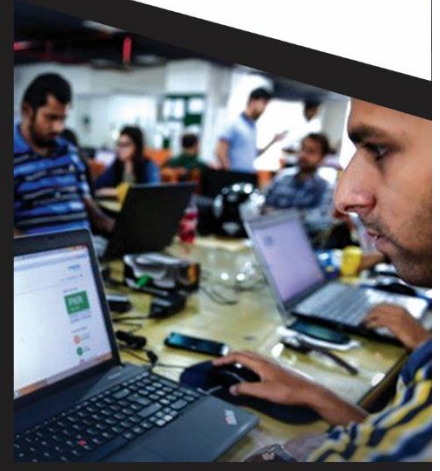
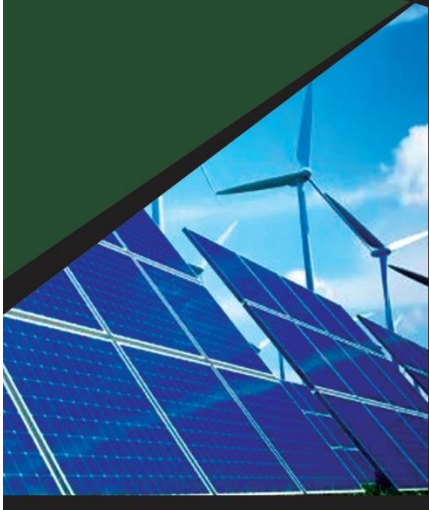




Ministry of  
**Planning  
Development &  
Special Initiatives**



# ANNUAL PLAN **2023-24**

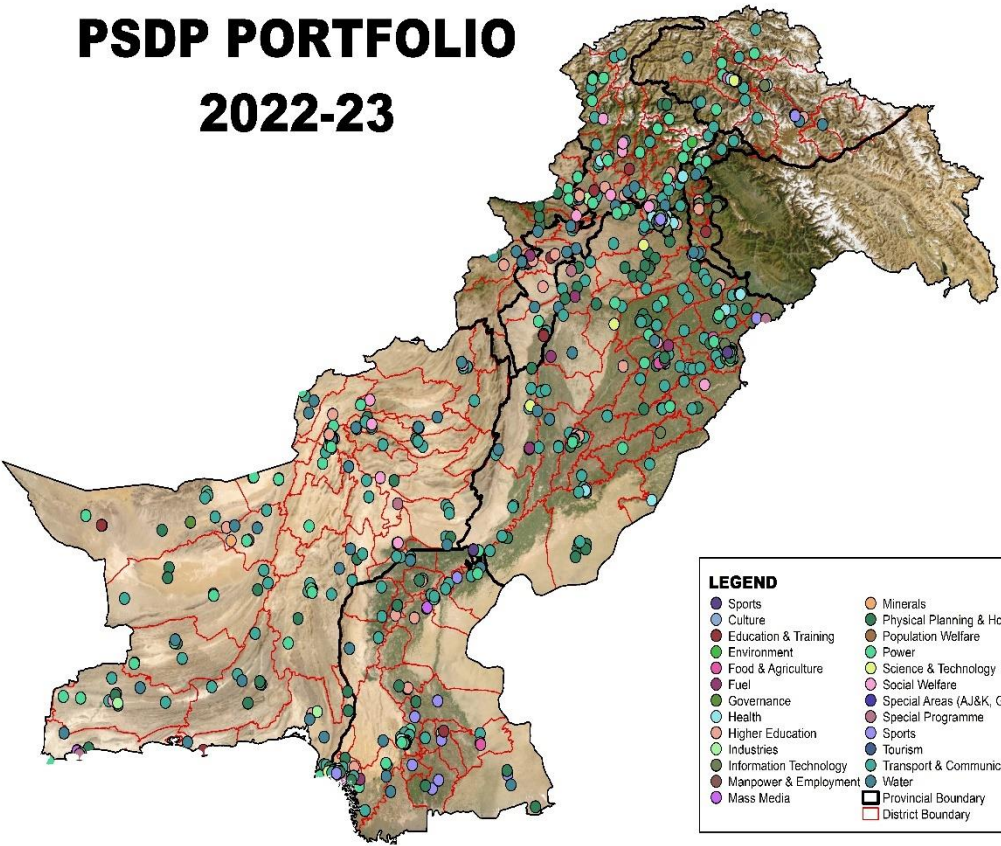


# ANNUAL PLAN

## 2023-24



# PSDP PORTFOLIO 2022-23





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# FOREWORD

The current Government inherited, an economy in April 2022, which was facing tremendous macroeconomic imbalances on both domestic & external sides: the economy was loaded with historic high levels of public debt, trade deficit, mounting twin deficits & supply-side disruptions due to global factors including geo-political tensions. Economic growth of 6.1% achieved, in 2022-23, was primarily consumption-led, which triggered the national import bill to cross an untenable level of US\$ 84 Billion.

Consequently, foreign exchange reserves were depleting, domestic currency was depreciating at an alarming pace, supply-chain disruptions were glaring due to floods 2022; and the Russia-Ukraine conflict had further pushed the economy into stagflation.

To tackle these challenges of unusual nature, The current Government opted the policy of import compression to avert the sovereign default, besides several rigorous measures to keep the IMF programme on track. Owing to these factors, economic activity contracted during 2022-23 and an economic growth of 0.3% has been recorded with sectoral contributions of 1.5% from Agriculture, -2.9% Industry and 0.9% Services. This growth rate, though very low as compared to our true potential nonetheless, demonstrates resilience of the people & economy of Pakistan.

In this backdrop, the Annual Plan 2023-24 focuses on resolving these issues besides removing the constraints to economic growth. We look forward to putting the economy back on growth trajectory during the next year with GDP growth target of 3.5% derived from strong sectoral performance, i.e., 3.5% Agriculture, 3.4% Industry and 3.6% Services.

The growth prospects are positive for the next fiscal year with the revival of economic activity to pre-floods 2022 level, improved political stability after General Elections 2023, expected fall in global commodity prices, improved energy supplies, and better business & investment environment.

The Federal Public Sector Development Programme (PSDP) 2023-24 has once again been brought to Rs 1150 Billion, i.e., the level we achieved in 2018. Moreover, we have devised a 5Es Framework to turnaround Pakistan and most of its initiatives are well aligned with the Public Sector Development Programme (PSDP) 2023-24. Moreover, the China-Pakistan Economic Corridor (CPEC) has been revived after an inactivity during the previous regime. CPEC has the potential to further augment GDP growth and transform Pakistan into a regional economic hub.

In such restrained fiscal circumstances, this development outlay reflects the Government's resolve regarding its development agenda of reviving economic growth & creating job opportunities for the youth. Furthermore, the Government intends the private sector to be the main engine of growth for the economy. It recognizes that for

complementing private sector efforts, it is essential that Government steps in as an enabler to remove the bottlenecks that impede private sector investment & growth.

At the end, I would like to appreciate the efforts, professionalism, and hard work of the Secretary, Ministry of Planning, Development & Special Initiatives and his team for preparing a very objective & growth-oriented Annual Plan 2023-24.

**Prof. Ahsan Iqbal**  
Federal Minister for Planning,  
Development & special Initiatives/  
Deputy Chairman Planning Commission

Islamabad, the 6<sup>th</sup> June, 2023

# REVIEW COMMITTEE

1.	<b>Dr. Nadeem Javaid</b> Chief Economist (in Chair)	<b>Chairman</b>
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<b>Technical Team</b>		
	<b>Mr. Muhammad Raheel</b> Computer Operator (IT Wing)	
	<b>Mr. Muhammad Shahzib</b> Computer Operator (Dev. Comm.)	



## ABBREVIATIONS & ACRONYMS

3-D	Three-dimensional
4RF	Resilient Recovery, Rehabilitation & Reconstruction Framework of Pakistan
5Es	1) Export-Enterprises & Employment. 2) E-Pakistan-Empowering Youth. 3) Environment-Water and Food Security. 4) Energy-Affordable and Efficient. 5) Equity-Education, Health and Population
ADB	Asian Development Bank
ADP	Annual Development Programme
AIS	Accelerated Implementation Strategy
AIP	Accelerated Implementation Programme
AJK	Azad Jammu & Kashmir
APCC	Annual Plan Coordination Committee
APCEA	All-Pakistan Chinese Enterprises Association
ARE	Alternate and Renewable Energy
ASRA	Agriculture Sector Risk Assessment
B2B	Business-to-Business
B2C	Business-to-Consumer
BISP	Benazir Income Support Programme
BoP	Balance of Payments
BPO	Business Process Outsourcing
BQIP	Bin Qasim Industrial Park
C2C	Consumer-to-Consumer
CAD	Current Account Deficit
CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
CBC	Complete Blood Count
CBD	Cannabidiol (is a compound found in marijuana)
CBG	Continuous Blood Glucose
CBN	Cost of Basic Needs
CCA	Culturable Command Area
CCI	Council of Common Interests
CCIIP	China Council For International Investment Promotion
CCP	Competition Commission of Pakistan
CDWP	Central Development Working Party
CFY	Current Fiscal year
CLICK	Competitive and Livable City of Karachi
CMI	Census of Manufacturing Industries
CNC	Computer Numerical Control
COMSATS	The Commission on Science and Technology for Sustainable Development in the South

COVID-19	Corona Virus Disease of 2019
CPEC	China-Pakistan Economic Corridor
CPI	Consumer Price Index
CRBC	Chashma Right Bank Canal
CSA	Climate-Smart Agriculture
CSO	Civil Society Organizations
CTD	Counter Terrorism Departments
Cusec	Cubic feet per second.
DISCOs	Distribution companies
DOAM	Department of Archaeology & Museums
DPP	Department of Plant Protection
DWSSs	Drinking Water Supply Schemes
ECC	Economic Coordination Committee
ECD	Early Childhood Development
ECE	Early Childhood Education
ECNEC	Executive Committee of the National Economic Council
EPI	Expanded Programme on Immunisation
ERRA	Earthquake Reconstruction and Rehabilitation Authority
FATA	Federally Administered Tribal Areas (Erstwhile)
FBR	Federal Board of Revenue
FCT	Food Composition Table
FDI	Foreign Direct Investment
FERs	Foreign Exchange Reserves
FFC	Federal Flood Commission
FOB	Free on Board
FP	Family Planning
FPI	Foreign portfolio investment
FPSP	Flood Protection Sector Project
FTF	Federal Task Force
FY	Fiscal year
G2G	Government-To-Government
GAP	Global Action Plan
GARL	Geoscience Advance Research Laboratories
GB	Gilgit Baltistan
GCF	Green Climate Fund
GDP	Gross Domestic Product
GER	Gross Enrolment Rate
GIZ	Deutsche Gesellschaft fur International Zusammenarbeit
GLLSP	Gwadar Lasbella Livelihood Support Project
GNP	Gross National Product
GoB	Government of Balochistan
GPEI	Global Polio Eradication Initiative
GPI	Gender Parity Index
GPP	Governance & Policy Project

GSP	Geological Survey of Pakistan
HDI	Human Development Index
HEC	Higher Education Commission
HEI	Higher Education Institutes
HIES	Household Integrated Economic Survey
HIV	Human Immunodeficiency Virus
HRD	Human Resource Development
HRH	Human Resource for Health
IBC	Indicative Budget Ceiling
IBIS	Indus Basin Irrigation System
ICT	Information and Communication Technology
ICT	Islamabad Capital Territory
IEC	Information, Education and Communication
IFA	Individual Financial Assistance
IFL	Interest Free Loan
IGCEP	Indicative Generation Capacity Expansion Plan
IGTPs	Integrated Textile and Garment Parks
IMB	Independent Monitoring Board
IMF	International Monetary Fund
IMR	Infant Mortality Rate
ITeS	Information Technology Enabled Services
IWMI	International Water Management Institute
IWRM	Integrated Water Resources Management
JCC	Joint Cooperation Committee
JWG	Joint Working Group
KDI	Korean Development Institute
KPK	Khyber Pakhtunkhwa
KTDMC	Karachi Tools Dies & Moulds Centre
KTP	Karachi Transformation Plan
KV	KILOVOLT
LG&RD	Local Government & Rural Development
LNG	Liquefied Natural Gas
LOI	Letter of Intent
LPG	Liquefied Petroleum Gas
LSM	Large-Scale Manufacturing
M2	Money Supply
MAF	Million Acre Foot
MAF	Million Acre Feet
MGD	Million Gallon Per Day
MMCFD	Million Standard Cubic Feet per Day
MoIPC	Ministry of Inter-Provincial Coordination
MoPD&SI	Ministry of Planning, Development and Special Initiatives
MoU	Memorandum of Understanding
MOWR	Ministry of Water Resources

MPMG	Mera Pakistan Mera Ghar
NAC	National Accounts Committee
NAPHDA	Naya Pakistan Housing and Development Authority
NAVTTTC	National Vocational and Technical Training Commission
NCC	Naphtha Cracker Complex
NDA	Net Domestic Assets
NDC	Nationally Determined Contribution
NEC	National Economic Council
NED	Nadirshaw Edulji Dinshaw
NEECA	National Energy Efficiency and Conservation Authority
NEPRA	National Electric Power Regulatory Authority
NER	Net Enrolment Rate
NFIS	National Financial Inclusion Strategy
NFPP	National Flood Protection Plan
NFY	Next Financial Year
NGOs	Non-Governmental Organizations
NHA	National Highway Authority
NHSP	National Health Support Plan
NHSR&C	Ministry of National Health Services, Regulations and Coordination
NICs	National Incubation Centre
NMD	Newly Merged Districts
NPMP	National Productivity Master Plan
NPMV	Non-Project Missed Volume
NSPAIT	National Strategic Programme for Acquisition of Industrial Technology
NTDC	National Transmission & Dispatch Company
NTP	National Transport Policy
NYDF	National Youth Development Framework
OGRA	Oil and Gas Regulatory Authority
OOSC	Out of School Children
P3A	Public Private Partnership Authority
PAO	Principal Accounting Officer
PASS	Poverty Alleviation and Social Safety
PBC	Pakistan Broadcasting Corporation
PBM	Pakistan Bait ul Mal
PBS	Pakistan Bureau of Statistics
PCFMS	Planning Commission Forms Management System
PCRWR	Pakistan Council of Research in Water Resources
PCSIR	Pakistan Council of Scientific and Industrial Research
PDGN	Pakistan Dietary Guidelines for Better Nutrition
PDL	Petroleum Development Levy
PDNA	Post-Disaster Needs Assessment
PE	Price Effect
PEFA	Public Expenditure & Financial Accountability
PEMRA	Pakistan Electronic Media Regulatory Authority



PETCORE	Pakistan Petroleum Corehouse
PFM	Public Financial Management
PIK	Potsdam Institute for Climate Impact Research
PLAN	Pollution Load Assessment Network
PLEC	Peshawar Light Engineering Centre
PMAS	Pir Mehr Ali Shah
PMNS	Pakistan Multi-Sectoral Nutrition Strategy
PMT	Proxy Means Test
PNCA	Pakistan National Council of Arts
POs	Partner Organizations
PPAF	Pakistan Poverty Alleviation Fund
PPIB	Private Power and Infrastructure Board
PPPs	Public Private Partnerships
PRI	Pakistan Remittance Initiative
PRIDE	Punjab Resource Improvement and Digital Effectiveness
PRMI	Pakistan Regulatory Modernization Initiative
PSDP	Public Sector Development Programme
PSEs	Public Sector Enterprises
PSF	Pakistan Science Foundation
PSLM	Pakistan Social and Living Standards Measurement Survey
PSM	Pakistan Steel Mills
PSPA	Punjab Social Protection Authority
PSQCA	Pakistan Standards and Quality Control Authority
PSW	Pakistan Single Window
PTA	Pakistan Telecommunication Authority
PTVC	Pakistan Television Corporation
PWDs	Population Welfare Departments
PWDs	Persons With Disabilities
QAA	Quality Assurance Agency
QE	Quantity Effect
QS	Quacquarelli Symonds
R&D	Research and Development
RBOD	Right Bank Out-fall Drain
REER	Real Effective Exchange Rate
RLNG	Regasified Liquid Natural Gas
RTC	Round Table Conference
S&TR	Science and Technological Research
SBP	State Bank of Pakistan
SCDS	Support Centre For Dental and Surgical Equipment
SDGs	Sustainable Development Goals
SDGSUs	Sustainable Development Goals Support Units
SECP	Securities and Exchange Commission of Pakistan
SEZ	Special Economic Zones
SIDCL	Sindh Infrastructure Development Co. Ltd.

SME	Small and Medium-Sized Enterprises
SMEDA	Small & Medium Enterprises Development Authority
SMEs	Small and Medium Enterprises
SNGPL	Sui Northern Gas Company Limited
SNP	Sustainable National Productivity
SPRU	Social Protection Reform Unit
SROs	Statutory Regulatory Orders
SSGCL	Sui Southern Gas Company Limited
STEM	Science, Technology, Engineering and Mathematics
STFP	Strategic Trade Policy Framework
STP	Spanning Tree Protocol
STPF	Strategic Trade Policy Framework
SWAT	Sindh Water and Agriculture Transformation Plan
TBT	Technical Barriers to Trade
TBTTP	Ten Billion Trees Tsunami Programme
TDL	Total Debt and Liabilities
TDPs	Temporarily Dislocated Persons
TDS	Tariff Differential Subsidy
THC	Tetrahydrocannabinol (a major psychoactive component and one of the 113 cannabinoids recognized in cannabis)
ToRs	Terms of Reference
TYDP	Ten Year Development Plan
UCT	Unconditional Cash Transfer
UET	University of Engineering and Technology
UHC	Universal Health Coverage
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
US\$	United States Dollar
WAA	Water Apportionment Accord
WAPDA	Water and Power Development Authority
WASH	Water, Sanitation and Hygiene
WeT	Waseela-e-Taleem
WTO	World Trade Organization
YES	Prime Minister's Youth Entrepreneurship Scheme

# EXECUTIVE SUMMARY

## Macroeconomic Framework

Fiscal year 2022-23 witnessed a challenging economic environment in which the economy experienced a slowdown due to devastating floods, external sector vulnerabilities, high interest rates, contraction in large scale manufacturing, modest export growth & revenue shortfalls.

Real GDP recorded a marginal growth of 0.3% during 2022-23 against the target of 5%. Agriculture sector grew by 1.5%, Industrial sector contracted by 2.9% and Services sector grew paltry by 0.9% against respective growth targets of 3.9%, 5.9% and 5.1%. Per capita income increased from Rs. 313,337 to Rs. 388,755 per annum in nominal terms.

High interest rates resulted in decline in investment-to-GDP ratio from 15.7% to 13.6% with decrease in both public and private investment-to-GDP ratios. National savings increased from 11.1% of GDP to 12.5% mainly because of lower availability of foreign savings due to massive improvement in the current account deficit.

Fiscal year 2023-24 is challenging and the revival of growth will depend on political & macroeconomic stability, external account improvement, supportive monetary and fiscal policies and expected fall in global oil and commodity prices. Overall economic growth for 2023-24 is projected at 3.5% with expected contribution by agriculture sector (3.5%), Industrial sector (3.4%) and Services sector (3.6%).

## Balance of Payments

Current Account Deficit (CAD) declined by 76% during 10 months of fiscal year (MFY23). On external front decline of 13% export and 23% import is recorded during the ten MFY23. Trade deficit declined around 30% during the period under consideration on the back of high import compression. Services balance improved by 91.4% on account of 39.7% decline in services imports. Remittances also declined by 13% during ten MFY23. Net inflows of FDI and PFI also remained negative. Gross official reserve plunge from US\$ 11,937 Million to US\$ 5,674 Million during the last ten months of FY23.

## Fiscal, Monetary & Capital Market Development

During July-April 2022-23, fiscal deficit as percentage of GDP was recorded at 3.6% as compared to 3.9% during the same period of last year. In absolute terms, it increased from Rs. 2,565.6 Billion to Rs. 3,078.7 Billion. During 2023-24, fiscal deficit is expected to narrow on the back of fiscal consolidation measures with a focus on curtailing subsidies and energy sector's circular debt.

The State Bank of Pakistan (SBP) increased the policy rate from 13.75% to 21% during July-May FY23 to anchor inflation expectations and achieve the objective of price

stability to support sustainable growth in the future. During 2023-24, monetary policy stance will remain aligned with the objectives of growth revival & inflationary expectations.

Average CPI inflation (national) stood at 29.2% during July-May 2022-23 as compared to 11.3% during the same period of last year. On year-on-year (YoY) basis, CPI inflation in May 2023 accelerated to 38.0% from 13.8% in May 2022. With falling global inflation, domestic inflation is expected to gradually moderate next year, but would remain in high double digits owing to risks of supply-side constraints and spillover of recent currency depreciation episodes.

Pakistan Stock Exchange recorded an overall bearish trend during July-March 2022-23. The Securities & Exchange Commission of Pakistan (SECP) initiated several reforms for capital market development during 2022-23; and further reforms will be initiated next year for enhancing ease of doing business, technological innovation, curtailing market risks and for improvement of regulatory frameworks to boost investor confidence.

## **Public Sector Development Programme**

National Economic Council (NEC) on 6<sup>th</sup> June 2023 approved national development outlay of Rs. 2,709 Billion for 2023-24 against the revised outlay of Rs. 2385 Billion with 14 percent increase. The Federal PSDP 2023-24 has been set at Rs. 1150 Billion including Rs. 75 Billion foreign aid and Rs. 200 Billion for Public-Private-Partnership/Built-Operate-Transfer (PPP/BOT) as compared to last year's revised Rs. 787 Billion including foreign aid of Rs. 68 Billion and PPP/BOT provision of Rs. 73 Billion with over 46 percent increase.

The Federal Government has prepared the PSDP with focus on completion of on-going projects of important sectors supporting the economic turnaround in the context of 5Es, i.e., Exports, E-Pakistan, Equity & Empowerment, Environment & Climate Change, and Energy Framework, CPEC as well as 4RF, i.e. Resilient Recovery, Rehabilitation and Reconstruction Framework in the aftermath of catastrophic flood 2022, have been assigned priority while allocating resources under PSDP 2023-24.

In the PSDP 2023-24, infrastructure sector being the primary responsibility of the Federal Government has been given priority with over 52 percent share of Rs. 950 Billion, followed by Social Sector having 25.5 percent share, balanced regional development (AJ&K, GB and Merged Districts of KP) with 12.5 percent share and remaining for other sectors. Within Infrastructure, major chunk of the allocation goes to (a) transport & communications with 28 percent share for projects of NHA, Railways, Maritime Affairs, Defence Production and CPEC related projects (b) water resources with 10.2 percent share for large multipurpose dams particularly Diamer-Bhasha, Momand, Dasu Dams, K-IV etc and drainage projects (c) energy with 9% share for power evacuation, expansion and improving transmission lines and distribution system as well

as to operationalize Special Economic Zones (SEZs) projects, etc. Besides equal importance has been given to production and social sectors.

The Government has also planned to undertake new important initiatives under the PSDP 2023-24. Prime Minister's Initiatives mainly include (i) Solarization of Agri Tube Wells (ii) Youth Programme for Small Loans (iii) Pakistan Fund for Education (iv) Support for IT Start-ups & Venture Capital (v) Women Empowerment (vi) Laptop Scheme (vii) Green Revolution 2.0 (viii) Youth Skill Development (ix) Establishment of institutes for Sports (x) Hepatitis-C Control Programme. Other initiatives include National Programme for Prevention of Diabetes, National Multisectoral Nutrition Programme, Establishment of Governance Innovation Lab, Women on Wheels, Establishment of National Fund for Addressing the Crisis of Out of School Children (OOSC), One Stop Service Centre for Special Economic Zones,(SEZs) Flood Protection Sector Programme (FPSP-III) and National Centres for Quantum Computing, Manufacturing, Brand Development, etc.

## **Food, Agriculture & Rural Transformation**

Agriculture, being the backbone of Pakistan's economy, decides the performance of all other associated sectors, and ensures food security of nation. During the year 2022-23 agriculture sector witnessed the growth rate of 1.55%. Like others, Agriculture sector too was affected by the recent floods of 2022 occurred due to heavy rains, which damaged whole of the food security chain, major and minor crops and livestock. The performance of the crop sector is dependent on the cost of production as well as timely availability of inputs like quality seed, fertilizer, irrigation water, etc. For achieving the self-sufficiency in agriculture sector, Federal Government has continued several initiatives through the Prime Minister's Agriculture Emergency Programme and has taken new initiatives. Allocation of Rs 13.3 Billion to the Ministry of National Food Security & Research (MNFS&R) has been provided in the Federal PSDP 2022-23. For the year 2023-24 Rs. 8599.470 Million for ongoing schemes and Rs. 250.530 Million for three under process schemes have been allocated.

The performance of the Agriculture sector was affected by the flash floods and most of the agricultural land in Sindh, Balochistan and some parts of Punjab could not be cultivated in time. Therefore, the actual area under the most important crop of Pakistan, i.e., wheat, remained lesser against the target. It is therefore, perceived that the production target of wheat may not be achieved. Rice production during 2022-23, has also shown declining trend when compared with the production of previous year and has remained lower against the target. Similarly, except maize and sugarcane, other crops could not achieve the production targets.

Keeping in view the complete scenario, some important initiatives have been taken, and the continuity of these initiatives will hopefully help in achievement of the next targets. Major initiatives include 13 on-going projects being implemented under the Prime Minister's Agriculture Emergency Programme, Locust Emergency & Food Security Project, National Programme for Animal Disease Surveillance, Promotion of Olive

Cultivation on Commercial Scale in Pakistan, National Peste Des Petits Ruminants (PPR) Eradication Programme, and other initiatives especially for promotion of cotton production, and public sector research institutes & labs.

## **Industry, Investment & Competitiveness**

The manufacturing sector plays a pivotal role in backing the country's economic profile. This sector is a key pillar of country's economy creating employment opportunities leading to the enhancement of exports & the GDP.

According to the National Accounts Committee of Pakistan Bureau of Statistics (PBS), during 2022-23, the Industrial sector contracted overall by -2.94% against targeted rate of 5.9%, Manufacturing sector by -3.91% against targeted rate of 7.1%, Large Scale Manufacturing (LSM) by -7.98% against targeted rate of 7.4%. Small Scale Manufacturing was the only sector that grew by 9.03% against targeted rate of 8.3%. The Government is focused on creating a conducive environment for the manufacturing, commerce and mineral sectors through a number of development initiatives. Ministry of Industries and Production intends to undertake 15 development initiatives in the manufacturing sector in 2023-24 with an allocation of Rs. 3,000.000 Million. Similarly, Ministry of Commerce intends to undertake 02 development initiatives in the commerce sector in 2023-24 with total allocation of 1,100.000 Million. Moreover, Petroleum Division of Ministry of Energy intends to undertake 4 development initiatives in the mineral sector in 2023-24 with an allocation of Rs. 202.595 Million.

In 2023-24, the Geological Survey of Pakistan (GSP) will undertake geological mapping and research work in different areas of the country through PSDP as well as its regular budget, for which annual field programmes have been prepared. This includes mineral exploration and geological mapping of metallic & non-metallic minerals, geo-technical/geo-hazards studies and other allied studies in the country including Azad Jammu & Kashmir (AJK) and Gilgit-Baltistan (GB).

## **Information & Communication Technology (ICT)**

At the heart of the transformation and turnaround of Pakistan's economy lies the vision of a Digital Pakistan. The advantage of having a young and abundant human capital base positions Pakistan to convert this resource into one of its most valuable assets. The continuous high growth of Pakistan's Information Technology (IT) industry has resulted in a US\$ 4 Billion market size. However, the pace needs to be accelerated further by having the right interventions holistically to utilize the potential available in the IT industry of the country.

In the overall development programme, the Digital Pakistan initiative lays a strong foundation for public service delivery as well as encourages further improvement of the connectivity infrastructure to spur the development of innovative products and services using ICTs and thus benefiting all segments of society. In PSDP 2022-23, the allocation

for 46 Digital Pakistan projects was more than Rs. 13.7 Billion in the domains of IT, telecom and space technologies. Despite the economic slowdown, the telecom sector witnessed an improvement with tele-density of about 83.1% (as of March, 2023) and total mobile subscribers of 194.12 Million. The 3G/4G broadband penetration touched 54% with 128 million broadband subscribers.

During 2023-24, the main thrust of the Digital Pakistan would be on the establishment of Special Technology Parks, Technology Research Centres for new & cutting-edge technologies, and cloud computing infrastructure. Certifications and training initiatives to upskill human resources and the IT industry will further augment improvements in infrastructure operations. For this purpose, certification trainings to upskill the Business Process Outsourcing (BPO) industry, as well as trainings in the emerging areas such as machine learning, cybersecurity & cloud computing have been included in the annual programme for 2023-24.

## **Population, Health & Nutrition**

Population planning must be a top priority for any country to thrive. Unplanned growth and an uncontrolled population can lead to economic & social disasters. It is crucial to highlight that the goals set forth in the National Action Plan on Population must be transformed into concrete actions to achieve gradual improvement. Nevertheless, attaining these targets will be a lengthy & ongoing process, necessitating sustained efforts from all stakeholders. Several initiatives including Federal Task Force on Population (FTF), Country Engagement Working Group (CEWG), Contraceptive Commodity Security, Capacity Building of Lady Health Workers (LHWs), Ulema Conference, standardizing In-Service Training Package on Family Planning for Facility-based Providers, Consultative Meetings on Population & Development, Turnaround Pakistan Conference (Population Thematic Session), Federal & Provincial PSDP, Task Force on Population of Desert Areas, and proposed establishment of Pakistan Demographic Resource Centre at the Planning Commission, are being undertaken at Federal & Provincial level for population sustainability & welfare.

The plan is in place which has the highest focus on achieving Universal Health Coverage (UHC) through strengthening Primary Healthcare Services from Minimum Package for Essential Service Delivery, and simultaneously streamlining the Social Health Protection approaches to strengthen the network of tertiary healthcare services at one end and primary healthcare services at the other. Pulling the threads of extreme ends and tying the knot in the middle will pull both ends of service delivery and strengthening the primary and tertiary level services will ultimately accelerate the target of achieving the SDG 2030 agenda of provision of UHC.

The harmony and collaboration of the Federal and Provincial health departments across the country is setting an ideal platform for streamlining programme implementation at all levels at a swift pace. The supply-side of health services is leaving no stone unturned

for the dissemination of healthcare development programmes at the Federal and Provincial levels with the highest political ownership across the board.

In pursuance of the political commitment, all the professional stakeholders at the Federal and Provincial levels are highly motivated to implement health sector schemes in all the neglected & underdeveloped areas that may require public sector ownership to address financial challenges due to the highest inflation rate.

The Government will not stand shy of any effort that will provide health system strengthening at primary, secondary and tertiary healthcare levels and provide financial support through health insurance schemes to the population facing hardship crisis. The Government is fully committed to reshaping all the development schemes that will support the achievement of the SDG 2030 agenda and promote the concept of Universal Health Coverage (UHC) at the Federal, Provincial & District levels.

To achieve the goals and targets of Pakistan Vision 2025 and SDG Agenda 2030, the Government elaborates an ambitious and aspiring national development plan and vision. The focus will be on ensuring the nutrition security of marginalized and most vulnerable population groups. The Nutrition Sector of the Plan 2023–24 aims to build on the progress made in the previous year and achieve national nutrition targets aligned with global commitments. At the Federal level, policy documents on early childhood development, food safety, multisectoral national nutrition policy, and the multisectoral national nutrition action plan will be prepared during the fiscal year. Provincial governments will execute programmes for malnutrition and integrated maternal & Newborn Child Health (MNCH) & nutrition programmes. Initiation of school nutrition & meal programmes, dissemination of the Urdu version of the Pakistan Dietary Guidelines for Better Nutrition, and a revised food composition table will be accomplished. The development of a national nutrition research agenda will remain another priority during the plan year.

The national plan, along with the provincial roadmaps for nutrition, will set the stage for scaling up a wide range of multisectoral interventions to improve nutrition outcomes across the country, based on the multisectoral Framework for Action to achieve optimal fetal/child nutrition and development, featured in the Lancet 2013 Maternal & Child Nutrition series. This will help to facilitate a harmonized & synergistic approach to addressing the grave situation of malnutrition. Formulation of policies, strategies, and updating of standards will continue during the plan period by relevant Federal and Provincial stakeholders.

## **Basic & College Education**

In the developed world, education occupies the top priority to boost up economy, strengthen democracy, and enhancing the quality of health and living standards. Pakistan like other developing countries is also trying to put efforts and resources in improving the quality of education. Efforts are being made for uniformity of curriculum, teachers' training & capacity building, devising assessment framework, provision of



missing facilities, minimizing & mitigating the dangerous effects of COVID-19 through raising awareness among the children, bringing out of school children (OOSC) to schools, the introduction of modern technology in teaching & learning process, etc.

## **Knowledge and Technology-based Development**

There is a need to focus on the quality of higher education to improve the country's ranking in the Global Innovation Index. The higher education (HE) sector is striving to achieve objectives of knowledge & technology-based development across the country. Under the PSDP 2022-23, an amount of Rs. 44,719.00 Million was allocated to HEC for the implementation of 154 development projects (138 ongoing and 16 new approved projects) at public sector universities/HEIs. An amount of Rs. 59,715.00 Million have been allocated in the PSDP 2023-24 and HEC has recommended 26 new projects (along with 139 ongoing schemes) for inclusion in PSDP 2023-24. These projects will help to produce human resources to mitigate the challenges of modern requirements.

Science, Technology & Innovation (STI) is globally recognized as the linchpin of societal development and economic growth. Recent global developments have reaffirmed the significance of STI for its far-reaching dividends. The Government of Pakistan is cognizant of the importance of STI and has rightly placed the idea of a “knowledge economy” at the heart of its national development agenda<sup>1</sup>. The Ministry of Science and Technology (MoST) has been functioning since 1972. It is the national focal point & enabling arm of the Government of Pakistan for planning, coordinating and directing efforts, and to initiate & launch scientific & technological programmes & projects.

MoST, through its 15 research & development (R&D) organizations, has diverted efforts and resources towards demand-driven R&D and implementation of projects having significant economic impact. The Ministry suggests technological development for higher growth rates from the areas of industrial development to renewable energy & rural development and to improve standards of living. Its principal, focus is on building Pakistan's technological competence in the 21<sup>st</sup> century as we enter new markets, developing a larger pool of human resources to reverse brain-drain, and integrating the existing technological infrastructure for strengthening of technology institutions, effective governance of the scientific & technological research (S&TR), and enhancing the capacity of indigenous innovation systems to promote Made in Pakistan. Outreach efforts are being made to encourage local industries to adopt indigenous technologies & processes and become technologically advanced & sustainable over a period to achieve knowledge-based economic development. Science, Technology & Innovation (STI) envisages huge potential for scientific and socio-economic development.

Under the PSDP 2022-23, an amount of Rs. 5,716.394 Million was allocated to the Ministry of Science & Technology (MoST). This allocation included funding of 34 ongoing projects and one new scheme. Rs. 7,291.107 Million has been utilized. An amount of

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<sup>1</sup> National Science, Technology and Innovation Policy, 2022, Government of Pakistan.

Rs. 7,500.00 Million has been allocated for 2023-24 to MoST, which plans to launch a development initiative through a multifaceted approach. This is all being planned to promote the Made in Pakistan Campaign in multiple scientific fields to promote the indigenous capacity of production, quality, entrepreneurship, competitiveness, self-sufficiency, exports, and overall national economy.

## **Labour & Employment**

Pakistan ranks 6<sup>th</sup> amongst large population countries. It is blessed with a youthful population as more than 60% of its growing population is below the age of 35 years. This demographic dividend can be turned into uplifting the country's economic situation which has been affected badly by the twin of chaos faced by the country, i.e., economic & flood (environmental disasters).

Globally the focus of economies is shifting to more environmentally sustainable economies. This transition will have far-reaching implications for the labour market where some jobs will disappear & new jobs will be created, requiring many workers to reskill and adopt different work practices based on the use of rapidly evolving new technologies. Therefore, a comprehensive policy approach is needed to enable this critical transition in Pakistan, which stimulates investment in green sectors, enhances women and men workers' skills & employability and facilitate a just transition to a more environmentally sustainable economy.

## **Youth & Skill Development**

Uplifting and including the under-privileged youth by significantly increasing opportunities for their education & training and enhancing their employability through skills development, is of paramount significance & a pressing need of the hour. Therefore, prioritizing state investment in young people could be an effective enabler to turn Pakistan's youth bulge from a liability into an asset.

The Government has launched various programmes & projects with an allocation of Rs. 6089.80 Million through PSDP 2023-24, which aims to bridge the demand-supply gap in the labour market, in line with Vision 2025 and SDG goals. The current plan focuses on providing quality skill development training, creating gainful employment opportunities, promoting meaningful engagement, ensuring good mental and physical health, and fostering marketable skills among youth, empowering them to make informed decisions for their well-being.

In order to create more job opportunities and provide a decent work environment, the Government will prioritize various sectors of the economy such as construction, agriculture, tourism, renewable energy, services sectors, and small & medium enterprises (SMEs), with special focus on high-tech & high-end trainings. By prioritizing these sectors, the Government hopes to equip the youth with the expertise needed to contribute to the country's economic growth & development.

## **Mass Media, Culture & National Heritage**

The mass media sector in Pakistan is evolving rapidly with the rise of digital media, which has become a crucial tool for communication, entertainment & information dissemination. With approximately 90 million Internet users and 50 million active social media users in the country, the potential for growth in the sector is enormous. The Government has initiated several projects to enhance the quality and coverage of media, including the digitalization of terrestrial networks of TV and Radio.

In 2022-23, the Ministry of Information & Broadcasting was allocated Rs 2100 Million for 17 ongoing and new projects. While an allocation of Rs 2540.00 Million has been earmarked for FY 2023-24 for mass media, culture & national heritage sectors.

## **Sustainable Energy**

The energy sector of Pakistan has overcome the prolonged demand-supply challenge by proper planning and implementation of large number of power generation projects. However, the generation is not yet fully commensurate with the transmission & distribution (T&D) capacity of the system. Consequently, the Government of Pakistan (GoP) is prioritizing T&D projects to achieve the SDG-7 goal of affordable & sustainable energy for all. Similarly, it is also planned to increase the share of indigenous resources like domestic coal, renewable & hydropower resources in the overall generation mix, under least cost criteria, to reduce reliance on imported fuels. The public sector investments emphasized the strengthening of T&D network in accordance with Transmission System Expansion Plan (TSEP). The development of distribution sector will follow the approved strategic roadmaps, as mandated by National Electricity Policy, 2021.

The national grid is injected additional capacity of 2,378 MW in 2022-23 and a further addition of 1,728 MW will be witnessed in NTDC/CPPA-G basket by June 2024. The transmission infrastructure will be strengthened by addition of 3,750 MVA, and 6,900 MVA capacity on 500KV and 220KV network, respectively, in 2023-24. The distribution sector will be boosted with a capacity of 4,199 MVA on 132 KV voltage level by June 2024. Additionally, 1,403,592 consumers and 6,985 villages will be electrified by June 2024. In petroleum sector during 2022-23 projects of gas supply to CPEC's Special Economic Zones (SEZs) have been completed. The completion of gas schemes will facilitate industrial development in the respective SEZs.

## **Water Resources**

Water sector strategy centres around five important elements, i.e., i) water augmentation, ii) water conservation, groundwater management, iii) protection of infrastructure from the onslaught of floods, iv) reclamation of waterlogged & saline land and v) institutional reforms for poverty alleviation in deprived areas of the country.

Keeping in view the unprecedented climate-induced floods in July-September 2022, which left huge devastation in their wake, during 2023-24 the focus will be on a climate-

resilient sustainable development approach based on Integrated Water Resources Management (IWRM). Out of the total Water sector's development programme amounting to Rs. 89.055 Billion for the 2022-23, it is, expected that the allocated budget will be utilized up to June 2023. Additional funding was also provided to the fast track projects and projects near completion through re-appropriation for their timely completion.

The Annual Plan 2023-24 centres on the key targets set under the National Water Policy, Resilient Recovery, Rehabilitation & Reconstruction Framework (4RF), Updated National Flood Protection Plan-IV (NFPP-IV) and international commitment under various agreements. During this period, out of total 68 ongoing water sector projects amounting Rs 2048.42 Billion, about 15 are expected to be completed. Implementation of large dams would take substantial time; short-term strategies will be adopted like construction of medium/small dams and flood protection measures through structural and non-structural interventions throughout Pakistan.

An amount of Rs. 99.847 billion has been allocated to the Water Sector for the 2023-24. Out of the total water sector's allocation, Rs. 58.238 billion has been allocated to WAPDA, Rs. 30.3 Billion to provinces (Punjab, Khyber Pakhtunkhwa, Sindh & Balochistan) and Rs. 11.3 Billion to the Flood Protection Sector Project-III (FPSP-III) and other Federal projects.

## **Transport & Logistics**

Sustainable economic development of Pakistan is dependent on a robust & low-cost transport and logistics sector. The Government is aware of the vital role the transport and logistics sector, therefore it is committed to implement a comprehensive development initiative and modernizing the transport and logistics sector through a continuous process of reform supported by focused investments in all its sub-sectors.

The transport and logistics sector claims 30-35% share of the annual public sector development programme (PSDP) to meet the growing needs of the country. However, even this amount of investment falls short to meet the demand. Concerted efforts are being made in the recent years to promote Public Private Partnerships (PPPs) to leverage higher investment from private sector and reduce the burden from the public exchequer/PSDP.

The major focus in the next plan period is on rural connectivity, development of poor districts, rehabilitation & recovery of the flood affected infrastructure, funding & initiations of the national level, important strategic projects and seeking foreign funding and financing under the CPEC framework for the projects part of the CPEC framework. Engaging with donor agencies for development loans to meet the gap from the public sector investment with the aim of increasing the capacity and fulfilling the infrastructure gaps in all parts of the country.

Although Vision 2025, CPEC long term Transport Plan, and National Transport Policy 2018 have been completely harmonized/aligned, and for the implementation of the National Transport Policy, master plan for each sub sector has already been developed with the help of donor partners and the same is being updated/modified. Simultaneously, business plans will be developed across each sub-sector/executing agency in the 2023-24.

Annual Plan 2023-24 focusses on the best possible utilization of the financial resources for implementation of projects ongoing and new envisaged through Federal PSDP in the different sectors of the transport infrastructure. The allocations are made in line with the development agenda of the Federal Government and is based on the proposal/requirements of each sub sector submitted by the relevant Federal ministry & departments and their existing utilizations.

The performance in each sub-sector has been found mixed in 2022-23 and the expected utilization has not been achieved, due to the devastated floods hitting the country in July 2022, and poor economic conditions and construction industry experiencing high rate of inflation.

However, the performance in each sub-sector is expected to be high in the coming FY owing to careful financial management and resource allocation. In the 2023-23, an allocation of the Rs.190.244 Billion was made in the T&L Sector. Out of which, total expenditure is expected to be around Rs. 137.804 Billion, showing utilization of 72.4%.

To tackle the limited financial resources and remaining within the Indicative Budget ceilings a total allocation of Rs.271.70 Billion has been made for the plan period (2023-24). The major resource allocation is made for the sub-sector of road, followed by the railway sector.

In the next FY PSDP, the main focus would be on development of multimodal/integrated transport system, farm to market roads, ensuring funds and implementation of railway projects for sustainability of the existing railway system, execution of work on the Prime Minister's announced packages, and on the completion of the priority projects in each sub-sector.

## **Physical Planning & Housing**

Pakistan has highest rate of urbanization in the South Asia. As per the Population Census of 2017, urbanization increased from 32.52 percent to 37.20 percent in 2020, and it is estimated that by 2025, nearly half of the country's population will be living in cities. Rapid urbanization is already stretching cities' resources in Pakistan. The tremendous challenge of absorbing such a massive number of people in urban areas and providing them with shelter, food, employment, healthcare, education, municipal services and recreation facilities is becoming more difficult given the shortage of urban facilities and resources, skilled human resource and good governance. Despite the challenges, urban areas demonstrate the immense economic potential to generate growth in the country.

To address the increasing urbanization issues & challenges, an allocation of approximately Rs. 41.5 Billion has been made in 2023-24 for the physical planning & housing sector programmes to be implemented by various ministries, divisions & departments. The important programmes include flood-affected areas' rehabilitation & resilient reconstruction, construction of Government office accommodations, low-income housing, water supply & sanitation and achievement of the SDGs programme.

