post-harvest handling techniques of different crops/commodities;
- Special attention is given to optimize the use of irrigation water for different crops;
- Livestock research is strengthened in order to increase the production of milk, meat and other livestock products; and
- Coordination and linkages within the research and extension system are being strengthened.

120. Other interventions needed to improve transfer of technology are as follows:

(a) Emphasis on Public – Private Partnership: It is not possible to replace the work of public extension services with private companies and NGOs. However, it is encouraged to form a partnership between the public extension services and the work of participatory NGOs to bring about the most effective method for agricultural development at all levels of society and to maximize coverage to the beneficiaries.

(b) Role of Electronic Media. The electronic media has emerged as a very strong instrument in transfer of new technologies. Future focus is more on increasing the number of telecast hours per week for technology dissemination programmes. Later on, a full time Agricultural T.V. Channel can will be introduced to substantiate the efforts of the Research and Extension System in transfer of technologies to the farming community.

(c) Participatory Approach: Community participatory approach for group extension has been a better method to reach farmers, deliver extension message and

involve them in the planning, implementation, monitoring and evaluation of various activities that affect their lives directly. The approach generally works better at micro level. Hence, there is a need to establish Farmers Organizations (FOs) at village level for effective community participation.

(d) **Improving Institutional Linkages:** Links between agricultural research institutes and their clients – farmers and extension agencies – are vital for successful technology development and delivery. Lack of proper linkages between the stakeholders not only reduce efficiency but also impairs the performance and diminish the impact of agricultural research. Therefore, efforts are underway to promote effective delivery of technology to the doorstep of resource poor farmers.

IV. Strategies for Sustainable Watershed Management and Associated Investment

121. The Watershed Management programmes in Pakistan were initiated during 1956. The field gained momentum and importance by signing Indus Water Treaty with India during 1960 wherein construction of major reservoirs Mangla and Tarbela was to be undertaken. Since that time different watershed management programmes were implemented to reduce soil erosion and increase vegetation cover. The increase in vegetation cover is quite visible in most of the watershed management areas to check soil erosion. In addition to this engineering structures obstructions were also built to reduce soil losses. The desired impacts could not be achieved due to increasing population and grazing pressure in the treated areas. The government is also implementing Mountain Areas Conservancy Programmes and Wet Land Management Project with the aim of increasing vegetation cover and reduce water losses. The main objective of such projects was to integrate watershed management practices to sustain management of natural resources through community participation and implementation of locals to management natural resources.

V. Measures taken to control deforestation and to enhance national forest cover

122. The goal of Environment Ministry at federal level is to foster sustainable development of renewable natural resources of the country for the maintenance and rehabilitation of farm-lands and enhance the livelihood of all the groups in the area. The implementation of afforestation programme on farmers' land and incentives provided to plant trees resulted in the increase of per hectare number of trees from 21 to 26 during the last 10 years. At present about 554 million trees are standing on farm lands equivalent to 0.781 million hectares of compact plantations. At present, the annual timber consumption in the country is about 12 million m³ whereas fuel wood consumption amounts to 32 m³. Out of total 44 million m³ demanded quantum of wood only 14 million m³ are available in the form of annual growth from existing tree resources including forests and waste lands. Thus a shortage to the tune of 29 m³ wood is presently faced by the country.

123. Taking immediate notice of shortfall in supply and demand of wood, the government of Pakistan formulated National Forest Policy in 2005 to focus on renewable natural resources (RNR), eliminate fundamental causes of RNR, increase participation of stakeholders to emphasize the need for sustainable development of natural resources and provide guide lines to provincial government and territories for the effective management of RNR. These policy measures were directed towards amelioration of socio-economic causes leading to reduction of natural resources. Measures promoting transparency and governance, renovation and immigration of RNR institutions support local government to achieve sustainable development of their RNR, mitigate fragile eco-system and preserve forest areas throughout the country were emphasized. The effective management of

wildlife, range lands, desert ecosystem, plantations of farm lands and strengthening of forestry research and education are the main components of the forest policy measures.