## **China-Pakistan Economic Corridor**

The China-Pakistan Economic Corridor (CPEC), being the flagship project of the Belt & Road Initiative (BRI), initially witnessed planned investment of US\$ 46.6 Billion. An economic programme, as the name suggests, is aimed at enhancing regional connectivity, trade and multisectorial development cooperation between China, Pakistan and beyond. The project has been planned to be executed phase-wise from 2015 through 2030.

The project made remarkable progress in its first phase (2015-2020) specially in the early harvest period (2013-18) whereby several mega projects have been completed including KKH Phase-II (Havelian-Thakot Section) add around 5,320 MW of electricity to national grid. Projects worth US\$ 13.9 billion in the transport and energy infrastructure have been carried out successfully and many are under-implementation.

The project had faced various setbacks, including security concerns, political instability in Pakistan, and the COVID-19 pandemic. However, both China and Pakistan have reaffirmed their commitment to the project, and efforts have been made to address challenges. Second phase (2021-25) with focus on industrialization, agriculture modernization, socio-economic development and cooperation in Science & Information Technologies (SITs) has already taken off. The purpose is to reap the dividends of the investment made in the energy and transport infrastructure sectors.

However, the period of other avenues of cooperation defined in the CPEC-Long-Term Plan (2015-30) are being opened to deepen the cooperation between the two countries. Tourism, Mines & Minerals and Petroleum sectors are among the candidates opened for cooperation in the second phase over and above the already mentioned sectors. Projects in the existing and the newly established areas would enhance the capacity of Pakistan that would result in improving the economic competitiveness of the country.

## **Social Protection & Inclusive Development and Sustainable Development Goals**

The SDGs Agenda 2030 places people at the centre of the development process and calls for rigorous implementation of the 17 SDGs. These goals demand action from all to eradicate all forms of poverty and other deprivations which in turn requires strategies that improve health and education, reduce inequality, and spur economic growth while tackling climate change and preserving oceans and forests.

The Government has taken several measures to improve coordination with the provinces including AJ&K and GB. In this regard, Provincial Coordination Committees have been established, which are focused on monitoring SDGs implementation. As a result, provinces are in the process of prioritizing their SDGs target aligning Annual Development Plans (ADPs) with SDGs and developing of dashboard and monitoring & evaluation mechanism.

Moreover, the Federal and Provincial SDG units mapped non-government stakeholders, including media, private sector, academia, think tanks and civil society to facilitate the tracking of the contribution of non-government stakeholders. The Provincial governments conducted numerous activities for mainstreaming, advocacy and policy support of SDGs. Consultations, trainings and workshops were held in all provinces on different SDGs to unpack challenges/obstacles and identify emerging opportunities. The provincial governments have also undertaken initiatives such as innovation labs, green building design standards, review of administrative data, capacity needs assessment of statistical institutions and formulation of sectoral policies.

Social welfare, through its intervention under social protection & social safety nets and human rights, plays a crucial role in reducing poverty, inequality, and vulnerability in Pakistan. Social protection programmes can provide a safety net for vulnerable populations, including the poor, children, women, and the elderly.

Pakistan has already taken steps to address social protection, which provides cash transfers to poor families. However, there is still a long way to go in terms of expanding coverage and ensuring the effectiveness of social protection programmes. To enhance the robustness of the social protection sector, coverage & scope of existing programmes are enhanced while some new initiatives are taken to address the needs of the most vulnerable populations. All the social protection programmes are designed and implemented in a way that they are sustainable, efficient, and equitable, while aligned with Vision 2025 and SDGs 2030. The interventions of poverty alleviation and social safety will target providing services across the country to the needy and vulnerable people.

## **Governance & Institutional Reforms**

Governance is a cross-cutting issue, therefore, perhaps the single most important factor to ensure objectives of effective service delivery. During 2022-23, the Government has taken several initiatives to improve governance indicators and making government open, transparent, accountable, and responsive to citizens. An amount of Rs. 14.7 Billion including foreign aid of Rs. 1.0 billion has been proposed for the governance sector in PSDP 2023-24. The allocation indicates an increase of 5.8% over the last year's allocations. The reforms programmes/initiatives in the areas of the performance management system, smart governance, civil service reforms, judicial & criminal justice system including alternative dispute resolution, rules and procedures, domestic resource mobilization through revenue reforms, public financial management,

accessible and transparent government, effective management and coordination of Flood Emergency Reconstruction and Resilience Project and restructuring of public entities including State Owned Enterprises (SOEs) will be continued.

## **Balanced Development– Focus on Less Developed Regions**

During 2022-23 various programmes/projects were implemented in AJK, GB & Merged Districts of KP, which primarily focused on the improvement of socio-economic conditions of the people. The Federal Government has been making all possible efforts for the development of special areas through Block Allocations. The major programme includes a Ten-Year Development Plan (TYDP) in newly merged areas of KP. It has been divided into three phases, the first phase has been completed and the second phase as Accelerated Implementation Programme (AIP-II) is underway. During 2022-23, for special areas, a total amount of Rs 107.25 Billion was allocated out of which Rs. 73.0 Billion has been utilized. The releases are less due to financial constraints.

The Plan for 2023-24 is focusing on the timely achievement of developmental targets through a major chunk of allocation for the completion of ongoing and quick-impact projects/schemes. The planned development activities under multiple sectors, i.e., infrastructure, education, health, food security, industries & production, information technology, natural resources, science & technology, etc., are expected to bring improvement in the provision of existing facilities to the people of these less developed areas.

## **Climate Change & Environment**

Pakistan confronts significant environmental challenges encompassing pollution, deforestation, and climate-induced disasters, which pose substantial risks to public health, well-being, and sustainable economic growth. To address these pressing issues, the Government has made a steadfast commitment and implemented a range of policies and programmes.

Key climate-related initiatives spearheaded by the Ministry of Climate Change include the Upscaling of Green Pakistan Programme (Revised), which aims to expand and enhance environmental conservation efforts. Another crucial scheme is the Capacity Building on Water Quality Monitoring and SDG-6 reporting, which focuses on strengthening water quality management and aligning it with sustainable development goals. The Climate Resilient Urban Human Settlements Unit strives to bolster the resilience of urban areas against climate impacts. Additionally, investments have been directed towards the installation of Weather Surveillance Radars at Multan and Sukkur, further enhancing meteorological capabilities.

In line with international collaborations, the Climate Adaptation and Resilience for South Asia (CARE) project, supported by the World Bank, assumes a regional approach to foster an enabling environment for climate resilience policies and investments in South Asia. The project specifically targets climate-smart agriculture, integrated water



resource management, and resilient infrastructure development. Furthermore, the Climate-Smart Agriculture Investment Planning project, funded by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, focuses on assessing climate risks in Pakistan and identifying suitable adaptation strategies across key sectors. These concerted efforts reflect Pakistan's determination to address environmental challenges, strengthen climate resilience, and foster sustainable development, with the support of both national and international partners.

## **Special Initiatives**

Pakistan is among the top ten countries most affected by climate change, with the changing weather patterns posing serious threats to the country's economic and human development. Torrential rains & a combination of riverine, urban, and flash flooding in 2022 led to an unprecedented disaster in Pakistan, affecting around 33 million people, with nearly 8 Million displaced and over 1,700 lives lost. The floods have also pushed millions into poverty, and the national poverty rate is expected to increase by 3.7 to 4.0 percentage points.

In the aftermath of the floods, the Ministry of Planning, Development & Special Initiatives (MoPDSI) in collaboration with the World Bank (WB), Asian Development Bank (ADB), European Union (EU), and the United Nations (UN) conducted a Post Disaster Need Assessment (PDNA) exercise to ascertain extent of damage and loss across 17 sectors in 94 calamity-hit districts of Pakistan.

The final PDNA estimates suggest that the total damage and loss to the economy resulting from recent floods amount to US\$ 30.14 Billion with US\$ 16.3 Billion identified as reconstruction needs. Following PDNA, MoPDSI formulated Resilient Recovery, Rehabilitation, and Reconstruction Framework (4RF) is the strategic policy vision of the Government of Pakistan to guide post-flood recovery, rehabilitation, and reconstruction of the country.

The 4RF follows a globally recognized approach and methodology for recovery strategy development and draws from the findings of the Post Disaster Needs Assessment. The 4RF presents sequenced priorities across sectors around four Strategic Recovery Objectives alongside a policy framework, a financing strategy, and implementation and monitoring arrangements. The framework is critical to ensuring transformational measures are taken for a resilient recovery and that the disaster will not have multi-generational impacts through reduced developmental gains. The 4RF has been developed through a consultative process with key stakeholders and envisions a comprehensive institutional mechanism for effective, efficient, transparent, and swift implementation.

The Ministry of Planning, Development & Special Initiatives (MoPDSI) has taken various initiatives to enhance the capacity of young people, improve overall governance, strategic planning, performance management, etc., and capacity enhancement of the MoPDSI itself and other Government organizations.



**MACROECONOMIC FRAMEWORK:  
GROWTH WITH STABILITY**



# 1. GROWTH, INVESTMENT AND SAVINGS

Given the bleak international environment and hangover of fiscal profligacy of 2021-22, the Annual Plan 2022-23 had targeted economic growth at 5%. Other challenges included overhang of COVID-19, supply disruptions because of Russia-Ukraine conflict and adjustments in massive current account deficit. When the present government assumed office in April 2022, it inherited the economy marred with huge macroeconomic imbalances including highest public debt (73.9% of GDP), dwindling foreign exchange reserves, currency depreciation, mounting trade deficit (around \$45 billion), massive circular debt (Rs.2.4 trillion), higher fiscal deficit (7.9% of GDP) and higher current account deficit (4.6% of GDP).

The devastating floods of 2022 displaced 33 million people and caused damage and loss worth US\$ 30.10 billion. Lingering political instability, delay in resumption of IMF programme and bleak prospects of global growth shattered investors' confidence. In the wake of high inflationary pressures, the State Bank of Pakistan had to adopt tight monetary policy throughout the year which also impeded the economic activities. Despite these hardships the economy achieved a growth of 0.3% which exhibits resilience of the economy.

The balance of payments crisis and expansionary fiscal policy fueled the growth but triggered structural imbalances. The events unfolded since start of the fiscal year like extraordinary flooding exacerbated the growth correction. The floods changed the growth dynamics in agriculture sector by damaging summer crops. Industrial sector contracted due to supply-chain disruptions of agricultural raw materials, import restrictions, high costs of working capital and inputs and low investor confidence due to political uncertainty.

The activities in services sector also faced adverse impact of growth contraction in commodity producing sectors and low business confidence. These factors resulted in massive surge in food inflation which in next round impacted non-food inflation as well. The structural characteristics of balance of payments constrained growth along with a global surge in commodity prices with decline in foreign currency inflows through exports, remittances and foreign direct investment.

Globally, the growth prospects remained weak amid persistently high inflation largely because of monetary and fiscal policies response to counter the shocks of COVID-19 pandemic and Russia's invasion of Ukraine. According to IMF's World Economic Outlook (April 2023), around 90% of advanced economies will experience an economic slowdown in 2023. For emerging market and developing economies, the prospects are on average stronger with India and China accounting for half of the growth. Pakistan's slowdown in growth is in line with general global economic slowdown, however, it has

to face some additional challenges like fallout of massive floods and political uncertainty. According to World Bank's Global Commodity Markets Outlook (April 2023), commodity prices fell by 14% in the first quarter of 2023. For the remaining 2023, prices are projected to remain broadly unchanged and likely to remain mostly stable in 2024. This anticipated scenario bodes well for the inflation outlook of Pakistan. The reopening of China after COVID-19 related lockdowns and the resurgence of its growth momentum is expected to spill over to the rest of developing Asia including Pakistan.

## **Performance Review 2022-23**

The economic fundamentals that pushed the economic growth in 2021-22 were not sustainable and thus the real GDP was projected to shave off some growth momentum and grow by 5% in 2022-23 with respective contributions from agriculture (3.9%), industry (5.9%) and services (5.1%). The growth target was based upon the assumptions of global slowdown and expected abatement of global inflation and stability of exchange rate movements. The growth targets were also subject to favourable weather conditions, contained pandemic situation, managing current account deficit, and consistent and supportive economic policies.

On the domestic front, massive floods at the start of the year jeopardized the planned acceleration of the economy to achieve a sustainable level of economic growth. On the other hand, external sector vulnerabilities inherited from previous fiscal year continued to pose serious threat and the government had to take a painful decision of restricting imports to prevent haemorrhage of foreign exchange reserves. The uncertainty surrounding the stalled IMF programme impacted external inflows. Industrial sector faced double jeopardy as breaks in supply chain of raw material caused by floods were complemented by import restrictions. In this situation, the growth was expected to contract especially in the manufacturing sector. Services sector was adversely affected by outcome in the commodity producing sectors and uncertainty. In this backdrop, the economy witnessed a marginal growth of 0.3% with low growth of 1.5% in agriculture sector, contraction of 2.9% in industrial sector and paltry growth of 0.9% in services sector.

## **Sectoral Review**

### **Agriculture Sector**

Agriculture sector was envisaged to grow by 3.9% in the Annual Plan 2022-23 given a strong crop sector performance of previous year. During June-August 2022, torrential rains and flash flooding led to an unprecedented disaster in various parts of the country. As per Post-Disaster Need Assessment (PDNA), agriculture sector suffered the greatest damage and loss of around \$13 billion. Crops contributed to 82% of total damage and losses in the sector, followed by livestock with 17% and fisheries/aquaculture with the remaining 1%. Around 4,410 million acres of agricultural land was damaged, and 0.8 million livestock were estimated to have perished.

In this backdrop, agriculture sector posted a growth of 1.5% during 2022-23 as compared to last year's growth of 4.3%. The output of Kharif crops of cotton and rice decreased by 41.0% and 21.5% respectively due to floods (Table-1.1). Cotton was also affected by a rise in temperature in beginning of the season, shortage of irrigation water in March-May and pest attacks. Sugarcane being water resistant crop remained mostly unaffected by floods and posted a growth of 2.8%. Moreover, output of Rabi crops of wheat and maize registered growth of 5.4% and 6.9%, respectively. These crops benefitted from soil moisture and fertility impact of floods, availability of certified seeds and low temperature at the end of the season. Three out of five major crops attained their highest ever output level but still important crops registered contraction mainly because of extraordinary losses incurred to cotton due to floods. Value added in other subsectors of agriculture increased with growth in other crops recorded at 0.2%, livestock (3.8%), forestry (3.9%) and fishing (1.4%).

Crop	Area (‘000’ Hectares)			Production (‘000’ M. Ton) (Cotton in ‘000’ Bales)		
	2021-22	2022-23	Percent Change	2021-22	2022-23	Percent Change
Cotton	1,937	2,144	10.7	8,329	4,910	-41.0
Rice	3,537	2,976	-15.9	9,323	7,322	-21.5
Sugarcane	1,260	1,319	4.7	88,651	91,111	2.8
Wheat	8,977	9,043	0.7	26,209	27,634	5.4
Maize	1,653	1,720	4.1	9,525	10,183	6.9

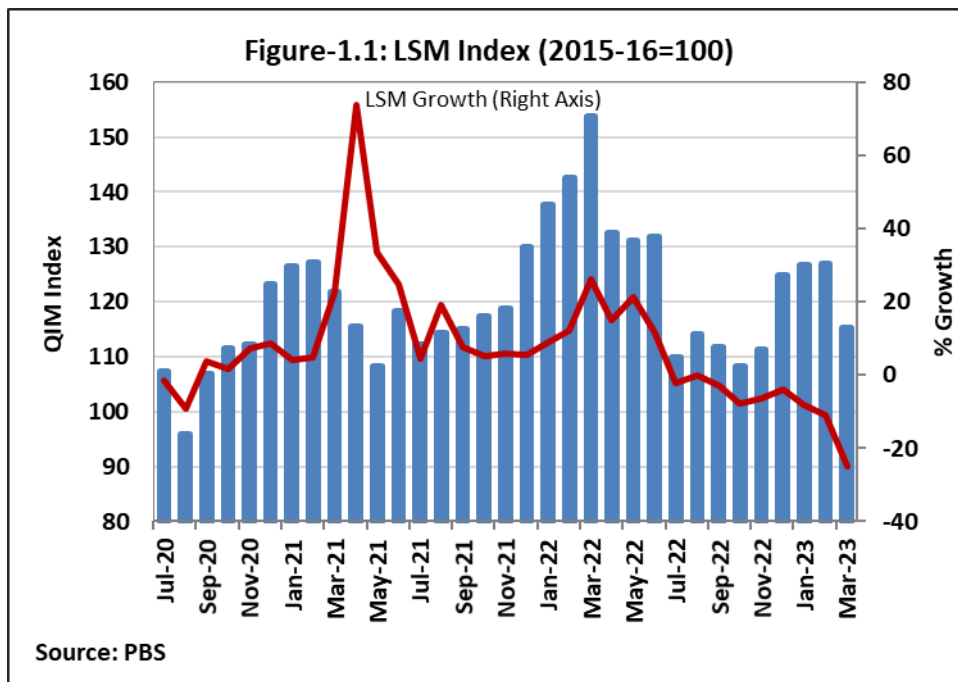
*Source: Pakistan Bureau of Statistics*

## Industrial Sector

Industrial sector was projected to grow by 5.9% based on large scale manufacturing (LSM) envisaged growth of 7.4%, small & household manufacturing (8.3%), slaughtering (3%), mining & quarrying (3%), construction (4%) and electricity & gas distribution (3.5%).

During 2022-23, the flood-induced supply shock severely affected industry and services sectors besides damaging critical transportation infrastructure. Industrial sector also faced pressures as import restrictions made it difficult to import essential raw materials, intermediate goods and machinery. Resultantly, many factories either closed temporarily or operated below capacity. Moreover, increase in energy prices, higher cost of imported input due to currency depreciation, increased cost of working capital due to substantial increase in interest rates and political/policy uncertainties adversely affected the industrial sector. Energy prices were increased due to reversal of unsustainable subsidies as part of the stabilization programme.

Large scale manufacturing (LSM) which accounts for about 50% of industrial sector acted as a drag on the overall growth of industrial sector with a contraction of 8% during July-March 2022-23 as compared to the growth of 10.6% during the corresponding period of last year. In March 2023, LSM output plunged by 25% (YoY). Only four manufacturing groups (wearing apparel, leather products, furniture and footwear) registered positive growth while contraction of the remaining groups including food, beverages, fertilizers, pharmaceuticals, textile and automobiles, etc. contributed to the decline in LSM index. The production of textiles, which are normally 25% of industrial output and about 60% of export goods, plunged by 16% as prices for imported cotton to replace domestic supply were driven up by the foreign exchange crisis. Figure-1.1 shows that LSM (YoY) growth during July-March 2022-23 remained negative.



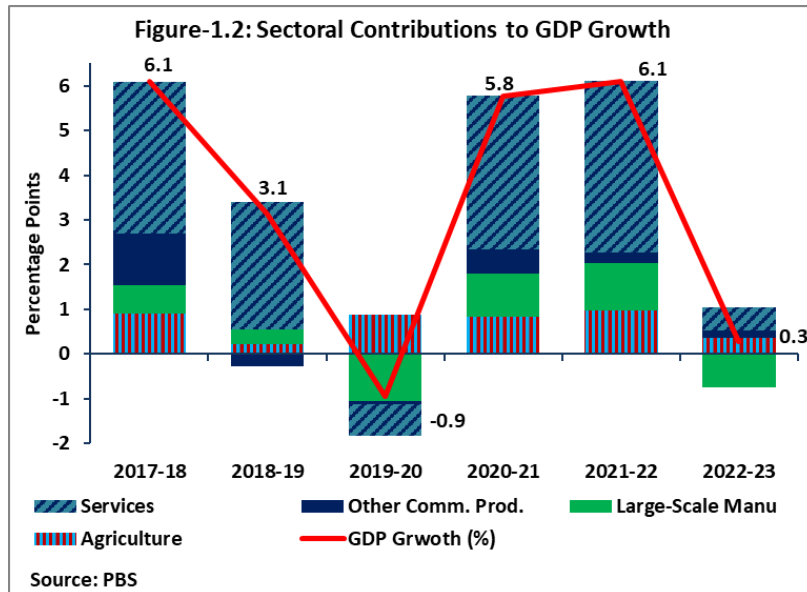
Mining and quarrying subsector also witnessed a contraction of 4.4% as against the target of 3% due to decline in natural gas, crude oil, other minerals and exploration services. Value added in small & household manufacturing, slaughtering and electricity generation & gas distribution grew by 9%, 6.3% and 6%, respectively. On the other hand, construction sector registered a decline of 5.5% which may be attributed to decrease in expenditures by public enterprises and increase in prices of construction material. The contraction in mining, LSM and construction led to contraction of 2.9% in value added of industrial sector.

### Services Sector

The commodity producing sectors during 2022-23 contracted by 0.5%, therefore, the performance of dependent services sector posted a marginal growth of 0.9% with major contributions from education (10.4%), human health & social work activities (8.5%), information & communication (6.9%) and other private services (5%). Wholesale &



retail trade with major share in services sector posted a contraction 4.5% due to subdued economic activity and high inflation.



## Per Capita Income

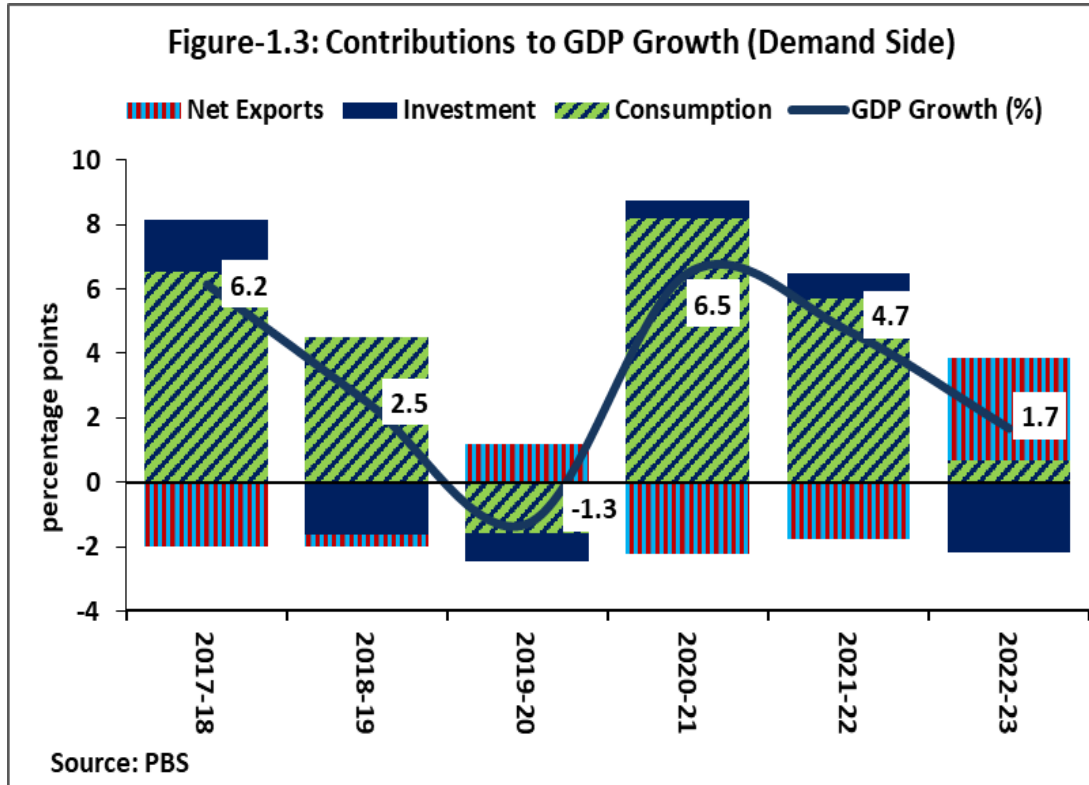
The per capita income increased by 24.1% in nominal terms but contracted marginally by 0.5% in real terms. However, in dollar terms it declined by 11.2% owing to massive depreciation of rupee against dollar.

	Absolute Value			Percent Change		
	Real Rs.	Nominal Rs.	US\$	Real Rs.	Nominal Rs.	US\$
2016-17	173,785	180,401	1,723	-	-	-
2017-18	180,034	194,181	1,768	3.6	7.6	2.6
2018-19	182,840	214,695	1,578	1.6	10.6	-10.8
2019-20	179,318	230,349	1,458	-1.9	7.3	-7.6
2020-21	190,382	268,403	1,677	6.2	16.5	15.1
2021-22	192,723	313,337	1,766	1.2	16.7	5.3
2022-23	191,670	388,755	1,568	-0.5	24.1	-11.2

Source: PBS

## Investment and Savings

Investment-to-GDP ratio decreased from 15.7% in 2021-22 to 13.6% in 2022-23 with decrease in both public and private investment-to-GDP ratios. Investment grew by 10.2% in nominal terms, however, decreased by 15.4% in real terms mainly because of high inflation. Both public and private investment increased in nominal and decreased in real terms.



National savings are estimated to increase to 12.5% of GDP in 2022-23 from 11.1% in 2021-22 mainly because of lower availability of foreign savings due to massive improvement in the current account deficit. Pakistan's reliance on external borrowing to finance investment has decreased marginally. The effectiveness of import compression measures is evident from increased level of domestic savings which inched up to 6.2% of GDP from 4.3% of last year.

Private consumption expanded by 24.8% in nominal terms and 1.6% in real terms during 2022-23. Private consumption occupied the major share in expenditure on GDP and contributed positively to the GDP growth. Moreover, net exports improved as decline in imports outpaced decline in exports.

<b>Table-1.3: Composition of GDP Growth</b>						
<b>Point Contributions</b>						
<b>Flows</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Private Consumption	6.0	4.6	-2.4	8.0	5.8	1.4
Public Consumption	0.6	-0.2	0.9	0.2	-0.1	-0.7
<b>Total Consumption [C]</b>	<b>6.5</b>	<b>4.5</b>	<b>-1.6</b>	<b>8.2</b>	<b>5.7</b>	<b>0.7</b>
Gross Fixed Investment	1.5	-1.7	-0.9	0.5	0.7	-2.2
Change in Stocks	0.1	0.0	0.0	0.1	0.1	0.0
<b>Total Investment [I]</b>	<b>1.6</b>	<b>-1.6</b>	<b>-0.9</b>	<b>0.6</b>	<b>0.8</b>	<b>-2.2</b>
Exports (Goods & Services) [X]	0.9	1.2	0.1	0.7	0.6	-0.9
Imports (Goods & Services) [M]	2.9	1.5	-1.1	2.9	2.4	-4.1
<b>Net Exports [X-M]</b>	<b>-2.0</b>	<b>-0.3</b>	<b>1.2</b>	<b>-2.2</b>	<b>-1.8</b>	<b>3.2</b>
Aggregate Demand (C+I+X)	9.0	4.0	-2.3	9.4	7.1	-2.4
Domestic Demand (C+I)	8.2	2.8	-2.5	8.8	6.5	-1.5
<b>GDP (MP)</b>	<b>6.2</b>	<b>2.5</b>	<b>-1.3</b>	<b>6.5</b>	<b>4.7</b>	<b>1.7</b>
<i>Source: PBS</i>						

## Outlook 2023-24

The economy of Pakistan is envisaged to grow by 3.5% in 2023-24 with projections of 3.5% for agriculture sector, 3.4% for industrial sector and 3.6% for services sector. The revival of growth will depend on political and macroeconomic stability, external account improvement, supportive monetary and fiscal policies and expected fall in global oil and commodity prices.

### Agriculture Sector

Agriculture sector is expected to grow by 3.5% in 2023-24 with expected contributions of important crops (3%), other crops (3.5%), cotton ginning (7.2%), livestock (3.6%), forestry (3%) and fishing (3%).

Agricultural growth will be contingent upon expected favourable weather conditions, ample availability of water, certified seeds, fertilizers, pesticides and agriculture credit facilities at affordable costs for revival of the crops. Moreover, increased productivity of livestock subsector is imperative for the revival of agriculture sector. The revival of cotton and sufficient production of wheat will not only support growth momentum but will also ease out balance of payments pressures through lesser import requirements.

### Industrial Sector

Industrial sector is expected to recover in 2023-24 as demand and supply shocks are expected to dissipate. It is expected that the sector will grow by 3.4% with LSM at 3.2%, mining and quarrying (1.2%), small & household manufacturing (8.8%), slaughtering (3.8%), electricity generation & gas distribution (2.2% and construction (1.5%). Industrial sector is expected to get boost from improved inputs and energy supplies on the back of anticipated fall in global oil and commodity prices, public sector expenditure

and mega projects for infrastructure development. However, there are downside risks of high interest rates and exchange rate uncertainties which may raise the costs of working capital and raw material. Similarly, construction in housing sector and infrastructure projects may be affected by higher prices of construction material.

### **Services Sector**

Services sector is also expected to accelerate its growth to 3.6% in 2023-24. The envisaged growth in commodity producing sectors will complement the targeted growth in services sector. Uptick in the economic activity in agriculture and manufacturing sectors will translate into increased growth in wholesale & retail trade and transport, storage & communications. Moreover, tourism industry is expected to gain momentum and generate socioeconomic dividends that will have trickledown effect on retail trade, hotels and restaurants.

### **Investment and Savings**

Investment-to-GDP ratio is expected to increase from 13.6% in 2022-23 to 15.1% in 2023-24 due to stabilization and political stability. Fixed investment is expected to grow by 40.5% on nominal basis, whereas, as%age of GDP it is expected to increase from 11.9% in 2022-23 to 13.4% in 2023-24. National savings rate is targeted at 13.4% of GDP.

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

Items	(Percent Changes)				
	2020-21	2021-22	2022-23		2023-24
	Final	Revised	Target	Prov.	Target
<b>I) COMMODITY PRODUCING SECTORS</b>	<b>5.6</b>	<b>5.4</b>	<b>4.8</b>	<b>-0.5</b>	<b>3.4</b>
<b>A) AGRICULTURE</b>	<b>3.5</b>	<b>4.3</b>	<b>3.9</b>	<b>1.5</b>	<b>3.5</b>
Important Crops	5.8	5.4	3.5	-3.2	3.0
Other Crops	7.9	11.9	5.0	0.2	3.5
Cotton Ginning	-13.1	9.2	6.0	-23.0	7.2
Livestock	2.4	2.3	3.7	3.8	3.6
Forestry	3.3	4.1	6.1	3.9	3.0
Fishing	0.7	0.4	4.5	1.4	3.0
<b>B) INDUSTRY</b>	<b>8.2</b>	<b>6.8</b>	<b>5.9</b>	<b>-2.9</b>	<b>3.4</b>
Mining & Quarrying	1.7	-7.0	3.0	-4.4	1.2
<b>MANUFACTURING (i+ii+iii)</b>	<b>10.5</b>	<b>10.9</b>	<b>7.1</b>	<b>-3.9</b>	<b>4.3</b>
i) Large-Scale Manufacturing	11.5	11.9	7.4	-8.0	3.2
ii) Small & Household	9.0	8.9	8.3	9.0	8.8
iii) Slaughtering	6.1	6.3	3.0	6.3	3.8
Electricity Generation & Gas Distribution	9.0	3.1	3.5	6.0	2.2
Construction	2.4	1.9	4.0	-5.5	1.5
<b>II) SERVICES</b>	<b>5.9</b>	<b>6.6</b>	<b>5.1</b>	<b>0.9</b>	<b>3.6</b>
Wholesale & Retail Trade	10.8	10.3	6.5	-4.5	2.8
Transport, Storage & Communications	4.9	4.1	4.5	4.7	3.5
Accommodation & Food Services Activities	4.1	4.1	4.1	4.1	4.1
Information and Communication	9.8	16.3	6.0	6.9	5.0
Financial and Insurance Activities	5.5	7.2	5.1	-3.8	3.7
Real Estate Activities (OD)	3.6	3.7	3.8	3.7	3.6
Public Administration and Social Security (General Govt.)	-0.5	1.8	4.0	-7.8	3.2
Education	-1.2	5.7	4.9	10.4	3.0
Human Health and Social Work Activities	2.9	2.7	3.0	8.5	3.0
Other Private Services	5.1	4.8	4.8	5.0	5.0
<b>GDP (bp)</b>	<b>5.8</b>	<b>6.1</b>	<b>5.0</b>	<b>0.3</b>	<b>3.5</b>
<i>Source: Pakistan Bureau of Statistics and Planning Commission</i>					

## Macroeconomic Framework (Current Market Prices)

(Rs. Billion)

Items	2020-21	2021-22	2022-23		2023-24	2022-23/	2023-24/
	Final	Revised	Target	Prov.	Target	2021-22	2022-23
GDP (bp)	52,254	63,271	73,385	79,336	99,335	25.4	25.2
Indirect Taxes (Net)	3,582	3,352	4,695	5,322	6,482	58.8	21.8
GDP (mp)	55,836	66,624	78,080	84,658	105,817	27.1	25.0
Net Factor Income from Abroad	3,908	4,504	4,964	5,320	6,971	18.1	31.1
GNP (mp)	59,744	71,128	83,044	89,977	112,789	26.5	25.4
External Resources Inflow (net)	451	3,089	1,716	921	1,806	-70.2	96.1
<b>Total Resources/ Uses</b>	<b>60,195</b>	<b>74,216</b>	<b>84,760</b>	<b>90,898</b>	<b>114,595</b>	<b>22.5</b>	<b>26.1</b>
<b>Total Consumption</b>	<b>52,085</b>	<b>63,750</b>	<b>73,249</b>	<b>79,366</b>	<b>98,618</b>	<b>24.5</b>	<b>24.3</b>
<b>Total Investment</b>	<b>8,110</b>	<b>10,467</b>	<b>11,511</b>	<b>11,533</b>	<b>15,976</b>	<b>10.2</b>	<b>38.5</b>
Fixed Investment	7,161	9,334	10,184	10,093	14,177	8.1	40.5
Public incl. General Govt.	1,659	2,310	2,597	2,636	3,359	14.1	27.4
Private	5,502	7,024	7,587	7,458	10,818	6.2	45.1
Changes in Stocks/Valuables	949	1,133	1,327	1,439	1,799	27.1	25.0
<b>National Savings</b>	<b>7,659</b>	<b>7,378</b>	<b>9,795</b>	<b>10,612</b>	<b>14,170</b>	<b>43.8</b>	<b>33.5</b>
<b>As % of GDP</b>							
Total Investment	14.5	15.7	14.7	13.6	15.1		
Fixed Investment	12.8	14.0	13.0	11.9	13.4		
Public incl. General Govt.	3.0	3.5	3.3	3.1	3.2		
Private	9.9	10.5	9.7	8.8	10.2		
National Savings	13.7	11.1	12.5	12.5	13.4		
External Resources Inflow (net)	0.8	4.6	2.2	1.1	1.7		
<b>Memo Items</b>							
Inflation	10.4	14.1	11.5	25.0	21.0		
GNP (mp) Per Capita (Rs)	268,403	313,337	358,766	388,755	478,040		

Source: PBS &amp; Planning Commission

## 2. BALANCE OF PAYMENTS

The balance of payments crisis of FY22 has long-lasting impact on shaping economic outcome in the year FY23. The overhang of covid-19 was just to recede when Russia-Ukraine war exacerbated the supply chain glitches which is furthered the domestic production structure. Yet another factor impeded the production in the shape of massive floods which necessitates drastic import compression measures to prevent falling foreign exchange reserves below critical level. This also impacted exports but overall current account deficit was curtailed to manageable level.

On external front, FY23 witnessed depreciating currency, tumbling inflow of remittances, decreasing foreign direct investment, declining exports receipts and depleting foreign exchange reserves. The country had to resort to excessive external borrowings, causing the currency to fall further, making imports more expensive and restraining exports which are heavily dependent on imports.

### **Performance Review 2023**

Annual Plan 2022-23 envisaged exports of US\$ 32,357 million, almost the same level of US\$ 32,471 million recorded during 2021-22. Imports in FY23 were targeted at US\$ 66,405 million compared to US\$ 72,152 million during 2021-22. Trade deficit was projected to stay at around US\$ 34,408 million as compared to US\$ 39,681 million in 2021-22. The resultant Current Account deficit was targeted to shrink to US\$ 9,019 million in 2022-23, compared to US\$ 17,405 million 2021-22. Workers' Remittances were projected at US\$ 32,495 million, slightly above US\$ 31,279 recorded in 2021-22.

Pakistan's overall requirement to finance BoP reduced by 21.2% to US\$ 4,586 million in 10MFY23 compared to the requirement of US\$ 5,820 million in the corresponding period of FY22. Gross Foreign Exchange Reserves (FERs) plunge by around 52.5% to US\$ 5,674 million in 10MFY23 from US\$ 11,937 million during the corresponding period of the previous year. The SBP's foreign exchange reserves decline was attributable to the scheduled external repayments. The combined ten-month position is worrying as gross reserves have fallen from a historical low level of end June FY22 by around 49%. The GFERs have fallen from US\$ 11,090 million by end of June 2022 to US\$ 5,674 million by end April FY23. The FER import cover is down to around five weeks. Drastic measures are required to build up reserves in the coming months. Moreover, delay in reaching at the bailout package with IMF due to political instability made economic situation formidable and cause of great concerned.

## Current Account Deficit

Current Account records transactions on the basis of exports and imports of goods and services, interest payments to foreign lenders, repatriation of profits by multinational companies operating in Pakistan, and the inflow of remittances from Pakistani expatriate workers. As highlighted in Table 2.1, the current account deficit has significantly narrowed down during Jul-Apr FY23 but still posing considerable challenges. Pakistan's current account deficit fell by 76% during the 10MFY23 owing to lower import bills of goods & services.

The current account deficit has witnessed massive adjustment to US\$ 3258 million during 10MFY23 compared to US\$ 13654 million during the corresponding period of FY22, down by around US\$ 10296 million. The average monthly CAD during 10MFY23 comes to around US\$ 326 million, well below the average monthly CAD of US\$ 1365 billion during FY22. The 10MFY23 average monthly CAD also below well compared with the FY23 target of US\$ 775 million per month<sup>2</sup> as a result of curbs on imports.

<b>Table-2.1: Balance of Payments</b>					
(US\$ Million)					
		July-April		% Change	
		2021-22	2021-22		2022-23
<b>Current Account Deficit</b>		<b>-17,406</b>	<b>-13,654</b>	<b>-3,258</b>	<b>-76.1</b>
<b>Trade Balance</b>		<b>-39,598</b>	<b>-31,847</b>	<b>-21,991</b>	<b>-30.9</b>
Exports		32,450	26,858	23,211	-13.6
Imports		72,048	58,705	45,202	<b>-23.0</b>
<b>Services (Net)</b>		<b>-5,175</b>	<b>-4,712</b>	<b>-403</b>	<b>-91.4</b>
Credit		6,968	5,923	6,009	1.5
Debit		12,143	10,635	6,412	-39.7
<b>Income (Net)</b>		<b>-5,286</b>	<b>-4,411</b>	<b>-4,447</b>	<b>0.8</b>
Credit		804	509	810	59.1
Debit		6,090	4,920	5,257	6.8
<b>Current Transfers (Net)</b>		<b>32,653</b>	<b>27,316</b>	<b>23,583</b>	<b>-13.7</b>
Current Transfers Credit		32,943	27,565	23,833	-13.5
Worker Remittances		31,238	26,143	22,742	-13.0
Current Transfers Debit		290	249	250	0.4
<b>Financial &amp; Capital Account, o/w</b>		<b>11,291</b>	<b>8,322</b>	<b>-1,513</b>	<b>-118.2</b>
Direct Investment (net)		1,620	1,348	-104	-107.7
Portfolio Investment (net)		-54	140	-1,008	-820.0
<b>Net Liabilities</b>		<b>9,518</b>	<b>6,649</b>	<b>-769</b>	<b>-111.6</b>
General Government		2,922	1,055	-1,726	-263.6
Disbursement		11,255	8,032	7,313	-9.0
Amortization		8,333	6,977	9,039	29.6

<sup>2</sup> Annual Plan 2022-23, MoPD&SI



<b>Overall Balance</b>	<b>-6,316</b>	<b>-5,820</b>	<b>-4,586</b>	<b>-21.2</b>
Use of Fund Credit and Loans	<b>-1,015</b>	<b>-734</b>	<b>-687</b>	-6.4
Gross Official Reserve	11,092	11,937	5,674	52.5
<i>Source: SBP</i>				

The favorable movement in commodity prices in the international market and continuing import controls is expected to help keep the deficit lower in the coming months. The shrinking CAD would free Pakistan from seeking more foreign loans than budgeted for the current financial year to meet its external financing requirements. There is a need to ensure more inflows (home remittances, FDI, exports) in order to sustain the current trend of CAD. The government is taking steps to build up the sliding GFERs. Conclusion of SLA with IMF will enhance Pakistan's credibility and will unlock opportunities of foreign financial inflows from other IFIs. It is expected that as the Geneva pledges of US\$ 10.5 billion for reconstruction activities for the flood affected masses will provide some relief to CAD and will help the build-up of FERs.

### **Trade in Goods**

According to SBP, the merchandize trade deficit narrowed by almost 31% to US\$ 21,991 million in the first ten months of FY23 compared to US\$ 31,847 million in the corresponding period of FY22. This was mainly driven by decline in imports though exports witnessed decline. In view of these developments, it is expected that trade deficit for 2022-23 is likely to remain below the target of Annual Plan 2022-23 (US\$ 34 billion).

### **Exports**

The performance on exports front witnessed decline of 14% and stood at US\$ 23, 211million during Jul-Apr FY23 compared to US\$ 26, 858 million in the same period last year. Exports for FY23 are estimated to be around US\$ 28,013 million against the target of US\$ 32,357 million. Pakistan's export sector is grappling with a multitude of challenges. These included soaring energy prices, low credit extended due to highest ever policy rate delayed refunds, scarcity of raw materials, termination of regionally competitive energy rates and a global decline in demand, despite the significant depreciation of the local currency. The contribution of various groups in exports is given in Table 2.2.

### **Textile Export**

As per SBP data, the country's textile group exports declined by around 6.5% during the first ten months of FY23 and remained at US\$ 14,111 million as compared to US\$ 15093 million during the same period of the last year. All Categories of textile exports were observed declining trend except Raw Cotton and Tents which were increased by 92 and 19% respectively during 10MFY23.

<b>Table 2.2: Contribution of Various Group in Exports (US\$ Million)</b>					
<b>Selected Commodity</b>	<b>Jul-Apr</b>		<b>Absolute Change</b>	<b>Percent Change</b>	<b>Point of Contribution</b>
	<b>FY22</b>	<b>FY23 P</b>			
<b>A. Food Group</b>	<b>4,370</b>	<b>3,920</b>	<b>-449</b>	<b>-10.3</b>	<b>-1.7</b>
Rice	2,211	1,738	-473	-21.4	-1.8
Fish & Fish Preparations	351	390	39	11.2	0.1
Fruits	340	188	-151	-44.5	-0.6
<b>B. Textile Group</b>	<b>15,093</b>	<b>14,111</b>	<b>-982</b>	<b>-6.5</b>	<b>-3.7</b>
Cotton Yarn	976	728	-247	-25.4	-0.9
Cotton Cloth	1,890	1,818	-72	-3.8	-0.3
Raw Cotton	6.9	13.3	6.4	92.5	0.0
Knitwear	3,731	3,637	-94	-2.5	-0.4
Bed Wear	2,693	2,380	-313	-11.6	-1.2
Readymade Garments	3,025	2,966	-59	-2.0	-0.2
Tents, Canvas & Tarpaulin	90.8	108.4	17.6	19.4	0.0
<b>C. Petroleum Group</b>	<b>347</b>	<b>238</b>	<b>-109</b>	<b>-31.5</b>	<b>-0.4</b>
Petroleum Crude	99	83	-16	-16.0	-0.1
<b>D. Other Manufacturers Group</b>	<b>3,584</b>	<b>3,377</b>	<b>-206</b>	<b>-5.8</b>	<b>-0.8</b>
Sports Goods	423	383	-40	-9.6	-0.2
Leather Manufactures	543	532	-11	-2.0	0.0
Surgical Goods & Medical Instruments	398	380	-18	-4.6	-0.1
Chemical and Pharma. Products	1,199	1,197	-1	-0.1	0.0
<b>E. All Others</b>	<b>2,313</b>	<b>2,101</b>	<b>-212</b>	<b>-9.2</b>	<b>-0.8</b>
<b>Total Export</b>	<b>26,858</b>	<b>23,211</b>	<b>-3,647</b>	<b>-13.6</b>	<b>-13.6</b>

Source: State Bank of Pakistan

The exports of textiles and clothing sector is expected to remain lower owing to a slump in global demands, high energy costs, stuck-up refunds, exchange rate volatility etc. despite a massive depreciation of the Rupee. The discontinuation of duty drawbacks on local taxes and levies has also created liquidity issues for the textile exporters.

## Non-Textile Export

Amid the global economic slowdown, Pakistan’s exports of non-textile products also decreased, by around 23% and earned US\$ 9,101 million during 10MFY23. This declining trend in the export proceeds of the non-textile sector continues since the start of the current fiscal year. In the value-added leather sector, exports of leather garments fell by 8.4%, despite a rise in the exports of leather gloves, by 2.2% during 10MFY23 indicating that the manufacturers of leather items are unable to meet the global requirements and fashion trend.

The export of cement dipped massively by 24% during 10MFY23 compared to the corresponding period of FY22. The export of Sports goods down by 10% in spite of an increase in the sales of footballs by 20%, as Pakistan was the official football supplier to the FIFA World Cup held in Doha, Qatar in November 2022. Exports of pharmaceutical products declined by 14% during the first 10 months of FY23 over the corresponding period of FY22. Similarly, the export of carpets went down by 16% in 10MFY23.

## Food Group Export

SBP data shows around 10.3% decline in the exports of the food group during 10MFY23. Under this category, exports of rice decreased by 21%, while Fish & Fish Preparation exports grew by 11% in value. Exports of Tobacco, Meat and Other Food items increased by 25, 16.12 and 15.8% respectively and fetched additional foreign exchange amount of US\$ 157 million together during Jul-Apr FY23.

## Price Effect and Quantity Effect

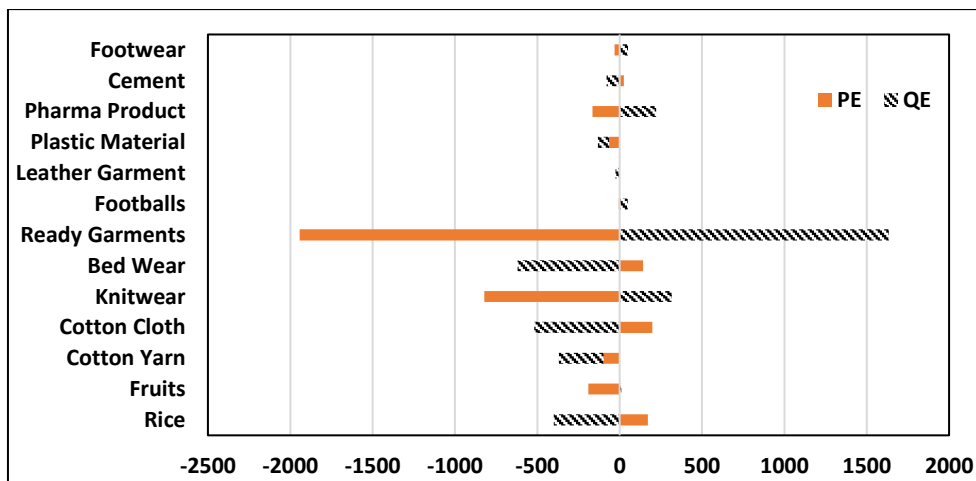
The changes in total exports and imports of goods can occur either due to a change in prices, a change in quantity, or both. The Price and Quantum effects of selected export commodities based on PBS data are shown in Table 2.3.

Commodities	PE and QE		
	Jul-April FY23 over Jul-April FY22		
	PE	QE	TE
Rice	171	-400	-229
Fruits	-190	11	-179
Cotton Yarn	-97	-273	-370
Cotton Cloth	198	-519	-321
Knitwear	-822	316	-506
Bed Wear	143	-620	-478
Ready Garments	-1943	1634	-310
Footballs	-5	49	44
Leather Garment	-0.5	-25	-26
Plastic Material	-64	-68	-132
Pharma Product	-165	222	57

Cement	26	-80	-54
Footwear	-32	50	18
<i>Source: Pakistan Bureau of Statistics</i>			

The export of rice went down by US\$ 229 million (US\$ 400 million reductions due to a change in quantity and an increase of US\$ 171 million owing to an increase in prices) during 10MFY23 compared to 10MFY22. The overall export of Cement, decreased by US\$ 54 million in 10M23 compared to the same period of FY22. This total effect is a result of an increase of US\$ 26 million in price while negative quantity effect of US\$ 80 million. The price and quantum effects of selected export items show a mixed trend.

**Graph 2.1: Price and Quantum Effect of Selected Export Items (\$, Million)**



*Source: Pakistan Bureau of Statistics (PBS)*

## Imports

Imports declined from US\$ 58705 million in Jul-Apr 2021-22 to US\$ 45202 million during the corresponding period of 2022-23 thus showing a decrease of 23%. Imports are estimated to be curtailed at US\$ 55,325 million against the target of US\$ 65,600 million envisaged in Annual Plan 2022-23. The contribution of various groups in imports is given in Table-2.4.

### Petroleum Group Imports

Imports of the petroleum group surged up by around 6.2% year-on-year in Jul-Apr of FY23. The highest-ever increase in prices led to lower consumption of petroleum products. In absolute terms, the total import value of the petroleum group rose to US\$ 15.4 billion in 10MFY23 from US\$ 14.5 billion over the corresponding period of last year. In sub-category, the imports of petroleum products increased by 7% in value during 10MFY23 while import of crude oil decreased by 1.8%. Similarly, imports of liquefied natural gas (LNG) also rose up by 14.5% in 10MFY23 on a year-on-year basis. This would

have translated into relatively lower LNG-based power generation — a replacement for furnace oil.

Selected Commodity	Jul-Mar		Absolute Change	Percent Change	Point of Contribution
	FY22	FY23 P			
<b>A. Food Group</b>	<b>6,838</b>	<b>6,946</b>	<b>108</b>	<b>1.6</b>	<b>0.18</b>
Soybean Oil	124	250	126	102.0	0.21
Palm Oil	2,794	2,845	51	1.8	0.09
<b>B. Machinery Group</b>	<b>8,078</b>	<b>3,876</b>	<b>-4,202</b>	<b>-52.0</b>	<b>-7.16</b>
Power Generating Machinery	690	320	-370	-53.6	-0.63
Telecom	1,949	648	-1,301	-66.8	-2.22
<b>C. Transport Group</b>	<b>3,113</b>	<b>1,112</b>	<b>-2,001</b>	<b>-64.3</b>	<b>-3.41</b>
Road Motor Vehicles	2,580	957	-1,623	-62.9	-2.76
<b>D. Petroleum Group</b>	<b>14,465</b>	<b>15,357</b>	<b>893</b>	<b>6.2</b>	<b>1.52</b>
Petroleum Products	7,608	8,141	534	7.0	0.91
Petroleum Crude	3,995	3,922	-72	-1.8	-0.12
Natural Gas, Liquified	2,754	3,155	400	14.5	0.68
<b>E. Textile Group</b>	<b>4,758</b>	<b>3,839</b>	<b>-919</b>	<b>-19.3</b>	<b>-1.57</b>
<b>F. Agri. &amp; Other Chemical</b>	<b>8,911</b>	<b>7,037</b>	<b>-1,874</b>	<b>-21.0</b>	<b>-3.19</b>
Fertilizer Manufactured	650	564	-85	-13.1	-0.15
Plastic Materials	2,659	1,919	-739	-27.8	-1.26
<b>G. Metal Group</b>	<b>4,916</b>	<b>2,960</b>	<b>-1,955</b>	<b>-39.8</b>	<b>-3.33</b>
Iron and Steel Scrap	1,881	913	-968	-51.4	-1.65
Iron and Steel	2,285	1,431	-855	-37.4	-1.46
<b>H. Miscellaneous Group</b>	<b>979</b>	<b>648</b>	<b>-330</b>	<b>-33.8</b>	<b>-0.56</b>
<b>I. All Others</b>	<b>5,552</b>	<b>2,817</b>	<b>-2,735</b>	<b>-49.3</b>	<b>-4.66</b>
<b>Total Imports</b>	<b>58,705</b>	<b>45,202</b>	<b>-13,503</b>	<b>-23.0</b>	<b>-23.00</b>

### **Machinery Group Imports**

For many years' machinery imports have been a major reason for the growing trade deficit, but it registered negative growth of 52% to US\$ 3.9 billion in 10MFY23 from US\$ 8.1 billion in the corresponding period last year mainly due to a period-t-period decline of 67% in the arrivals of telecom equipment including mobile phones. The import of power-generating machineries, textile, office and also shrank by around 54%, 49% and 44% respectively during this period.

### **Food Group Imports**

Food is the second largest group of imports which grew by 1.6% to US\$ 6.95 billion from US\$ 6.84 million during the 10MFY23 over the same period of the last year. During the period under review, Imports of Edible Oil (Soyabean Oil and Palm Oil) rose up by 6.1%,

adding an amount of US\$ 3.1 billion to imports bill. Similarly, around US\$ 939 million additional import of Un-milled Wheat significantly contributed in Food Group imports.

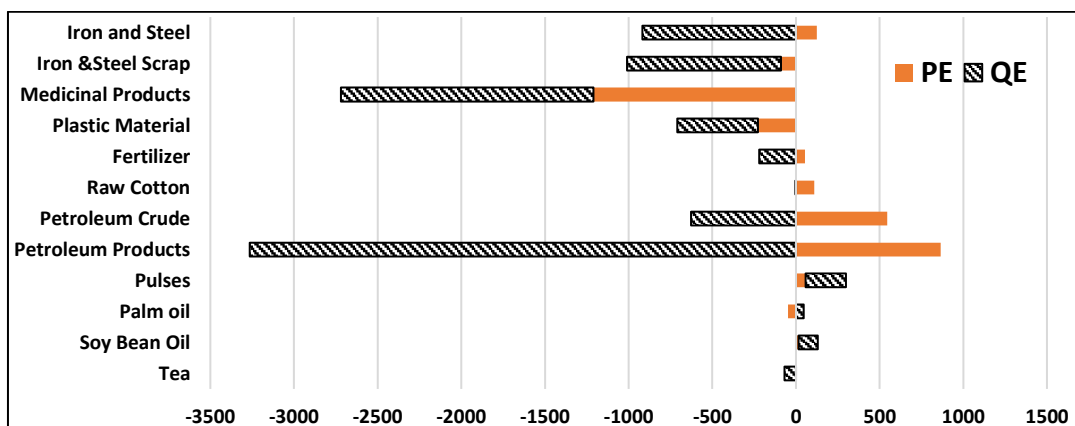
### Price Effect and Quantity Effect

PBS data (based on shipments) show that the total import bill for 10MFY23 went down by 28.5% over 10MFY22. Price Effect (PE) and Quantum Effect (QE) of selected imported goods is given in Table 2.5. During 10MFY23, the overall Price Effect in the case of significant import items remained positive while Quantum Effect remained negative over the corresponding period of FY22. Thus, the Total Effect shows a mixed trend.

Commodities	PE and QE		
	Jul-April FY23 over Jul-April FY22		
	PE	QE	TE
Tea	3	-68	-65
Soy Bean Oil	15	116	131
Palm oil	-48	47	-1
Pulses	58	240	298
Petroleum Products	864	-3264	-2400
Petroleum Crude	545	-628	-83
Raw Cotton	110	-3	106
Fertilizer	54	-221	-167
Plastic Material	-228	-481	-709
Medicinal Products	-1211	-1508	-2720
Iron & Steel Scrap	-89	-922	-1010
Iron and Steel	125	-917	-792

Source: Pakistan Bureau of Statistics

**Graph-2.2: Price and Quantum Effect of Selected Imports Items (\$, Million)**



Source: PBS

## Trade in Services

Deficit in Service trade during 10MFY23 went down by 91%, as it reduced from US\$ 4.7 billion in 10MFY22 to US\$ 403 million. This is primarily because of \$4.2 billion reduction in imports and transport sector registered a decrease of \$2.9 billion on account of improvement in shipment traffic. Export of Services improved to US\$ 6 billion during 10MFY23 from US\$ 5.9 billion over the corresponding period of FY22, registering a growth of 1.5%. However, ICT exports decreased by 3% from \$2.2 billion to \$2.1 billion. In the case of Services Imports, a 40% reduction is recorded, from US\$ 10.6 billion during 10MFY22 to US\$ 6.4 billion during 10MFY23.

Categories	July-April		Absolute Change	Percent Change
	2022	2023		
<b>Services Import</b>	<b>10,636</b>	<b>6,413</b>	<b>-4,222</b>	<b>-39.7</b>
Transport	6,157	3,286	-2,871	-46.6
Sea Transport	5,065	2,369	-2,696	-53.2
Air Transport	905	786	-119	-13.1
Travel	985	1,263	278	28.3
Financial Services	347	177	-170	-48.9
IPO use	190	38	-152	-79.9
Other business services	1,714	966	-748	-43.6
<b>Services Export</b>	<b>5,923</b>	<b>6,010</b>	<b>87</b>	<b>1.5</b>
ICT	2,199	2,133	-66	-3.0
Other Business Services	1,392	1,302	-90	-6.5
Travel	463	881	418	90.3
Personal	461	875	414	89.8
Financial Services	151	56	-95	-62.9

*Source: SBP*

## Capital Accounts

Under the capital account, non-debt creating inflows jumped to US\$ 358 million in first ten months of FY23 from US\$ 182 million in corresponding period of FY22, higher by 97% (Table 2.1). Pakistan financial inflows in FY23 increased on the back of flood-related grants.

## Financial Accounts

Under Financial Accounts, outflows of US\$ 1,871 million recorded during Jul-Apr 2022-23 as against US\$ 8,140 million inflows were received during corresponding period of last fiscal year (Table 2.1). Net Foreign direct investment remained negative of US\$ 104 million as outflows surpassed inflows. FDI outflows stood at US\$ 1,276 million while inflows recorded US\$ 1172 million during 10MFY23. Similarly, Portfolio investment also does not depict rosy picture and net portfolio investment remained negative of US\$

1,008 million in Jul-Apr 2022-23 as compared to positive of US\$ 140 million during same period of last year.

The liabilities of Central Bank ballooned in the backdrop of inflows received from Saudi Arabia, UAE and China under bilateral arrangements to support the falling reserves of the SBP. The amortization payments increased to US\$ 9039 million from US\$ 6,977 million whereas disbursements decreased from US\$ 8,032 million to US\$ 7,313 during the period under review. The disbursements decreased due to lesser inflows under long-term and short-term loans. Increase in outflow of FDI and FPI along-with higher amortization have resulted into significant depletion of SBP’s liquid foreign exchange reserves during Jul-Apr 2022-23.

### Tumbling Remittance

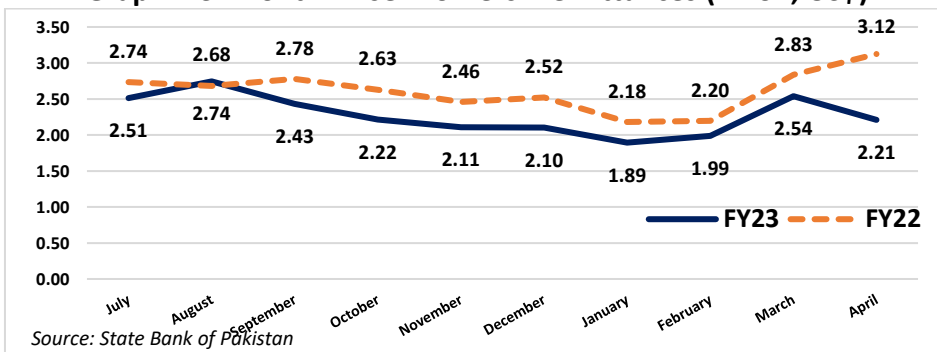
The average Remittances in the first ten months of this fiscal year dropped by nearly 13% in comparison of FY22. Workers in KSA contributed the largest amount of remittance, worth US\$ 5.4 billion during Jul-Apr FY23, US\$ 1.13 billion less compared to those in FY22. These remittances from KSA contributed around 24% of the total remittances in the reporting period.

**Box-2.1: Measures to Increase Remittances for 2022-23:**

- Allowed Exchange Companies to act as sub-agents of Authorized Dealers/Banks for disbursement of remittances in PKR.
- Encouraged Exchange Companies to explore new agency agreements with foreign entities on non-exclusive basis for enhancing the flow of remittances.
- Initiated the Pilot Phase of Pre-Departure Financial Briefing Programme through major remittances mobilizing banks at Protectorate of Emigrants (PE) Karachi offices.

The second largest remittance receipts were from UAE, at US\$ 3.99 billion during Jul-Apr FY23, significantly lower than those receipts in FY22. Overseas Pakistanis in UK and US were the third and fourth largest contributors, with US\$ 3.4 billion (15%) and US\$ 2.57 billion (11%) respectively during the reporting period of FY23. However, the share of remittances from all countries registered either declining or constant trend except USA and some countries of EU. during Jul-Apr FY23 in comparison of same period of FY22 (Table 2.7). It is being noted the shares of remittances from most of Middle Eastern countries are declining since FY22 depicted in Graph 2.3. Out of US\$ 3.4 billion decline in overall remittances, US\$ 2.1 billion (60%) contributed by KSA and UAE.

**Graph 2.3: Month-Wise Workers' Remittances (Billon, US\$)**





FY22 & FY23 witnessed almost the same level of exports. Remittances inflows are life-line for a country where foreign finances dry up. The drop-in remittances over the last ten months have been mainly caused by currency fluctuations and ease of post Covid travel restriction. The artificially cheap dollar price in the interbank market drove many to the unregulated black market, as did overseas Pakistanis transferring money home. As the use of hawala and hundi continued to provide better rates to senders, the large gap in interbank, open market, and illegal market rates for the dollar became a key reason behind declining remittances through legal channels. Moreover, US\$ ban in Afghanistan further aggravated the situation and give rise smuggling of \$ to neighbor country.

**Box-2.2: Measures in Pipeline/to be taken for 2023-24:**

- Reintroduction incentive scheme in mobilizing remittances.
- Introduce the facility of 1Bill and PayPak Card for the redemption of points for enhancing the attractiveness of Sohni Dharti Remittance Program (SDRP).
- Implementation of the Pre-Departure Financial Briefing Programme on an ongoing basis in all the PE offices.

**Table-2.7: Country-Wise Workers' Remittances**

Country	FY19	FY20	FY21	FY22	July-Apr			Change in FY23 Over FY22	
					FY21	FY22	FY23	Absolute Change	%
K.S.A	5,003	6,613	7,726	7,754	6,412	6,532	5,400	-1132	-17.3
U.A.E.	4,617	5,612	6,165	5,846	5,083	4,912	3,987	-925	-18.8
U.K.	3,412	2,569	4,091	4,493	3,341	3,678	3,412	-266	-7.2
Other GCC Countries	2,119	2,910	3,332	3,625	2,762	3,030	2,667	-363	-12.0
EU Countries	609	1,778	2,729	3,361	2,206	2,806	2,590	-216	-7.7
USA	3,309	1,743	2,600	3,087	2,124	2,565	2,571	6	0.2
Oman	667	994	1,089	1,132	900	946	843	-103	-10.9
Qatar	386	760	911	1,028	753	858	766	-92	-10.8
Other Countries#	2,570	1,904	2,817	3,329	2,294	2,792	2,414	-915	-27.5

Source: State Bank of Pakistan

## Real Effective Exchange Rate

Real Effective Exchange Rate (REER) appreciation erodes competitiveness. As in past few years, REER appreciated significantly depicting that the rupee remained overvalued. However, Real Effective Exchange Rate (REER) declined to 85.57 (Base 2010 = 100) in April 2023 while it was 96.75 in the same month of last year, showing decline of around 11.56%. REER figure indicate that rupee has significantly lost its value and has undervalued against US\$.

## Policies and Strategies for External Sector

In order to strengthen the external sector of the economy effective policy measures are planned to bolster exports, curbing unnecessary imports, enhancing remittances and FDI inflows. Strategic Trade Policy Framework (STPF) 2022-25 outlines the vision, objectives, targets and interventions for enhancing the export competitiveness of Pakistan. It aims to achieve export target of US\$ 40 billion by 2025 through improvement in export diversification, value addition, technological upgradation, trade facilitation, ease of doing business and enhancing regional & bilateral trade cooperation.

### ***Box-2.3: Policy Initiative for Enhancing Exports and Managing Imports Introduced During 2022-23***

- Signed MoU with China on E-Commerce Cooperation.
- Collaborated with Meta (Facebook) to launch Anti-Scam Campaigns in Urdu and English.
- Market Access initiatives in China, Uzbekistan, Indonesia, South Korea, Thailand, and Japan for getting access for Pakistani fruits and vegetables.
- Russia has removed the ban on importing rice from Pakistan adding US\$ 7 million in Rice exports.
- Market access of Pakistani Rice in the Philippines and Malaysia adding a combined benefit of US\$ 134 million.
- Pakistan and Türkiye successfully concluded the Trade in Goods Agreement.
- Duties were rationalized on approximately 100 tariff lines.
- China has allowed the import of cherries from Pakistan w.e.f. 15<sup>th</sup> November, 2022.
- PTA was signed with Uzbekistan on 3<sup>rd</sup> March, 2022.

The Policy is focusing on 18 priority sectors, both emerging and established, based on their potential for export growth, value addition, employment generation and contribution to GDP. It included engineering, leather, processed food & beverages, fruits & vegetables, meat & poultry, pharmaceuticals, software development & services, business process outsourcing, logistics, institutional coordination, gems and Jewellery, home textiles, rice, surgical instruments, sports goods, footwear, auto parts and chemicals.

In order to achieve the goals, set out by the policy, STPF suggests various measures such as duty drawback, export development fund, markup support, technology acquisition fund, product development fund, branding and certification support, e-commerce development, trade diplomacy and dispute resolution. Ease of doing business and trade facilitation will be improved by simplifying procedures, reducing costs, enhancing transparency and efficiency, and strengthening

### ***Box-2.4: Proposed Trade Reforms/Initiatives for 2023-24:***

- Process for enabling market access for many agro-products.
- Duty Drawback of Local Taxes Scheme will be revised to enhance market and product diversification.
- Negotiation underway with GCC, UAE, Eastern African Community, Korea, Vietnam and CARs to conclude FTAs.
- Establishing of Sector Specific Council for services sector.
- Establishing of boarder market with Iran.

institutional capacity. To enhance regional trade and bilateral trade cooperation, pursuing preferential trade agreements , engaging in trade diplomacy, resolving trade disputes and promoting regional connectivity will be focused.

Balance of Payments						
(US\$ Million)						
	2021-22	July-April		Percent Change	Projected 2022-23	Target 2023-24
		2021-22	2022-23			
<b>Current Account Deficit</b>	<b>-17,481</b>	<b>-13,654</b>	<b>-3,258</b>	<b>-76.1</b>	<b>-3,716</b>	<b>-6,012</b>
<b>Trade Balance</b>	<b>-39,050</b>	<b>-31,847</b>	<b>-21,991</b>	<b>-30.9</b>	<b>-26,440</b>	<b>-28,665</b>
Exports	32,493	26,858	23,211	-13.6	28,013	30,030
Imports	71,543	58,705	45,202	<b>-23.0</b>	-54,454	-58,695
<b>Services (Net)</b>	<b>-5,840</b>	<b>-4,712</b>	<b>-403</b>	<b>-91.4</b>	<b>-1,144</b>	<b>-2,555</b>
Credit	7,102	5,923	6,009	1.5	6,986	6,727
Debit	12,942	10,635	6,412	-39.7	-8,130	-9,282
<b>Income (Net)</b>	<b>-5,248</b>	<b>-4,411</b>	<b>-4,447</b>	<b>0.8</b>	<b>-5,575</b>	<b>-6,745</b>
Credit	652	509	810	59.1	810	650
Debit	5,900	4,920	5,257	6.8	-6,385	-7,395
<b>Current Transfers (Net)</b>	<b>32,657</b>	<b>27,316</b>	<b>23,583</b>	<b>-13.7</b>	29,444	31,953
Current Transfers Credit	32,949	27,565	23,833	-13.5	29,644	32,173
Worker Remittances	31,279	26,143	22,742	-13.0	28,142	30,534
Current Transfers Debit	292	249	250	0.4	-200	-220
<b>Financial &amp; Capital Account, o/w</b>	<b>11,466</b>	<b>8,322</b>	<b>-1,513</b>	<b>-118.2</b>	<b>843</b>	<b>14,523</b>
Direct Investment (net)	1,702	1,348	-104	-107.7	205	2,773
Portfolio Investment (net)	-55	140	-1,008	-820.0	227.0	1,780
<b>Net Liabilities</b>	<b>12,226</b>	<b>6,649</b>	<b>-769</b>	<b>-111.6</b>	<b>-903</b>	
General Government	6,117	1,055	-1,726	-263.6	-301	1,914
Disbursement	11,256	8,032	7,313	-9.0	8063	4,920
Amortization	8,343	6,977	9,039	29.6	10,052	11,431
<b>Overall Balance</b>	<b>-6,318</b>	<b>-5,820</b>	<b>-4,586</b>	<b>-21.2</b>	<b>-2,873</b>	
Use of Fund Credit and Loans	<b>-1,015</b>	<b>-734</b>	<b>-687</b>	<b>-6.4</b>		
Gross Official Reserve	11,092	11,937	5,674	-52.5		

Source: SBP

### 3. FISCAL, MONETARY AND CAPITAL MARKET DEVELOPMENT

The economic activity witnessed a broad based-slowdown during the first half of the 2022-23. Supplies of agricultural commodities have been adversely affected by the devastating floods of monsoon 2022. The spill overs of external sectors vulnerabilities and the import restrictions to ease pressures on depleting foreign exchange reserves contracted the manufacturing sector, the major contributor to tax revenue. Consequently, revenue shortfalls and record high levels of inflation have been recorded. In a bid to ease the inflationary pressures, a tight monetary policy is being pursued that too is not boding well for credit offtake by the private businesses. These circumstances along with political uncertainties have led to deterioration of overall business climate. Stock market also underperformed due to low Investor confidence.

During the next fiscal year, the risks on fiscal, monetary and external fronts are likely to continue along with high inflationary outlook. Given a stable political environment and fall in global commodity prices, fiscal and monetary policies will be focused on resilience of the economy through growth of productive sectors, adequate resource mobilization, employment generation and easing the inflationary pressures. Capital market development plan will be focused on enhancing ease of doing business, technological innovation, curtailing market risks and enhancing investor's confidence.

#### **Performance Review 2022-23**

##### **Fiscal Developments**

Federal Budget 2022-23 estimated consolidated fiscal deficit at 4.9% of GDP. During July-March 2022-23, fiscal deficit stood at 3.6% of GDP as compared to 3.9% during the corresponding period of last year. Total revenue grew by 18.1%. Tax-to-GDP ratio decreased from 7.2% to 6.6% though tax revenue in absolute terms grew by 16.5% due to 17.6% growth of FBR taxes. Direct taxes grew by 46.3% whereas indirect taxes posted a paltry growth of 1.5% with 1.9% growth in sales tax, 9.2% growth in federal excise duty and a decline of 1.9% in customs duties which is attributed to import restrictions. The low growth of sales tax on goods reflects weak domestic economic activity. Non-tax revenue, on the other hand, registered an impressive growth of 23.3% which mainly owes to 189% growth in petroleum levy and 120% growth in windfall levy on crude oil. petroleum levy was suspended in FY22 to alleviate inflation but re-introduced in FY23 as a fiscal consolidation measure.

Total expenditure grew by 18.7% during July-March FY23 mainly due to 25.3% growth in current expenditure. Fiscal deficit primarily originated from the growth of current expenditure with major share of mark-up payments (54.2%) in federal current

expenditure and its growth of 69.1%. Servicing of foreign debt posted a phenomenal growth of 114.6% due to currency depreciation. Servicing of domestic debt increased by 63.8% as domestic interest rates rose due to continuous monetary tightening. Non-interest current expenditure declined by 2.1% with reduced spending on subsidies (-8.8%) and grants (-33%). Consequently, primary balance was recorded in a surplus of 0.6% of GDP as compared to a deficit of 0.7% of GDP last year. Development expenditures fell by 1.8% with decline in both federal PSDP and provincial ADPs by 5.1% and 0.4%, respectively. Federal deficit decreased from 4.8% of GDP to 4.2% while provincial surplus decreased from 0.9% of GDP to 0.5% [Table-3.1].

**Table-3.1: Consolidated Fiscal Operations (July-March 2022-23)**

(Rs. Billion)

	July-March		Percent Change	Percent of GDP	
	2021-22	2022-23		2021-22	2022-23
<b>Total Revenue</b>	<b>5,874.2</b>	<b>6,938.2</b>	<b>18.1</b>	<b>8.8</b>	<b>8.2</b>
A) Tax Revenue	4,821.9	5,617.7	16.5	7.2	6.6
a) Federal (FBR)	4,383.6	5,155.9	17.6	6.6	6.1
b) Provincial	438.3	461.8	5.4	0.7	0.5
B) Non-Tax Revenue	1,052.2	1,297.9	23.3	1.6	1.5
a) Federal	958.5	1,214.7	26.7	1.4	1.4
- Petroleum Dev Levy	125.6	362.5	188.7	0.2	0.4
b) Provincial	93.7	105.8	12.8	0.1	0.1
<b>Total Expenditure</b>	<b>8,439.8</b>	<b>10,016.9</b>	<b>18.7</b>	<b>12.7</b>	<b>11.8</b>
A) Current Expenditure	7,378.0	9,244.6	25.3	11.1	10.9
a) Federal	5,209.9	6,607.9	26.8	7.8	7.8
- Markup Expenditure	2,118.5	3,582.4	69.1	3.2	4.2
- Non-Markup Expenditure	3,091.4	3,025.4	-2.1	4.6	3.6
b) Provincial	2,168.2	2,636.7	21.6	3.3	3.1
B) Development Expenditure & Net Lending	1,051.1	1,060.4	0.9	1.6	1.3
a) PSDP	1,032.7	1,014.0	-1.8	1.6	1.2
- Federal	308.6	292.9	-5.1	0.5	0.3
- Provincial	724.1	721.0	-0.4	1.1	0.9
b) Net Lending to PSEs	18.4	46.5	152.1	0.0	0.1
Fiscal Deficit (Consolidated)	2,565.6	3,078.7	20.0	3.9	3.6
Primary Balance	-447.2	503.8	-212.7	-0.7	0.6
Federal Deficit	3,165.4	3,534.7	11.7	4.8	4.2
Provincial Surplus	599.8	456.0	-24.0	0.9	0.5
GDP (Current Market Prices)	66,624	84,658			

Source: Finance Division

## Monetary Developments

During July to May 13 FY23, the SBP increased the policy rate from 13.75% to 21% to anchor inflation expectations and achieve the objective of price stability to support sustainable growth in the future. It was decided in view of the strong and persistent inflationary pressures as assessed by Monetary Policy Committee (MPC). Further, a rise

in cost-push inflation stemming from persistent global and domestic supply shocks necessitated a tight monetary policy response to curb inflation.

Broad Money (M<sub>2</sub>) witnessed an expansion of 7.3% during 1<sup>st</sup> July to 13<sup>th</sup> May, 2023 as compared to its expansion of 6.2% during the same period of last year. This growth was contributed by 14.8%age points by expansion in Net Domestic Assets (NDA). On the other hand, Net Foreign Assets (NFA) contraction dragged the growth by 7.5%age points. Private sector credit expanded by 0.8% as compared to expansion of 17.6% during the same period of last year. Stock of net government borrowings for budgetary support almost doubled (Table-3.2).

**Table-3.2: Causative Factors of Money Supply**

(Rs. Billion)

	End period stock		Stock as on	
	2020-21	2021-22	12-May-22	13-May-23
<b>Net foreign assets (NFA)</b>	<b>725</b>	<b>-753</b>	<b>-652</b>	<b>-2,826</b>
<b>Net domestic assets (NDA)</b>	<b>23,573</b>	<b>28,356</b>	<b>26,462</b>	<b>32,454</b>
<b>Net claims on government, of which:</b>	16,265	19,623	18,112	23,007
Budget support	15,373	28,356	16,943	31,399
Commodity operations	904	1,134	1,183	1,473
<b>Credit to nongovernment</b>	<b>9,114</b>	<b>10,696</b>	<b>10,463</b>	<b>11,089</b>
Private sector	7,629	9,241	8,974	9,317
Public sector enterprises	1,437	1,393	1,433	1,646
Other items, net	-1,807	-1,963	-2,112	-1,642
<b>Broad money</b>	<b>24,298</b>	<b>27,603</b>	<b>25,810</b>	<b>29,629</b>
Currency	6,910	7,573	7,917	8,907
Deposits	17,388	19,935	17,893	20,626
Rupee deposits	16,342	18,722	16,766	19,137
Foreign currency deposits	1,046	1,213	1,127	1,489
<b>Reserve money, of which:</b>	<b>8,663</b>	<b>9,327</b>	<b>7,692</b>	<b>8,704</b>
Banks' reserves	1,307	1,229	1,116	1,278
Currency	6,910	7,572	6,209	6,980
<b>Broad money (Percent Growth)</b>	<b>16.2</b>	<b>13.6</b>	<b>6.2</b>	<b>7.3</b>
NFA, banking system (% of M <sub>2</sub> growth)	5.9	-6.1	-5.7	-7.5
NDA, banking system (% of M <sub>2</sub> growth)	10.3	19.7	11.9	14.8
Private credit (% Growth)	11.2	21.1	17.6	0.8
Currency (% Growth)	12.5	9.6	14.6	17.6
<b>Reserve money (% Growth)</b>	<b>12.8</b>	<b>7.7</b>	<b>0.2</b>	<b>-6.7</b>
<i>Source: SBP</i>				

Growth in currency in circulation stood at 17.6% during this period as compared to 14.6% expansion during the corresponding period of FY22. Rise in currency in circulation is not a good sign regarding inflation as more money will be available to buy finite goods causing the prices to rise. It can cause deterioration in balance of payment position with more demand for imported goods. On a positive note reserve money contracted by 6.7%.

## Inflation

Average inflation was recorded at 29.2% during July-May 2023 as compared to 11.3% in the comparable period of last year. It was mainly contributed by food inflation which remained higher at 38.8% compared to 12.2% during the same period of last year whereas, non-food inflation rose up to 22.1% during Jul-May FY23 compared to 10.7% during the same period of last year. Monthly CPI inflation (YoY) stood at 38.0% in May 2023 as compared to 13.8% in May 2022.

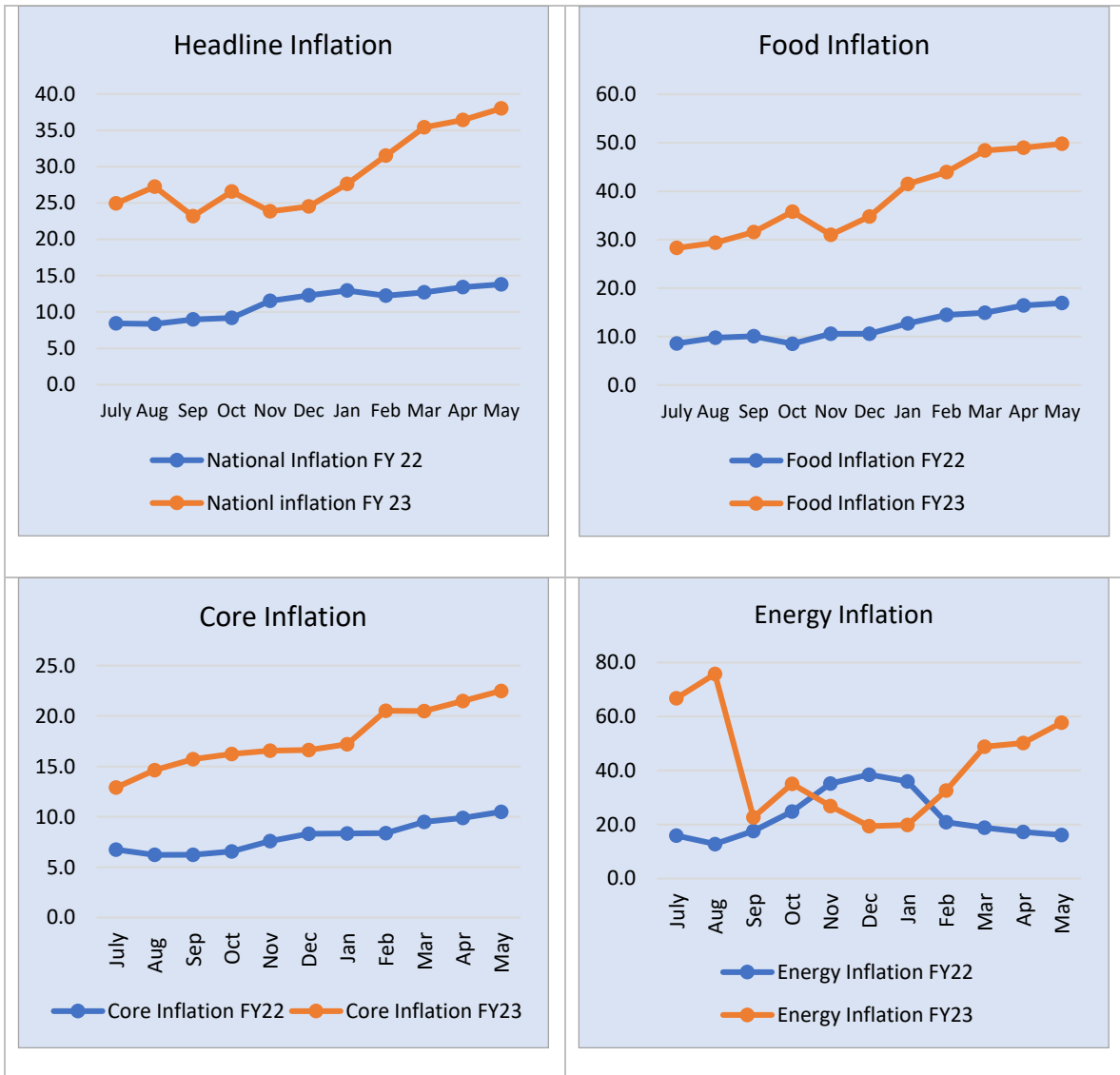
<b>Table-3.3: Average Inflation (Percent)</b>		
	<b>July-May</b>	
	<b>2021-22</b>	<b>2022-23</b>
<b>CPI National</b>	<b>11.3</b>	<b>29.2</b>
Food	12.2	38.8
Non-Food	10.7	22.1
<b>CPI Urban</b>	<b>11.1</b>	<b>26.8</b>
Food	12.5	37.3
Non-Food	10.2	20.3
Core	7.8	16.0
<b>CPI Rural</b>	<b>11.6</b>	<b>32.7</b>
Food	11.7	41.0
Non-Food	11.5	25.0
Core	8.6	20.5
<b>Wholesale Price Index</b>	<b>23.5</b>	<b>33.8</b>
<b>Sensitive Price Indicator</b>	<b>16.0</b>	<b>36.9</b>

*Source: PBS*

The main reasons for high inflation are supply-chain disruptions caused by catastrophic floods, higher input prices, spike in global commodity prices, restraint on imports caused by balance of payments adjustments, and second-round impact of massive currency depreciation. Domestic energy prices (gas, electricity, and fuel) were increased through reversal of unsustainable fuel and electricity subsidies as part of the stabilization programme which also added to inflationary pressures directly and through second-round effects. Higher transportation costs also added to inflation as petrol prices increased due to a significant increase in petrol base price with the re-introduction of the petroleum levy. Another contributory factor was increase in cost of working capital as a result of continuous increase in interest rates.

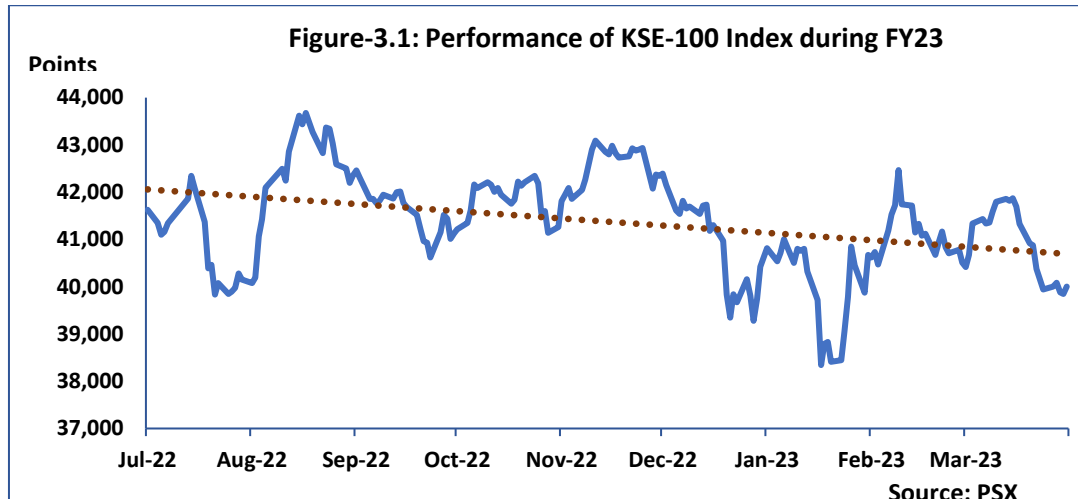


## Monthly YoY Inflation



## Capital Market Developments

Pakistan's capital market is dominated by stock market. During July-March 2022-23, Pakistan Stock Exchange Limited (PSX) recorded an overall negative trend (Figure-3.1). The benchmark KSE-100 Index registered closed at its highest points of 43,676.6 on August 17, 2022 and its lowest of 38,342.2 points on January 17, 2023. The average daily volume decreased by 32.60% to 206 million shares, compared to 306 million shares during the same period last year. As of March 27, 2023, the number of listed companies stood at 526, with total listed capital of Rs. 1,556 billion and market capitalization of Rs. 6,108 billion. The foreign investment in the stock market exhibited a net inflow of \$7.6 million, between July 01, 2022-March 27, 2023.



During the period under review, 2.607 million lots of various commodities futures contracts including gold, crude oil and US equity indices worth Rs. 3.041 trillion were traded on Pakistan Mercantile Exchange Limited (PMEX). Further the Electronic Warehouse Receipt (EWR) regime became fully functional in March 2021 with the issuance of first EWR by Naymat Collateral Management Company, the only registered CMC. From July 01, 2022 to February 28, 2023, 701 EWRs have been issued for eligible commodities such as rice, paddy and maize, with 456 out of them being pledged. The total value of EWRs issued during this period was approx. Rs. 1.483 billion and the total value of pledged EWRs was 1.163 billion.

During 2022, the Securities & Exchange Commission of Pakistan (SECP) notified various regulations which include: The Asset Backed Securitization Regulations, 2022, Amendments in the Credit Rating Companies Regulations, 2016, Regulatory Reforms in the Companies (Further Issue of Shares) Regulations, 2020, Amendments in Listed Companies (Buyback of Shares) Regulations, 2019, Amendments in the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017, List of Approved Auditors for the SECP Regulated Entities, Simplification of Broker Ratings Regime, Reforms in Liquid Capital (LC) Regime, The Companies Postal Ballot Regulations, 2018 and Induction of National Savings Certificates into Central Depository System (CDS) to mention a few.

## Outlook 2023-24

### Fiscal Policy

The thrust of fiscal policy during 2023-24 would be containing fiscal deficit through additional resource mobilization, rationalizing current spending, measures for curtailing circular debt in energy sector and switching from general to targeted subsidies while prioritizing development spending. The priorities of government's debt strategy would be gradual shift towards long-term debt maturity profile, accessing concessional

external loans to resolve BOP/forex issues and discouraging foreign commercial borrowings.

## **Monetary Policy and Inflation**

During 2023-24, monetary policy is expected to play a challenging role in striking a balance between price and output objectives amid government's endeavours for economic revival. The challenge would be to strike a balance between growth and stability in such a way that monetary policy tools provide much needed support to economic growth while containing inflationary pressure.

Inflation in the next fiscal year largely depends on fall in global oil and commodity prices, political stability, growth of commodity producing sectors, restoration of investor confidence to attract higher inflows of foreign investment and availability of external finances for BOP support, etc. With falling global inflation, domestic inflation is expected to gradually moderate next year but would remain in high double digits owing to risks of supply-side constraints and spillover of recent currency depreciation episodes.