124. The provincial forest departments were asked to formulate their respective strategies to achieve the targets set in the National Forest Policy, 2005. Accordingly, the forest departments planned regeneration of degraded forest lands and afforestation of available blank areas. The provincial governments also sought involvement of local population civic organizations and develop partnership with private sector to develop other areas. The major thrust of forest departments remained on farm lands to increase tree cover because of limited land resources. The Government of Pakistan reduced by imposing ban on falling of green trees to control deforestation and simultaneously increase afforestation rate of different fast growing species of locals and exotic origin under community based projects to check the increasing gap between supply and demand of wood and wood products at local and national levels.

Commitment No.7 We will Implement, Monitor and Follow-up this Plan of Action at all Levels in Cooperation of with the International Community.

I. Institutional Arrangements at National and Local levels to Implement the Plan of Action and monitor the progress of Implementation

125. Government of Pakistan is implementing the Plan of Action at all levels and monitoring its progress. No single ministry or organization is looking after this work, rather it is a collective Endeavour. Ministry of Food, Agriculture and Livestock is responsible for the production and availability of sufficient food at all times in all the corners of the country. In addition, this ministry is making efforts at village level to improve the economic condition of the farming community through initiating development programs for trickling down the fruits of overall economic development in the country. Planning and Development Division is responsible to maneuver the overall economic growth of the country. Ministry of Education, Ministry of Health are exerting to provided enabling environment and resources for improving literacy rate and health care facilities for all without any discrimination among different segments of population and geographical spread. Ministry of Social Welfare & Special Education and Religious Affairs are responsible for operation and improvement of safety nets for poorest of the poor.

126. Poverty reduction and improving productivity is a two pronged strategy for improving food security. Economic growth is an essential element for reducing poverty but not sufficient as it alone cannot tackle the problem of the extremely poor. Policy reform process initiated in early nineties is still going on. It is further strengthened through financial sector reform, investment policy reform and privatization, capital market development, trade liberalization and export growth and deregulation. Government is also trying to improve governance, ensuring enhanced allocation for social sectors and strengthening of social protection programs. This will have positive impact on poverty reduction.

127. For economic growth to be pro-poor, it must emanate from sectors that have high employment opportunities and cater for improved access to basic social services including education, health and water supply and sanitation. Economic growth is certainly the single most driving force behind poverty reduction, but, of course, it is not enough. The transfer of fruits of economic growth to the poor and vulnerable entails a well-designed social protection programme. The overall effort of poverty reduction policies of the Government has started paying dividends. Recent surveys done have shown that the poverty headcount ratio has fallen from 34.5 percent in 2001 to 23.9 percent in 2004-05. Poverty Gap between urban and rural poverty has also been narrowed down from 7.0 percent to 4.8 percent. The per capita income has also increased from US\$ 579 in 2003-04 to US\$ 847 in 2005-06.

128. The progress in other areas also supports this declining trend in poverty. Pakistan's Human Development Index (HDI) ranking has improved and is now included among the medium human development countries compared to the previously low human development index. Given the continuity and sustainability of policies, sustaining economic growth rate of 6-8 percent per annum in the medium to long term period, poverty may further decline as per planned programme.

129. Productivity enhancement at farm level was used as a parallel approach to help the rural masses. Food and Agriculture Organization (FAO) of the United Nations sponsored a Pilot Project on Food Security in Pakistan in 1998-99. This project was implemented by the Federal Ministry of

Food, Agriculture and Livestock in collaboration with provincial governments of the Punjab and NWFP. The main objectives of the project was to ensure food security and alleviate poverty through improving farm productivity and income of small farmers. The pilot project was then expanded on 109 villages in 15 districts of the four provinces and AJK in 2002-03 and terminated in June, 2006. The project was implemented through provincial and district Governments.