## **Capital Market Reforms / Initiatives**

The SECP intends to carry out various initiatives during 2023-24 including:

- i. Review of Public offering regime in order to make it commensurate with the global best practices.
- ii. Review on developing the debt market, especially the capital debt market in order to identify the key related issues hindering the growth of the debt market and devising possible action plan.
- iii. A Centralized Gateway Portal (CGP) is being developed by Central Depository Company of Pakistan Limited (CDC) to launch an online Account Opening Portal which will act as one-stop solution to investors of all asset classes of the SECP regulated intermediaries.
- iv. A new category of Online Only Brokers shall be operationalized to offer trading services to investors using online means to facilitate investors and encourage investments in stock market.
- v. Amalgamation of the Securities Act, 2015 and Futures Market Act, 2016 and rationalization of requirement in order to remove redundancies, impediments, practical difficulties, enhance ease of doing business, remove barriers to entry, encourage technological innovation, curtail market risk and enhance investor protection.
- vi. Development of derivative market by exploring possibility of launching new products such as index options and single stock options etc. at the Pakistan Stock Exchange in light of international best practices. Further reforms in risk management system shall be introduced to safeguard investors' interests.

- vii. The SECP in coordination with PMEX will identify commercially viable agricultural commodities in order to introduce new EWR based futures contracts at the PMEX. The SECP also intends to introduce the concept of Digital Only futures brokers and Agri Only futures brokers categories with lower entry barriers.
- viii. In line with the international best practices and keeping in view the requirements of the Corporate Sector, amendments may be introduced in the Listed Companies (Code of corporate governance) Regulations, 2019 in order to improve the Corporate Governance Practices in Pakistan. This will improve performance of the companies, enhance confidence of the shareholders, to be helpful for businesses as well as investors/shareholders to increase their confidence in the companies and capital markets as whole.
- ix. In order to improve the regulatory framework, amendments in Licensing Regulations of respective SROs shall be proposed.

## 4. PUBLIC SECTOR DEVELOPMENT PROGRAMME

Public Sector Development Programme (PSDP) is an important financial tool to leverage limited financial resources, crowd in the private sector and foreign investment. To improve human development indicators, viable projects and programs are financed through PSDP, ensuring sustainable economic growth and assuring sectoral/regional equitable development in the country.

### **Review of PSDP 2022-23**

The National Economic Council (NEC) on 8<sup>th</sup> June 2022 approved federal PSDP 2022-23 at Rs. 800 billion including Foreign Aid of Rs. 60 billion and PPP/BOT/Viability Gap Financing (VGF) of Rs.73 billion.

Finance Division issued release strategy in July, 2022 @ 20%, 25%, 30% and 25% and subsequently revised in August, 2022 @ 10%, 20%, 30% and 40% of rupee allocations for Q1, Q2, Q3 and Q4, respectively which turned-out skewed and back-loaded. Upfront releases were made keeping in view the development priorities of the government as per revised strategy. To ensure uninterrupted availability of funds, PAOs were fully empowered to re-appropriate/sanction / utilize authorized funds as per actual financial requirement and pace of physical progress of project(s).

In order to assess progress and to resolve impeding issues of the projects, quarterly, monthly and special reviews were held with PAOs of the Ministries/Divisions. The sponsors were urged to accelerate utilization against the released funds, remove obstacles and ensure timely completion of fast moving projects. Efforts were made to resolve issues being faced by the sponsors regarding opening of Letter of Credits (LCs) and ban on procurement of machinery / equipment.

Ministries/Divisions shared committed utilization, critical additional demands, likely savings, and completion of projects under respective development portfolios. Accordingly, necessary adjustments were made to ensure optimum utilization of PSDP 2022-23.

In order to ensure optimum utilization of PSDP 2022-23 necessary re-appropriation /TSGs were recommended to meet additional requirements of fast moving projects within the approved size of PSDP. In this regard, an amount of Rs.133 billion was re-appropriated and adjusted through TSGS etc.

M/o PD&SI under Intelligent Project Automation System (iPAS) is digitalizing development processes in all Ministries / Divisions / Attached Departments / Provinces. So far, the modules of PC-I/PC-II (have been implemented and are fully operational. The module of PSDP formulation is under execution. M/o PD&SI is regularly tracking the

financial progress of PSDP funded projects through SAP system of FABS. The sponsoring and executing agencies are being facilitated with technical support and trainings on regular basis.

Planning Commission conducted field monitoring of 170 development projects of various sectors against annual target of 150 to review and track physical progress of the schemes on ground. The remedial measures / recommendations were communicated to the sponsoring/executing agencies for appropriate actions. Whereas, PC-IVs of 20 projects were evaluated against the annual target of 25 projects upto May 20, 2023.

In line with the authorization of National Economic Council (NEC) and Financial Management and Powers of PAOs Regulations, 2021, Ministries/Divisions were empowered to make necessary re-appropriations to cater for additional funds requirements from slow-moving to fast-moving projects. Some inter-grant adjustments/TSGs were also recommended to ensure optimum utilization of PSDP. During July 2022-May 2023, an amount of Rs. 64 billion re-appropriated by Ministries/Divisions whereas TSGs amounting to about Rs. 69 billion were recommended to important projects/programmes within the approved size of PSDP 2022-23.

**PSDP Utilization:** The utilization position of PSDP 2022-23 is given in **Table-4.1:**

**Table-4.1:**  
**Allocation & Utilization: PSDP 2022-23 (as of 05-06-2023)**

(Rs. in billion)

Component	Original Allocation	Revised Allocation	Auth./ Disburse.	Sanction	Utilization
Rupee Component	667	646	567	528	330
Foreign Aid	60	68	136	136*	136
<b>Total</b>	<b>727</b>	<b>714</b>	<b>703</b>	<b>664</b>	<b>466</b>

\*upto April, 2023

Pace of utilization has witnessed improvement during second half of CFY notwithstanding constrained quarterly release strategy, delays in opening of LCs, restrictions on procurement due to austerity measures etc. It is expected that overall PSDP utilization would be higher during CFY as compared to last fiscal year. It is reported that about 164 projects costing Rs.294 billion have been /would be completed by the end of CFY.

## **PSDP 2023-24**

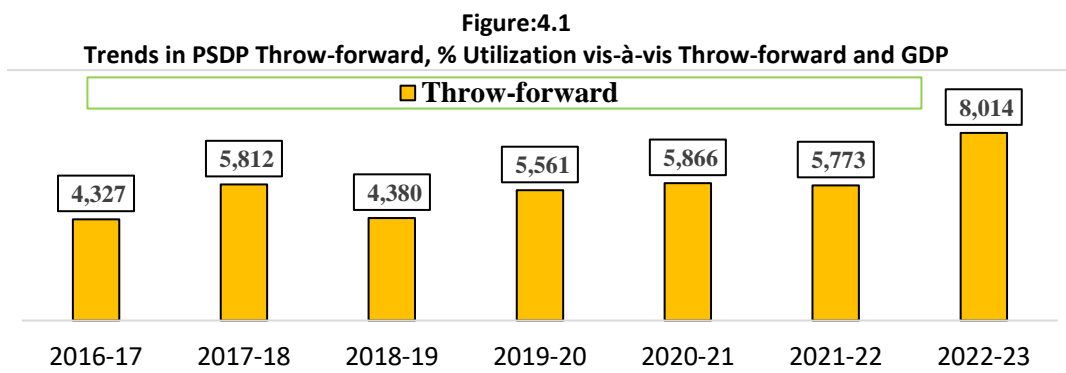
The incumbent government strives to regain the momentum of economic growth in wake of several confronting challenges. PSDP provides an opportunity to leverage scarce public resources for priority sectors. Likewise, the development projects relating to 5Es i.e. Exports, Equity, Empowerment, Environment and Energy Framework, CPEC as well as 4RF i.e. Resilient, Recovery, Rehabilitation and Reconstruction Framework in

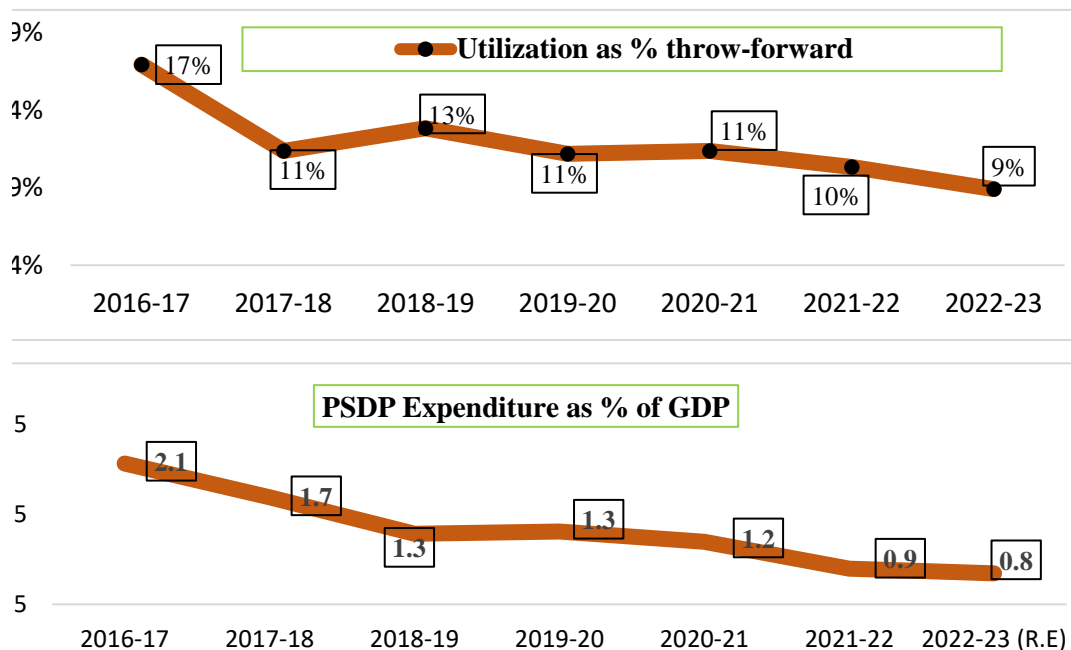
the aftermath of catastrophic flood 2022 have been assigned priority while allocating resources under PSDP 2023-24. In this backdrop, the sponsoring agencies have been persuaded to recommend such programmes and projects which can help achieve economic turnaround.

Ministries / Divisions initially demanded more than Rs. 2.6 trillion for 2035 projects having throw-forward of about Rs 9.0 trillion under PSDP 2023-24. To keep the pace of development, Finance Division was requested to earmark at least Rs. 1200 billion, however an IBC of only Rs. 700 billion was conveyed.

## Challenges

The major challenges being confronted during formulation of PSDP included i) Rs 240 billion liability rollover from 2021-22 due to zero release in 4<sup>th</sup> quarter, ii) low PSDP allocation and rising throw-forward, iii) inflationary impact on projects, iv) skewed release strategy of Finance Division, ii) accommodating additional demands of important projects over and above IBCs, iii) rising burden of provincial nature projects on Federal PSDP, iv) growing allocation for SDGs, v) big demand for rupee cover against FEC/FA component, vi) increasing number of new schemes particularly of DDWP level, vii) charge of CDL on PSDP and, viii) providing adequate funding for emerging needs of post-flood 2022 Rehabilitation (4RF) and 5Es initiatives. Moreover, certain projects faced issues of delay in transferring of federally released funds to provincial executing agencies by provincial Finance Dept and non-compliance with Asaan Assignment Procedure regarding provincial nature schemes and non-provision of funds. Trends in PSDP throw-forward, percentage utilization vis-vis throw-forward and GDP are reflected in Figure 4.1:-





Given the above challenges and tight fiscal situation, the Ministries/Divisions were sensitized to assign priority for funding to (i) core national projects (ii) projects with >80% expenditure (iii) foreign funded fast-moving projects (iv) projects on innovative financing (VGF and PPP) and (v) clear the pending liabilities and avoid funding to (i) projects relating to recurring / O&M etc (ii) non-performing / non-starter projects since last two years (iii) foreign aided projects where foreign aid has not yet lined up. Ministries/Divisions were further advised to not keep lump provision of unidentified expenditure, made only approved projects as part of PSDP and settle issues related to CDL.

Ministries/Divisions submitted project-wise budgetary proposals within IBC of Rs. 700 billion with additional demand of Rs 850 billion over and above the allotted IBCs, which were reviewed during Pre-APCC meetings and subsequently in APCC meeting held on 2<sup>nd</sup> June, 2023 with Sponsoring agencies and IBCs were adjusted with focus on financing of on-going projects for completion. The APCC after detailed discussion recommended to enhance the size of PSDP 2023-24 to at least Rs 950 billion. Finance Division recognizing the development needs later facilitated IBC to Rs 1150 billion including Rs 200 billion for VGF, which is 46% higher than revised estimates of Rs. 787.2 billion for FY 2022-23. The project-wise allocations were accordingly reviewed and aligned towards regional balanced development.

The National Economic Council in its meeting held on 6<sup>th</sup> June, 2023 approved National Development Outlay at Rs 2709 billion including Federal PSDP of Rs. 950 billion, PPP/BOT of Rs. 200 billion and Provincial ADPs of Rs. 1559 billion. NEC approved recommendations of APCC to make the development process more expeditious, judicious and transparent. Breakup of National Development Outlay 2023-24 is given in **Table-4.2**, whereas Ministry-wise summary is at **Annex-I**.



**Table-4.2: Summary of PSDP 2023-24**

(Rs. billion)

Agency/Programme		Rupee	F. Aid	Total
i.	Ministries/Divisions	452	33	<b>485</b>
ii.	Corporations (NHA, WAPDA-Power)	176	39	<b>215</b>
iii.	Special Areas (AJ&K and GB)	58	3	<b>61</b>
iv.	Provincial Projects under FD	42	-	42
v.	Merged Districts of Khyber Pakhtunkhwa	57	-	<b>57</b>
vi.	SDGs Achievement Programme	90	-	<b>90</b>
<b>A. Total (Federal)</b>		<b>875</b>	<b>75</b>	<b>950</b>
vii.	PPP / BOT Projects	200	-	<b>200</b>
<b>B. Total (Federal+PPP/BOT)</b>		<b>1075</b>	<b>75</b>	<b>1150</b>
<b>C. Provincial ADPs</b>		<b>990</b>	<b>569</b>	<b>1559</b>
<b>National Development Outlay</b>		<b>2065</b>	<b>644</b>	<b>2709</b>

18. Sector-wise summary of PSDP 2023-24 is given in **Table-4.3**

**Table-4.3: Sector-wise PSDP 2022-23 and PSDP 2023-24**

(Rs. billion)

Sector/Sub-sector		PSDP 2022-23	PSDP 2023-24
<b>A.</b>	<b>Infrastructure</b>	<b>357.4</b>	<b>494.0</b>
i.	Energy	77.2	84.1
ii.	Transport & Communications	168.0	266.2
iii.	Water	89.8	97.2
iv.	Physical Planning & Housing	22.4	46.5
<b>B.</b>	<b>Social</b>	<b>193.7</b>	<b>241.9</b>
i.	Health	20.6	23.7
ii.	Education including HEC	49.5	82.0
iii.	SDGs Achievement Programme	111.0	90.0
iv.	Other Social Sectors	12.6	46.2
<b>C.</b>	<b>Special Areas (AJ&amp;K, GB)</b>	<b>55.4</b>	<b>60.9</b>
<b>D.</b>	<b>Merged Districts</b>	<b>53.0</b>	<b>57.5</b>
<b>E.</b>	<b>Science &amp; I.T</b>	<b>23.9</b>	<b>34.2</b>
<b>F.</b>	<b>Governance</b>	<b>13.9</b>	<b>12.8</b>
<b>G.</b>	<b>Production Sectors</b>	<b>16.4</b>	<b>48.7</b>
i.	Food & Agriculture	13.7	44.1
ii.	Industries	2.7	4.6
<b>H.</b>	<b>ERRA</b>	<b>0.5</b>	<b>0.0</b>
<b>Total (A to H) Federal</b>		<b>714.2</b>	<b>950.0</b>
<b>I</b>	<b>PPP/BOT Projects</b>	<b>73.0</b>	<b>200.0</b>
<b>Total</b>		<b>787.2</b>	<b>1150.0</b>

Sectoral Strategy/ Priorities: PSDP 2023-24: The priority has been assigned to Infrastructure sector being the primary responsibility of the Federal Government with over 52% of the allocations of Rs. 950 billion, followed by Social Sector having 25.5% and balanced regional development (AJ&K, GB and Merged districts of KP) with 12.5%. About 10% resources are earmarked for Other Sectors like IT& Telecom, S&T, Governance and Production sectors etc. SDGs Achievement Program has been allocated funds of Rs. 90 billion (10%) to supplement efforts of provincial governments to bring at grassroots community based development.

Within Infrastructure, major chunk of the allocation has been earmarked to (a) transport and communications with 28% for ongoing mega projects of NHA, Railways, Maritime Affairs, Defence Production and CPEC related projects (b) water resources with 10.2% for large multipurpose dams particularly Diemer Bhasha, Momand, Dasu Dams, K-IV etc and drainage projects (c) energy with 9% for power evacuation, expansion and improving transmission lines and distribution system as well as to operationalize SEZs projects.

Social sector will receive Rs. 241.9 billion (25.5%) for health, education, higher education, population welfare, governance and special programmes. Substantial funds have also made available within the limited space to foster the culture of innovation and research in the sectors of Information Technology and Science & Technology. Priority in allocation has also been assigned to food & agriculture sector to ensure food security through productivity enhancement measures in the country.

### **Key Initiatives under PSDP 2023-24**

The Government has planned to undertake new important initiatives under the PSDP 2023-24. Prime Minister's Initiatives mainly include (i) Solar Tube Wells (ii) Youth Program for Small Loans (iii) Pakistan Fund for Education (iv) Support for IT Start-ups and Venture Capital (v) Women Empowerment (vi) Laptop Scheme (vii) Green Revolution 2.0 (viii) Youth Skill Development (ix) Establishment of institutes for Sports (x) Hepatitis-C Control Program. Other initiatives include National Program for Prevention of Diabetes, National Multi-Sectoral Nutrition Program, Establishment of Governance Innovation Lab, Women on Wheels, Establishment of National Fund for Addressing the Crisis of Out of School Children, One Stop Service Centre for Special Economic Zone, Flood Protection Sector Program (FPSP-III) and National Centres for Quantum Computing, Manufacturing, Brand Development etc.

### **Salient Features of PSDP 2023-24**

- i. Fast tracking of completion of SEZs and revival of CPEC initiative;
- ii. Various projects have been envisaged to implement 4RFs strategies and 5Es plans;
- iii. Size of PSDP 2023-24 is Rs 1150 billion including foreign aid of Rs. 75 billion and PPP/BOT funding of Rs 200 billion which is 46% higher than revised estimates of Rs. 787.2 billion for FY 2022-23;

- iv. Projects with 80% plus expenditure adequately financed for completion by June, 2024;
- v. Focus on youth, sports, and development of skills for jobs;
- vi. Greater quality output in universities and supporting research for productivity & quality of life;
- vii. Special focus on Balochistan projects to remove regional disparity;
- viii. Greater focus on environment and climate change to mitigate adverse impacts;
- ix. SDGs strengthening for improving overall human development indicators in the country.

Efforts will be synergized to ensure completion of projects in advance stages of execution with adequate funding to ongoing projects so as to maintain requisite pace of work. The sponsoring/executing agencies concerned have been urged to timely utilize the allocated funds and M/o PD&SI will facilitate all the stakeholders in implementation of the envisaged initiatives/projects smoothly during FY2023-24 so that fruits of such investment may reach the entire nation.

National Development Programme 2022-23 & 2023-24 (Ministry / Division-wise Summary)										
S. No.	Name of Ministry / Division	PSPDP 2022-23				Proposed PSPDP 2023-24				(Rupees Million)
		Rupee	Foreign Aid	Original Total	Revised Total	Foreign Aid	Rupee	Total		
		3	4	5	6	7	8	9		
1	2									
4	Climate Change Division	9500.000	0.000	9500.000	4073.000	0.000	4050.000	4050.000		
5	Commerce Division	1174.440	0.000	1174.440	550.606	0.000	1100.000	1100.000		
6	Communications (other than NHA)	180.000	0.000	180.000	180.000	0.000	360.390	360.390		
7	Defence Division	2226.939	5.151	2232.090	2232.090	5.000	3395.000	3400.000		
8	Defence Production Division	2200.000	0.000	2200.000	2200.000	0.000	2000.000	2000.000		
9	Establishment Division	900.000	0.000	900.000	502.829	0.000	840.000	840.000		
10	Federal Education & Professional Training Division	6239.597	1000.000	7239.597	6469.907	500.000	8000.000	8500.000		
11	Finance Division	1432.293	227.704	1659.997	9019.191	258.000	2962.000	3220.000		
12	Provinces and Special Areas	139285.142	1350.000	140635.142	131795.142	3150.000	164750.000	167900.000		
i)	Special Areas (AJK & GB)	54050.740	1350.000	55400.740	55400.740	3150.000	57750.000	60900.000		
ii)	Merged Districts of Khyber Pakhtunkhwa	55200.000	0.000	55200.000	53200.000	0.000	57000.000	57000.000		
iii)	Provincial Projects	30034.402	0.000	30034.402	23194.402	0.000	50000.000	50000.000		
13	Higher Education Commission	43418.907	1300.000	44718.907	44718.907	1050.000	58650.000	59700.000		
14	Housing & Works Division	17728.778	0.000	17728.778	21195.132	0.000	40680.000	40680.000		
15	Human Rights Division	184.682	0.000	184.682	184.682	0.000	814.000	814.000		

## National Development Programme 2022-23 & 2023-24 (Ministry / Division-wise Summary)

S. No.	Name of Ministry / Division	PSDP 2022-23				Proposed PSDP 2023-24				(Rupees Million)
		Rupee	Foreign Aid	Original Total	Revised Total	Foreign Aid	Rupee	Total		
		3	4	5	6	7	8	9		
1	2									
16	Industries & Production Division	2850.000	0.000	2850.000	2094.374	0.000	3000.000	3000.000		
17	Information & Broadcasting Division	2000.000	100.000	2100.000	1965.893	50.000	1950.000	2000.000		
18	Information Technology & Telecom Division	5731.696	599.000	6330.696	6330.696	260.000	5740.000	6000.000		
19	Inter Provincial Coordination Division	3472.420	0.000	3472.420	2727.341	0.000	1900.000	1900.000		
20	Interior Division	8053.009	40.000	8093.009	8093.009	0.000	9950.000	9950.000		
21	Law & Justice Division	1813.892	0.000	1813.892	1177.897	0.000	1400.000	1400.000		
22	Maritime Affairs Division	3171.846	293.532	3465.378	2642.628	15.000	3285.000	3300.000		
23	Narcotics Control Division	207.917	0.000	207.917	114.354	0.000	150.000	150.000		
24	National Food Security & Research Division	9329.134	800.000	10129.134	13129.134	445.816	8404.184	8850.000		
25	National Health Services, Regulations & Coordination Division	11774.417	876.580	12650.997	12650.997	380.000	12720.000	13100.000		
26	National Heritage & Culture Division	200.000	0.000	200.000	97.399	0.000	540.000	540.000		
27	Pakistan Atomic Energy Commission	25990.602	0.000	25990.602	25990.602	0.000	26100.000	26100.000		
28	Pakistan Nuclear Regulatory Authority	289.890	0.000	289.890	289.890	0.000	150.000	150.000		
29	Petroleum Division	1480.509	0.000	1480.509	1311.690	0.000	1500.000	1500.000		
30	Planning, Development & Special Initiatives Division	39976.535	200.000	40176.535	5515.929	6700.000	18196.626	24896.626		
31	Poverty Alleviation & Social Safety Division	500.000	0.000	500.000	500.000	0.000	500.000	500.000		

## National Development Programme 2022-23 & 2023-24 (Ministry / Division-wise Summary)

S. No.	Name of Ministry / Division	PSDP 2022-23					Proposed PSDP 2023-24			(Rupees Million)
		Rupee	Foreign Aid	Original Total	Revised Total	Foreign Aid	Rupee	Total		
		3	4	5	6	7	8	9		
1	2									
33	Religious Affairs & Inter Faith Harmony Division	600.000	0.000	600.000	600.000	0.000	800.000	800.000	800.000	
34	Revenue Division	3038.639	150.000	3188.639	3188.639	300.000	2900.000	3200.000	3200.000	
35	Science & Technological Research Division	5716.394	0.000	5716.394	5018.388	0.000	8000.000	8000.000	8000.000	
36	States & Frontier Regions Division				81.816	964.223	0.000	964.223	964.223	
37	S U P A R C O	6091.986	1303.106	7395.092	7395.092	1730.885	5169.115	6900.000	6900.000	
38	Water Resources Division	89295.376	8264.000	97559.376	97559.376	20132.463	87367.537	107500.000	107500.000	
	<b>Total (Federal Ministries):</b>	549836.763	16726.573	566563.336	562195.586	36271.387	616678.612	652949.999	652949.999	
<b>B. Corporations:</b>										
1	National Highway Authority	94753.402	22500.000	117253.402	101353.402	13090.000	144410.000	157500.000	157500.000	
2	Power Division (NTDC / PEPCO)	21909.835	20773.427	42683.262	50128.262	25638.613	28911.387	54550.000	54550.000	
	<b>Total (Corporations):</b>	116663.237	43273.427	159936.664	151481.664	38728.613	173321.387	212050.001	212050.001	
<b>C. Project Liabilities</b>										
<b>D. ERRA</b>										
		500.000	0.000	500.000	500.000	0.000	0.000	0.000	0.000	
<b>E. Prime Minister's Initiatives</b>										
		0.000	0.000	0.000	0.000	0.000	80000.000	80000.000	80000.000	
<b>Total (Federal PSDP):</b>		667000.000	60000.000	727000.000	714177.250	75000.000	875000.000	950000.000	950000.000	
<b>F. VGF for PPP Projects</b>										
		73000.000	0.000	73000.000	73000.000	0.000	200000.000	200000.000	200000.000	
<b>Total (Federal PSDP + VGF):</b>		740000.000	60000.000	800000.000	787177.250	75000.000	1075000.000	1150000.000	1150000.000	
<b>G. Provinces</b>										
		1426000.000	232000.000	1658000.000	1598000.000	569000.000	990000.000	1559000.000	1559000.000	
<b>Grand Total (National):</b>		2166000.000	292000.000	2458000.000	2385177.250	644000.000	2065000.000	2709000.000	2709000.000	

## **Public Private Partnership Authority**

Public Private Partnership Authority (“P3A”) was notified on 8<sup>th</sup> June 2018 under the provisions of the P3A Act, 2017 (as amended). P3A is a fully functional authority spearheading the initiative of the Federal Government in Public-Private Partnerships (PPP).

The P3A Act devised a three-tier regulatory and approval process. All project concept proposals and project qualification proposals are referred to Public Private Partnership Working Party (P3WP) with the recommendations of P3A. After approval by P3WP, the implementing agencies become eligible to initiate the procurement process and selection of the successful bidder. After negotiations, the Implementing Agency prepares a project proposal and submits it to P3A.

After submission of the project proposal, to Risk Management Unit for assessment and evaluation of the fiscal exposure on the Federal Government with respect to a given project. After clearance from Risk Management Unit, the Project Proposal is submitted to the Board of P3A for final approval. Thereafter, the Implementing Agency is entitled to close the project commercially.

The approval process is defined in the regulations without any ambiguity. In compliance with the defined regulatory approval process, P3A has been able to approve three mega infrastructure projects during 2022-23.

P3A is also providing Implementing Agencies financial assistance to conduct the commercial feasibility studies of the approved projects in accordance with Project Development Facility Regulations, 2022.

P3A may also provide viability gap funding to eligible infrastructure projects for making such projects commercially viable provided the given project falls under the criteria outlined in the proposed Viability Gap Funding Regulations, 2023.

## **Performance Review 2022-23**

### **A. Projects**

P3A finalized the following development projects, under P3 modality:

**Table 4.4 Development projects under P3 modality 2022-23:**

S#	Project	Implementing Agency	Project Cost (PKR In Billions)	Status
1	Sukkur-Hyderabad Motorway Project (M-6)	National Highway Authority (NHA)	307.00	<ul style="list-style-type: none"> <li>All approvals are granted and obtained by P3A from its Board, including CDWP and ECNEC approvals.</li> <li>Procurement process completed.</li> <li>Private Party selected.</li> <li>PPP Agreement executed</li> </ul>
2	Sialkot-Kharian Motorway Project	NHA	27.00	All formalities and approvals were granted. PPP Agreement is executed. Financial close is to be achieved.
3	Kharian-Rawalpindi Motorway Project	NHA	86.00	<ul style="list-style-type: none"> <li>Approved by P3A Board</li> <li>Procurement process completed</li> <li>Private Party selected</li> <li>PPP Agreement executed</li> <li>Financial Close is to be achieved by Concessionaire</li> </ul>
4	Karachi Circular Railway (KCR)*	Pakistan Railways (PR)	217.00	<ul style="list-style-type: none"> <li>Finalization of feasibility study</li> <li>The Project is to be taken under CPEC</li> </ul>
<b>Total</b>			<b>637.00</b>	

(Source: P3A)

The above projects were duly approved by P3WP and the Board of P3A. P3A facilitated the Implementing Agency for the grant of the Viability Gap Fund (VGF) from the Government of Pakistan. Details are reflected herein below:

**Table 4.5. Projects under Viability Gap Funding (VGF)**

(Rs. Billion)

S#	Project	Implementing Agency	Project Cost	VGF Amount
1	Sukkur-Hyderabad Motorway Project (M-6)	National Highway Authority (NHA)	307.00	9.50
2	Sialkot-Kharian Motorway Project	NHA	27.00	10.94
3	Kharian-Rawalpindi Motorway Project	NHA	86.00	16.22
4	Karachi Circular Railway (KCR)*	Pakistan Railways (PR)	217.00	86.50
<b>Total VGF</b>			<b>PKR 123.16</b> approximately	

(Source: P3A)

\*The KCR project is now being assumed under CPEC.



## Subordinate Legislation

- i. During the 2022-23, the Board of P3A approved Project Development Facility Regulations, 2022 to streamline the processes for grant of project development facility to Implementing Agencies for the conduct of feasibility studies for eligible development projects under P3 modality.
- ii. P3A (Human Resources) Regulations, 2022 were also approved by the Board to regulate the service matters of the employee of P3A.

## Outlook 2023-24

### P3 Projects

It would be prudent to note here that the P3 Projects are technically, financially and legally complex projects requiring detailed studies, discussions, defining and finalizing the financial and legal transaction structuring, preparation of bidding packages and tentative P3 Agreements. Therefore, under normal circumstances, a given P3 infrastructure Project requires a minimum of one year before it is ready to undergo the regulatory approval process under P3A Act, rules and regulations made thereon.

P3A has prepared a pipeline of infrastructure projects which it intends to undertake in 2023-24:

**Table 3 Projects to be undertaken in the 2023-24**

S#	Project	Implementing Agency	Project Cost	Status
1	Outsourcing of Islamabad, Lahore and Karachi Airports	Civil Aviation Authority	To be determined through Feasibility Study	Consultants Procurement stage
2	Establishment of Centre of Excellence for Gynaecology & Obstetrics (200 beds) at Rawalpindi	Ministry of National Health Services	N/A	Concept Stage
3	Development of Public Schools in ICT	Ministry of Federal Education & Professional Training	N/A	Procurement Stage
4	4 Real Estate Projects	Federal Board of Revenue	N/A	Consultant Procurement Stage
5	Construction of Food Silos in PPP mode	Ministry of National Food Security & Research	N/A	Advisory Stage

(Source: P3A)

## **Provision of Project Development Facility by P3A**

The projects under the P3 mode are highly sensitive projects requiring sound, reliable, bankable and quality-oriented feasibility studies to enhance the trust and confidence of private investors to take informed investment decisions to implement the same. To meet this end, P3A shall provide Project Development Facility for such P3 Projects which are considered eligible under the Project Development Facility Regulations, 2022.

**EXPANDING AGRICULTURAL PRODUCTION  
AND GALVANIZING AGRO-BUSINESS  
POTENTIAL**



## 5. FOOD, AGRICULTURE AND RURAL TRANSFORMATION

Food Security is dependent upon the performance of agriculture sector of the country and is considered directly or indirectly as a fate decider of all businesses. The sustainability, production and availability of food crops has a key concern regarding food security. The prime responsibility of Pakistan's agriculture is to provide healthy, safe & nutritious food, fibre for the population, fodder for the livestock and to ensure modest export surpluses. Hence, there is a need to adopt a comprehensive integrated approach for achieving sustainable growth and increased agricultural production by enhancing per-unit productivity through the promotion of low-cost new agricultural technologies and other inputs.

Further, it is the need of the hour that all activities and plans would have to be in line with the 5Es framework in which food security is the key task to address Pakistan's eminent socioeconomic challenges. Another important measure the "Resilient Recovery, Rehabilitation and Reconstruction Framework (4RF)" has also been launched for the flood-hit areas which will hopefully restore agricultural activities and improve the food security situation in coming years.

During 2022-23 the agriculture sector witnessed the growth rate of 1.5%. Overall the performance of the agriculture sector was affected by COVID-19 and then by recent flash floods -2022. Floods have damaged and affected nearly 15% of rice crop and 40% of cotton crop. The losses caused by these devastating floods have been estimated to the tune of Rs 3.2 trillion (US\$14.9 billion) (Pakistan Floods 2022: Post- Disaster Needs Assessment , 2022).

According to the Food and Agriculture Organization of the United Nations (FAO), about 9.4 million acres of crop area including 4.8 million acres in Sindh, 2.7 million acres in Punjab, 1.2 million acres in Balochistan and 0.714 million acres in Khyber Pakhtunkhwa was inundated by the recent floods. At least 1.2 million livestock has been perished, which badly affected availability of dairy products and also affected rural livelihoods.

### **Performance Review 2022-23**

The prevailing governance structure of the country has distributed responsibilities and resources amongst different organizations in federal and provincial governments. There is a focus to prepare and implement a well-conceived national land use plan for protecting the agricultural land from urbanization mafias. According to the present situation, this mechanism will hopefully improve the performance of the next production year and will bring prosperity for all stakeholders.

In the federal PSDP 2022-23 Rs. 10,129.1 million was earmarked for the Ministry of National Food Security and Research (M/o NFS&R) which was enhanced to Rs. 13,329.13 million. It was increased to provide crop seeds to farmers affected by flash floods. The fund authorization amounting to Rs 3754.38 million till February 2023 was made to the MNSF&R and utilization of this authorized amount remained Rs. 1,750.82 million. However, besides the allocation of the Ministry of National Food Security and Research (M/o NFS&R), several development initiatives approximately amounting to Rs.16969.311 million related to Food Security and Agriculture sector, were being undertaken by the other relevant ministries/ divisions/agencies through their portfolios.

Details of the allocation in Federal PSDP and provincial ADPs during 2022-23 for the agriculture sector are given in Tables 5.1 and 5.2. The comparison shows that Punjab has allocated more resources to overall agriculture sector as compared to the other provinces. Khyber Pakhtunkhwa has allocated more than others in food security followed by Punjab in their respective ADPs.

**Table 5.1: Food & Agriculture Sector, Federal PSDP Allocations 2022-23**

(Rs. Million)

Ministry/Division/Agency	No. of Schemes			Total Cost	Allocation (2022-23)
	Ongoing	New	Total		
National Food Security & Research	29	04	33	127,326.527	13,329.130
Higher Education Commission	08	01	09	1,3626.130	2,157.822
Science & Tech. Research Division	01	00	01	1,896.820	350.000
Interior Division	02	0	02	108.776	44.691
Pakistan Atomic Energy Commission (PAEC)	01	01	02	62.303	30.000
Industries & Production Division	01	01	02	2,043.726	250.000
Maritimes Affairs	00	03	03	935.840	807.668
<b>Total</b>	<b>42</b>	<b>10</b>	<b>52</b>	<b>146,000.122</b>	<b>16,969.311</b>

Source: PSDP 2022-23

**Table 5.2: Overview of Funding and Allocation of ADP 2022-23 by Region/Province**

(Rs. Million)

Province/Region	Sector-Wise Allocations					
	Agriculture	Irrigation	Food Security	Livestock	Fisheries	Total
Punjab	14,770.000	27,630.000	500.000	4,290.000	1,100.000	48,290.000
Sindh	7,500.000	32,355.000	345.000	1,036.073	679.927	41,916.000
Balochistan	10,148.744	24,566.817	301.137	1,627.852	3429.306	40,073.856
Khyber Pakhtunkhwa	10,665.290	--	2,043.201	14,133.918	1,023.928	17,201.048
AJ&K	805.219	218.045		291.915	72.000	1,387.179
<b>Total</b>	<b>43,889.253</b>	<b>218.045</b>	<b>3,189.338</b>	<b>21,379.758</b>	<b>6,305.161</b>	<b>159,533.372</b>

Source: Provincial/Regional ADPs 2022-23

## Proposed Allocation 2023-24

The proposed allocation for 2023-24 is Rs. 8,599.470 million for ongoing schemes and Rs. 250.530 million for three under processed new projects. The total proposed allocation sums up to Rs. 8850 million for 2023-24. Under PM initiative two new programmes has been included with an allocation of Rs. 35,000 million.

## Sectoral Review

### Production of Important Crops

Wheat is the staple food in Pakistan. The very first sign of success in agriculture performance is thought to be wheat production. The performance of the crop sector is dependent on the cost of production as well as the timely availability of inputs like quality seed, fertilizer, irrigation water, etc. The area and production of important crops is given in Table 5.3.

**Table 5.3: Area and Production of Important Crops**

(Area 000, hec)  
(Production (000, tons/ bales'000')

Crops		2021-22 Actual	2022-23 Targets (P)	2022-23 Achievements(P)	Achievement (%)	Proposed Targets for 2023-24
Wheat	Area	8,993.53	22,850.00	9,021.07	39	22,850.00
	Production	26,390.00	28,370.00	26,810.00	95	28,370.00
Rice	Area	3,537.23	3,069.55	2,976.24	97	3,069.90
	Production	9,322.68	8,453.47	7,322.06	87	9,041.55
Maize	Area	1,652.47	1,336.48	1,623.92	122	1,330.60
	Production	9,524.73	7,171.41	9,255.81	129	7,557.81
Sugarcane	Area	1,260.30	1,173.55	1,318.83	112	1,181.90
	Production	88,344.66	76,855.25	88,446.08	115	78,588.70
Cotton	Area	1,935.00	2,533.30	2,065.14	82	2,767.0
	Production	7,441.83	11,034.25	4,875.22	44	12,772.0

Source: FCA & PBS P= Provisional Estimates

As evident from Table 5.3 during 2022-23, the overall performance of the maize and sugarcane remained satisfactory, whereas the performance of the rest of the crops was not up to the mark. Wheat, cotton and rice crop witnessed major shortfalls compared to their targets. Delay in announcing Minimum Support Price (MSP), high cost of DAP and urea fertilizer and pesticides remained major in achieving the targets. Further, targets could not be achieved due to dry spell during November – December 2022 and farmers adopted alternate crops i.e. rapeseed, mustard and maize. The production of sugarcane almost remained the same as in preceding years despite the increase in cultivable area.

Table 5.4 shows the estimated area and production data of minor crops. The most important of them are gram, potato, onion and tomato. Most of the time, the minor crops have compensated for the failures of the major crops. Therefore, now the federal and provincial governments will have to pay much attention towards the production and productivity of minor crops as well.

**Table 5.4: Minor Crops Target and Estimated Achievement 2022-23**

(Area 000, hec)  
(Production 000, tons)

Crops		2021-22 Actual	2022-23 Targets*	2022-23 Achievements (P)	Percent Achievement	Proposed target for 2023-24
Gram	Area	861.70	989.00	820.64	83	989.00
	Production	316.17	560.00	313.10	56	560.00
Lentil	Area	6.44	17.00	4.41	26	17.00
	Production	3.86	9.00	2.94	33	9.00
Mung	Area	301.57	189.37	213.18	113	189.30
	Production	263.75	179.60	183.71	102	179.80
Mash	Area	8.34	17.94	6.56	37	18.30
	Production	6.12	11.08	6.10	55	11.30
Onion	Area	140.84	162.00	128.97	80	1 62.00
	Production	2,070.56	2,062.00	1,674.00	81	1,883.90
Potato	Area	304.82	238.10	330.62	139	238.10
	Production	7,799.79	6,029.00	7,948.43	132	6,029.00
Tomato	Area	46.76	50.00	45.71	91	50.00
	Production	557.15	622.00	563.64	91	622.00
Chilli	Area	58.60	52.93	34.12	64	69.80
	Production	144.02	131.4	66.12	50	178.00

Source: FCA P=Provisional estimates

Gram, being one of the most important Rabi crop after wheat in Pakistan, is an important source of nutrition for almost the whole population. Its target for 2022-23 was 560.0 thousand tonnes against which the provisional estimated achievement was 313.10 million tons.

Table 5.5 shows the targets and achievements of oilseed crops for the year 2022-23. Crops included canola, sunflower, rapeseed and mustard. Pakistan is spending a heavy amount on the import of edible oil. During 2022-23 the prices of local canola were



between Rs. 8700 - 8800 per 40 kg and sunflower fetched Rs. 8800/40 kg in the local market. It will encourage farmers to sow more oil crops in the next season. Due attention to the production of oil crops may lead to fulfilling our partial requirements from local production and moving forward in attaining self-sufficiency in edible oils.

**Table 5.5: Targets and Achievements of Oilseed Crops for the Years 2022-23 and 2023-24**

(Area "000" hec)  
(Production 000, tons)

Crops		2021-22 Actual	2022-23 Targets*	2022-23* Achievements	Percent Achievement	Proposed Target for 2023-24
Canola	Area	49.28	48.00	80.91	169	64.00
	Production	80.58	81.77	129.00	158	108.16
Sunflower	Area	53.56	59.59	62.68	105	121.40
	Production	83.64	90.73	93.82	103	158.02
Rapeseed /Mustard	Area	319.00	338.00	509.99	151	392.08
	Production	477.15	529.12	785.37	148	615.56
Seed Cotton	Area	1,918.00	2,533.00	2,072.95	82	2,077.00
	Production	2,126.00	11,034.25	6,280.86	57	17,669.40

Source: \*Provisional Oilseed estimates as crop is still in the field. Pakistan Oilseed Department, MNFS&R and FCA

As evident from the figures above, achievements in the case of canola, rapeseed, mustard and sunflower surpassed their targets. Whereas in case of seed-cotton, achievement remained lower than the target.

## Agricultural Inputs

### Fertilizer

Fertilizer uptake is an indirect indicator of the crop cultivation trend. During 2021-22 (estimated), the total offtake (NPK) as depicted in Table 5.6, remained up to 5001 tonnes; keeping in view the past trend, it is very encouraging that the estimated figures for the year 2022-23 are 4411 thousand tonnes now.

**Table 5.6: Fertilizer Off-Take, Forecast and Achievement**

(000' Tons)

	2021-22	Benchmark For 2022-23	2022-23 (Estimated)	Difference over 2021-22 (Percent)	2023-24 (Forecast)
<b>Nutrients</b>					
Nitrogen	3,838	3,561	3,596	-6	3,683
Phosphate	1,093	1,167	781	-29	1,121
Potash	71	58.7	34.4	-51	58.4
<b>Total (NPK)</b>	<b>5,001</b>	<b>4,787</b>	<b>4,411</b>	<b>-12</b>	<b>4,863</b>
<b>Products</b>					
Urea	6,691	6,154	6,593	-1.5	6,543
DAP	1,863	2,091	1,195	-36	1,830
SOP/MOP	99	67	53	-46	64

Source: NFDC, MNFS&amp;R.

## Improved Seed

The availability of improved seeds has a pivotal role in agricultural productivity. The crop-wise detail is given in Table-5.7.

**Table 5.7: Improved Seed Requirement and Availability**

(Million Tonnes)

	2021-22	2022-23		Percent	Target 2023-24
	Actual	Requirement	Procurement Availability		
Cotton seed	43,526	46,041	42,117	91.6	50,058
Paddy	81,136	44,148	56,134	127.2	45,618
Maize	23,644	32,866	28,213	85.8	33,011
Wheat	637,609	11,01,991	5,11,379	46.4	11,01,991
Pulses	4,949	42,674	6,228	14.6	42,674
Oilseeds	2,846	4,100	4,900	119.5	4,100
Vegetables	7,879	8,400	3,492	41.6	8,400
Fodder	55,270	61,140	34,900	57.1	61,140
Potato	13,841	415,000	2,807	0.7	415,000
Total	870,700	1,756,360	690,224	39.30	1,761,992

Source: FCA &amp; PBS

It is evident from the data that the set requirement for cotton seed is more than 2021-22 whereas in the case of the paddy the trend is opposite. Seed procurement availability during 2022-23 is lower than 2021-22.

## Irrigation Water

Pakistan's agricultural economy depends a lot on the availability of water because most of the production comes from irrigated areas and that too in turn depends upon rainfall. The season-wise availability of water for irrigation is given in Table-5.8.

**Table 5.8: Irrigation Water Availability**

(MAF)

Season	Season	Surface Water		Ground Water (Tube wells)			Total Availability at farm gate
		Canal	At farm gate	Public	Private	SCARP	
2020-21	Kharif	68.04	53.27	0.95	21.75	2.80	78.77
	Rabi	32.58	28.51	0.95	20.47	2.80	52.73
<b>Total 2020-21</b>		<b>100.62</b>	<b>81.78</b>	<b>1.90</b>	<b>42.22</b>	<b>5.60</b>	<b>131.50</b>
2021-22	Kharif	67.14	52.73	1.00	22.1	2.80	78.63
	Rabi	28.53	27.24	0.95	21.14	2.80	52.13
<b>Total 2021-22</b>		<b>95.67</b>	<b>79.97</b>	<b>1.95</b>	<b>43.24</b>	<b>5.60</b>	<b>130.76</b>

Source: IRSA

## Livestock, Dairy, Poultry and Fisheries

The performance of the livestock and poultry sector is shown in the Table 5.9.

**Table 5.9: Livestock and Poultry Achievements and Targets**

(000 Tons)

Items	2022-23		2023-24 Targets
	Targets	Achievements (P)	
<b>Meat (000 tons)</b>	5,504	5,504	5,809
- Beef	2,544	2,544	2,630
- Mutton	799	799	817
- Poultry	2,160	2,160	2,362
<b>Milk (Million Litres.)</b>	52,707	52,707	56,474
<b>Eggs (Million Nos.)</b>	23,819	23,819	25,212
<b>Hides (Million Nos.)</b>	20,039	20,039	20,717
<b>Skins (Million Nos.)</b>	63,697	63,697	65,181
<b>Wool (000 tons)</b>	49.00	49.00	49.60

Source: MNFS&R, Economic Survey, PBS

According to table 5.9, it is evident that overall performance in livestock sector remained satisfactory. However, keeping in view the damages caused by recent floods

and other financial constraints, appropriate measures will be required by all units to sustain the performance of sector.

Table 5.10 shows the achievements and targets regarding the inland and marine fisheries sub-sector.

**Table 5.10: Fisheries Achievements and Targets**

(Million Tons)

Items	2021-22 Actual	2022-23		Percent Change Over		2023-24 Targets
		Targets	Achievements (P) July, 2022- Feb, 2023	2021-22 Actual	2022-23 Target	
<b>Fish</b>						
-Inland	307	309	308	0.32	0.65	311
-Marine	505	509	506	0.19	0.79	510
<b>Total</b>	<b>812</b>	<b>818</b>	<b>814</b>	<b>0.24</b>	<b>0.12</b>	<b>821</b>

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

Fish production is almost stagnant and it is expected that targets for 2022-23 are likely to be achieved by the end of the financial year. Therefore, keeping in view the performance, the targets set for 2023-24 are adequate i.e. up to 821 million tons.

## Agricultural Credit

Table 5.11 shows the condition of agricultural credit, disbursement and targets for respective periods. It shows that the overall disbursement of agriculture credit during 2022-23 remained close to the target when compared with the performance of the previous period.

**Table 5.11: Agricultural Credit -Targets and Disbursement**

(Rs. Billions)

Banks	2022-23 (Jul- Feb 2022-23)			2021-22 (Jul- Feb 2021-22)			Percent Change over the period
	Target	Disbursed	Percent achieved	Target	Disbursed	Percent achieved	
5 Major CBs	966	593.7	61.5	90	455.3	50.6	30.4
ZTBL	124	41.4	33.4	105	40.5	38.6	2.2
PPCBL	13	5.5	42.5	13	4.4	34.1	24.6
DPBs (13)	350	218.0	62.3	327	171.0	52.3	27.5
IBs (5)	103	55.1	53.5	120	47.8	39.9	15.2
MFBS (11)	230	140.9	61.2	195	99.8	51.2	41.2
MFIs/RSPs	33	18.9	57.3	40	16.5	41.2	14.9
<b>Total</b>	<b>1,819</b>	<b>1,073.5</b>	<b>59.0</b>	<b>1,700</b>	<b>835.3</b>	<b>49.1</b>	<b>28.5</b>

Source: State Bank of Pakistan

## Development initiatives

The major initiatives of the Federal Government for the development of the food and agriculture sector to improve its productivity with the proposed allocation for the year 2023-24 given in the Table-5.12.

**Table 5.12: Development Initiatives in the Food and Agriculture Sector**

(Rs million)

Project Name	Allocation 2023-24
Better Cotton Initiatives	147.0
Cage Culture Cluster Development Project	100.0
Commercialization of Potato Tissue Culture Technology in Pakistan	25.38
Establishment of consumer- sourcing seed authenticity system and Strengthening of Labs of FSC&RD	240.53
Establishment of Plant Breeders Rights Registry and Strengthening of DUS Examination System	240.0
Establishment of Seed Certification Services in Southern Balochistan	112.0
National Oilseed Enhancement Program	500.0
National Peste Des Petits Ruminants (PPR) Eradication Programme: Phase 1 – Risk Based PPR Control In Sheep and Goats of Pakistan	273.07
National Program for Enhancing the Command Area in Barani Areas of Pakistan	900.0
National Program for Improvement of Watercourses in Pakistan - Phase II	2800.0
Pilot Shrimp farming Cluster Development	440.0
Productivity Enhancement of Rice	235.0
Productivity Enhancement of Sugarcane	130.0
Productivity Enhancement of Wheat	248.0
Promoting Research for Productivity Enhancement in Pulses	300.0
Promotion of Olive cultivation on commercial scale in Pakistan - Phase II	700.0
Promotion of Trout Farming in Northern Areas of Pakistan	180.0
Sino-Pak Agricultural Breeding innovations Project for Rapid Yield Enhancement	63.490

Water Conservation in Barani Areas of KP	400.0
Locust emergency and Food Security Project (Revised)	500.0
Main Streaming of NARC for the promotion of high value agriculture in Gilgit Baltistan.	65.0
Prime Minister's initiative for Green Revolution 2.0	5,000.0
Prime Minister's National Programme for solarization of agriculture tubewells in Pakistan	30,000.0

**INDUSTRY & EXPORT COMPETITIVENESS  
AND ACCELERATED DEVELOPMENT OF  
NEW LEADING SECTORS**





## 6. INDUSTRY, INVESTMENT AND COMPETITIVENESS

Manufacturing is one of the main sectors of economic growth of any country besides agriculture and services sectors. The sector is characterized by large-scale, small-scale manufacturing and slaughtering. This sector contributed 12% to the overall GDP during 2022-23 showing a stagnant growth for the past decade. The share is considerably meagre due to lack of products and market diversification, inconsistent policies, tariff barriers, limited access to credit (especially to SMEs), low productivity, high cost of doing business, high cost of energy along with supplies constraints and lack of sophisticated technology. The sector also faces major challenges by not conforming to internationally adopted best practices and still rely on traditional methods. The plan is to take a strategic policy approach to address key structural weaknesses that have resulted in a stagnant share of manufacturing sector and hence declining exports of the economy.

### Performance Review 2022-23

#### Sectoral Review

According to the National Accounts Committee of Pakistan Bureau of Statistics (PBS), during 2022-23, overall industrial sector contracted by -2.94% against targeted rate of 5.9%, manufacturing sector by -3.91% against targeted rate of 7.1%, Large Scale Manufacturing (LSM) by -7.98% against targeted rate of 7.4%. Small Scale Manufacturing was the only sector that grew by 9.03% against targeted rate of 8.3%.

<b>Table 6.1 Growth during 2022-23</b>		
<b>Sector/ Subsector</b>	<b>Actual Growth 2022-23 (in%)</b>	<b>Target Growth 2022-23 (in%)</b>
1. Industrial	-2.94	5.9
1.1 Manufacturing	-3.91	7.1
1.1.1 Large Scale	-7.98	7.4
1.1.2 Small Scale	9.03	8.3

(Source: PBS)

Overall Large-Scale Manufacturing Sector has shown a decline of 8.11% during July-March 2022-23 when compared with the same period of last year. The production during July-March 2022-23 as compared to July-March 2021-22 has increased in Wearing apparel, Furniture and Football while it decreased in Food, Tobacco, Textile,

Coke & Petroleum Products, Pharmaceuticals, Chemicals, Non-Metallic Mineral Products, Machinery & Equipment, Automobiles and Other Transport Equipment.

Similarly, during July-January 2022-23, overall exports decreased by 6.99% as compared to the corresponding period last year due to deterioration of export competitiveness, lack of exportable surplus owing to low productivity, increase in the cost of doing business, high cost of trading, high-interest rate, slow payment of tax refunds etc. Moreover, overall imports fell by 22.54% mainly due to the ban on imports.

The textiles and Apparel sector occupies a pivotal position in Pakistan's economy having the most intensive backward and forward linkages compared to any other sector. A strong backward-forward linkage between agriculture and industry to enhance exports is a distinction which is unique perhaps to this sector. This sector contributes approximately 60% to the total exports of Pakistan and 40% to industrial employment and encompasses a distinctive and self-reliant value-added production chain starting from cotton to ginning, spinning, weaving, knitting, processing, finishing to apparel and home textiles. From July 2022 to February 2023, textiles and apparel exports reduced by -11.09% as compared with the corresponding period of the last fiscal year. Exports of value-added products like knitwear, readymade garments, bedwear, and towels dropped by -6.83%, -5.48%, -16.13% and -7% respectively.

In the prevailing scenario, the most effective option for sustained growth is tapping untapped economic potentials i.e. industrial and agriculture development for expansion of exports and creation of domestic demand. An increased domestic demand will lead to domestic commerce expansion. Further, enforcement of rules & regulations regarding technical standards, intellectual property rights, and sanitary and phytosanitary measures need to be implemented by the Government for expansion of exports and trading activities in Pakistan.

During the 2022-23, Mining & Quarrying sectors registered negative growth of -4.41% against the target of 3%. During the period under review, Geological Survey of Pakistan (GSP) conducted various field studies through PSDP and its regular budget. Moreover, Mineral Wing Petroleum Division provided facilitation regarding out of court settlement of Reko-Diq Copper-Gold Project as well as consulted provincial mines & minerals departments to pitch the tangible project proposals for Saudi investors under Pak-Saudi MoU.

### **Financial Review 2022-23**

In PSDP 2022-23, Industries and Production Division had been allocated Rs. 2,850.000 million for 21 projects in which Rs. 1,107.870 million were released till March 31, 2023. Out of the released amount, Rs. 520.010 million were utilized. Out of the 21 projects of Industries & Production Division, 3 projects are due for completion by June, 2023. There were 2 projects of Commerce Division with allocation of Rs 1,174.44 million, out of which Rs 550.606 million were released till March 31, 2023. Out of the released amount,

Rs. 86.575 were utilized. Similarly, there were three development projects of Petroleum Division (Mineral Wing) in PSDP 2022-23 which were allocated Rs 320.56 million, out of which Rs 64.11 million were released till March 16, 2023, whereas utilization was Rs 43.20 million.

## Ongoing Initiatives

There are fourteen (14) projects of Industries and Production Division, two (02) projects of Commerce Division and three (03) projects of Petroleum Division (Mineral Sector) which will be carried forward and will remain under implementation in 2023-24. Details of the projects are as follows:

**Table-6.2: Ongoing PSDP Projects 2022-23**

(Rs. million)

S.No.	Name of the Project	Total Cost	Allocation in PSDP 2022-23	Releases in 2022-23	Expected Utilization till June-2023
<b>Industries and Production Division</b>					
i.	1000 Industrial Stitching Units, All over Pakistan (Phase-I)	350.55	80.00	25.00	25.00
ii.	Business Skill Development Centre for Women at Dera Ismail Khan	59.49	17.00	15.00	15.00
iii.	Establishment of 132KV Grid Station at Bin Qasim Industrial Park (BQIP), Karachi	1493.08	400.00	380.00	400.00
iv.	Establishment of Hub Special Economic Zone	3008.18	250.00	125.600	250.00
v.	Industrial Designing & Automation Centers at Karachi, Lahore & Sialkot.	972.97	287.00	107.40	127.40
vi.	National Business Development Programme for SMEs, All over Pakistan.	1954.98	282.01	90.40	120.00
vii.	National Strategic Programme for Acquisition of Industrial Technology (NSPAIT)	3206.89	300.00	110.00	300.00
viii.	Product Development Center for Composites Based Sports Goods, Sialkot.	529.77	70.00	14.00	14.00
ix.	SME Business Facilitation Center, Multan	59.89	15.00	9.44	15.00
x.	Development of Karachi Industrial Park on 1500 Acres of PSM Land at Karachi including Feasibility	400.00 (F.S)	150.00	0.00	150.00
xi.	Establishment of High Tensile Sheet Metal Dies Manufacturing and Titanium Coating Setup at KTDMC, Karachi.	400.00	300.00	70.00	70.00
xii.	Research, Regulatory Insight & Advocacy Assistance for SMEs, Lahore	200.00	70.50	25.00	30.00

xiii.	Support Centre for Dental and Surgical Equipment (SCDS), Sialkot	720.35	100.00	17.60	20.00
xiv.	Strengthening of Engineering Industry	458.22	50.00	20.00	20.00
<b>Commerce Division</b>					
i.	Expo Centre Peshawar	2500.00	174.44	81.89	81.89
ii.	Expo Centre Quetta	2500.00	1000.00	468.72	468.72
<b>Petroleum Division (Mineral Sector Projects)</b>					
i.	Establishment of National Minerals Data Centre	295.00	150.56	30.11	27.90
ii.	Geological Mapping of 50 Toposheets out of 354 Unmapped Toposheets of Outcrop Area of Balochistan Province	127.595	100.00	20.00	15.00
iii.	Legal Consultancy Services for drafting of Model Mineral Agreement and updating of Regulatory Framework	100.00	70.00	14.00	1.37

Objectives of the PSDP funded projects include technology transfer/ upgradation, business skills development, infrastructure development, establishment of common facilitation centres for SMEs, provision of energy, establishment of trade facilitation/ expo centres for export enhancement, establishment of national mineral data centre and mapping of minerals in Balochistan province and hiring of consultancy services for drafting model mineral agreement and formulation of uniform regulatory regime. All of the above projects are aligned with 5Es Framework which focuses on Exports, E-Pakistan, Environment, Energy and Equity. These projects are also aligned with Outlook 2035 document which provides an assessment of long-term challenges in light of the prevailing economic crisis and changing global dynamics in key sectors of the economy and identify policy choices for the rapid socio-economic development of the country with focus on exports.

The following ongoing initiatives of Industries & Production Division are expected to be completed by June, 2023:

- i. Footwear Cluster Development through CAD/ CAM & CNC Machining, Lahore;
- ii. Improving Competitiveness through Sustainable National Productivity (SNP), All across Pakistan and
- iii. Peshawar Light Engineering Centre (PLEC), Peshawar.

### **Policy Initiatives/Programs 2022-23**

Policy consistency over medium to long term is critical for the private sector to develop their investment plans. Following are the policies launched for creating an enabling environment for the manufacturing, commerce and mineral sectors:

## **National Productivity Master Plan**

Pakistan's economy particularly industry, agriculture and services sectors are increasingly exposed to serious challenges of competitiveness due to low productivity. To improve competitiveness, there is an immediate need to work on relevant indicators and areas as with its current performance, Pakistan cannot compete in the international market. In this regard, the Ministry of Industries & Production/ NPO has formulated the National Productivity Master Plan (NPMP). This plan is an in-depth analysis and a detailed programme designed with the possibility of assigning responsibilities to all ministries to bring a paradigm shift for increasing the productivity of different sectors of the economy. NPMP is being developed with the collaboration of the Korean Development Institute (KDI). The formal launching of the NPMP will be through a dissemination workshop by KDI which will be scheduled shortly.

## **Conducive Business Environment**

A Round Table Conference (RTC) on “conducive business environment & improvement in exports” was held in September 2022 wherein 28 Action Matrices were developed. So far, 20 have been implemented by respective ministries/ departments. Another RTC on “exploring Pakistan’s export potential with China” was held in October 2022 wherein a study concerning potential exportable items to China was shared with stakeholders. Keeping in view the prevailing economic situation of the country, a series of meetings were held with stakeholders of 9 export sectors in January and February 2023 to solicit their feedback/ recommendations for resolving the pressing issues. About 90 top exporters participated in these meetings and identified 38 fiscal and 72 non-fiscal issues. Moreover, out of a total of US\$ 32.4 billion in exports in 2021-22, the 9 participating sectors represent more than 70% of the overall exports of Pakistan. Their feedback was collated in the form of a presentation for Prime Minister.

## **Competitiveness**

During the period under review, Pakistan-China Business & Investment Forum (PCBIF) has been established. PCBIF is a collaboration of Board of Investment (BoI), the Chinese Embassy and the All-Pakistan Chinese Enterprises’ Association (APCEA) and consists of leading Pakistani and Chinese companies. PCBIF serves as a platform for Pak-China B2B collaborations and is the only arrangement of its kind with the backing of the Chinese Embassy. In addition to this, BoI developed Pak-China B2B Investment Portal in collaboration with China Council for International Investment Promotion (CCIIP) which aims to facilitate joint ventures, enhance sectoral B2B Matchmaking, and serve as a database for public & private investment projects, besides providing a virtual platform for marketing and promotion of B2B events. So far, 300 plus local and foreign companies have already been registered on the portal.

To operate in Pakistan, businesses need to fulfil the regulatory requirements of three tiers of Government (Federal, Provincial and Local Governments). To reduce the

compliance burden on businesses and make necessary reforms, GoP has launched Pakistan Regulatory and Modernization Initiative (PRMI). A major deliverable of this project is the establishment of an online “One Stop Shop” by the name of “Pakistan Business Portal”.

## Investment Policy 2023

The BOI has formulated Investment Policy 2023 in consultation with stakeholders and as per global best practices. Approval of the Federal Cabinet is in process. The policy is focused towards attracting efficiency-seeking investments as well as new initiatives such as SEZs, Ease of Doing Business, follow-up activities for implementation, etc.

## Outlook 2023-24

Allocation in PSDP for a sector is a tool for the government to accelerate the pace of development in the country. Table-6.2 shows a comparison of the allocation of funds over the years for the development projects:

**Table-6.2: Allocation in PSDPs**

(Rs. million)

Sector	2021-22	2022-23	2023-24
Industries and Production Division	2,916.082	2,850.000	3,000.000
Commerce Division	1,613.500	1,174.440	1,100.000
Petroleum Division – Mineral sector	323.000	320.560	202.595

Source: PSDP

## Sectoral Strategy 2023-24

The government's prime focus is on SMEs development, skill development of the workforce, technology upgradation, industrial infrastructure development/ establishment of SEZs, facilitating innovation, enhancing the competitiveness of locally manufactured products in the international markets, encouraging foreign direct investment (FDI), promoting exports through new/better market access, competitive incentives and facilitating G2G, B2C, C2C interactions. The aim is to boost productivity, earnings potential as well as competitiveness by focusing on five foundations of productivity namely:

- i. Investing in Science, Research and Innovation;
- ii. Skill development;
- iii. Upgrading infrastructure;
- iv. Improving the business environment, including reducing the cost of doing business;
- v. Creating better job opportunities

## Programmes 2023-24

The government in any economy acts as a facilitator and provides enabling and a feasible environment for businesses to flourish. To fast-track industrialization in the country, promote trade and to develop mineral sector the federal government, proposed some key initiatives which are as listed below in Table 6.3:

**Table-6.3: Proposed Projects for PSDP 2023-24**

<b>S.No.</b>	<b>Name of the Project</b>
<b>Industries &amp; Production Division</b>	
i.	Acquisition of Land for Establishment of SME Facilitation Centers at Various Locations (Lahore, Karachi, Peshawar & Quetta)
<b>Petroleum Division (Mineral Sector Projects)</b>	
i.	Instrumental Up-gradation of Geoscience Advance Research Laboratories (GARL), GSP, Islamabad to be used in Economic Mineral Exploration.

Besides PSDP-funded projects, GSP – from its regular budget – has designed several annual field programmes /projects like minerals investigation, geological mapping, geophysical exploration, geochemical exploration of precious metals, groundwater studies, etc for the year 2023-24. These activities will be carried out in different parts of the country.





## 7. INFORMATION AND COMMUNICATION TECHNOLOGY – DIGITAL PAKISTAN

Information and Communication Technology (ICT) has assumed a central enabling role in the emerging dynamics of a digital economy and consequently a knowledge society. Modernizing and harmonizing digital policies, improving digital infrastructure and reducing barriers to accessing new markets, make provisions for the creation of new opportunities that could produce high-value services, products and activities. Pakistan is included in the recently launched Digital FDI Initiative by the Digital Cooperation Organization, which shows the potential available in the IT industry of the country to expand rapidly.

Pakistan has a population of around 70% under the age of 30. This demographic dividend of an abundant young human resource can be made valuable for making a Digital Pakistan when they are trained and upskilled to use emerging digital and information technologies. Currently, in the domestic IT industry, there are about 19,000 IT companies and call centres across 160 cities. Most of these are micro and small-scale enterprises. Besides, about one million Pakistani freelancers are working intermittently or actively, making Pakistan ranked number four in the freelancers' workforce size in the world.

In the global digital landscape, Pakistan is still far behind even when compared to the regional economies. Despite tremendous growth in the past decade, the domestic IT industry is estimated to have a market size of about US\$ 4 billion, out of which about US\$ 2.3 billion comes through software exports. This contribution amounts to only 1.5% of the total nominal GDP of the country, whereas in comparison India's IT industry contributes US\$ 200 billion approximately to its national economy which is about 10% of India's GDP. Multifarious challenges need to be addressed with the right interventions holistically to have rapid growth in the IT sector.

The Digital Pakistan initiative could help in laying a strong foundation for public service delivery. Additionally, Pakistan needs to improve its connectivity infrastructure, especially broadband access, as well as in making concerted efforts in talent adaptability to spur the development of innovative products and services using ICTs, thus enabling inclusiveness of all segments of the society.

### **Performance Review 2022-23**

For 2022-23, a total of Rs. 6330.696 million was allocated for the Digital Pakistan projects. Out of this allocation, Rs. 2,000 million have been utilized as of March 2023.

Digital Pakistan includes 46 projects which are in the domains of Information Technology, Telecom and Space Technologies. The breakup of the allocation and utilization of PSDP funds for 2022-23 with respect to these domains is given in Table 7.1:

**Table 7.1: PSDP Allocation and utilization of 2022-23**

(Rs. Million)

Domain	No. of Projects	Allocation	Utilization (as of March 2023)
Information Technology & Telecom	36	6,330.696	2,000
Space Technology (SUPARCO)	10	7,395.092	3,000
<b>Total</b>	<b>46</b>	<b>13,725.788</b>	<b>5,000</b>

The above allocation for IT & telecom and space-related projects is a manifestation of the high priority given to the development of the digital economy.

On the physical infrastructure level, in the telecommunication sector, teledensity reached 83.1% as of March, 2023. The total mobile subscribers were 194.12 million (as of March, 2023), a slight decrease during the year mainly due to economic slow-down and floods. The 3G/4G broadband penetration touched 54%, with 128 million broadband subscribers (as of March, 2023), an increase of 9.27 million new subscribers during the year. Despite a tough year for telecom companies, their performance remained stable.

The global recessionary trends during the year had an impact on the domestic economy, which also saw a very high inflation rate. This also impacted the IT sector, with many imported digital infrastructure equipment and services becoming expensive. Moreover, delays and uncertainties in the supply chain were observed due to various factors such as restrictions on outflows of foreign currency and high/vulnerable exchange rates, etc.

Despite the stress on the national economy, the Government is well aware of the potential of ICT and the role it can play in the financial revival. In this regard, the government is striving to develop a nurturing environment for the development of ICT throughout Pakistan and to enable ICT to make it an important contributor to the economy. As part of the Digital Pakistan initiative, the government strongly believes in the mass adoption of emerging digital technologies and innovative applications to enable cross-sector socio-economic development and transformation of economic activities, governance models, social interaction, and achievement of sustainable development goals. Digital Pakistan thus aims to create a digital ecosystem with infrastructure and institutional frameworks for the rapid delivery of innovative digital services, applications and content. Overall, this would improve the citizens' quality of life and economic well-being by ensuring the availability of accessible, affordable, reliable, universal and high-quality ICT services.

In various global rankings and indices, Pakistan ranks very low. In the UN E-Government Development Index (EGDI) for 2022, Pakistan ranked 150th out of 193 countries, which is an improvement over the EGDI 2020 by 3 positions/ ranks. World Economic Forum's (WEF) Networked Readiness Index (NRI) measures the degree of readiness of a country to exploit the opportunities offered by ICT. In the NRI Index 2022, Pakistan ranked 89<sup>th</sup> out of 131 economies measured. In the AT Kearney Global Location Service Index (GLSI) of 2021, which assesses countries' capacity to deliver services, Pakistan ranks 31st out of 60 economies. Whereas, India tops the rank, followed by China, Malaysia and Indonesia. The main reason for the lower ranking in GLSI is the inadequate availability of skilled people in the market despite good financial attractiveness.

## **Planned Activities 2023-24**

The major thrust of Digital Pakistan in the ICT sector for 2023-24 will include:

- i. Establishment and operations of Special Technology Zones (STZs) which will comprise Information Technology (IT) Parks, Software Technology Parks (STP), Business Process Outsourcing (BPO) Complexes, R&D facilities, and Excellence Centers for tech-driven businesses and startups engaged in providing IT & IT-enabled Services (ITeS).
- ii. Subsidized trainings and certifications on cutting-edge technologies like Machine Learning, Cyber Security, Cloud computing etc.
- iii. Facilitate IT companies to get ISO27001 and ISO27701 certifications. It will help to upskill the BPO industry to bring more business from European countries.
- iv. Establishment of 25 STPs in Pakistan with Rental Subsidies to facilitate the IT industry.
- v. Technology Research Center in collaboration with industry players, to improve & create new cutting-edge technologies.
- vi. Establishment of Cloud infrastructure.

These important development initiatives will be helpful in further building up the digital infrastructure and skillsets related to emerging information technologies.



**DEVELOPING AND MOBILIZING  
HUMAN RESOURCES**



## 8. POPULATION, HEALTH AND NUTRITION

Population planning plays a significant role in the economic development of a country. According to the National Institute of Population Studies (NIPS), Pakistan's population was 229.2 million in 2022 (based on the 2017 Census). It is crucial to highlight that the goals outlined in the National Action Plan on population must be transformed into concrete actions to achieve gradual improvement. It is the government's responsibility to support the health and well-being of the country's population and the government of Pakistan is determined to improve people's health through the provision of health and nutrition-related infrastructure and facilities.

A conducive environment for the materialization of annual development plans has witnessed unprecedented fluctuations during the preceding years primarily due to economic divergence in the face of challenges related to post-COVID-19 and daunting torrential rains-prone floods. The prevailing conducive policy aiming to mitigate inflation challenges faced by marginalized segments of the society augmented with their deteriorating earning potential is supported through targeted subsidies and social financial protection. To improve the financial status of the marginalized population the opportunities for ensuring sustainable health service delivery is also targeted for Universal Health Coverage (UHC) at both ends "minimum package for essential service delivery" and "health insurance schemes" are the pillars of health sector strategies.

Nutrition plays a significant role in the growth and development of a nation and this is also one of the determinants to reduce health-related disparities. Nutrition is a multi-sectoral subject and cuts across 12 SDGs out of 17. Significant improvements in nutritional status can result from incorporating nutritional considerations into broader policies of economic growth & development, food and agricultural production activities, health care, education, and social development.

The current health and nutrition challenges faced by Pakistan, which continue to be stressed by COVID-19, are expected to worsen even further as the recent floods have impacted the lives and livelihoods of a large proportion of people and increased their vulnerability, with a large impact on food and nutrition security. To address this crisis, the Government has taken several initiatives to reduce malnutrition and scale up national nutrition plans. The Government has integrated nutrition interventions into the social safety net programme which targets women and children and uses the country's primary healthcare system to deliver stunting prevention services to pregnant women, girls and mothers.

## **Performance Review 2022-23**

### **Population**

During 2022-23 several platforms focused on population-related issues to foster cooperation between different provinces and facilitate communication between the public and private sectors. The provincial governments allocated financial resources through ADPs and made efforts to enhance service delivery and promote FP through advocacy. An overview of these activities is given below:

#### **Federal Task Force on Population**

The Federal Task Force on Population holds jurisdiction over matters of FP and reproductive health. Additionally, the Federal Task Force (FTF) has adopted the notion of balance (Tawazun) in collaboration with all four provinces, as well as AJK and GB, to promote awareness among the public about resource utilization and consumption. The FTF has set up a national agenda for population planning and pursuing the following targets:

- i. By 2025, aim to increase the current Contraceptive Prevalence Rate of 34% to 50%, and further increase it to 60% by 2030.
- ii. By 2025, strive to decrease the current Total Fertility Rate of 3.6 births per woman to 2.8 births per woman, and reduce it to 2.2 births per woman by 2030.
- iii. Target to reduce the current Average Population Growth Rate of 2.4% to 1.5% by 2025, and further bring it down to 1.1% by 2030.

#### **Country Engagement Working Group**

The Ministry of National Health Services, Regulations & Coordination (Mo NHR&C) has established the Country Engagement Working Group (CEWG) responsible for monitoring the progress of federal and provincial departments and civil society organizations in achieving the FP2020 targets that Pakistan committed at the FP2020 London Summit in 2012.

#### **Contraceptives Commodity Security Working Group (CCSWG)**

The Contraceptives Commodity Security Working Group (CCSWG) has been established to ensure the availability of contraceptives in the country and propose effective solutions for timely procurement, lending and borrowing of contraceptive commodities, and data availability at all levels of the supply chain.



## **Training of Lady Health Workers**

During 2022-23, the MoNHSRC undertook several activities, specifically the training of LHWs on postpartum topics, in line with the recommendations of the CCI for the National Action Plan addressing the high population growth in Pakistan.

## **Revision and Updating of Curriculum for Regional Training Institutes (RTIs)**

The RTIs located throughout Pakistan are entrusted with the responsibility of enhancing the capacity of healthcare professionals to offer FP/Reproductive Health services to communities. In this regard, the training curriculum employed by the RTIs has undergone revision and updating with the technical support provided by World Health Organization (WHO).

## **Revision and Updating of Standardized In-Service Training Package on FP for Facility-based Providers**

Healthcare service providers necessitate the availability of various modern FP methods. The MoNHSRC, with technical assistance from WHO, has revised the Training Package on FP to enhance FP services. The Package is designed specifically for healthcare providers and encompasses a comprehensive range of FP services.

## **Integrated Dashboard / Web Portal for Population Welfare**

An integrated Population Welfare Dashboard was created and officially introduced.

## **The Medical Tourism Initiative**

An initiative called the Economic Outreach Initiative (EOI) which aims to identify opportunities for foreign exchange earnings and import substitution. As part of this initiative, the Prime Minister has identified Medical Tourism as a key sector that requires national-level efforts. The MNHSR&C is leading this initiative specifically for Inbound Medical Tourism by creating an enabling environment for both public and private sector stakeholders, which refers to the influx of medical tourists into Pakistan.

## **PSDP Portfolio**

Out of two projects which were part of last year's PSDP, one project amounting to 272.9 million on Population Welfare Program GB (2017-20) had drawn to a close. The project titled "Implementation of National Action Plan on Population (2021-26)" with a total cost of Rs. 1998.820 million is under implementation. An amount of Rs. 217.500 million was utilized for the programmed activities of the project in 2021-22. The allocation for the said project during 2022-23 is Rs. 250 million and planned activities would be carried out during the following year.

In addition, a concept clearance proposal by the Government of Punjab costing US\$130 million titled “Punjab FP Program” (World Bank funded) was approved by the CDWP.

## Consultation with Stakeholders of the Population

The Mo PD&SI engaged in consultation process with federal and provincial PWDs for 2022-23 to achieve the sectoral goals of SDGs and the FP 2030 Agenda. Key activities were outlined after detailed consultations, such as sensitizing religious leaders, media officials, and other stakeholders on CCI recommendations, developing and disseminating IEC materials, disseminating population narrative, and campaigning for advocacy and capacity building to accelerate the FP programme in AJ&K and GB through PWDs.

## Health

The health-related priority initiatives rolled out under Annual Plan 2022-23 were organized under the various thematic areas which are mentioned in Table 8.1:

**Table-8.1: Key Government Initiatives and Achievements**

Key Government Initiatives	Activity/ Action conducted	Implementation (Status)
Provision of Universal Health Coverage (UHC)	Implementation of PSDP-supported projects e.g. National Health Support Project, COVID-19 Emergency Response and <i>Sehat Sahulat</i> Program	On-going
Up-gradation of Infrastructure, Supplies and Equipment	Establishment of 4 BHUs, 4 MCH centers, Accidents & Emergency Center, PIMS and Polyclinic at G-11/3 in Islamabad Capital Territory.	On-going
Intensify efforts to improve health system-integrated disease surveillance and diagnostic service	Implementation of Health system strengthening of ICT, Development of Integrated Disease Surveillance Response System (IDSRS) with Public Health Laboratories Network and Strengthening Points of Entry (PoE)	On-going

Source: PSDP 2022-23

There are 32 ongoing projects to the tune of Rs. 87,767.166 million with an allocation of Rs. 10,501.622 million and 10 new projects to the tune of Rs. 20,808.310 million with an allocation of Rs. 2,149.375 million reflected in PSDP 2022-23 for NHR&C Division. The PAEC has seven (07) projects with an allocation of Rs. 6,505.949 million. The Defence Division has two (02) projects with an allocation of Rs. 100.000 million. There are seven (07) health sector projects reflected under Provinces and Special Areas with the allocation of Rs. 2400.00 million. The health sector portfolio and allocations under PSDP 2022-23 are given in Table 8.2.

**Table 8.2: Ministry/Division-wise Performance regarding PSDP 2022-23**  
(Rs. Million)

Ministry/ Division	Total Schemes	Total Cost	Allocations (2022-23)	Expenditure (up to 31.12.2022)
National Health Services Regulations and Coordination	42	108,575.476	12,660.997	496.992
Provinces and Special Areas	07	28,626.21	2,400.00	500.00
Defence	02	8,868.067	100.00	0.00
Pakistan Atomic Energy Commission	07	15,452.710	6,505.494	890.299

Source: PSDP 2022-23

## Provincial Overview

The provincial governments are contributing in their perspective to strengthen the overall umbrella approach to provide health services with a focused target to achieve Universal Health Coverage (UHC) through respective ADPs. The ADP expenditure for 2022-23 of provincial governments is summarized below:

### Punjab

The development budget for the Primary and Secondary Healthcare department is Rs. 15.8 billion whereas, the Government of Punjab has allocated Rs. 146.7 billion for Specialized Healthcare and Medical Education department. The Development of Universal Health Coverage under the Universal Health Insurance Program in Punjab has an allocation of Rs. 125.3 billion. The allocation for development schemes for tertiary care hospitals is reduced to Rs. 918.6 million from the previous financial year 2021-22 allocations when it was estimated to be Rs. 6.3 billion. The Capital Development allocation for different sub-sectors of Specialized Healthcare and Medical Education is Rs. 9.8 billion which is 3% lesser than the previous financial year's allocation whereas, the Capital Development budget for the Primary and Secondary Healthcare Department is reduced to Rs.5 billion, 50% less than the previous financial year's allocation.

### Sindh

The Provincial Government has allocated Rs.23.3 billion for health sector schemes which is 6.5% of the total size of the development budget for ADP 2022-23. The allocation includes grant-in-aid and single-line grants amounting to Rs.66.15 billion to different institutes, trust and non-governmental organizations including SIUT, Pir Abdul Qadir Jilani Institute of Medical Sciences, Gambat, Kidney Center Karachi, etc. The CDWP-approved project "Sindh Human Capital Project and 1000 Days Plus Programme" is jointly financed by the provincial government and World Bank and aims to improve maternal and child health-related indicators in Sindh.

## **Khyber Pakhtunkhwa**

The government of Khyber Pakhtunkhwa has financed 102 schemes with an allocation of Rs.17 billion for the health sector with a total cost of Rs.116 billion. The Provincial Government allocated Rs.64 billion as an investment to improve basic services and Rs.80 billion to improve services in category-C hospitals whereas Rs. 39 billion for Medical Education which is 35% more budget from the previous financial year.

## **Balochistan**

The government of Balochistan earmarked 211 schemes in ADP 2022-23 to the tune of Rs. 56 billion out of which Rs. 12 billion has been allocated for the health sector in the provincial budget. The province has allocated a budget of Rs.5.6 billion for curative healthcare services.

## **Azad Jammu and Kashmir (AJ&K)**

The government of AJ&K has financed twenty-five (25) schemes to the tune of Rs. 7.2 billion with an allocation of Rs. 1.8 billion for the health sector.

## **Gilgit-Baltistan (GB)**

The government of GB financed eighty-eight (88) schemes to the tune of Rs. 4 billion with an allocation of Rs. 1.2 billion for the health sector.

## **Nutrition**

The government has made national nutrition commitments in the Nutrition for Growth (N4G) summit held in 2021 and is fully committed to implementing actions, programmes and policies addressing malnutrition. Review of the activities carried out during 2022-23 include the following:

- i. The initiative of development of a Multisectoral National Nutrition Policy has been taken to streamline nutrition in the country's development plans and consultations with key stakeholders have been made to formulate policy framework.
- ii. Early Childhood Development (ECD), encompasses good child health, adequate nutrition, responsive caregiving, early learning opportunities, and safety and security at home and in society, to grow children to their fullest potential. Several activities have been done including;
  - a. Capacity Building for National Steering Committee (NSC) and National Technical Working Group (NTWG) members,
  - b. International Conference on ECD,
  - c. Rollout holistic ECD governance,
  - d. Policy planning (Mapping, Parenting Package, Policy Framework, standards and index).

- iii. A PC-I titled “National Multisectoral Nutrition Program to reduce Stunting and other Forms of Malnutrition” has been prepared to promote the provision of micronutrients and nutrition supplements, nutrition awareness, early childhood development, household food security, high quality multisectoral nutrition research, and public private partnership for nutrition. The programme will cover 36 high stunted, poor and calamity-hit districts throughout the country.
- iv. The pilot project “Improving Food Security and Nutrition, Minimizing the Impact of Covid-19 on Livelihoods of Poorest Households in South Punjab” under the Rural Poor Stimulus Facility Program has been implemented in Bhakkar, Khushab and Mianwali districts to improve nutritional status while uplifting the economic status of poorest households.
- v. The governance structure for the national school nutrition/meal programme has been formulated at the federal level for coordination, advocacy and technical support.
- vi. The government has represented its case for climate finance in the United Nations Framework of Climate Change Convention Conference of Parties (COP-27). The impact of climate change on local food systems and measures to unlock climate financing for healthy, sustainable and resilient food systems were also presented.
- vii. Scaling up Nutrition (SUN) Annual Work Planning 2023, and Joint Annual Assessment 2022 (JAA) were conducted as regular activities of the SUN Movement in Pakistan to report its progress and plan for future activities.
- viii. SUN Business Network (SBN) and SUN Civil Society Alliance (SUNCSA) Pakistan have been revitalized and their Executive Committee Elections for Chair and Co-Chair were conducted.
- ix. Different policy and strategy documents were formulated by M/oNHSR&C which included legislation for food fortification and BMS (Protection and promotion of Breastfeeding).
- x. To cater to different outcomes of malnutrition especially stunting, BISP implemented a conditional cash transfer initiative to increase the uptake of health and nutrition services of its beneficiaries. The *Nashonuma* programme is operationalized in 152 districts of the country through 423 facilitation centers with Rs. 21,380 million expenditure during 2022-23.
- xi. The Urdu version of Pakistan Dietary Guidelines for Better Nutrition has been finalized. The agroecological-based Food Composition Table formulation process has remained continued for data review and validation.

The Provincial Governments and Areas have also implemented nutrition programmes which are summarized below:

**The Government of Punjab:**

- i. Chief Minister's Stunting Reduction Programme in 11 Districts of Southern Punjab is an ongoing activity with an expenditure of Rs. 400 million for Screening of Malnutrition, Micronutrient Supplementation, and Provision of Therapeutic Food to malnourished children.
- ii. Integrated Reproductive Maternal Newborn & Child Health (IRMNCH) & Nutrition Programme (Phase-III) of Rs. 1600 million for Strengthening of Nutrition sites (OTPs & SCs), Strengthening the LHW screening and referral of malnourished PLWs and children, establishment of Health communities for community mobilizations, the establishment of 300 24/7 BHUs, strengthening of RMU for Southern Punjab and evidence-based decision making through efficient monitoring and evaluation.
- iii. Establishment of a Multi-Sectoral Nutrition Center in P&D Board to provide leadership, oversight, technical assistance, monitoring and secretariat support to the P&D Board to identify and integrate nutrition and population dynamics into sectoral plans and strategies; integrate into their regular work plans along with implementation strategy etc.
- iv. The development of a Multi-Sectoral Nutrition Strategy for WASH including Water Supply, Sanitation, Hygiene and Wastewater cost Rs. 107 million to provide safe drinking water of an adequate quantity at an affordable cost through equitable, efficient and sustainable services to the inhabitants of the locality, access to adequate and equitable sanitation and hygiene, reduce the spread of water-borne diseases, improve health and nutrition outcome, raise living standard of the community, reduce stunting in children, Improve socio-economic condition and Improvement in the overall environmental condition of the locality.

#### **The Government of Khyber Pakhtunkhwa:**

- i. Completed two components cost Rs. 378 million of the projects “Khyber Pakhtunkhwa Stunting Prevention and Rehabilitation Integrated Nutrition Gain (KP SPRING)”. These included the provision of RUSF (Maamta, Wawa mum) to pregnant women and children 6-24 months, and deworming tablets and iron-folic acid supplements to adolescent school girls.
- ii. Implemented the project “Integration of Health Services Delivery with Special Focus on MNCH, LHW and Nutrition Programme with a total expenditure of Rs. 2933 million.
- iii. Poverty alleviation through the development of Rural Poultry in Khyber Pakhtunkhwa costing Rs. 24 million and expenditure of Rs. 5.5 million, implemented which included the distribution of Poultry Birds and Orientation/Training of Beneficiaries

#### **The Government of Sindh**

- i. Executed nutrition-specific and sensitive interventions under the Accelerated Action Plan (AAP) for the Reduction of Stunting and Malnutrition in relevant sectors with an Allocation of Rs. 2,944 Million and an Expenditure of Rs. 791 Million.
  - a. **Health Sector:** Establishment of nutrition stabilization centers/OTP sites, ANC, malnutrition screening and treatment, training of LHW/CHWs
  - b. **Livestock Sector:** Trainings and awareness, livestock services, provision of livestock/poultry units to poorest households
  - c. **Fisheries Sector:** Inputs provision for backyard and carp fish hatcheries, improvement of nurseries safari Thatta and crap fish hatchery Sukkur, bio floc aquaculture technology
  - d. **WASH Sector:** ODF villages, behaviour change communication campaigns, improved/new drainage system
  - e. **Education Sector:** Training of teachers to promote health and nutrition practices

#### **The Government of Balochistan**

- i. Improvement of range lands for food security and livelihoods improvement Suleiman range, Balochistan costing Rs. 509 million.
- ii. National Maternal New-born & Childcare (MNCH) programme in Balochistan costing Rs. 1614 million. Under the programme 22 districts are covered for SAM children and adolescent girls with iron-folic acid provision.

#### **The government of AJ&K**

- i. ECD programme in 300 middle schools and established ECE rooms equipped with ECE kits and other learning materials with a total project cost of 90 million and expenditure of Rs. 50 million.
- ii. Under the project "Agroecological based Fruit, Vegetable & Agriculture Development as Enterprise in AJ&K" costing Rs. 65 million have trained 1200 farmers and 249125 women in kitchen gardening. The expenditure in the subject year was Rs. 13 million.
- iii. The food department with technical support from Nutrition development partners has inaugurated the food fortification programme.

#### **The Government of Gilgit Baltistan**

- i. Approved "Food Fortification Program" implemented by the Food Department for Mixing and premixing of micronutrients in flour during grinding in 57 flour mills of GB.
- ii. Established 275 ECD centers equipped with ECD facilities in existing government schools.