130. This project is now being further up-scaled to 1000 villages with effect from financial year 2006-07 at a cost of Rs 7.854 billion (US\$ 130 million) for five years. The project will cover 500,000 acres and 60,000 households (about 400,000 beneficiaries). During five years of the project, the project farmers will get additional income of Rs 14.0 billion (US\$ 230 million). Additional income of Rs 7.4 billion (US\$ 123 million) will be coming to project farmers every year due to increase in crop productivity after the termination of the project. In addition, more than 10,000 full time jobs will be created at village level which will fetch in an addition annual income of Rs 0.700 billion in the project villages. Income generation interventions will generate another Rs 1.6 billion for the farmers of the project area. In view of the large benefits to the project farmers in-terms of additional income and increasing productivity and its impact on reducing poverty and ensuring food security, the SPSF will further be up-scaled to 13,000 villages at a cost of Rs 130 billion (US\$ 2.17 billion) under a phased program within next 15 years (2014-15) by adding 3000 villages after every two years.

II. Food for All campaigns to mobilize stakeholders and their resources at all levels of society in the implementation of the WFS Plan of Action

131. Government believes that Food Security is “an effective access at all times by all people to food, sufficient for productive and healthy lives”. Government maintains an explicit policy for human development and ensuring minimum food consumption requirements for all. For this purpose, Government makes all arrangements covering food production and marketing it with the required consumption level of calories and proteins. This implies strong public policies to promote food security ranging from conducive, fiscal, commercial and pricing policies and incentives to promote local production and distribution. Government announced Economic Revival Package and incentive package for the farmers based on inclusive economic growth strategies, which looked holistically at macro-economic and social dimensions. This intervention was one of the efforts in providing an effective social net for the poorest of the poor.

132. Government is taking all possible steps not only to implement the World Food Summit - Plan of Action but also to make arrangements for providing a regular food supply in all corners of the country and to all segments of population to ensure food security. Food security system in Pakistan is jointly run by the Federal as well as the provincial governments. In the case of food production system, the provincial governments plan and launch production campaigns through the agriculture departments and extension services. At the time of harvest, wheat, the main staple food in Pakistan, is procured in large quantities of 4 to 6 million tones by the provincial food departments and by federal Government through PASSCO. During rest of the year, wheat releases are made to private sector and flour mills as and when necessary for reaching to the general public. The process includes storage for the entire year’s requirements and ensuring maintenance and adequate protection of stocks from ill effects of the infestation, rains and other damages. The go-downs of the food departments are spread at district level and have links at the lowest level for speedy provision of wheat to flour mills. This system ensures the compliance of food security commitments made by the government to the people and international community. In addition, Government is making all efforts to facilitate private sector to play a major role in wheat procurement, storage and sale to

flour mills. On this purpose incentives are provided to the private sector in shape of credit availability to private sector on the same terms and conditions on which public sector gets the credit for procurement of wheat.