- iii. To promote backyard fish farming, women have been trained and inputs provided under the “Targeting Blue Revolution towards Food Nutrition & Livelihood Security through Conservation of Local Species programme”.
- iv. Various interventions under the Scaling Up Nutrition Program (SUN) GB with the collaboration of P&DD have been implemented including:
  - a. Regularization of GB Nutrition Improvement Program
  - b. Financial tracking of ADP 2022-23 for Nutrition interventions
  - c. Approval of; Pure Food Act; Agriculture, Food and Nutrition Policy; and social protection policy
  - d. Establishment of ECD governance structure
  - e. Launching of ECD parental package and Orientation with ECD Policy

## Food Availability

The availability of major food items (cereals, pulses, animal products, sugar, edible oil fruits and vegetables) for human consumption has been calculated using statistics on food production, imports, and exports. During the year, a decline in per capita availability of cereals has been observed as compared to previous years. However, the availability of pulses, milk, meat, eggs has increased as shown in Table-8.3. The availability of edible oils/ghee, fruits and vegetables, fish and sugar remained almost same. In general, the availability of calories, per capita per day, decreased compared to previous years.

<b>Table 8.3: Food Availability (kg) per Capita per Annum</b>			
<b>Food Items</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23 (P)</b>
Cereals	169.6	154.5	145.7
Pulses	7.3	6.0	7.8
Milk (liter)	168.8	170.6	172.3
Meat	22.5	22.5	24
Fish	2.8	2.9	2.8
Eggs (dozen)	8.0	7.9	8.6
Edible Oil/Ghee	14.8	13.4	13.5
Fruits & Vegetables	60.8	69.9	70
Sugar	28.8	28.4	28.2
<b>Calories/day</b>	<b>2775.1</b>	<b>2620.7</b>	<b>2567.5</b>

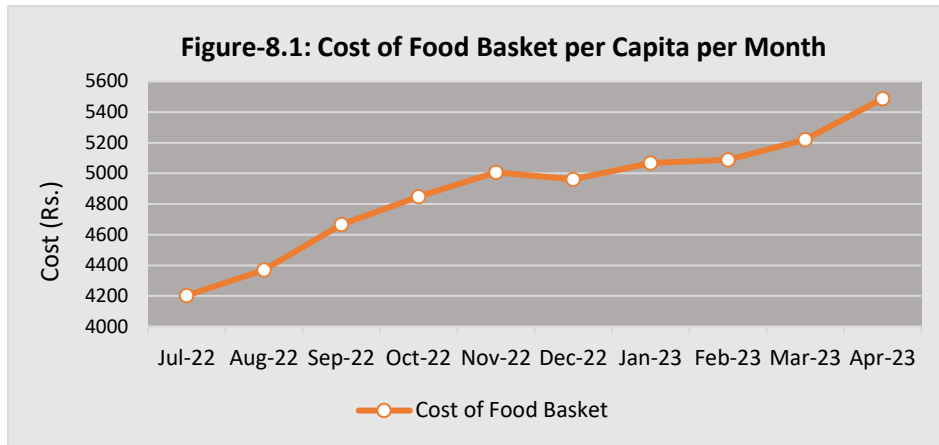
*Source: M/o National Food Security and Research, Pakistan Bureau of Statistics*

## Cost of Food Basket

The cost of food basket per capita per month has been calculated using Pakistan Bureau of Statistics' Monthly Price Indices data. The monthly cost of food basket that can meet an individual's minimum daily energy and protein requirements has been continuously increased during the year. The cost gradually increased from Rs. 4203 in July 2022 to Rs. 5488 in April 2023 with a slight decrease in December 2022. A total increase of



Rs.1,285 (30.5%) was observed during the subject period (July 2022 - April 2023) (Figure-8.1).



## Outlook 2023-24

### Population

#### *Upcoming/Ongoing new initiatives*

Work on the following upcoming/ongoing initiatives is in progress in Mo PD&SI:

- i. Task force on the Population of Desert Areas of Punjab and Sindh
- ii. Initiative of Cash transfers and services for FP for Benazir Income Support Program beneficiaries
- iii. Population Projections of Pakistan with UNFPA
- iv. Status report on Population sector situation in the wake of floods
- v. Establishment of the Pakistan Demographic Resource Center at the Planning Commission
- vi. International Conference on Population and Development (ICPD30)

### Provincial Programs on Population

Provincial governments have been using their ADPs to finance population-related initiatives. In addition, provinces are implementing various programmes with the support of development and donor agencies. The Planning Commission has facilitated provinces in sharing their successful practices through consultative meetings and is monitoring their progress. Below is a summary of the initiatives to be taken by the provincial governments during 2023-24.

The **Population Welfare Department (PWD), Punjab** has already implemented various measures to improve its capacity, such as expanding service delivery outlets, promoting public-private partnerships, integrating the Department of Health and PWD, and introducing e-governance mechanisms. The department plans to launch various initiatives such as establishing data centers, uplifting service delivery outlets, and involving Imams and Khateebis to promote FP. These initiatives are expected to

contribute to achieving the SDGs by 2030 and the goals outlined in the Punjab Growth Strategy (2018-23). The Provincial Action Plan (2019-24) for Punjab also aims to involve all stakeholders and is based on the recommendations of the Task Force, which were approved by the Council of Common Interest (CCI).

PWD AJK, included the establishment of new Family Welfare Centers in remote areas, an advocacy campaign to raise awareness on the National narrative on the Population "Tawazun," in collaboration with the Health Department and NGOs through public-private partnerships, to strengthen the monitoring system of service delivery outlets, and the registration of Ulemas and religious leaders to spread awareness. These steps are aimed at improving access to FP services and increasing awareness of population-related issues in the State.

The Gilgit-Baltistan Departmental Development Working Party (DDWP) has recommended a Three-Year Plan for Population Welfare Program for the years 2022-25 with a cost of Rs. 255.892 million. The proposed programme is in line with the objectives set out in Vision 2025, SDGs, Pakistan's commitment to the London FP Summit, and the implementation of the Supreme Court of Pakistan's recommendations. The programme's broader objectives include implementing the Action Plan on Council of Common Interest Recommendations and strengthening FP service delivery through outreach activities, IEC activities, and the establishment of an IT-based M&E system.

Khyber Pakhtunkhwa Population Welfare Department is implementing several FP and Reproductive Healthcare initiatives. For 2023-24 department plans to launch further initiatives including core FP and RH services, extension camps through mobile service units for the provision of FP services, motivational visits and sessions, for supporting behavioral change of the eligible couples, Hygiene Sessions in Schools/Colleges for awareness for students, advocacy meetings with Health departments, and monitoring visits to ensure the provision of quality services.

The **Population Welfare Department in Sindh** is aiming to provide comprehensive FP services in underserved regions. The department's priority for 2023-24 is to ensure adequate contraceptive stocks provincial levels.

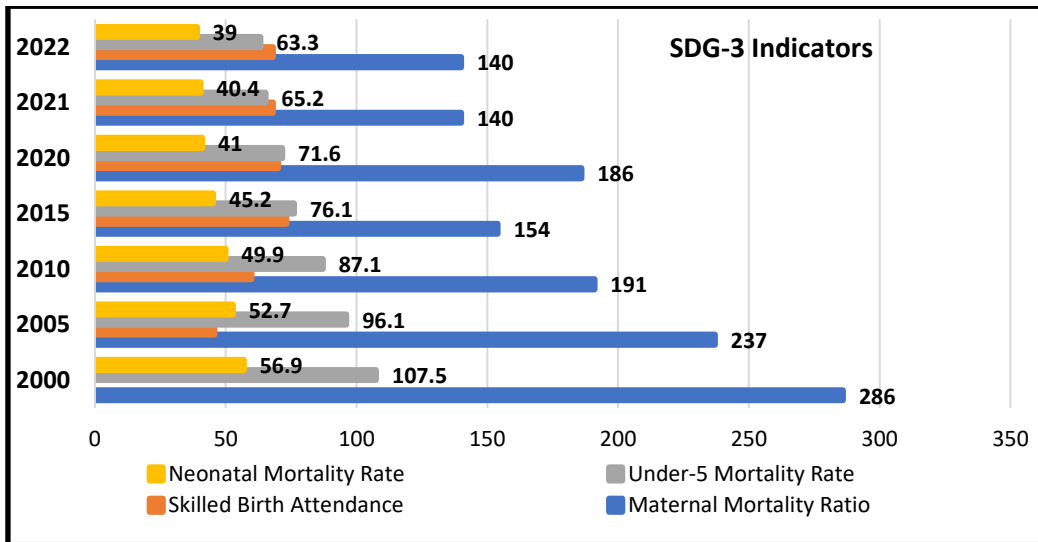
The **PWD Balochistan** offers a comprehensive range of modern FP services and supplies through various fixed facilities and mobile outreach services. The department plans to further strengthen FP services through promoting awareness and providing counselling, which will include both conventional and clinical methods, as well as male and female contraceptive surgeries.

## **Health**

The health sector envisages a very robust position to pull the extreme ends of the service delivery to meet in the middle to achieve UHC agenda as the SGD 2030 deadline is steadfastly approaching.

Government is cognizant of the fact that Pakistan is the signatory of the commitment to achieve the 2030 Agenda for SDGs. The obligation of achieving SDG goals has evoked Government to pass a unanimous National Assembly Resolution in 2016, thus making SDGs a National agenda. There is a firm focus on the performance trends of the SDG targets to track and ensure that there are enough financial allocations available to achieve SGD-3 targets in full spirit. Figure-8.2 shows performance trends of SDG-3 indicators in Pakistan from 2000 to 2022.

**Figure-8.2: Trends of SDG-3 Indicators in Pakistan**



Source: World Bank, UNICEF, DHS

The UHC agenda is an integral part of the SGD-3. The trend of SDG-3 indicators is showing steady progress which may provoke apprehension that if vigorous approaches have not been adopted then it might be too late to bring SDGs-aligned strategies on track. The Annual Plan 2023-24 will open new avenues to streamline the multisectoral approaches with highly ambitious interventions that can ultimately converge in unison to meet the mindful commitment to untangle the complexity and interconnectivity of UHC agenda. The long-neglected approach of Public Private Partnership (PPP) in health sector service has never been most significant as it is today due to the undoubted fact that a large chunk of health services being delivered by the private sector and if government has not established linkages with the former it might lose the opportunity of health service delivery to the larger cohort.

The outlook of the thematic area through various interventions for Annual Plan 2023-24 will be delivered through the implementation of various programmes that are given below:

## **Thematic Pillars**

### ***Universal Health Coverage (UHC)***

The Government is eager to concentrate on the mobilization of all available resources to include marginalized citizens for the supply of services through an affordable, efficient and accessible health system. The UHC does not mean that every single individual should be included in the service delivery paradigm regardless of poverty status rather it is meant to provide services to all those who otherwise cannot afford services by ordinary means of earning, thus considerably reducing pro-rich bias enabling poor to be included in the benefits package either at a subsidized rate or free of cost whatever so qualify them to access services without hardship. The rolling out of the Minimum Package for Essential Service Delivery (ESD) is an effort to strengthen one end of service delivery that targets renewed focus on the provision of Primary Healthcare (PHC) services side by side with the strengthening of other end of Tertiary Healthcare (THC) services through the development of new hospitals by rolling out of Social Health Insurance.

### ***Human Resources for Health (HRH)***

The concept of UHC will be half-spelt if an adequate skilled human resource is not available on the ground to deliver quality services to the population. The government of Pakistan has never been timidly away from the fulfilment of commitment to improve health service delivery which cannot be possible without concrete healthcare policy, human resources for a health plan, health systems governance mechanism and coordination to achieve UHC aligned with the SDGs. The Federal and Provincial Governments have shown commitment to preparing policy documents on recruitment, on job training and enhancing academic qualifications of human resources for health.

## **Programmes 2023-24**

The detail of other major initiatives for 2023-24 is mentioned below:

### ***Polio Eradication Programme***

Pakistan is fully committed to global commitment for Polio Eradication which is just on the verge of the last push from being eradicated. The upsurge in several cases due to operational and programmatic hurdles and the ongoing uncertainty of law and order conditions has created challenges towards the eradication of polio in the country. Pakistan will continue to invest through resources mobilized by partners in the form of grants and loans as an opportunity to end transmission by a continuation of strategic focus on reaching children in high-risk areas of the country, increasing and enhancing surveillance quality and conducting high-quality campaigns to close immunity gaps.

### ***Safe Blood Transfusion Services (SBTS) Programme***

The Safe Blood Transfusion Services Program at ICT is ongoing to complete the last leg of project activities. Federal Government recognizes the pivotal role of strengthening healthcare services with backup support of the provision of the adequate and highest quality safe blood transfusion services system in the country and self-sustaining activities. Therefore, a high-level consultative workshop was held to address the gaps in implementation activities. Government is committed to developing a sustainable roadmap for 2023-24 and onwards.

### ***Pakistan Deworming Initiatives (PDI)***

The PDI provides school-aged children from 5 years to 14 years of age with deworming treatment at schools and in communities, to control intestinal worm infections across high-risk identified districts of Pakistan. The target of 17 million children for deworming across 45 high-risk districts has been estimated and the programme will continue to conduct Mass Deworming to the remaining children for consecutive two to three years till the 100% target has been achieved.

### ***Malaria Control Programme***

Global Fund will continue to support Government efforts to control Malaria incidences across Pakistan with the support of Provincial Governments at the Provincial limits. The Provincial Government will continue to partner with Federal Malaria Directorate for provision of the technical and material resources to all the stakeholders at the federal and provincial levels.

### ***National Tuberculosis (TB) Control Programme***

National TB Control Program will continue to lead efforts to control the TB menace in the country in strong collaboration with Provincial Health departments. The International community is eager to support the National TB programme as Pakistan pose the highest threat to the International community being 5<sup>th</sup> highest country for TB burden. The programme aspires to effectively end the TB epidemic in Pakistan by 2035.

### ***Human Immunodeficiency Virus (HIV)/ Acquired Immune Deficiency Syndrome (AIDS) Control Program***

The upsurge of HIV/AIDS cases in Pakistan has urged the Government of Pakistan and Development Partners to revisit and reform strategies to re-install a sense of increased commitment and leadership among the national authorities and the leaders at all levels. The formulation of a new strategy to control HIV/ AIDS incidence will be aligned with the long-term development policies.

## Nutrition

Nutrition is inextricably linked to the country's development framework and nutrition-smart investments could be catalytic for realizing the national equitable growth agenda. For realizing inclusive economic growth, people must be healthy. Improved nutrition underpins improvement in health, food security, education, and gender equality, reduces poverty, improves WASH and provides lifetime opportunities to ensure success in most of the SDGs.

The Pakistan Multisectoral Nutrition Strategy, 2018-25 recognizes that malnutrition is a complex issue that requires a coordinated and sustained effort over the long term in all the relevant sectors. Hence the focus of the Government will remain on multisectoral interventions addressing the underlying drivers of malnutrition. The plan will also endeavour to mitigate the challenges emerging as a result of the recent flood crisis.

**High-level engagement and partnerships:** Enlisting a platform of eminent leaders as champions to spur and build a high-level political movement and leadership for nutrition, while drawing on their unique experiences and capabilities to spark nutrition-focused dialogues. The government cannot have the greatest impact if it acts alone. Development partners and the private sector has a significant potential contribution to improve nutrition. For achieving this, one of the key areas is fortifications, specifically flour, salt, and oil fortifications.

**Enabling Effective Policy Environment:** The focus will be on creating an enabling policy environment to advise on, coordinate, monitor and evaluate nutrition sector-related efforts. Leadership and governance mechanisms in delivering effective nutrition policies, interventions and programmes will be emphasized. Nutrition smart investments that deliver greater social and economic returns alongside achieving nutrition impact will be prioritized. National Nutrition Forum (NNF) will be used as a high-level forum for achieving the above-mentioned activities.

**Sustainability and Resilience:** The recent flood crisis raised the vulnerability of marginalized populations to food insecurity and malnutrition. The plan will also endeavour to mitigate the challenges emerging as a result of the recent flood crisis. For 2023-24, focus will be on stabilization by addressing the food security needs of communities at risk of vulnerability in unstable environments while improving their livelihood opportunities by addressing geographical, gender and socioeconomic disparities. Programmes/ activities planned for 2023-24 are as follows:

### Programmes/Policies/Activities 2023-24

#### A) Federal

Key programmes/activities for the year are:

- i. Development of National Multisectoral Nutrition Policy

- ii. Early Childhood Development (ECD) Policy framework, ECD standards and Index finalization
- iii. National Food Safety Policy Development
- iv. Revision of Pakistan Multisectoral Nutrition Strategy
- v. Development of National Nutrition Research Agenda
- vi. Launch of School Nutrition/Meal Program
- vii. National Multisectoral Nutrition Programme to reduce stunting and other forms of malnutrition
- viii. Development of a Multi-sectoral Nutrition Management Information System (MNMIS)
- ix. Revised Agro-Ecological Zones-based Food Composition Table (FCT) launching
- x. Urdu version of the Pakistan dietary guidelines for better nutrition dissemination
- xi. Development of Nutrition Markers
- xii. Expansion of Nashonuma Programme at Tehsil level across the country with an allocated amount of Rs. 27,268 million

## **B) Provincial**

### ***Khyber Pakhtunkhwa***

- i. Revision of Multisectoral Integrated Nutrition Strategy
- ii. Integration of Health Services Delivery with Special Focus on MNCH, LHW and Nutrition Program
- iii. Khyber Pakhtunkhwa Stunting Prevention and Rehabilitation Integrated Nutrition Gain (KP SPRING) (D.I.Khan, Tank, Bannu and Nowshera)

### ***Punjab***

- i. Finalization of Revision of Multi-Sectoral Nutrition Strategy 2015
- ii. Multi-Sectoral Nutrition Center Phase II
- iii. Integrated Reproductive Maternal Newborn & Child Health (IRMNCH) & Nutrition Programme (Phase-III)
- iv. Chief Minister's Stunting Reduction Program

### ***Sindh***

- i. Accelerated Action Plan (AAP) for Reduction of Stunting and Malnutrition-nutrition-specific and sensitive interventions (Fisheries Sector Proposed 1,594.06 million, WASH Component Rs. 3,279 million)

### ***Azad Jammu & Kashmir***

- i. Strengthening of Existing Poultry Complex for the provision of missing facilities to 6 poultry complexes in AJ&K

- ii. MIS development for strengthening of MIS to improve the social protection coverage in 10 districts of AJ&K

***Balochistan***

- i. Balochistan Comprehensive Nutrition Program (BCNP) costing Rs. 6937.89 million by the Health Department. Government of Balochistan to address malnutrition among under 5 children, adolescent girls and pregnant & lactating Women in 34 districts of Balochistan.

***Gilgit-Baltistan***

- i. Formulation of WASH policy
- ii. Establishment of GB Food Authority
- iii. School-based deworming initiative
- iv. Provision of ECD facilities in existing Government schools of GB and Integration of ECD with SUN GB
- v. School meal programme in all ten districts of GB
- vi. Non-communicable diseases Survey



## 9. BASIC AND COLLEGE EDUCATION

Education helps in developing critical skills like decision-making, mental agility, problem-solving and logical thinking. The main hope of a nation lies in the proper education of its youth and literacy rate determines the success of a country. The development and progress of a country depends on an advanced education system that provides quality education to its students and focuses on their well-being. The present education system of Pakistan needs to be improved on priority basis to prepare its youth in accordance with the emerging needs of the country. Pakistan is committed to bring about improvement in the education indicators by investing its efforts and resources in education sector.

Pakistan is facing several challenges which slow down the pace of development and progress on one hand and neutralizes the positive impact of the efforts and resources invested in this sector on the other. Within the social sector, the field of education suffers a lot. Education is the only tool with which the new generation can be equipped to modernize itself and compete with the world. However, education in Pakistan has failed to deliver the expected outcomes because it has remained a neglected sector with low budget allocation, not more than 2% of GDP in its entire history. Lack of proper infrastructure and access to schools, missing facilities, teacher's capacity building, Out Of School Children (OOSC) are the causes of concern. Below are the several education-related indicators which portrays and gives an account of the latest status of literacy prevalent in the country:

**Table 9.1: Gross Enrollment Rates (GER) at the National/Provincial Level by Gender and Age**

Location	GER at the Primary Level (Age: 5-9)			GER at Middle Level (Age: 10-12)			GER at Matric Level (Age: 13-14)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Pakistan	87	75	82	60	51	56	64	51	58
Punjab	92	88	90	61	61	61	68	63	65
Sindh	75	59	67	50	38	45	56	40	49
Khyber Pakhtunkhwa	94	70	83	73	44	60	68	35	53
Balochistan	83	54	70	47	29	40	49	20	37

Source: Pakistan Social and Living Standards Measurement Survey (PSLM) 2019-20

GER (Primary, Middle and Matric) are 82, 56 and 58 respectively. GER in Primary, Middle and Matric go in favour of males. Punjab has the highest GER in Primary, Middle and

Secondary and Balochistan has lowest. In all provinces, GER (males) is higher as compare GER (female).

**Table 9.2: Net Enrollment Rates (NER) at the National/Provincial Level by Gender and Age**

Location	NER at Primary Level (Age: 5-9)			NER at Middle Level (Age: 10-12)			NER at Matric Level (Age: 13-14)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Pakistan	54	48	51	22	21	21	13	13	13
Punjab	56	56	56	24	26	25	16	17	16
Sindh	49	40	45	19	16	18	10	09	09
Khyber Pakhtunkhwa	54	43	49	23	15	19	10	06	08
Balochistan	53	37	46	18	11	15	07	04	05

Source: Pakistan Social and Living Standards Measurement Survey (PSLM) 2019-20

NER (Primary, Middle and Matric) are 51, 21 and 13 respectively. NER at all three levels is higher for males in all the provinces except Punjab where female NER at Middle and Matric levels is higher as compared to male NER.

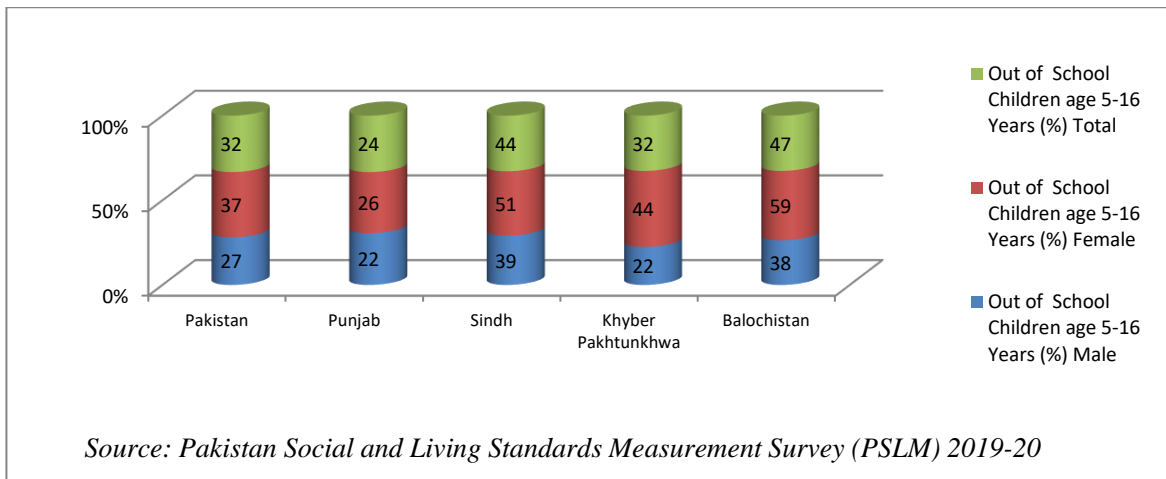
**Table 9.3: Literacy Rates**

Location	Literacy (10 Years and Older)			Youth Literacy (15-24 Years)			Adult Literacy (15 Years and Older)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Pakistan	70	49	60	79	65	72	68	46	57
Punjab	72	57	64	81	75	78	70	53	61
Sindh	68	47	58	72	57	65	68	45	57
Khyber Pakhtunkhwa	71	35	53	85	49	67	68	30	49
Balochistan	61	29	46	69	40	57	59	26	44

Source: Pakistan Social and Living Standards Measurement Survey (PSLM) 2019-20

The Literacy rate (10 Years and Older) is 60% showing more literacy in males. Punjab leads in this connection while Balochistan has the lowest rate. Youth Literacy rate (15-24 Years) is 72 (Male: 79, Female: 65). Province-wise comparative situation is the same with higher disparities for females than males in youth literacy rates. The adult Literacy Rate is 57 (Male: 68 & Female: 46) depicting the same trend.

**Figure 9.1: OOSC in the country**



## Performance Review 2022-23

Education is a devolved subject, however, the federal government by considering the importance of education, allocated Rs. 3,091.785 million in PSDP 2022-23, for 21 projects / schemes related to the Ministry of Federal Education and Professional Training (19 are on-going while 02 are new, one project related to M/o Defence and one project related to Government of Balochistan).

## Initiatives undertaken

The following initiatives and achievements were carried-out during 2022-23:

- i. Various meetings were held in M/o FE&PT in June and July 2022 specifically on tackling the issue of OOSC. Later, the ToRs for National Advisory Committee on OOSC were also drafted accordingly.
- ii. To improve the quality of education, projects pertaining to STEM and Blended Learning were approved for introduction in ICT schools on a pilot basis (Knowledge Economy Initiatives) and remained under implementation during the period.
- iii. A Round-Table Conference was held on 4<sup>th</sup> January, 2023 under the chairpersonship of the Minister for PD&SI to review and assess the progress of Single National Curriculum wherein experts of curriculum and senior management of the M/o FE&PT participated in the conference.
- iv. A high-level consultative meeting was also held under the chairpersonship of the Minister for PD&SI to take stock of the recent strategies and initiatives taken by different stakeholders to tackle the challenge of OOSC as well as firm-up recommendations in this context. Moreover, a total of eight projects will be completed by June, 2023.

Moreover, the following projects are expected to be completed by June 2023

- i. Establishment of Islamabad Model College for Boys, G-13/2, Islamabad approved by DDWP on 02.12.2019 at Rs. 388.620 Million. The Project will be completed on 30-06-2023.
- ii. Establishment of Islamabad Model College for Boys, G-15, Islamabad approved by CDWP on 02.05.18 at Rs. 343.441 Million. The Project will be completed on 30-06-2023.
- iii. Establishment of Islamabad Model College for Boys, Pakistan Town, Islamabad approved by CDWP on 24.05.18 at Rs. 339.618 Million. The Project will be completed on 30-06-2023.
- iv. Establishment of Islamabad Model School (I-V), Ghora Shahan (FA), Islamabad approved by DDWP on 02.12.2019 at Rs. 71.210 Million. The Project will be completed on 30-06-2023.
- v. Pandemic Response Effectiveness Project (PREP for COVID-19 (Revised) National World Bank approved by CDWP on 28.10.2022 at Rs. 3,146.038 Million. The Project will be completed on 30-06-2023.
- vi. Pilot project for STEM Teaching Grades 9-12 (Knowledge Economy Initiative) (1st Revised) approved by DDWP on 02-03-2022 (Revised) at Rs. 99.126 Million. The Project will be completed on 30-06-2023.
- vii. Provision of Leftover Infrastructure in Islamabad Model College for Girls, Bhara Kahu, Islamabad approved by CDWP on 04.06.2022 (Revised) at Rs. 180.332 Million. The Project will be completed on 30-06-2023.
- viii. Reconstruction of Building of Islamabad Model School for Girls (I-V) No.1, Tarlai (FA), Islamabad approved by DDWP 02.12.2022 at Rs. 42.738 Million. The Project will be completed on 30-06-2023.

## **Outlook 2023-24**

Improving basic and college education is the need of the hour. To improve the quality of the education sector, the focus needs to be on raising the quality of education through enhancing the capacity of teachers and educational managers, improving learning environments, strengthening institutional capacity and upgrading school infrastructure etc. Concerted efforts are required to direct human and financial resources to take initiatives to reduce Out of School Children. Access and equity in education may be elevated by establishing new schools and colleges with a prime focus on girls' education through new PC-Is. To enhance national harmony, peace, stability and socioeconomic development in the country through mainstreaming of religious education and to ensure a level playing field for everyone to learn and grow well, uniformity in education is one of the top priorities of the education sector.

## Programs 2023-24

### Provinces

Punjab Education Sector Plan 2019-20 to 2023-24, priority areas include; improving teaching and learning practices for better outcomes, providing adequate access to child education from pre-primary to secondary, including marginalized children and children with special needs, promoting quality education in a safe, inclusive and conducive learning environment for children and strengthen good governance of the education sector for equitable access and high-quality education.

School Education Sector Plan and Roadmap for Sindh (2019–24), areas of intervention include: raising quality education, bringing OOSC in schools, enhancing literacy programmes, improving the child-friendly environment for primary students, augmenting recruitment of teachers, training and development of teachers, building capacity of educational leadership and management and establishing efficient monitoring & evaluation mechanism.

Balochistan Education Sector Plan (2020-25), priority areas include governance and management, reforming data and research, access and participation, child care and welfare, along with assessment & examination and teaching and learning in the education sector.

### Federal PSDP 2022-23

As per Public Sector Development Programme 2022-23, at Federal level, there are 21 projects / schemes related to Basic and College education under Ministry of Federal Education and Professional Training (M/o FE&PT), one project under Ministry of Defence and one under Government of Balochistan which are shown in a tabulated form below:

Sr#	Status of Projects / Schemes	No. of Projects / Schemes	Area / Sector	Allocation 2022-23
1	On-going	19	Establishment of Colleges, recruitment & training of teachers, provision of missing facilities / infrastructure in colleges, Covid-19 response, Madaris Reforms	2,426.455
2	New	02	Sustainability of Computer Labs, Establishment of Teachers Training Institute,	244.33

<b>Ministry of Defence</b>				
3	On-going	01	Establishment of F.G Degree College for Boys at Kohat (Revised)	21.000
<b>Government of Balochistan</b>				
4	On-going	01	Establishment of Cadet College, Kharan	400.000
<b>Total:</b>				<b>3,091.785</b>

### **Federal PSDP-2023-24**

<b>Sr#</b>	<b>Status of Projects / Schemes</b>	<b>No. of Projects / Schemes</b>	<b>Area / Sector</b>	<b>Allocation 2023-24 (Rs in Million)</b>
1	On-going	12	Establishment of colleges / cadet college, recruitment & training of teachers, provision of missing facilities / infrastructure in colleges, Covid-19 response, Madaris reforms, sustainability of computer labs, Establishment of Teachers Training Institute	4,026.804
2	New	8	Establishment of Cadet College, Danish School, teachers training, enrolment of out of school children, introduction of ECE classrooms	1,546.162
<b>Total:</b>				<b>5,572.966</b>

# 10. KNOWLEDGE AND TECHNOLOGY-BASED DEVELOPMENT

## Higher Education

One of the most important Goals of Vision 2025 is to create a "Knowledge Economy and Technology-based Economy" through higher education and research. Promotion of higher education is a fundamental mean to invest in the youth of Pakistan for the expansion of a knowledge-led economy and to achieve overarching goals of socio-economic development at the national level. There are 247 universities in the country with 58,000 teachers in both public and private sectors. The overall enrolment of students in higher education institutions (universities) increased to 2.60 million in 2022-23 from 2.41 million in 2021-22 and is expected to 2.80 million (i.e., 12%) in 2022-23<sup>3</sup>.

The development portfolio of the Higher Education Commission (HEC) emphasises three main objectives including; i) access; ii) quality; and iii) relevance of higher education to the economic development of the country. HEC has developed a Vision for higher education, which provides future strategic frameworks for the promotion of higher education in the country. There is a need to focus on the quality of higher education to improve the country's ranking in the Global Innovation Index. In this regard, HEC is perusing its framework for supporting existing universities, enhancing international linkages, plugging gaps in technical/professional universities, improving governance structure, mitigating challenges related to scholarships, triggering the role of incubation centers, improving social and communication skills of youth, job placement of graduates and effective implementation of development projects to achieve objectives of knowledge and technology-based development.

## Performance Review 2022-23

An amount Rs. 44.719 billion was allocated in PSDP 2022-23 to implement 154 development projects (138 ongoing and 16 new approved projects) at public sector universities and Higher Education Institutions (HEIs).

Major development initiatives executed by HEC are as under:

- i. Several initiatives for youth in the wake of the 75<sup>th</sup> anniversary of independence;

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<sup>3</sup> Higher Education Commission of Pakistan.

- ii. 5,000 scholarships for students from Balochistan and FATA (Phase-III);
- iii. Scheme of 200 scholarships for the coastal region of Balochistan;
- iv. Establishment of a federal institute in North Waziristan;
- v. PM's Youth Laptop (100,000) Scheme (Phase-III);
- vi. Establishment of the University of Gwadar (Phase-I); and
- vii. Strengthening of lab facilities in five leading engineering universities (UETs of Peshawar, Taxila, Lahore, Khuzdar and NED Karachi)

During 2022-2023, HEC planned to complete 19 projects, however, only nine projects have been completed. The summary of the development portfolio of HEC under PSDP 2022-23 is given in Table 10.1:

**Table 10.1: Development Portfolio of HEC under PSDP 2022-23**

(Rs. Million)

No.	Description	No. of Projects	PSDP Allocation 2022-23		Final Releases	Utilization
			Original	Revised		
<b>A. Ongoing Schemes</b>						
	Universities Projects	102	27,690.029	17,405.596	17,405.596	9,702.696
	HEC's Projects	36	11,038.878	13,163.511	13,163.511	7,108.779
	HRD	19	5,930.000	10,907.650	10,907.650	5,975.562
	Others	17	5,108.878	2,255.861	2,255.861	1,133.217
<b>Total of 1+2 (A)</b>		<b>138</b>	<b>38,728.907</b>	<b>30,569.107</b>	<b>30,569.107</b>	<b>16,811.475</b>
<b>B. New Schemes</b>						
	New Schemes	16	5,990.000	12,309.800	12,309.800	11,767.064
<b>Total (B)</b>		<b>16</b>	<b>5,990.000</b>	<b>12,309.800</b>	<b>12,309.800</b>	<b>11,767.064</b>
<b>G. Total (A+B)</b>		<b>154</b>	<b>44,718.907</b>	<b>42,878.907</b>	<b>42,878.907</b>	<b>28,578.539</b>

Source: Higher Education Commission of Pakistan

## Outlook 2023-24

The proposed PSDP 2023-24 is summarized as follows:

**Table 10.2: Proposed PSDP 2023-24 of HEC**

(Rs. Million)

Sr#	Descriptions	No. of Projects	Total Cost	Foreign Aid	Cumulative Likely Exp. Up to June, 2023	Throw-forward as on 1st July, 2023	Proposed PSDP Allocation		
							FY 2023-24		
							Local	F. Aid	Total
A	Ongoing Schemes	139	336,625.725	16,314.683	132,951.461	203,674.264	52,265.000	1,050.000	53,315.000
B	New Schemes	26	69,461.506	0.000	0.000	69,461.506	6,400.000	0.000	6,400.000
<b>Total (A+B)</b>		<b>165</b>	<b>406,087.231</b>	<b>16,314.683</b>	<b>132,951.461</b>	<b>273,135.770</b>	<b>58,665.000</b>	<b>1,050.000</b>	<b>59,715.000</b>

Source: Higher Education Commission of Pakistan and MoPD&SI.

## Programmes 2023-24

HEC has recommended 26 approved projects for inclusion in the upcoming PSDP 2023-24, which includes: -



1. Centre for Advanced Studies in Physics at Government College University, Lahore
2. Dr. A. Q. Khan Institute of Metallurgy and Emerging Sciences
3. Strengthening of Lab facilities in 05 leading Engineering Universities (UET Peshawar, Taxila, Lahore, Khuzdar & NED Karachi)
4. Establishment of Pir Roshan Institute of Progressive Sciences and Technologies, Miranshah, North Waziristan
5. Establishment of National Cyber Security Academy (NCSA)
6. Provision of Higher Education Opportunities for Students of Balochistan and FATA (Phase-III)
7. Enhancement of Academic Facilities at NED University of Engineering & Technology, Karachi
8. Establishment of New Campus of Lahore College for Women University, Lahore at Kala Shah Kaku (Phase-I)
9. Construction / Development of Basic Infrastructure for the newly upgraded University of Engineering & Technology, Mardan
10. Strengthening of Women University Swabi (New Campus)
11. Establishment of China-Pakistan Joint Research Centre (CPJR) on Earth Sciences, QAU, Islamabad Local = 2940.258
12. Establishment of Mir Chakar Khan Rind University Sibi Balochistan (Phase-II)
13. Provision of basic facilities at Muhammad Nawaz Sharif University of Agriculture, Multan
14. Establishment of Institute of Science & Technology, Bahawalpur
15. Establishment of NUTECH Railway Engineering Technologies and Skills School (NURETSS) at National University of Technology (NUTECH) Main Campus
16. Establishment of National Centre of Nano- Technology
17. Establishment of National Centre of Quantum Computing
18. Establishment of National Centre for Manufacturing
19. Establishment of National Centre for Brand Development
20. Establishment of Institute of Sports
21. Establishment of National Growth Centre
22. Establishment of Multi-purpose Building and Boundary Wall of Information Technology University of the Punjab, Main Campus at Barki Road, Lahore
23. Establishment of Bayt-ul-Hikmah at NUML
24. Strengthening of Labs and Research Facilities at Public Sector Universities
25. Modernization of Academic and Research Facilities for Students at MUET, Jamshoro

## 26. Flood Protection Wall and Other Requirements of Shaheed Benazir Bhutto University, Sheringal, Dir Upper

### **Science and Technology**

Science, Technology and Innovation (STI) is globally recognized as the linchpin of societal development and economic growth. Recent global developments have reaffirmed the significance of STI for its far-reaching dividends. The Government of Pakistan is cognizant of the importance of STI and has rightly placed the idea of a “knowledge economy” at the heart of its national development agenda<sup>4</sup>. The Ministry of Science and Technology (MoST) has been functioning since 1972. It is the national focal point and enabling arm of the government of Pakistan for planning, coordinating and directing efforts; to initiate and launch scientific and technological programmes and projects.

Keeping in view the manifesto of the present government, MoST through its 15 R&D organizations has diverted efforts and resources towards demand-driven R&D and implementation of projects having significant economic impact. The Ministry suggests technological development for higher growth rates from the areas of industrial development to renewable energy and rural development and to improve standards of living. Its principal focus is on building Pakistan's technological competence in the 21<sup>st</sup> century as we enter new markets, developing a larger pool of human resources to reverse brain drain, and integrating the existing technological infrastructure for strengthening of technology institutions, effective governance of S&TR, and enhancing the capacity of indigenous innovation systems to promote “Made in Pakistan”. Outreach efforts are being made to encourage local industries to adopt indigenous technologies and processes and become technologically advanced and sustainable over a period of time to achieve knowledge-based economic development.

### **Performance Review 2022-23**

Under the PSDP 2022–23, an amount of Rs. 5716.394 million was allocated for 34 on-going projects and one new scheme of the Ministry of Science and Technology and out of that, only Rs. 3030.341 million could be released and utilized due to non-purchasing of equipment in view of the austerity measures in place by the government. During CFY 2022–23, two projects were completed.

Following are some of the key highlights of the progress made by STI sector during 2022-23.

- i. MoST is guiding and supports Small and Medium Enterprises (SMEs) in exploring and adopting new trends and requirements of international competitiveness and improving industrial productivity and quality according to the requirements of internationally recognized standards and guidelines;

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<sup>4</sup> National Science, Technology and Innovation Policy, 2022, Government of Pakistan.

- ii. Under a PSDP-funded project "Certification Incentive Programme for SMEs under PQI Initiative 2025" out of 1471 applicant SMEs, a total of 854 applicant firms have been approved for the award of the incentive grant amounting to Rupees 288.000 million, 217 applicants have been rejected for grant of the award on account of non-fulfilment of prescribed criteria while remaining applications are under process for the purpose of verification of certifications and on-site verification of other details of the applicant firms;
- iii. For the capacity building of SMEs personnel, MoST and its organizations, training programmes were designed in consultation with the chambers of commerce and industries, sector-specific trade associations, SMEs and other stakeholders before the finalization of the PC-1. The trainings encompass a multifarious approach through covering areas including production, supply, marketing, and entrepreneurship;
- iv. For capacity building and HRD in the S&T sector Science Technology Engineering & Mathematics (STEM) programme is initiated for the capacity building of existing schools, the skill development of science teachers and the empowerment of young students to become productive scientists, engineers and entrepreneurs;
- v. Science Talent Farming Scheme (STFS) is being implemented to groom the selected youth and support them to the highest degree by progressively exposing them to advanced topics in science with an application of an inquiry-based approach to learning;
- vi. Development of processes, technologies and products and improvement in academia-industry relations through the PSF Competitive Research Programme and Research Support Programme;
- vii. For Financial support for Research Scholars, PSDP project titled "Data Repository of Scientific Instrumentation" is being executed and under the scope of the project, the available instrumental facilities of well-equipped research centers and universities from all over the country are being used to facilitate the researchers by paying a reasonable amount of analysis cost. So far, 242 students/ researchers from different universities/ institutes have been provided access to analytical services against an amount of Rs. 51.60 million;
- viii. Pakistan Council of Science and Industry Research (PCSIR) is the premier public sector R&D organization of the country with a network of 17 research labs/ units including 06 training institutes located all over the country. A development project titled "Cultivation and Processing of Medicinal and Industrial Cannabis on Experimental Fields and Establishment of Testing and Product Development Facilities (PCSIR and Arid Agriculture University)" is under execution. Under the project, cannabis is being cultivated and processed to develop medicinal/ industrial products. This project is expected to increase revenue manifolds;
- ix. A PSDP project titled "Data Repository of Scientific Instrumentation" is being executed and under the scope of the project, the available instrumental facilities of well-equipped research centres and universities from all over the country are

- being used to facilitate the researchers by paying a reasonable amount of analysis cost. So far, 242 students/ researchers from different universities/ institutes have been provided access to analytical services for an amount of Rs. 51.60 million;
- x. To fulfil the requirements of Technical Barriers to Trade (TBT) agreement Article 9.1, strengthen the accreditation system in Pakistan and enhance the credibility of accredited organizations at the international level, Pakistan National Accreditation Council (PNAC) secured the signatory memberships of regional & international accreditation forums. PNAC has granted accreditation to a total of 242 calibration and testing laboratories as per the requirements of ISO/IEC 17025, 33 medical laboratories as per the requirements of ISO 15189, and 14 inspection bodies as per the requirements of ISO/IEC 17020;
  - xi. In health sector, the MoST is undertaking the project titled "Establishment of a Centre for Artificial Intelligence in Health Sciences" HP system Prodesk 400 G6 MT Ci7 10th Gen, Think Station Computer Server Rack/Tower Zotac and NVIDIA GEFORCE RTX 3080Ti have been purchased. Another initiative of MoST in the health sector is upgradation of the Medicinal Botanic Centre as National Centre for Herbal Medicine at PCSIR Peshawar. Under these initiatives boosting of quality of natural products is underway through the development of herbal products/nutraceuticals by making use of improved lab facilities and advanced equipment and their exports;
  - xii. In the nanotechnology sector, the MoST is undertaking the establishment of an industrial production facility for the industrial production of nanomaterials at the Latif Ebrahim Jamal Nanotechnology Centre. Scientific lab equipment has been installed in the respective labs, and one scholar has been chosen for a three-month international training programme. Payment of stipend and travel expenses has been made; and
  - xiii. The establishment of the Planning, Monitoring & Evaluation Cell in MoST is underway. This will enhance the capability of processing PC-1s and reduce the workload.

### **Outlook 2023-24**

The Ministry of Science and Technology is already sponsoring 31 ongoing PSDP funded projects and has recommended 6 new projects for inclusion in the upcoming PSDP 2023–24. The details are given in the following table:

**Table 10.23: Proposed PSDP 2023-24 of Ministry of Science & Technology**

(Rs. Million)

	Description	No. of Projects	Total Cost	Estimated Exp.	Throw-forward	Proposed Allocation
				up to 30.06.2023	as on 1st July, 2023	2023-24
A	Ongoing Schemes	31	25,293.845	7,291.107	18,002.738	5,500.000
B	New Schemes	6	7,932.745	0.000	7,932.745	2,000.000
<b>G. Total (A+B)</b>		<b>37</b>	<b>33,226.590</b>	<b>7,291.107</b>	<b>25,935.483</b>	<b>7,500.000</b>

*Source: Ministry of Science and Technology and MoPD&SI.*

## New Schemes

- i. Quality Seed Production and Supply to the Farming Community for Ensuring Food Security in Pakistan (Revised)
- ii. Establishment of Mineral Resource Center in District Dukki Balochistan for Product Design, Development and Value Addition to Enhance Export
- iii. Establishment of Khuzdar Science & Technology Block at NBC Quetta
- iv. Research, Development and Technology Transfer of Selected Active Pharmaceutical Ingredients (APIs) for Import Substitution (PCSIR)
- v. Establishment of Medical Cannabis Greenhouses for Biotechnology Derived Bio-Products, National Hemp & Cannabis Analytical Laboratory and National Industrial Hemp & Medicinal Cannabis Authority
- vi. Extension of Display Exhibits, Collection Repositories Improvement and Research Facilities Enhancement at Pakistan Museum of Natural History, PMNH



# 11. LABOUR & EMPLOYMENT

Labor Force, Employment and Skills have a strong nexus with social, economic, political and legal progress in the country. In recent years, Pakistan has faced challenges and opportunities with regard to labor force, skills development and employment. On the other hand, post-pandemic and flood emergency along with long-standing structural weaknesses of the economy i.e. low investment, low export and low productivity growth - pose risks to sustained recovery which needs skilled labor (women & men) in all areas of a formal and informal economy. A key element in the global response is the increasing focus on more environmentally sustainable economies. This transition will have far-reaching implications for the labor market where some jobs will disappear and new ones will be created. It requires many workers to re-skill and adopt different work practices based on the use of rapidly evolving new technologies.

Therefore, a comprehensive policy approach needs to enable this critical transition in Pakistan, which stimulates investment in green sectors, enhances women and men workers' skills and employability in these sectors and facilitates to transition of a more environmentally sustainable economy.

## **Overview 2022-23**

As per Labour Force Survey (LFS) 2020-21, 3.22 million employment was generated which decreased unemployment to 4.51% as compared to 4.71% during 2018-19. It shows that 1.61 million people are added to labour force per annum. Overall, the Unemployment rate declined in 2020-21 which jumped to 4.71 in 2018-19 as compared to 3.79 in 2017-18. As per LFS 2020-21, 38.8% labour force is illiterate, whereas only 8.2% holding the degree are getting employed which shows that the ability of the economy to job creation could not cope with the newly educated entrants, especially males.

The main reason is that more educated females are in the job market, while, the male population is opting out of the job market. The second reason is the quality of relevance of education which is mismatched with job requirements in the economy. Resultantly, unemployment for graduates is as high as 23.5% in 2020-21. The overall outlook for the labour market is descending, especially in the context of creating jobs of higher quality either domestically or overseas which makes labour market supply-driven rather than demand based.

Last year annual plan stressed focusing on interventions and reforms to convert raw human resources into skilled labour in accordance with the latest trends/ demands in local and international markets by creating linkages between training institutes and

industry. Labour export is the main source of foreign exchange earnings of the country. Due to the normalization of post Covid-19 pandemic & ease in visa restrictions, overall an increasing trend was observed in terms of emigrants registered in 2022-23 including GCC countries.

**Table 11.1 Number of Pakistani Workers Registered for Employment Abroad**

Year	Highly Qualified	Highly Skilled	Skilled	Semi-Skilled	Un-Skilled	Total
2019	15,525	9,899	285,960	64,900	249,592	625,876
2020	5,121	3,745	103,226	17,284	95,837	225,213
2021	7,396	6,563	131,348	28,384	114,589	288,280
2022	17,976	20,865	347,733	84,660	361,105	832,339
2023 (upto March)	5,661	10,415	73,112	22,029	85,414	196,631

*Source: Bureau of Emigration & Overseas Employment (BE&OE)*

Building Knowledge-Economy, being the main policy initiative of Govt, Rs. 6.469 billion were allocated to the Ministry of Federal Education and Professional Training (M/o FE&PT) for 17 ongoing projects, whereas 8 (3 approved & 5 un-approved) new projects have been included in PSDP 2023-24 with a total proposed allocation of Rs. 6.25 billion. In which the focus on employment and skill development is included as one of the key initiatives. PM Package to implement the “Skill for All” strategy as a catalyst of Technical and Vocational Education and Training (TVET) sector development in Pakistan and introduction of Matric-Tech pathways for integrating TVET and formal education are ongoing projects.

Some of the initiatives taken by the government during 2022-23 are as under:

- i. On the directions of the Honourable Prime Minister of Pakistan “The Youth Laptop Scheme” has been designed by Higher Education Commission (HEC) to distribute 100,000 Laptops to Pakistani students to facilitate them in their studies. Rs. 1,500 Million has been allocated for 2022-23 in the HEC budget.
- ii. An OTT App is being launched through Pakistan Tele Communication Limited (PTCL) to run 24/7 digital learning content and the same content will be run by Allama Iqbal Open University (AIU) through TV broadcast to raise knowledge-based HR.
- iii. National Vocational and Technical Training Commission (NAVTTTC) has trained youth as certified skilled professionals out of which 71% are employed. In the training, the focus was on High-Tech. Almost 75,268 were trained in Digital IT skills and 53,598 in conventional skills.
- iv. Govt initiated TAKAMOL – NAVTTTC Skill Verification Program (SVP) for joint certification and testing “Skills Verification Program” (SVP), which is being carried out for Pakistani skilled youth who are intended to get employment opportunities in Saudi Arabia. In this regard, over 57,989 people have been trained in 23 skill trades, whose demand has been conveyed by Saudi Arabia, for



- which Takamol-NAVTTTC Online Automated Web Portal has been operationalized.
- v. M/O OP&HRD has signed bilateral agreements/MOUs with destination countries. A bilateral Agreement/MoU on Manpower Export was signed with Azerbaijan in 2022 and with China in 2019.
  - vi. Steps have been taken to create linkages between Overseas Employment Corporation (OEC) and NAVTTTC for matching available jobs at BE&OE official website and data of the trained job seekers maintained by NAVTTTC. So as demand-based skilled Labour could be produced.
  - vii. Registration of foreign employers has been initiated on the BE&OE website so that the intending emigrants may be hired either directly or through Overseas Employment Pakistanis (OEP) by registered Employers depending upon their requirements.

### **Policy Proposals**

- i. Specific Strategies would be prepared for each country separately like KSA, UAE, USA, UK & Malaysia etc, by suggesting the responsibilities of relevant stakeholders in boosting manpower export in these countries.
- ii. A comprehensive diversified strategy would be devised to explore job opportunities for Pakistani workers in other potential/non-traditional countries such as Kuwait, South Korea, Japan, Germany and China to promote the export of manpower to these countries.
- iii. With a large population of almost 225 million, a fairly large penetration of mobile telephones and extensive use of personal computers. Pakistan could enter the fast-growing field of “Artificial Intelligence”. Government would encourage private enterprises to invest in this area which will increase domestic employment as well as employability in the international market.
- iv. Pakistan services exports stood at US\$ 7,357 million in 2022 as compared to US\$ 6,544 million in 2021. This sector has tremendous potential and the proposed opportunity is vital to harness the export of consultancy services to earn foreign exchange. These consultancy services may be provided in various fields such as energy, infrastructure, tourism, space mobility, language translation and hoteling etc.



## 12. YOUTH & SKILL DEVELOPMENT

Pakistan possesses a sizeable young population, with more than 60% of its growing populace is below the age of 35 years. To harness this demographic dividend, it is imperative to invest in quality education and skill development that align with long-term human capital development. Uplifting the underprivileged youth by significantly increasing opportunities for their education, training and enhancing their employability through skills development is of paramount significance and is pressing need of the hour. Therefore, prioritizing state investment into young people could be an effective enabler to turn Pakistan's youth bulge from a liability into an asset.

Government is making concerted efforts to formulate effective plans and implement targeted interventions to engage the youth as "*Champions of Reforms*", while ensuring their involvement in policy making process. Bridging the gap between industry (demand) and education system (supply) is also essential, particularly as public sector funds have been squeezed thus, the private sector could be a valuable partner in youth development initiatives, particularly in emerging sectors of the economy such as IT, manufacturing, SME, Services, Telecom, tourism etc.

In this regard, the private sector can play a vital role in incubating young talent while Technical and Vocational Education and Training (TVET) offers instant platform for productive youth engagement by imparting employable skills that lead to increased labour productivity and economic growth of the country.

### **Performance Review**

An amount of Rs. 3,200.00 million was allocated in PSDP 2022-23 to fund youth development programmes and projects out of which Rs. 2,842.44 million have been utilized. These programmes and projects are aimed at producing competent skilled workforce at par with international standards of job market in various sectors of the economy including; construction, hospitality, services & energy sector and other emerging sectors like IT, block chains, amazon and high tech/high end trades etc. Moreover, Government has implemented a number of donor funded initiatives to bring TVET sector reforms by improving quality of TVET training, capacity building, quality assurance, Competency-Based Training (CBT) and engaging the private sector etc.

Major physical and financial achievements under PSDP 2022-23 are in Table 12.1.

**Table 12.1: Allocation, Utilization of PSDP 2022-23**

Sr. #	Name of the Project	Project Cost	Allocation	Utilization
1.	Prime Minister’s Hunarmand Pakistan-Skill For All Program	9,880.00	3,000.00	2714.00
2.	Introducing Matric-TECH Pathways for Integrating Technical and Vocational Education and Training and Formal Education	315.00	100.00	50.00
3.	Establishment of Polytechnic Institute for Boys at Skardu	601.996	100.00	78.44
	<b>Total</b>	<b>10,796.996</b>	<b>3,200.00</b>	<b>2842.44</b>

Source PSDP 2022-23

## Physical Progress 2022-23

Major physical progress made during 2022-23 through interventions are given as under:

- i. Under “Skill for All” Program, a total of 128,866 youth (75,268 in High-Tech/Digital IT and 53,598 in Conventional trades) has been trained as certified skilled professionals. Remarkably, almost 13000 of the certified professionals have secured employment overseas. Moreover, 141 Transgender have been trained and certified as part of the programme;
- ii. Successfully piloted Matric-TECH project in 15 Formal education schools of ICT, AJK and GB (7 ICT, 4 AJK and 4 GB). Under this project, 27 TVET instructors were hired and 08 TVET qualifications have been developed. Enrolled 435 students in 9<sup>th</sup> class in academic session 2021-22 out of which 368 successfully qualified and promoted to 10<sup>th</sup> class. Students are being trained in following trades / disciplines: Hi-Tech and Conventional technologies i.e. Data Coding, Web and Graphic designing & Video Production, Garments Manufacturing, Industrial Electrician, Plumber, Hospitality, Beauty Services etc. These courses are launched as an alternative third stream of career-education at secondary level in 9<sup>th</sup> & 10<sup>th</sup> standard;
- iii. Completed 70% construction/civil work of “Polytechnic Institute for Boys at Skardu” which is expected to be fully operational in the next year;
- iv. NAVTTC initiated TAKAMOL - NAVTTC Skill Verification Program (SVP) for joint certification and testing of Pakistani skilled youth who intend to get employment opportunities in Saudi Arabia. The SVP has trained over 57,989 people in 23 skill trades, as per the demand of KSA. In addition, Takamol- NAVTTC Online Automated Web Portal has been made operational; qualifications for these trades have been developed; test assessment centers are now operational. As a result, 2500 youth has been tested/certified and have got employment in KSA;
- v. Established 05 Sector Specific Centres of Excellence with the collaboration of EU/GIZ (01 in each province)
- vi. Formally certified 46,275 Youth under Recognition of Prior Learning (RPL);

- vii. Completed 2100 apprenticeship training in 70 industries and enterprises;
- viii. Established and operationalized NEXT Skilled Workforce & Job portal i.e.jobs.gov.pk , with data of 458,071 skilled youth while 681,538 jobs were posted from 1071 employers; and
- ix. Upgraded/equipped 500 technical and vocational training institutes with latest IT gadgets/facilities and established 50 smart labs through latest training equipment provided under CPEC framework.

## Outlook 2023-24

All youth development initiatives are well aligned with Vision-2025 and National Skill Strategy. These initiatives include on-going and new projects to be implemented in 2023-24. Priority areas for these initiatives will be:

- i. Imparting training in employable skills and trades with high impact of employment generation;
- ii. Providing competency-based training through establishment/ upgradation of vocational institutes across the country;
- iii. Offering paid internship to educated unemployed youth across the country;
- iv. Ensuring representation and participation of young people in policy making as “Champions of Reforms”;
- v. Enhancing the role of the private sector in TVET, promoting entrepreneurial culture through skill development in employable skills and provision of subsidized loans to unemployed youth;
- vi. Providing technical training on High-End Technologies, Distance/ Online Learning Systems for freelancing, and other emerging sectors like Tourism, Hotel Management and Renewable Energy, etc.;
- vii. Ensuring equal opportunities for marginalized segments of society such as women, orphans, persons with disabilities, youth from less developed areas etc.; and
- viii. Exploring Public Private Partnerships (PPP) for training opportunities with a focus on establishing suitable industrial linkages;

## Programs/Initiatives to uplift Youth through Skill Development

Following are PSDP and non-PSDP funded ongoing and new initiatives for Youth Skill Development:

### Ongoing Development Initiatives

- i. **Introducing Matric-TECH Pathways for Integrating Technical and Vocational Education and Training and Formal Education** at a cost of Rs.315.00 million aims to establish 27 new labs / workshops in public sector schools and colleges of general education stream and ensure the provision of TVET to youth by

- integrating TVET into General Education stream. Total 1,500 targeted youth (middle pass) will be enrolled on the same pattern of general education for this “General Education cum Skill based Qualification” in specific TVET disciplines / technologies as per geographic and market needs;
- ii. **Establishment of Polytechnic Institute for Boys at Skardu** at a cost of Rs. 601.996 million aims to provide 3 years’ post-secondary diploma courses in civil, electrical and mechanical technologies. The institute will have annual intake of 120, with 40 students for each technology field. The Institute is expected to enroll a total of 600 students in five years’ period; and
  - iii. **Prime Minister’s Hunarmand Skill for All Program** at a cost of Rs. 9.880 billion is being implemented all over the country. The major scope of the project covered conventional and High Tech/High End training of 100,000 youth, skill testing & certification of 50,000 youth under Recognition of Prior Learning (RLP), development of 200 TVET qualification, establishment of 10 facilitation centers in 10 export intensive cities, apprenticeship training of 20,000 youth and accreditation of TVET institutes nationally and internationally.

## **New Initiatives 2023-24**

- i. **Prime Minister ‘Ba-Ikhtiar Naujawan’ Internship Initiative** at a cost of Rs. 4828.05 million. Under the programme, 40,000 youth will be offered paid internships of Rs.25,000/- per month for a period of 6 months. The selected interns will be placed on positions relevant to their skills and job function in host organizations of public, private and other development sectors all over the country.
- ii. **Establishment of Two Excellence Hubs in the Field of Renewable Energy” in Punjab Province** at a cost of Rs. 1117.402 million including grant of Rs. 844.344 million from KFW German Cooperation. The project is aimed at establishing two state-of-the-art excellence hubs in the field of Renewable Energy in Government Colleges of Technology in Lahore and Taxila. After completion, youth will be trained in “PV Installer, PV solar technician and other renewable energy related trades.
- iii. **Establishment of Two Excellence Hubs in the Field of Renewable Energy” in Khyber-Pakhtunkhwa Province** at a cost of Rs. 740.70 million including grant of Rs. 718.00 million from KFW German Cooperation. The project seeks to establish two state-of-the-art excellence hubs in the field of Renewable Energy in Government Colleges of Technology Peshawar and Swat. The programme will offer training based on the Solar PV and Micro Hydro Power (MHP) sector value chain as well as serve as a center of excellence on renewable energy related trades.
- iv. **Improving Workforce Readiness in Punjab Project (IWRPP)** at an estimated cost of US\$ 110.00 million including US\$ 100.00 million as a loan from Asian Development Bank. The major scope of the project involves; establishment of center of excellences in 20 TVET institutes of Punjab; training programmes in priority and forward-looking skills areas with focus on entrepreneurship and

work-based training; improved TVET Sector Institutional framework through Punjab Skills Development Authority (PSDA) & Punjab Skills Testing Agency (PSTA) for TVET policy research and TVET Management Information System (MIS) and Labor Market Information System (LMIS).





## 13. MASS MEDIA, CULTURE AND NATIONAL HERITAGE

Mass Media is a tool/source of communication for reaching the target audience through print, electronic, digital, social media and cinema. Technological advancements and broadband have revolutionized the ways of communication. The traditional media, such as print and electronic have literally become digital and are increasingly consumed through internet devices. The boundaries between digital media and conventional broadcasting are converging and will merge in the near future. All of these drastic changes have made the role of media in the process of development much more critical. Mass media is not only a catalyst in development but also an ingredient of development. The role of mass media in development communication cannot be overemphasized. No policy, program or intervention could achieve the desired results without the support of an effective communication strategy. The media platforms are acting as a bridge between all stakeholders and the government.

The digital media has changed altogether the way we inform, educate, entertain, publish and interact with one another. As a result, the world has entered the age of digital information. In Pakistan, as with the rest of the world, the digital media has emerged with significant growth potential, offering promise of a relatively free voice and easy access of information to the general public. According to report (UNDP 2021), Pakistan's digital media community is experiencing rapid growth with over 100 million internet users, 185 million mobile subscriptions and over 50 million people active on social media. Being cognizant of this potential, the government has chalked out a plan for digitalization of terrestrial network of Pakistan Television Corporation (PTVC) and digitalization of analogue transmission of Pakistan Broadcasting Corporation (PBC) in the public sector. The private cable operators have been tasked with extending cable TV network to rural and far-flung areas and upgrading to optical fibre for digital programming.

### **Performance Review of 2022-23**

#### **Mass Media Sector**

In PSDP 2022-23, an amount of Rs 2100.00 million was allocated to five ongoing and twelve new projects of the Ministry of Information & Broadcasting aimed at improving production, transmission, quality of audio signals, increasing the coverage area of radio network, digitalization of terrestrial network of Pakistan Television Corporation (PTVC), upgrading and restructuring of Associated Press of Pakistan (APP), imparting training to the media professionals/journalists, capacity building of the officers/officials of Ministry of Information & Broadcasting and promotion of local film industry. Six out of the 17 projects are expected to be completed by June, 2023 while the remaining 11 will be

carried over to the next financial year 2023-24. An amount of Rs 1598.116 million has been utilized by June, 2023. An overview of public and private sector media is provided in table- 13.1. Sub-sectoral physical and financial details of Mass Media Sector for 2022-23 are as under:

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

Under PSDP 2022-23, an amount of Rs 204.650 million was allocated to PTVC for one ongoing and one new project. The ongoing project aims to digitalize the terrestrial network of PTVC, while the new project titled “Establishment of National Film Institute at PTV Academy, Islamabad” seeks to establish an integrated production and post-production facility as well as an academy to impart training in film trades in the premises of PTV Academy H-9, Islamabad with the goal of reviving and promoting local film industry through provision of film production and post production facilities in the country. An amount of Rs 100.00 million was earmarked to the project in PSDP 2022-23.

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

For PBC, under PSDP 2022-23, an amount of Rs 562.777 million was allocated to three ongoing and three new projects. The three ongoing projects of PBC aim to strengthen radio coverage in the uncovered areas of Balochistan (Gwadar) and Azad Jammu and Kashmir through installation of digital enabled medium wave transmitters. As far as the three new projects of PBC are concerned, the first one pertains to establishment of Saut-ul-Quran FM network phase-II to transmit the marathon transmission of Holy Quran through FM network in nineteen (19) districts across the country. An amount of Rs 212.777 million was earmarked to the project for completion.

The second project titled “Upgradation of Studios and Master Control Room of PBC” seeks to renovate the studios and master control room, replace outdated equipment and upgrade the signal and sound quality of the programs. An amount of Rs 100.00 million has been allocated to the project which has been utilized on renovation of the studios and purchasing of electric power and other equipment for the said project.

The third project, titled “Rehabilitation of Medium Wave Services from Khairpur” aims to promote local language and culture and strengthen radio coverage in uncovered areas of the Khairpur District and counter cross border propaganda. An amount of Rs 100.00 million was allocated to the project. The released amounts have been utilized on civil work of broadcasting house Khairpur and procurement of electric power and other equipment. However, no funds were released to any PBC’s project during 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarter of FY 2022-23 under a unanimous decision made by DDWP forum on 29.7.2021. The decision was due to the Finance Division deducting Cash Development Loan (CDL) from every release of PBC since FY 2018-19. This deduction has not only hindered the physical/financial progress of projects but also made it impossible for PBC to complete its projects within approved cost and implementation time period.

## **Press Information Department (PID)**

Under PSDP 2022-23 Press Information Department (PID) was allocated an amount of Rs 162.709 million to one ongoing and two new projects. The project titled “Establishment of Pakistan Information Centre Phase-I” aims to establish Information Centres for imparting training and capacity building of media professional/journalists at seven cities including Islamabad, Karachi, Lahore, Peshawar, Quetta, Gilgit-Baltistan and Azad Jammu & Kashmir (AJK). The project is nearing completion as trainings and workshops have been conducted for journalists and media practitioners at all seven locations. The second project titled “Establishment of PID Media Cell to Counter Violent Extremism” is part of National Security Policy Implementation Plan. Work on the project is in progress as project staff has been hired, hardware/software, furniture/fixture and plant/machinery have been procured.

## **Associated Press of Pakistan (APP)**

The entire balance cost of Rs 298.956 million was given to the project titled “Restructuring of News Operations of APP by Replacing Existing Outdated Equipment with Modern Cutting-Edge Technology” of Associated Press of Pakistan (APP) in PSDP 2022-23. The project is expected to be completed by June, 2023. Procurement of equipment has been completed for upgradation of all nine locations of APP.

## **Directorate of Electronic Media & Publications (DEMP)**

Similarly, an amount of Rs 326.290 million was allocated for the two new projects of Directorate of Electronic Media & Publications (DEMP). The project, titled “Central Monitoring Unit” aims to upgrade monitoring/media asset management plan enabling tagging and elastic search options and use of artificial intelligence frameworks for easy and fast access to retrieve data and processing of data for projections. Work on the project is in progress as project staff has been hired, hardware/software, furniture/fixture and plant/machinery have been procured. Moreover, an amount Rs 26.290 million has also been allocated to the project titled “Consolidation of Speeches of Quaid-e-Azam Muhammad Ali Jinnah from 1906-1948”. Work on the project remained in progress during financial year 2022-23. The project staff has been hired and procurement of hardware/software, furniture/fixture and plant/machinery has also been completed

## **Cyber Wing, Ministry of Information & Broadcasting**

The project titled “National Information Media Archive Repository” in PSDP 2022-23 was granted an allocation of Rs 503.00 million to develop a centralized digital archival and retrieval platform for historical, classical and current data of M/o Information & Broadcasting and all of its organizations under one roof. The entire allocation has been released and utilized by the project. The project remained under implementation during FY 2022-23.

The agency-wise allocation for Mass Media Sector for financial year 2022-23 is at Table: 13.2.

## **Culture & National Heritage Sector**

Pakistan is blessed with a large number of ancient and historical sites that connect us to our past and conserve our culture and customs for future. Pakistani culture is rich in a variety of traditions, customs, dresses, foods, festivals, music etc. which are highly prominent. The rich culture encompasses tangible heritage such as ancient sites and historic structures etc. as well as intangible heritage such as languages, beliefs, rituals, traditions, music, dance, folktales and arts. Cultural heritage has huge importance for a country's development. It provides economical gains, protects a state's identity, and pride, and reminds people of their common history and progress. National Heritage and Culture Division is promoting true image of Pakistan through conservation and preservation of national heritage and culture, mapping of historical/religious sites, projection of thinking of Allama Muhammad Iqbal and Quaid-e-Azam Muhammad Ali Jinnah, welfare of writers/artists, promotion of literature and creation of peace and harmony in the society through culture. A budget of Rs 200.00 million was allocated for six ongoing and five new projects of the National Heritage & Culture Division in PSDP 2022-23 for strengthening and upgrading of existing facilities at Pakistan National Council of Arts (PNCA), National Library of Pakistan and (NLP) National Language Promotion Department (NLPD) and Department of Archaeology & Museums (DOAM) for mapping historical sites, conservation and promotion of rich and diverse cultural heritage of Pakistan. An amount of Rs 146.923 million is expected to be utilized by June, 2023.

Physical and financial review of National Heritage & Culture sector for 2022-23 is given below:

### **Department of Archaeology & Museum (DOAM)**

A budget of Rs 146.504 million was earmarked for three ongoing and five new projects of Department of Archaeology & Museum (DOAM) in PSDP 2022-23. The ongoing projects are; mapping of historical and religious sites in Pakistan, preservation and restoration of Rawat Fort, Islamabad, and feasibility study for upgradation and revamping of National Museum, Karachi. Work on the project mapping of historical and religious sites in Pakistan is in progress as collection of data of 450 sites out of 500 sites/monuments has been completed. Similarly, database website and mobile app have been developed and plotting of 6500 sites on GIS map has been completed. The project will be completed by June, 2023. Furthermore, three new projects including conservation / preservation of Allama Iqbal's old residence in Lahore, establishment of research and development centre at DOAM and preparation of master plan for conservation and development of Shah Allah Ditta Caves and Mia Qamro Mosque and Muqarab Khan Tomb in Islamabad have been included in PSDP 2022-23.

## **Pakistan National Council of Arts (PNCA)**

An amount of Rs 10.996 million was allocated to an ongoing project of Pakistan National Council of Arts (PNCA) titled “Up-gradation of Film Projection, Light and Sound Equipment Installed at PNCA Auditorium Islamabad”. It is expected that the project will be completed by June, 2023.

## **National Library of Pakistan (NLP)**

A budget of Rs 5.500 million was allocated to an ongoing project of National Library of Pakistan (NLP) for the up-gradation of existing building in Islamabad. The entire allocated amount has been utilized and rehabilitation work is in progress.

## **National Language Promotion Department (NLPD)**

An amount of Rs 37.000 million was allocated to an ongoing project of National Language Promotion Department (NLPD) for establishing national language processing laboratory. The project seeks to establish modern language processing laboratory equipped with advanced technology/applications/software at national level for optical character & speech recognition, machine translation, Urdu data bank, fonts & dictionary development for PCs/android etc. The physical progress on the project is that the project team has so far developed the beta version of various software’s including Automatic English-Urdu translation, Text Extraction from Images (OCR), Speech to Text convertor.

The agency-wise allocation for National Heritage & Culture Sector for financial year 2022-23 is at Table: 13.4.

## **Outlook 2023-24**

The digital video broadcasting, digital audio broadcasting, Internet Protocol Television (IPTV), mobile TV and digital multimedia broadcasting is the future of broadcasting culture in Pakistan. Mass Media sector during 2023-24 would foster its growth through upgradation / digitalization of broadcasting networks of PTV and PBC. A growing middle class, young demography, high volume of content consumption and a rise in consumer income hold significant potential for investment in media.

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

### Social Media users in Pakistan

S.#	Platforms	Users/Subscribers (In Million)
1.	YouTube	71.7
2.	Facebook	57.5
3.	Snack video	20.0
4.	Snapchat	18.8
5.	TikTok	18.3
6.	Instagram	15.6
7.	LinkedIn	7.6
8.	Bigo and like	4.2
9.	Twitter	3.4

Source: Pakistan Telecommunication Authority (PTA)

### Internet/Mobile/Broadband users in Pakistan

#	Platform	Users/Subscribers (in Million)
1.	No. of Internet Users	87.350
2.	No. Viewers of Over the Top (OTT) platform	23.90
3.	No. Users of Smartphones	73.000
4.	No. of WhatsApp Users	46.200
5.	No. of Subscribers of Broadband	124.000
6.	No. of Subscribers of Telecom (Fixed& Mobile)	197.000
7.	No. of Cellular Mobile Connections Active	191.800

Source: Pakistan Telecommunication Authority (PTA)/Digital 2021

## Programme 2023-24

### Mass Media Sector

The allocation for the next financial year 2023-24 for Mass Media Sector is Rs 2000.000 million. An amount of Rs 254.656 million has been provided to Pakistan Television Corporation (PTVC) for Digitalization of Terrestrial Network of PTVC through DTMB-A Pilot Project and Establishment of National Film Institute at PTV Academy, Islamabad. The allocated amount will be spent on procurement of digital system/equipment for field production, procurement of digital system/equipment for production control room (PCR), procurement of system/equipment for post-production, hiring of staff and civil works etc.

Similarly, an amount of Rs 764.014 million has been earmarked to Pakistan Broadcasting Corporation (PBC) for two ongoing and one new project. The ongoing projects up-

gradation of Studios and Master Control Rooms-PBC and Rehabilitation of Medium Wave Services from Khairpur (Sindh) will remain in progress in next financial year 2023-24. The allocated amount will be utilized on completion of the remaining works i.e. renovation of studios and replacement of equipment etc. A new project titled “Up-gradation of HPT Rawat Transmitting Station by Installing a 1000 KW DRM-enabled Medium Wave Transmitter” has been included in PSDP 2023-24 with an allocation of Rs 400.00 million. The project envisages digitalization of broadcasting network of Radio Pakistan to strengthen radio coverage not only in the entire county but also across the borders through installation of a DRM-enabled Medium Wave Transmitter of 1000 KW power.

An amount of Rs 478.723 million has been given for the two ongoing projects of Directorate of Electronic Media & Publication (DEMP) i.e. Publication of Consolidated documents for Speeches of Quaid-e-Azam Muhammad Ali from 1906-1948 (Islamabad)-DEMP and Central Monitoring Unit at DEMP, Islamabad. The allocated funds will be spent on hiring of the projects’ personnel for carrying out of research activities and procurement of equipment, hardware/software etc.

An amount of Rs 379.412 million has been allocated to one ongoing project of Cyber Wing titled “National Information Media Archive Repository (Islamabad/Lahore)-Cyber Wing for procurement of I.T equipment, hardware/software, plant & machinery etc.

An amount of Rs 48.144 million has been earmarked to one ongoing project of Central Board Film Censors (CBFC), Islamabad. The allocated funds will be utilized for procurement of digital cinema projector.

The organization-wise details of allocation for Mass Media Sector in PSDP 2023-24 are at Table 13.3.

### **National Heritage & Culture Sector**

The allocation for the next financial year 2023-24 for National Heritage & Culture Sector is Rs 540.00 million. An amount of Rs 78.745 million has been allocated to Department of Archaeology & Museum (DOAM) in PSDP 2023-24 for six ongoing projects i.e. Master Plan for Preservation, Restoration, Presentation and Development of Rewat Fort, Islamabad, Conservation, Preservation of Allama Iqbal’s Old Residence Lahore, Establishment of Research & Development (R&D) Centre at Department of Archaeology and Museums to Promote soft image of Pakistan through Cultural Heritage, Master Plan for Conservation, Preservation and Development of Shah Allah Ditta Caves in ICT etc. The allocated funds will be utilized on the hiring of the projects’ personnel for carrying out research and development activities, procurement of equipment, hardware/software and preservation works etc.

Similarly, an amount of Rs 16.755 million has been provided to the project titled “National Language Processing Lab, Islamabad” for establishing a modern language processing laboratory. The amount will be spent on completion of the remaining works

i.e. carrying out of research activities of NLP, software applications and procurement of plant & machinery etc. Moreover, an amount of Rs 94.500 million has been earmarked to Building Up-gradation of National Library of Pakistan, Islamabad for completion of remaining works.

Moreover, an amount of Rs 350.00 million has been allocated to one new project i.e. "Construction of Faiz Ahmad Faiz Complex". The project will be executed by Pakistan Academy of Letters, Islamabad.

The organization-wise details of allocation for PSDP 2023-24 are at Table 13.5.



**Table 13.1: Overview of Media**

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

**Table 13.2: Allocation/Expenditure 2022-23 (Mass Media Sector)**

(Million Rupees)

<b>S. #</b>	<b>Agencies</b>	<b>Allocation 2022-23</b>	<b>Estimated Expenditure 2022-23</b>
1.	Pakistan Television Corporation (PTVC)	204.650	42.336
2.	Pakistan Broadcasting Corporation (PBC)	562.777	412.777
3.	Directorate of Electronic and Print Media (DEMP)	326.290	347.525
4.	Press Information Department (PID)	162.709	97.809
5.	Cyber Wing	503.388	309.342
6.	Central Board Film Censors (CBFS)	10.658	58.799
7.	Information Service Academy (ISA)	30.572	30.572
8.	Associated Press of Pakistan (APP)	298.958	298.956
	<b>Total</b>	<b>2100.000</b>	<b>1598.116</b>

*Source: PSDP 2022-23***Table 13.3: Allocation 2023-24**

(Million Rupees)

<b>S. #</b>	<b>Agencies</b>	<b>Allocation 2023-24</b>
1.	Pakistan Television Corporation (PTVC)	254.650
2.	Pakistan Broadcasting Corporation (PBC)	764.014
3.	Directorate of Electronic and Print Media (DEMP)	478.783
4.	Press Information Department (PID)	75.000
5.	Cyber Wing	379.412
6.	Central Board Film Censors (CBFS)	48.144
	<b>Total</b>	<b>2000.00</b>

**Table-13.4: Allocation/Expenditure 2022-23 (National Heritage & Culture Sector)**

(Million Rupees)

S. No.	Agencies	Allocation 2022-23	Estimated Expenditure 2022-23
1.	Department of Archaeology & Museum (DOAM)	146.504	85.997
2.	Pakistan National Council of Arts (PNCA)	10.996	10.996
3.	National Library of Pakistan (NLP)	5.500	5.500
4.	National Language Promotion Department (NLPD)	37.000	44.430
	<b>Total</b>	<b>200.000</b>	<b>146.923</b>

*Source: PSDP 2022-23***Table-13.5: Allocation 2023-24**

(Million Rupees)

S. No.	Agencies	Allocation 2023-24
1.	Department of Archaeology & Museum (DOAM)	78.745
2.	National Library of Pakistan (NLP)	94.500
3.	National Language Promotion Department (NLPD)	16.755
4.	Pakistan Academy of Letters (PAL), Islamabad.	350.00
	<b>Total</b>	<b>540.000</b>



# **INFRASTRUCTURE DEVELOPMENT**



## 14. SUSTAINABLE ENERGY

Energy plays a pivotal role in the modern world, serving as the lifeblood of society and driving economic progress. This is particularly evident in the context of Pakistan, where energy holds immense significance in the country's economic order and its prospects for growth. As Pakistan embarks on a transformative journey over the next decade, energy will remain integral to fueling this trajectory. Notably, the growth of the middle-class population in Pakistan heavily relies on a steady and accessible supply of energy. Therefore, ensuring equitable access to a diverse range of energy sources, including electricity, oil, petroleum, natural gas, liquefied natural gas (LNG), and coal, is crucial for fostering inclusive and sustainable growth.

The Government of Pakistan has envisioned an open and competitive energy sector that provides reliable, least-cost energy supplies to meet the anticipated growth in energy demand. Integrated Energy Planning (IEP) is an effective and appropriate tool for realizing the government's vision of developing a sustainable, cost-efficient energy sector that best meets the country's strategic and socioeconomic needs and its rapidly growing demand for energy. To carry out the activities of IEP, an EPRC (Energy Planning and Resource Center) is established at the Energy wing of the Planning Commission.

The public funding for electricity generation projects will follow the same least cost criteria and emphasis will be placed on transitioning the generation mix towards indigenous resources like domestic coal, renewable and hydropower resources to reduce reliance on imported fuels. Strengthening of transmission and distribution networks will be a major development focus in the upcoming years, where concurrence with the Transmission System Expansion Plan (TSEP) will be the yardstick for transmission sector projects, while the distribution sector projects will have to exhibit synchronism with the approved strategic roadmaps of respective DISCOs to qualify for PSDP financing.

In terms of public funding, petroleum sector projects often receive relatively lower allocations compared to power sector projects due to their capital-intensive nature, primarily financed by corporatized entities. However, it is worth noting that certain thematic areas within the petroleum sector, such as capacity building, institutional readiness of line departments, projects associated with Special Economic Zones (SEZ) and the China-Pakistan Economic Corridor (CPEC), as well as initiatives aimed at enhancing energy access through electrification and gas connections, do receive financial support from the Public Sector Development Programme (PSDP).

## Performance Review 2022-23

### Power Sector

#### Generation System

As of 30<sup>th</sup> June, 2022, the installed capacity of the Power Generation of Pakistan was 39,212 MW (excluding K-Electric system). During 2022-23, 2,378 MW power were added to the national grid (Project wise details are mentioned at Annex-I) by the end of June, 2023. The installed generation capacity subsequently rose to 41,590 MW, consisting of 32.96% renewable resources (including hydel) and 67.04% non-renewable resources (including nuclear energy). Source-wise detail is provided Table 14.1.

Source/Fuel	As on June 2022 (MW)	Addition 2022-23 (MW)	Up to June 2023 (MW)
Solar	500	150	650
Wind	1,835	-	1,835
Hydel	10,612	248	10,860
Coal (Local)	1,320	1,980	3,300
Coal (Imported)	3,960	-	3,960
Gas	3,536	-	3,536
RLNG	8,544	-	8,544
Oil	4,906	-	4,906
Bagasse	364	-	364
Nuclear	3,635	-	3,635
<b>Total Capacity</b>	<b>39,212</b>	<b>2,378</b>	<b>41,590</b>
<i>Source: NTDC</i>			

#### Transmission System

The investments in transmission system resulted in capacity addition of 900 and 3,010 MVA on 500kV and 220kV grids, respectively, while the transmission lines increased by 668, 108 and 226 km, on 500 kV, 220 kV and  $\pm 660$  kV voltage levels respectively. Details are given in Table 14.2:



Items	Existing Capacity June 2022			Achievements/ Enhancement up to June 2023		
	500 kV	220 kV	±660 kV	500 kV	220 kV	±660 kV
Transmission Capacity (MVA/MW)	28,050	36,377	4,000	28,950	39,387	4,000
Length of transmission line (km)	8,431	11,566	1,772	9,099	11,674	1,998
No. of Grid Stations/Conversations	20	52	2	20	53	2
<i>Source: NTDC</i>						

### **Distribution System**

The distribution system has seen a capacity addition of 2,934 MVA and extension of 1,644 km transmission lines on 132kV Network by the end of 2022-23. Village electrification tolled to 8,905 villages while 1,402,894 consumers were added to the distribution network of DISCOs. Detailed performance review in respect of DISCOs is provided in Table 14.3:

Name of DISCO	132 kV MVA Added	132 kV Transmission Line (Km) Added	11 kV MVA Added	11 kV Transmission Line (Km) Added	400 Volt Transmission Line (Km) Added	Consumers Added (Nos.)	Village Electrification (Nos.)
FESCO	792	298	293	531	86	240,338	950
GEPCO	79	28	22	207	183	160,000	150
HESCO	133	-	47	30	1	22,614	300
IESCO	174	50	117	350	250	184,383	276
MEPCO	106	104	203	1,124	119	397,275	341
PESCO	870	269	128	473	370	188,576	4,532
QESCO	345	762	184	724	303	9046	822
SEPCO	13	48	42	26	1	4923	285
TESCO	132	48	80	413	1,637	355	1,231
LESCO	290	39	352	267	38	195,384	18
<b>Total</b>	<b>2,934</b>	<b>1,644</b>	<b>1,468</b>	<b>4,144</b>	<b>2,987</b>	<b>1,402,894</b>	<b>8,905</b>
<i>Source: DISCOs</i>							

An amount of Rs. 194,161 million was allocated in PSDP 2022-23 for power sector projects including self-finance by Power Sector Corporations and excluding cost of IPPs, details are provided in Table 14.4.

**Table 14.4: Power Sector PSDP Allocations 2022-23**

(Rs. Million)

Department	Number of Projects	Allocation 2022-23
Power Division (Generation, Transmission and Distribution Projects)	96	82,651
Pakistan Atomic Energy Commission (Power Projects)	2	15,922
Kashmir Affairs and Gilgit Baltistan (Power Projects)	8	4,001
WAPDA Hydropower Generation Projects	13	91,587
<b>Total</b>	<b>119</b>	<b>194,161</b>

Source: PSDP 2022-23

## Fuel Sector

### *Oil and Gas*

During 2022-23, the production of crude oil was 25.6 million barrels against target of 27.76 million barrels. The domestic production of natural gas was 1.19 trillion cubic feet (TCF) against target of 1.4 trillion cubic feet. The LPG import and local production was 1,123,569 Tons and 741,946 Tons respectively.

A total of 40 wells (12 exploratory and 28 development) were drilled against target of 65 (24 exploratory and 41 development). Details are given at Annex-II.

### *Liquefied Natural Gas (LNG) Import*

To meet the gas demand supply gap during 2022-23 against the targeted import of 9.03 million tons of LNG, approximately 6.02 million tons is estimated to be procured by June, 2023. Out of the total import, Pakistan State Oil (PSO) and Pakistan LNG Ltd. (PLL) handled 5.46 and 0.56 million tons of LNG respectively. The target could not be met due to non-supply of LNG from international supplier as per contractual agreement.

### *Gas Consumer Addition and Pipelines Construction<sup>5</sup>*

During 2022-23, Sui Northern Gas Pipeline Limited (SNGPL) added only 4,460 new domestic consumers against the target of 400,000 consumers due to the moratorium on new domestic gas connections. SNGPL added 1,492 and 30 new commercial and industrial consumers against the target of 2,800 and 250 connections respectively. Moreover, SNGPL added 838 KM of transmission and distribution pipelines against target of 8,185 KM. Meanwhile, Sui Southern Gas Pipeline Ltd. (SSGCL) added 76,349 new consumers (including domestic, commercial and industrial) against the target of 134,276 connections. SSGCL added 768 KM of transmission and distribution pipelines against target of 1600 KM. Detail of gas consumers addition and pipelines construction

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<sup>5</sup> \* Currently, moratorium is imposed on the new domestic gas connections.

given at Annex-III. Further, brief description of gas pipeline projects implemented / initiated during 2022-23 is given at Annex-IV.

During 2022-23 total five (05) Energy (Fuel) Sector projects were implemented by the Hydrocarbon Development Institute of Pakistan (HDIP) and Sui Companies under Petroleum Division. Out of five (05) projects, two (02) HDIP projects and three (03) are gas supply schemes to Special Economic Zones by SNGPL and SSGCL are to be completed by June, 2023. Brief description is given as under:

#### ***Projects of Hydrocarbon Development Institute of Pakistan (HDIP)***

- i. Expansion and Up-gradation of Pakistan Petroleum Corehouse (PETCORE) for its Sustainable Operations to Facilitate Oil & Gas Exploration Research in Pakistan: The project envisages expansion of Pakistan Petroleum Corehouse through construction of new storage capacity, upgradation of allied lab facilities for analytical services and value addition of well samples. The recruitment of the project staff has been completed. The Corehouse construction work and procurement of allied lab equipment is in progress.
- ii. Strengthening, Upgradation and ISO Certification of Karachi Laboratory Complex (KLC) at HDIP Operation Office, Karachi: The project included scope of upgradation of existing lab facilities through procurement of state-of-the-art equipment. Most of the procurement is completed and the project is expected to be completed by June 2024.

#### **Gas Supply Schemes to Special Economic Zones (SEZs)**

##### ***Projects of SNGPL***

- i. **Allama Iqbal Industrial City SEZ, Faisalabad, Punjab:** The project at a cost of Rs.785 million to provide 40 MMCFD gas by laying 20 km pipeline from Chiniot to terminal Point of the Allama Iqbal SEZ. The project has been completed.

##### ***Projects of SSGCL***

- i. **Bin Qasim Industrial Park (BIQP), Karachi Sindh:** The project at a cost of Rs.149.41 million envisaging supply of 13 MMCFD gas to BIQP. The project is expected to be completed by June 2023.
- ii. **Bostan SEZ, Quetta Balochistan:** The project envisaging supply of 10 MMCFD gas to Bostan SEZ. The construction of 8.7 km pipeline is under implementation and is expected to be completed by June 2023.

## Outlook and Programmes 2023-24

### Power Sector

#### Generation System

During 2023-24, an incremental capacity of 1,728 MW will be added to generation mix, making the cumulative figure of 43,318 MW. This includes addition of 1,068 MW from renewable energy (incorporating hydel) by June, 2023, when the overall Generation mix will be comprised of 34.11% renewable resources (including hydel) and 65.98% non-renewables (including nuclear energy). Source wise details of Planned Additional Capacity are given in Table 14.5 below, while Project wise details are attached at Annex-I.