Pakistan: Food Security and Related Indicators

Code	Indicator	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	SOURCE
	Food Deprivation and Child Malnutrition																	
1	Number of undernourished persons (millions) 1/		27.7					23.8					29.3					Economic Survey 2005-06, Page 55
2	Prevalence of undernourishment in total population (%) 1/		24					19					20					Economic Survey 2005-06, Page 55
3	Prevalence of underweight children (%)					40.1							41.5	37.4		38		Nat.Nutrition Survey 2001-02 page 20
3m	Prevalence of underweight children, male (%)												41.5					Nat.Nutrition Survey 2001-02 page 20
3f	Prevalence of underweight children, female (%)																	Nat.Nutrition Survey 2001-02 page 20
4	Prevalence of stunting (%)					36.3							40.4					Nat.Nutrition Survey 2001-02 page 20
5	Prevalence of wasting (%)					11.8							37	40		37		Nat.Nutrition Survey 2001-02 page 20
	Food Consumption and Diet Diversification												13	14.9		13		Nat.Nutrition Survey 2001-02 page 20
6	Dietary Energy Consumption (Kcal/person/day) 1/	2384	2310	2595	2629	2536	2522	2460	2445	2324	2416	2365	2260	2333	2381	2271	2328	Economic Survey 2005-06, Page 185
7	Share of non-starchy foods in total Dietary Energy Consumption (%) 1/		44					47					54	54		54		Economic Survey 2005-06, Page 55
	Economic Growth, Poverty and Employment																	Economic Survey 2005-06, Page 55
8a	GDP per capita growth (annual %)	1.8	2.4	5	-2.2	14.7	0.9	-3.8	-4	-7.3	0.6	-4.8	0.4	15.1	15.5	10.9	14.2	Economic Survey 2005-06, Page 55
8	GDP growth rate (annual %)	5.6	7.7	2.1	4.4	5.1	6.6	1.7	3.5	4.2	3.9	2	3.1	4.7	7.5	8.6	6.6	Economic Survey 2005-06, Page 55
9	Proportion of population below \$1 (1993 PPP) per day consumption	48	34	29						13			12					Economic Survey 2005-06, Page 55
10	Poverty headcount ratio at national poverty line, total (% of population)	26.1			26.8	28.7			29.8		30.6	34.5	34.4				23.9	Economic Survey 2005-06, Page 55
10r	Poverty headcount ratio at national poverty line, total rural (% of population)	25.2			24.6	25.4			33.1	34.7	36	39.26					28.1	Economic Survey 2005-06, Page 55
10u	Poverty headcount ratio at national poverty line, total urban (% of population)	26.6			28.3	26.9			22.6	20.9	24		22.7				14.9	Economic Survey 2005-06, Page 55
11	Poorest quintiles share in national income or consumption (%)	5.2	5.7		6.2	6.5	5.4	6.1	7	6.1	6.2	5	10.1	7.5	6.3	7.7	9.5	Economic Survey 2005-06, Page 56
12	Unemployment rate (%)	6.3	6.3	5.9	4.7	4.8	5.37	5.37	6.12	5.89	5.89	7.82	7.82	7.82	8.3	7.7	7.7	Economic Survey 2005-06, Page 106
12m	Unemployment rate male (%)	4.5	4.5	4.3	3.8	3.9	4.1	4.1	4.2	4.2	4.2	6.1	6.1	6.7	6.6	6.6	6.6	Economic Survey 2005-06, Page 106
12f	Unemployment rate female (%)	16.8	16.8	14.2	10.3	10.3	13.7	13.7	16.6	15	15	17.3	17.3	16.5	12.8	12.8	12.8	Economic Survey 2005-06, Page 106
13	Total debt service (% of GNI)	4.6	4.2	4.7	4.6	6.6	5.3	5.2	10.7	11.7	9.8	8.3	10	6.2	5.3	4.6	3.4	Economic Survey 2005-06, Page 147
	Education and Gender Equality																	
14	Net primary enrolment ratio, total (%) 2/												66	67	67	80	86	Economic Survey 2005-06, Page 163
14m	Net primary enrolment ratio, total male (%) 2/						61*						82	83	70	85	94	Economic Survey 2005-06, Page 163
14f	Net primary enrolment ratio, total female (%) 2/						46*						50	51	52	53	77	Economic Survey 2005-06, Page 163
15	Public expenditure on education as % of GDP 2/		2.2	2.2	2.2	2.4	2.4	2.62a	2.34a	2.4a	1.7a	1.6a	1.98	2.14	2.7	2.86	2.1	Economic Survey 2005-06, Page 169

*Pakistan Integrated Household survey

1996-97, page 28

/ Economic Survey 2002-03 page 165

a Economic survey 2002-03 page 167

b Economic Survey 2002-03 page 188