Source/Fuel	Addition 2023-24	Upto June 2024 (MW)
Solar	682	1,332
Wind	100	1,935
Hydel	254	11,114
Coal (Local)	-	3,300
Coal (Imported)	660	4,620
Gas	-	3,536
RLNG	-	8,544
Oil	-	4,906
Bagasse	32	396
Nuclear	-	3,635
<b>Total Capacity</b>	<b>1,728</b>	<b>43,318</b>
<i>Source: NTDC</i>		

#### Transmission System

By the end of June, 2024, transmission sector will be boosted by additional 3750 and 6900 MVA capacity on 500kV and 220kV grids, respectively. The transmission lines on 500 kV and 220 kV voltage levels will be extended by 522 km and 668 km, each. Details are given in Table 14.6:

Items	Addition in 2023-24 (MW)			Cumulative Addition up to June 2024		
	500 kV	220 kV	±660 kV	500 kV	220 kV	±660 kV
Transmission Capacity (MVA)	3,750	6,900	0	32,700	46,287	4,000
Length of transmission line (km)	522	668	0	9,621	12,342	1,998
No. of Grid Stations	3	6	0	23	59	2
<i>Source: NTDC</i>						

## Distribution System

The investments in distribution sector will result in electrification of 6,985 villages and 1,403,592 number of consumers will be added for DISCOs during 2023-24. In addition, the distribution lines of 132 kV lines will be extended by 1,843 km and the capacity of 132 kV Grids will be strengthened by 4,199 MVA. Detailed performance review in respect of DISCOs is provided in Table 14.7:

Name of DISCO	132 kV MVA Added	132 kV Transmission Line (Km) Added	11 kV MVA Added	11 kV Transmission Line (Km) Added	400 Volt Transmission Line (Km) Added	Consumers Added (Nos.)	Village Electrification (Nos.)
FESCO	652	99	241	288	200	227,340	1,000
GEPCO	1,250	140	22	207	183	200,000	-
HESCO	133	95	44	30	1	23,041	300
IESCO	132	131	100	400	300	194,009	290
MEPCO	579	94	280	1,484	139	396,000	2,212
PESCO	580	250	-	-	-	-	-
QESCO	344	773	196	775	325	14000	1000
SEPCO	157	128	51	583	317	18591	433
TESCO	170	114	88	454	1,800	355	1,600
LESCO	202	20	616	723	349	330,256	150
<b>Total</b>	<b>4,199</b>	<b>1,843</b>	<b>1,639</b>	<b>4,944</b>	<b>3,613</b>	<b>1,403,592</b>	<b>6,985</b>

Source: DISCOs

The Power Sector will witness a public investment to the tune of Rs. 205,383 million from PSDP 2023-24 which government budgeted, self-finance projects of Power Sector Corporations excluding IPPs (details provided in Table 14.8):

Department	Number of Projects	Allocation 2023-24 Rs. Million
Power Division (Generation, Transmission and Distribution Projects)	99	106,863
Pakistan Atomic Energy Commission (Power Projects)	2	15,409
Kashmir Affairs and Gilgit Baltistan (Power Projects)	8	3,000
WAPDA Hydropower Generation Projects	15	80,111
<b>Total</b>	<b>124</b>	<b>205,383</b>

Source: PSDP 2023-24

Power Sector portfolio for PSDP 2023-24 is in line with the Vision 2025's energy sector goals. Following are the highlights of Power Sector Portfolio regarding PSDP 2023-24:

- i. Some of the mega power generation projects, along with their PSDP allocation, include 2160 MW Dasu HPP (Rs. 58,597 million), 1410 MW Tarbela IV Extension (Rs. 590 million), 969 MW Neelum Jhelum (Rs. 4,828 million) and 1,530 MW Tarbela V Extension (Rs. 4,449.463 million).
- ii. Jamshoro Coal Fired Power Plant with installed capacity of 660 MW is expected to add power generation Unit No.1 to the system in the year 2023. The project is included in PSDP 2023-24 under the portfolio of Power Division with allocation of Rs. 12,000 million.
- iii. Under portfolio of PAEC, 2x1,145 MW Karachi Coastal Nuclear Power Plant have been commissioned and Unit-2 started generation in April 2022. The project is included in PSDP 2023-24 for clearing its outstanding liabilities with allocation of Rs. 14,866.149 million.
- iv. Mega transmission projects are included in PSDP 2023-24, like CASA-1000 (Rs. 16,099.255 million), Dasu Evacuation (Rs. 5,667.094 million) and Suki Kinari Evacuation (Rs. 13,800 million) while in distribution sector, mega project of AMI IESCO is included with allocation of Rs. 3,000 million.
- v. Eight projects for supply of electricity to Special Economic Zones (SEZs) with total allocation of Rs. 7,267.352 million are also included in PSDP 2023-24

## **Oil and Gas**

For the year 2023-24, the target for crude oil and natural gas production are fixed as 25.39 million barrels and 1.27 TCF respectively. The target for local LPG supplies is set to 779,044 tons.

### ***Liquefied Natural Gas (LNG) Import***

The gap in indigenous gas and petroleum products will be supplemented through LNG and POL imports. The LNG import is targeted at 8.87 million tons.

### ***Gas Consumer Addition and Pipelines Construction***

SNGPL and SSGCL has collective target of adding 137,026 new consumers and 2,526 km transmission and distribution pipelines in the year 2023-24.

Brief of Gas Pipeline Projects to be Implemented / initiated in 2023-24 are given at Annex-V.

During year 2023-24, a total of 9 projects under Petroleum Division including 4 projects from oil and gas have been allocated funds. A total of Rs. 1.2 billion have been allocated for 2023-24 for these 9 projects whereas Rs. 774.26 million have been allocated for the 4 projects of oil and gas portfolio. Two new projects have been added to the portfolio of oil and gas that are as under:

- i. Development of Strategic Underground Gas Storage (SUGS)
- ii. Supply of gas to villages / localities within 5KM radius of gas producing fields

### ***Strategic Underground Gas Storage (SUGS)***

SUGS being implemented by ISGS envisages a feasibility study, upgradation of the previous pre-feasibility study by ADB including legal and regulatory framework to a bankable level. Rs. 150 million have been allocated for this project in 2023-24.

### ***Supply of Gas to Villages within 5 km Radius of Gas Producing Fields***

Directorate General of Gas has proposed allocation from the PSDP 2023-24 for the “Supply of gas to various villages / localities within 5KM radius of gas producing fields” in the SNGPL’s jurisdiction. The project objective is to provide natural gas to villages within 5 KM radius of the gas producing fields in Rawalpindi, Attock and Kohat.

Project-wise allocations of Petroleum Division for two (02) on-going and two (02) new proposed projects to be implemented during 2023-24 are given at Annex-VI.

### ***Energy Sector Programmes***

- i. Operationalization of the 220-kV Polan-Gabd transmission line will ensure that the additional 100-MW electricity to be supplied to the region via this line will account for addressing the electricity issues of Gwadar for the next 5-10 years. It will also allow for development of port, industry and city in the region;
- ii. The Government of Pakistan has approved Framework Guidelines for Fast Track Solar PV Initiatives, 2022 under which expensive imported fossil fuel-based power plants will be substituted with Solar PV Energy. AEDB has floated Request for Proposal (RFP) for 600 MW Solar Power Plant at Muzaffargarh, which will be awarded via International Competitive Bidding (ICB) for implementation under Build-Own-Operate-Transfer (BOOT) model;
- iii. Fast Track Solar PV Initiatives, 2022 will also include Solar PV Generation on 11 kV Feeders and solarization of public buildings;
- iv. An integrated Transmission System Expansion Plan (TSEP) is under preparation which shall be expedited. Similarly, execution of ongoing augmentation, upgradation and extension projects of grid stations and transmission lines in order to decrease the transmission losses and increase the capacity of power evacuation system shall be accelerated;
- v. A pilot programme on management outsourcing of 2 to 3 discos shall be undertaken on immediate basis;
- vi. Supply of gas to SEZ remained a top priority item. Project for supply to Bostan SEZ, Balochistan and BIQP SEZ, Karachi will be expedited in 2023-24; and
- vii. The Government of Pakistan demonstrates a steadfast commitment to fostering a conducive environment that supports cross-border cooperation and the realization of major energy infrastructure projects, exemplified by its efforts to facilitate the implementation of initiatives such as the TAPI and IPI gas pipelines.

### ***Energy Efficiency and Conservation***

The promulgation of the National Energy Efficiency and Conservation Act of 2016 strengthened the EE&C agenda in the country. Moreover, there is an increasing demand to develop effective regulatory measures complemented with appropriate by-laws, regulations, policies, programmes, technical, economic, and fiscal interventions for an effective governance framework for EE&C in Pakistan.

The National Energy Efficiency and Conservation Policy 2023<sup>6</sup> identifies mechanisms to ensure deep-rooted institutionalization, operationalization, and implementation of EE&C in the country and consists of sectoral measures for Industry, Building, Transport, Energy (Power and Petroleum), and Agriculture sectors. The policy also informs, on the basis of techno-economic analysis, enforcement mechanisms required for adoption and compliance of EE&C regulatory measures along with precise guidelines for coordination with the provincial governments and regions.

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<sup>6</sup> <https://neeca.gov.pk/SiteImage/Misc/files/NEEC%20Policy%202023-1.pdf>



<b>I- Power Generation 2022-23 (Plants commissioned from July 2022 till date/expected to commission upto 30<sup>th</sup> June 2023)</b>					
<b>Sr. #</b>	<b>Name of Project</b>	<b>Location</b>	<b>Agency</b>	<b>Fuel Source</b>	<b>MW</b>
<b>a) Plants Commissioned till Date (July 2022 to Feb 2023)</b>					
1	Thar TEL	Islamkot, Tharparkar, Thar Block-II, Sindh	PPIB	Local Coal	330
2	Mangla (U #5-6) (Rehabilitation)	Jhelum/AJK/Mirpur	WAPDA	Hydro	70
3	Thal Nova	Islamkot, Tharparkar, Block-II, Sindh	PPIB	Local Coal	330
4	Thar-I (SSRL)	Islamkot, Tharparkar, Block-I Sindh	PPIB	Local Coal	1,320
<b>Total Installed Capacity Commissioned till Feb -2023</b>					<b>2,050</b>
<b>b) Plants expected to be commissioned upto June-2023</b>					
5	Chianwali	At RD 131+250 of Upper Chenab Canal, about 5 km from District City of Gujranwala	PPIB	Hydro	5.38
6	Jabori	Siran River Near Jabori Village District Mansehra Khyber Pakhtunkhwa	GoKPK	Hydro	10.2
7	Deg Outfall	At RD 282+225 of Upper Chenab Canal, about 15 km from District City of Sheikhpura	PPIB	Hydro	4.04
8	Karora	River Khan Khwar Karora District Shangla KPK	GoKPK	Hydro	11.8
9	Koto	River Panjkora, KPK, Timergaralower dir	GoKPK	Hydro	40.8
10	Helios	Goth Gagrawara, Taluka, Saleh Pat, District Sukkur.	AEDB	Solar	50

11	HNDS	Goth Gagrawara, Taluka, Saleh Pat, District Sukkur.	AEDB	Solar	50
12	Meridian	Goth Gagrawara, Taluka, Saleh Pat, District Sukkur.	AEDB	Solar	50
13	Jagran-II (U #1-3)	District Neelum	AJK-HEB	Hydro	36
14	Mangla (U #3-4) (Rehabilitation)	Jhelum/AJK/Mirpur	WAPDA	Hydro	70
<b>Total Installed Capacity expected to be commissioned upto June - 2023</b>					<b>328</b>
<b>Total Installed Capacity Commissioned/ Expected to be commissioned upto June-2023</b>					<b>2,378</b>

<b>II- Power Generation 2023-24 (Targets) July 2023 to June 2024</b>						
<b>Sr. #</b>	<b>Name of Project</b>	<b>Location</b>	<b>Agency</b>	<b>Fuel Source</b>	<b>MW</b>	<b>Commissioning Date</b>
1	Jagran-II (U #4)	District Neelum	AJK-HEB	Hydro	12	Jul-23
2	New_Solar_DG	Yet to be determined	Yet to be determined	Solar	500	Jul-23
3	Chamfall	District Jhelum Valley	AJK-HEB	Hydro	3.22	Aug-23
4	Access_Electric	Village Hattar, Tehsil Pind Dadan Khan, District Jhelum	AEDB	Solar	10	Sep-23
5	Access_Solar	Village Hattar, Tehsil Pind Dadan Khan, District Jhelum	AEDB	Solar	11.52	Sep-23
6	Kurram Tangi	Kaitu River/KPK/Bannu/Spin Wam	WAPDA	Hydro	18	Sep-23
7	Jamshoro Coal (U #1)	Mohra Jabal Dadu Road	GENCO	Imported Coal	660	Nov-23

		Jamshoro Sindh Province				
8	Shahtaj	Mandi Bahauddin Punjab	AEDB	Bagasse	32	Dec-23
9	Trans_Atlantic	Jhimpir, District Thatta, Sindh	AEDB	Wind	50	Dec-23
10	Zorlu	Quaid-e-Azam Solar Park, Lal Sohanra, Bahawalpur	PPDB	Solar	100	Dec-23
11	Manjhand	Manjhand, Jamshoro	GoS	Solar	50	May-24
12	Suki Kinari (U #1)	River Kunhar, District Mansehra, Khyber Pakhtunkhwa	PPIB	Hydro	221	May-24
13	Safe	Quaid-eAzamSolarPark, Bahawalpur, Punjab	AEDB	Solar	10	Jun-24
14	Western	Jhimpir, District Thatta, Sindh	AEDB	Wind	50	Jun-24
	<b>Total Capacity</b>				<b>1,728</b>	

**Annex-II****Oil and Gas Targets and Achievements**

S.No	Items	Units	Targets 2022-23	Expected achievement up to 30-06-2023	Percent Achievements	Targets 2023-24
1.	<b>Production</b>					
i.	Crude Oil	Million Barrels	27.76	25.6	92	26
ii.	Gas	Trillion cft	1.4	1.19	85	1.3
iii.	LPG	Tons	956,304	741,946	78	779,044
iv.	Imports LPG	Tons	596,446	1,123,596	188	1,179,776
v.	LNG Import	Million Tons	9.03	6.02	67	9
2.	<b>No. of wells drilled</b>	<b>Nos.</b>	<b>65</b>	<b>40</b>	<b>62</b>	-
i.	Exploratory	Nos.	24	12	50	-
ii.	Development	Nos.	41	28	68	-

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

## Gas Consumer Addition and Pipelines Construction

S. No	Items	Units	Targets 2022-23	Expected Achievement by June 2023	Percent Achievements	Targets 2023-24
A.	<b>Gas Consumers Added</b>					
1.	<b>SNGPL</b>					
i.	Domestic *	Nos.	400,000	4,460	1	-
ii.	Commercial	Nos.	2800	1,492	53	2800
iii.	Industrial	Nos.	250	30	12	250
	Sub Total	Nos.	403,050	5,982	-	3,050
2.	<b>SSGCL</b>					
i.	Domestic	Nos.	133,284	75,817	57	133,284
ii.	Commercial	Nos.	800	455	57	500
iii.	Industrial	Nos.	192	77	40	192
	Sub Total	Nos.	134,276	76,349	57	133,976
	<b>Total (SNGPL + SSGCL)</b>	<b>Nos.</b>	<b>537,326</b>	<b>82,331</b>	<b>15</b>	<b>137,026</b>
B.	<b>Transmission &amp; Distribution Extension</b>					
1.	<b>SNGPL</b>					
	Transmission & Distribution	Km	8,185	838	10	1,080
2.	<b>SSGCL</b>					
	Transmission & Distribution	Km	1600	768	48	1,446
	<b>Total (SNGPL + SSGCL)</b>	<b>Km</b>	<b>9,785</b>	<b>1,606</b>	<b>16</b>	<b>2,526</b>
C.	<b>Supply of Gas to Villages/Towns (Addition)</b>					
1.	<b>SNGPL</b>					
	Supply of Gas to Villages/Towns	Nos.	-	52	-	-
2.	<b>SSGCL</b>					
	Supply of Gas to Villages/Towns	Nos.	105	105	100	105
	<b>Total (SNGPL + SSGCL)</b>	<b>Nos.</b>	<b>105</b>	<b>157</b>	<b>150</b>	<b>105</b>

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

Source: SNGPL, SSGC

**Gas Pipeline Projects Implemented / Initiated in 2022-23**

a) **Gas supply to M3-Industrial City SEZ, 8" dia x 15.6 Km:**

SNGPL has planned gas infrastructure development project for the supply of 15 MMCFD gas in addition to existing gas supply of 25 MMCFD to M3 Industrial City, Faisalabad on 100% cost sharing basis which comprises of 8" dia x 15.6 Km transmission loop-line starting from CV-3 Valve Assembly near Chiniot to terminal point near existing M3 Industrial City SMS of capacity 25 MMCFD along with its up-gradation up to 40 MMCFD. The project has been completed.

b) **Gas supply to Allama Iqbal Industrial City Prioritized Special Economic Zone (PSEZ), 12" dia x 19.75 Km:**

The development of Economic Zones to support industrialization and business development is a priority of Government of Pakistan. Government of Punjab is developing Special Economic Zone at Allama Iqbal Industrial City/M3 Industrial City under CPEC through Faisalabad Industrial Estate Development and Management Company (FIEDMC). FIEDMC has identified 40 MMCFD gas requirement for Allama Iqbal Industrial City/ M3 Industrial City SEZ. In order to supply 40 MMCFD gas supply to Allama Iqbal Industrial City, SNGPL has planned a project involving laying of 12" dia x 19.75 Km transmission spur starting from CV3 Chiniot to terminal Point (zero point i.e., doorstep) identified by FIEDMC along with construction of SMS cum CMS having capacity of 40 MMCFD. The funds of the project shall be met out of the PSDP fund. The project has been completed.

c) **Transmission Pipeline from Chiniot to Pindi Bhatian 8" dia x 25 Km:**

A project for the supply of gas to various villages of NA-103, District Hafizabad, has been approved which comprises of laying of 8" dia x 25 Km transmission spur, 6" dia x 32 Km supply main along with construction of SMS having capacity of 10 MMCFD. The project has been completed.

d) **Augmentation / Bifurcation of Lahore Distribution Network:**

A comprehensive project for augmentation / bifurcation of gas network in Lahore has been planned and approved in order to operate Gas Distribution network of Lahore optimally by adding new feed points (SMSS / New transmission spurs) & Bifurcation of gas loads/ network of Lahore. Project details are given below:

**Phase-I**

- i. 24" dia x 48 KM Transmission Mainlines from Phoolnagar to Nabi Bakshwala (Ferozepur Road)
- ii. 16" dia x 27 KM Transmission Mainlines from Ferozepur Road to Barki

### **Phase-II**

- i. 8" dia x 16 KM Transmission Mainlines from Barki to Dial
- ii. 16" dia x 6.6 KM from Manga Mandi to Sunder

Phase-I of above project has already been completed, however, construction of 8" dia x 16 Km under Phase-II is in progress. The said transmission pipeline is expected to be completed by the end of June-2023.

e) **Gas supply to Bhalwal Industrial Estate SEZ, 8" dia x 12.25 Km:**

SNGPL has planned gas infrastructure development project for the supply of 10 MMCFD gas to Bhalwal Industrial Estate on 100% cost sharing basis which comprises of 8" dia x 12.25 Km transmission pipeline starting from MP-66 to Bhalwal Industrial Estate. The project is expected to be completed by the end of June-2023.

f) **Pipeline from Charsadda-Khazana-Tangi, 10" dia x 72.55 Km:**

In order to address the acute low gas pressure issues during winter season in Mardan and Peshawar regions in view of system capacity constraints, SNGPL has planned to undertake the system augmentation in two following phases:

### **Phase-I:**

- i. 10" dia x 27.75 Km Charsadda Offtake (Gulabad) - Charsada transmission loopline
- ii. 10" dia x 20.80 KM Charsadda - Khazaaa transmission loopline

### **Phase-II:**

1. 10" dia x 24 Km Charsadda -Tangi transmission loop-line.

The construction activities of Phase-I is under progress. Phase-I is expected to be completed by the end of June-2023, however, the construction activities on Phase-II will start after completion of Phase-1.

g) **Jhal Magsi Gas Field to SSGC network**

8" dia x 102 Km pipeline project from Jhal Magsi gas field to cater 15 MMCFD gas to existing SSGC network. Project started in October 2022 and is expected to be completed by March 2024.

**Gas Pipeline Projects to be Implemented / Initiated in 2023-24**

**a) Augmentation / Bifurcation of Gas Networks of Distribution Networks of Islamabad and Rawalpindi**

SNGPL has planned a project for the augmentation and bifurcation of distribution networks of Islamabad and Rawalpindi to address the low-pressure issues of tail end consumers. The project comprises of distribution mains of varying diameter i.e., 24", 18", 16" & 10" having total length of 45 Km. The project has been approved by BOD of the SNGPL and OGRA. Engineering design has been completed and procurement of material is in progress. The construction activities are expected to be initiated during 2023-24 subject to availability of material.

**b) System augmentation project for debottlenecking and operational flexibility of Transmission network**

SNGPL has planned a project for debottlenecking and operational flexibility in different segments of transmission network. This debottlenecking/augmentation is inevitable to address the low pressure / no gas issues of gas deprived consumers on distribution network but the same would also help in dissipation of additional gas supplies to the consumers in major gas consumption centres located on different pipeline segments of SNGPL transmission network. The project shall be executed priority wise in three phases:

**Phase-I**

1. 24"dia x 63.5 Km transmission spur from CC3 Galli Jagir to Rawat near G.T road
2. 30"dia x 32 Km transmission spur from C4 Choa Saidan Shah to C5 Chakwal
3. 30"dia x 50 Km transmission spur from C2 Kot Momin to CC01 Haripur

**Phase-II**

1. 12"dia x 160 Km transmission spur from CV12 Chak Nizam to SMS Mirpur via Jhelum

**Phase-III**

1. 24"dia x 17 Km transmission spur from U/S CMS Nandipur to Daska V/A
2. 16"dia x 175 Km transmission spur from C2 Kot Momin to Mianwal

**c) Projects of SSGC for 2023-24**

1. Gas supply to Karachi west region 24" dia x 31 Km.
2. Re-routing of 24", 12" Quetta pipelines from Bibi Nani bridge.
3. New compressor at HQ2 Nawabshah.
4. 30" dia x 116 Km proposed pipeline from Kotri to Karachi.

The project will be implemented subject to approval from SNGPL BOD and OGRA.



**Annex-VI****Petroleum Division's Project-wise Allocation for PSDP 2023-24***(Rs. in Million)*

<b>S.No.</b>	<b>Name of Project</b>	<b>Ongoing/ New</b>	<b>PSDP 2023-24</b>
1	Expansion and Up-gradation of Pakistan Petroleum Corehouse (PETCORE)– (HDIP)	Ongoing	424.265
2	Strengthening Up-gradation and ISO certification of Karachi Laboratories complex (KLC)	Ongoing	100
3	Strategic Underground Gas Storage – (ISGS)	New	150
4	Supply of gas to various villages / localities within 5KM radius of gas producing fields (SNGPL's jurisdiction)	New	100
<b>Total</b>			<b>774.265</b>



# 15. WATER RESOURCES

Pakistan is fortunate to possess one of the world's largest contiguous Indus Basin Irrigation System (IBIS), which boasts an average annual withdrawal of 110 Million Acre Feet (MAF) of water with a total land area of approximately 196.52 million acres, Pakistan has around 54.36 million acres designated as arable land or land suitable for agriculture. However, due to water scarcity and other contributing factors, only about 42.01 million acres of arable land are presently under cultivation, as stated by the World Bank. The IBIS, spanning approximately 43.7 million acres, encompasses a significant portion of the country's total land area.

As per the most recent data available from the Pakistan Council of Research in Water Resources (PCRWR), there were approximately 1.5 million tube wells installed in Pakistan as of 2016. These tube wells collectively extract about 53.07 MAF of groundwater annually.

Water plays a vital role in addressing Pakistan's food security challenges and nourishing its rapidly growing population. However, a combination of factors such as deforestation, reservoir sedimentation, diminishing river supplies, population growth, the impacts of climate change, and insufficient budget allocations for the water resources sector have subjected Pakistan's already limited water resources to significant strain. Consequently, the nation is confronting severe water stress and gradually transitioning towards the classification of a water-scarce country.

In line with the National Water Policy (2018), a pivotal objective is to augment the water storage capacity and enhance water use efficiency. This policy directive recognizes the urgent need to address these challenges and prioritize the sustainable management of water resources to safeguard the country's future. By bolstering water storage capabilities and promoting efficient utilization practices, Pakistan aims to alleviate the strain on its water resources and foster long-term sustainability in this critical sector.

## **Performance Review (2022-23)**

The Performance Review of the Water Sector has been delve into an in-depth assessment of the progress and achievements made during 2022-23. This review serves as a valuable tool for analyzing the effectiveness of water management strategies, policies, and initiatives implemented during this timeframe. By examining key metrics, advancements, challenges, and future prospects, it is aim to provide a comprehensive overview of the water sector's performance, shedding light on areas of success and areas that require further attention and improvement.

Throughout the designated period, the water sector faced a multitude of challenges, including increasing water scarcity, growing population demands, environmental concerns, and the impacts of climate change. However, it also witnessed notable advancements and initiatives aimed at enhancing water resource management, promoting sustainability, and ensuring the equitable distribution of this vital resource.

Efforts have been made to explore the achievements, challenges, and prospects of the water sector during 2022-23, highlighting the path towards a more resilient and water-secure future for the country. To provide more insights of the water sector projects financial and physical on ground progress for 2022-23 given is as under:

### Financial Review

The Water Sector's ongoing development programme, with a total budget of Rs. 1,933.944 billion, encompasses five key elements crucial to its progress. These elements include water augmentation, water conservation, groundwater management, protection of infrastructure, and addressing challenges related to water logging, salinity, and floods.

Out of the total budget allocation of Rs. 89.055 billion for the Water Sector, approximately Rs. 47.904 billion (53.79%) has been disbursed thus far. It is anticipated that the remaining allocated budget will be fully utilized by June 2023, aligning with the projected timeline.

To provide a detailed breakdown of the budget allocation for the fiscal year 2022-23, the table (15.1) below presents the bifurcation of funds among executing agencies. This information offers a comprehensive overview of how the allocated resources have been distributed among the respective agencies responsible for executing various water sector projects and initiatives.

**Table No. 15.1: Agency-wise budget bifurcation 2022-23**

Sr. No.	Executing Agency	No. of Projects	Revised CFY's Allocation	Releases up to 3 <sup>rd</sup> quarter as on 03.04.2023
1	WAPDA	26	74,926.138	40,807.581
2	Balochistan	28	8,379.644	4,222.757
3	Khyber Pakhtunkhwa	11	3,388.689	2,151.289
4	Punjab	1	0	0
5	Sindh	6	1,379.535	235.000
6	Misc.	4	981.37	487.5
	<b>Total</b>	<b>76</b>	<b>89,055.376</b>	<b>47,904.127</b>

The development programme's focus on water augmentation, conservation, groundwater management, infrastructure protection, and addressing water-related challenges demonstrates a holistic approach towards sustainable water resource

management. By diligently utilizing the allocated budget and executing the planned projects, the Water Sector aims to achieve its objectives and contribute to the long-term water security and resilience of the nation.

## Physical Review

Despite the devastating floods of 2022, which badly affected economic growth, all efforts were made to fully protect the ongoing water sector's development programme 2022-23. The following major goals and targets are expected to be met by the end of the 2022-23.

- i. Completion of 15 ongoing projects at a cost of Rs. 79.372 billion, including small dams projects and feasibility studies.
- ii. Construction activities remained in progress on both mega projects of national importance i.e., Diamer-Basha Dam and Mohmand Dam. Owing to dwindling water supplies in the country, both dams are the backbone of the agricultural economy of Pakistan. On completion, these dams will greatly mitigate water shortage by adding storage of 7.076 MAF and power shortage by adding 5300 MW to the national grid.
- iii. Kachhi Canal (Phase-I) with 102,000 Culturable Command Areas (CCA) in Balochistan remained operational. 57,000 acres of this command area have been developed by GoB. However, the command area of the remaining works has not yet been developed.
- iv. Work on Kachhi Canal Phase-I (remaining works) for the additional 30,000 acres of CCA remained in full swing.
- v. To supply irrigation water to cultivatable land in KP and to utilize due share of KP in WAA 1991, PC-I of the Chashma Right Bank Canal (Lift-cum-Gravity) (CRBC) amounting to Rs. 189,606.428 million was approved by the ECNEC on October 7, 2022. The project aims to irrigate 286,100 acres of land in Khyber Pakhtunkhwa.
- vi. Complete financing was arranged and funds were released for the completion of the "Raising of Baran Dam" project in Bannu, KP.
- vii. To reduce the existing shortfall in the water demand currently being faced by Quetta City, the revised PC-I of the Mangi Dam project amounting to Rs. 13,247.893 million was approved by the ECNEC on July 6, 2022. The proposed Mangi Dam will supply 8.1 mgd (15.1 cusecs) to Quetta City, Balochistan.
- viii. Work on Kurram Tangi Dam Phase-I (Kaitu Weir Diversion and allied works) remained in progress in North Waziristan.
- ix. Approval of the Sindh Water and Agriculture Transformation Plan (SWAT) amounting to Rs. 70,445.950 million by the ECNEC on December 6, 2022.
- x. Under Karachi Transformation Plan (Storm Water Drain Projects), the Restoration & Revamping of Gujjar Nullah & Orangi Nullah remained in progress.

- xi. Revised PC-I of the Naulong Multipurpose Dam Project (Jhal Magsi, Balochistan) amounting to Rs. 39.9 billion approved by the ECNEC. Key objectives of the project are to provide irrigation water for the command area development of 47,000 acres of land and to produce 4.4 MW of electricity.

## **Assessing the Consequences and Implications of Flood 2022**

Pakistan witnessed a catastrophic event during the monsoon of 2022, as heavy rainfall and flash flooding wreaked havoc across one-third of the country. The devastating floods significantly affected major water sector projects, such as the Diamer Basha Dam project, Mohmand Dam hydropower project, and Kachhi Canal Project, among others. These projects, which play a vital role in ensuring water availability, irrigation, and hydroelectric power generation, faced delays in completion and the realization of intended benefits due to the destructive force of the floods.

## **Sectoral strategy to tackle the impacts of flood-2022**

Some of the measures taken by the government of Pakistan in the post-flood 2022 scenario are illustrated as under:

- i. The Prime Minister of Pakistan issued directives for updating of National Flood Protection Plan-IV (NFPP-IV) in line with Flood 2022 scenario considering flood protection measures against flash floods and hill torrents. In this regard, an initial consultation session with FFC, ADB, MoWR and other line agencies was held on September 9, 2022. Accordingly, the updating of NFPP-IV has been initiated;
- ii. Approval of Emergency Flood Assistance Project, Sub Head Reconstruction & Rehabilitation of Irrigation Infrastructure in Balochistan amounting to Rs. 12,500 million by the ECNEC on December 6, 2022;
- iii. Approval of Post-Flood 2022 Reconstruction Program: Resilience Enhancement and Livelihood Diversification in Balochistan (Umbrella PC-I) amounting to Rs. 88,000 million by the ECNEC on January 4, 2023;
- iv. Approval of Sindh Flood Emergency Rehabilitation Project (Irrigation Component) amounting to Rs. 48,327.22 million by ECNEC on 06.12.2022; and
- v. Approval of Reconstruction and Rehabilitation of Irrigation, Drainage System and Flood Protection Works in KP amounting to Rs. 15,000.00 million by the ECNEC on December 6, 2022.
- vi. Flood Protection Sector Project (FPSP-III) amounting Rs. 194.625 billion has been recommended by CDWP on 23-05-2023 to ECNEC for consideration.

## **Outlook 2023-24**

With a focus on sustainable growth, innovation, and resilience, water sectoral strategies will be instrumental in achieving targeted goals and addressing the evolving needs of future. By aligning policies, resources, and expertise, these strategies will pave the way

for comprehensive and impactful interventions that foster progress of water sector projects. The sectoral strategies and key interventions for 2023-24 are as follows:

### **Sectoral Plan/Strategy**

Keeping in view the unprecedented climate-induced floods during July to September 2022. Annual Plan 2023-24 will be focused on a climate resilient sustainable development approach. To meet these objectives and current sectoral issues, in the next fiscal year 2023-24, the following strategies would be assigned priority:

- i. Development programmes will be prioritized by adopting the strategic objectives of the Resilient Recovery, Rehabilitation and Reconstruction Framework of Pakistan (4RF) and draft 5Es Framework;
- ii. Launch of the Updated National Flood Protection Plan-IV (NFPP-IV) and implementation of Flood Protection Sector Project-III (FPSP-III) for protection of infrastructure, agricultural lands & abadies from the onslaught of floods;
- iii. Framework for Climate Vulnerable to Climate-Resilient Development will be considered while the appraisal and processing of the Development Projects/Programs;
- iv. Efforts will be made to fulfil the targets of national and international commitments for instance to achieve the objectives of Pakistan Vision 2025 i.e. Pillar-IV (Energy, Water and Food Security), the National Water Policy of 2018, the National Climate Change Policy (updated 2021), Sustainable Development Goal 6; i.e., "Ensure availability and sustainable management of water and sanitation for all", Nationally Determined Contribution (NDC) under the Paris Agreement (CO21); and a legally binding international treaty on climate change;
- v. Keeping in view the flood scenario, all line ministries and departments will be urged to take appropriate steps to complete the projects on time;
- vi. Full cooperation will be extended to all line ministries and other stakeholders for the formulation of a strategy to handle the floods impact on the water sector's development projects;
- vii. Maximum resources will be allocated to the construction of large/medium/small and recharge dams followed by the modernization/rehabilitation of the existing irrigation system of Pakistan;
- viii. Conservation measures (lining of irrigation channels and on-farm water management), and command area development projects will be gradually transferred to the provinces;
- ix. To decrease water sector's throw-forward, special attention will be given to the early completion of projects with physical progress of more than 80%;
- x. During 2023-24, demand-based management, rainwater harvesting, resettlement, a gradual decrease in water losses, and recharging of groundwater activities will remain to continue; and

- xi. As per the priority set in the National Water Policy of 2018, out of the total budget for PSDP 2023-24 amounting to Rs. 950 billion, Rs. 99.847 billion has been allocated to water resources sector that makes 10.51% of total PSDP 2023-24.

## **Key Intervention/Programs 2023-24**

The key interventions for 2023-24 in the domains of water supply, flood management, construction of dams, irrigation and drainage are given below:

### **Flood management**

- i. An updated National Flood Protection Plan-IV in the post-flood 2022 scenario based on an integrated flood risk management approach will be launched;
- ii. Flood Protection Sector Project-III (FPSP-III)- Umbrella PC-I amounting to Rs. 194. 625 billion will be implemented. The objectives of the updated Umbrella PC-I of FPSP-III have been broadened keeping in view lessons learnt after the devastating 2022 floods, by including the following:
  - a) Improvement (restoration and remodelling of drains/ waterways) in the drainage network across the country;
  - b) Installation of flood telemetry network in the country to gauge all rivers/ nullahs/ streams at primary, secondary and tertiary levels for accurate and robust river flood forecasting and warning;
  - c) Installation of stationary/mobile weather radars for flood monitoring, including flash floods through nowcasting;
  - d) Establishment of regional flood early warning centres at Quetta, Karachi, Hyderabad, Peshawar, Gilgit, Multan and Muzaffarabad;
  - e) Comprehensive management of flood waters of hill torrents of Koh-e-Suleiman and Kirther Range by introducing nature-based solutions and the latest techniques besides water dispersion, water diversion structures, infiltration galleries etc.;
  - f) Installation of flood telemetry along hill torrents (D.G. Khan, Rajanpur and Kirther Range);
  - g) Construction of water storage as well as flood dispersal structures along hill torrents;
  - h) Enhanced Flood Resilience of major cities through studies and structural interventions and retrofitting of existing flood protection facilities/ information;
  - i) Interventions to cope with urban flooding, including aquifer recharge wells and rainwater harvesting; &
  - j) Development of Guidelines/ SOPs for Routing of Urban Floods through existing systems of canals, drains/ rivers.



An amount of Rs. 1.0 billion has been allocated in PSDP 2023-24 (funds will also be arranged through provincial share and donor funding).

### **Large / Medium / Small Dams**

Out of the total Water Sector's Development Program amounting to Rs. 99.847 billion for the financial year 2023-24, an amount of Rs. 28.752 billion has been allocated for medium and small/ check & delay action dams all over Pakistan. Rs. 500 million for Nai Gaj Dam and Rs 110 million for Naulong multipurpose Dam has been allocated. It is, expected that about 15 ongoing projects of medium/small dams will be completed during the year 2023-24.

#### ***Diemer Bhasha Dam Project***

Diemer Bhasha Dam Project Amounting to Rs. 479.686 billion will be implemented on fast track basis during 2023-24 an amount of Rs. 20 billion has been allocated for the project. The project aims to provide 6.4 MAF live storage with power generation of 4500 MW.

#### ***Mohmand Multipurpose Dam Project***

A sum of Rs. 10.5 Billion has been allocated for the project in PSDP 2023-24. The project aims to provide 0.67 MAF live storage with power generation of 800 MW.

#### ***Kurram Tangi Dam Phase-I (Kaitu Weir)***

A sum of Rs. 1.0 Billion has been allocated for the project in PSDP 2023-24. The project aims to provide 0.9 MAF live storage with power generation of 18.9 MW.

#### ***Irrigation Canals, Water Supply and Drainage Projects***

The following are the brief depiction of irrigation and draianage projects:

#### ***Chashma Right Bank Canal (Lift Cum Gravity Canal) Project***

To irrigate 286,100 acres of land in KP, CRBC- L-G Canal is initiated at a total cost of Rs.189,606.428 million. An amount of Rs. 100 Million has been allocated for the project in PSDP 2023-24.

#### ***K-IV Greater Water Supply Scheme***

To overcome the water demand of the metropolitan city of Karachi, K-IV project will be given priority for timely completion, Rs. 17.5 billion is proposed for 2023-24.

#### ***Karachi Transformation Plan (Storm Water Drains Projects)***

The Karachi Transformation Plan (KTP), approved by the Economic Coordination Committee (ECC) of the Cabinet in its meeting held on December 24, 2020, includes

revamping projects of Nullahs and Rivers. Under this umbrella programme following two water sector projects, will be completed in 2023-24:

- i. Restoration and Revamping of Gujjar Nullah
- ii. Restoration and Revamping of Orangi Nullah

### **Overall expected physical progress by the end of the 2023-24**

Out of a total 68 projects, 15 projects will be completed by the end of 2023-24 including small dam projects, irrigation canals and feasibility studies.

### **Financial outlay 2023-24**

For the fiscal year 2023-24, an amount of Rs. 99.847 billion has been earmarked for the water sector, reflecting the government's commitment to prioritizing this critical domain. The allocation of funds within the water sector is strategically divided to address key priorities and meet the diverse needs across various entities.

Out of the total allocation for the water sector, an allocation of Rs. 58.238 billion has been designated for the Water and Power Development Authority (WAPDA). This substantial allocation aims to bolster WAPDA's capacity and support its initiatives in water resource management, infrastructure development, and power generation.

Additionally, Rs. 30.3 billion has been allocated to the provinces, including Punjab, Khyber Pakhtunkhwa (KPK), Sindh, and Balochistan. This allocation recognizes the importance of regional participation and enables the provinces to implement localized projects, address specific water challenges, and support regional development priorities.

Furthermore, an allocation of Rs. 11.3 billion has been dedicated to the FPSP -III and other federal projects. These funds will contribute to the implementation of crucial federal initiatives and projects aimed at strengthening the water sector, ensuring equitable distribution of resources, and enhancing water-related services nationwide.

By strategically distributing funds among key entities and projects, the allocated budget for the water sector in 2023-24 aims to optimize resource utilization, foster collaboration between federal and provincial stakeholders, and advance the nation's water management objectives. These investments reflect the government's commitment to address water-related challenges, promote sustainable development, and improve the livelihoods of the citizens through efficient water resource management.

# 16. TRANSPORT & LOGISTICS

## Performance Review 2022-23

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

Infrastructure development results in the socio-economic development of the country and also acts as one of the indicators of the annual economic growth. When transport networks are expanded, they create possibilities and benefits for the economy and society with positive consequences that include increased employment, market accessibility, and investment. On the other hand, inadequate transport networks can result in reduced opportunities as well as lower quality of life at a cost to the economy. Given its advantageous geographic location, Pakistan has the potential to grow its economy through transit trade. Being part of the China-Pakistan Economic Corridor (CPEC), Central Asia Regional Economic Cooperation (CAREC) and Khyber Pass Economic Corridor (KPEC) has tremendous potential of revenue generation through road and rail connectivity. The Federal Government along with the provincial stakeholders is making effort to invest in the road and rail connectivity throughout the country and working on various policies and plans to facilitate the transit trade thus boosting the economy of the country.

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

In the recent years the work in the transport infrastructure projects was carried in the districts of the southern Punjab, southern KP and Southern Balochistan based on equitable regional development of the poor districts especially in the transport sector with the Federal funding. The road projects under Southern Balochistan development package connecting the Iranian border with the national network was approved and started. The Federal Government also announced the implementation of the DI Khan Package in 2022-23. The CPEC projects were re-initiated / started with full swing and the negotiations with the Chinese especially regarding the project of ML-1 (Main Line - I and KCR (Karachi Circular Railway) were re-started which was a breakthrough.

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

The PSDP for 2022-23 provided an outlay of Rs. 190.244 billion for the federal programme under T&C sector. Against this, an expenditure of Rs. 137.804 billion is expected to be incurred by the end of 2022-23, giving an overall utilization of 72.4%. Since owing to financial constraints only 75% of the funds allocated have been authorized / released on the projects. Many Road sector projects under various Federal Ministries were ongoing, therefore an amount of Rs. 151.25 billion were originally allocated towards the road sector.

## **Sectoral Review – 2022-23**

### **Railway Sector**

Against an allocation of Rs. 32.146 billion for 33 schemes of Railways, an expenditure of Rs. 25.240 billion is incurred during 2022-23, giving utilization of 78.5%. The focus was on the improvement of existing infrastructure, signaling system, and procurement and manufacture of rolling stock like; locomotives including high horse powers locos, coaches, and bogie wagons. Further, the ML-I project was also approved during 2022-23 at the cost of US\$ 9.85 billion and the implementation is expected to kick start shortly. Thar Coal Railway Project has also been conceptualized through PSDP and is under process of approval. A 07 number of projects are reported to be completed by the Pakistan Railways (PR) by the end of 2022-23.

### **Maritime / Ports & Shipping Sector**

Against an allocation of Rs. 2.36 billion for 10 schemes pertaining to T&C Sector of Maritime Affairs, an expenditure of Rs. 0.63 billion is incurred by 2022-23, showing utilization of about 26.7%. During the year, major ongoing projects including construction of Eastbay Expressway, Maintenance Dredging of Gwadar

Port, Gryone Wall / Break Water and Allied Works at East Bay (Demi Zer) Gwadar, Floating Jetty at Gwadar Fish Harbour.

### **Defense Production Sector**

Against an allocation of Rs. 2.20 billion for 2 schemes, an expenditure of Rs. 0.74 billion is incurred on the project of infrastructure upgradation of Karachi Shipyard and

Engineering Works (KS&EW) and the project of PMC Gwadar, giving an overall utilization of 33.6%.

## **Aviation Sector**

Against an allocation of Rs. 2.11 billion for one scheme, Rs. 0.91 billion expenditure has been incurred on the project of NGIA (Pakistani side components). The NGIA is expected to be operational in the next 2023-24.

## **Road Sector**

National Highway Authority (NHA) - Against the allocation of Rs. 111.25 billion for 111 schemes, an expenditure of Rs. 99.075 billion is incurred for completion of ongoing works of various National and Regional Connectivity Road projects by the Federal Government. During the year, funds were utilized to gear up the slow moving and ongoing projects, especially for Gwadar links and regional connectivity, and for those projects, which were near to completion.

## **Road Safety**

NH&MP - Against the allocation of Rs. 100 million for 03 schemes, an expenditure of Rs. 20 million is incurred for completion of ongoing works for providing necessary infrastructure on securing the newly built Motorways and National Highways.

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

Against the allocation of Rs. 80 million for one scheme, an expenditure of Rs. 28 million is incurred for completion of newly initiated scheme of Construction of 1 x Dormitory for 200 Students at CTTI, Islamabad.

## **Provincial Road Infrastructure**

### **Provinces and Special Areas**

Against the allocation of Rs. 23.531 billion for 51 schemes, an expenditure of Rs. 4.861 billion is incurred for completion of ongoing works of various provincial road projects fully or co-financed by the Federal Government. To support the provinces and equitable development of regions of south Punjab, South Balochistan and northern areas several projects with Federal Funding was initiated after approval of the Special packages by Federal Cabinet for South Balochistan and South Punjab.

## **Sindh Infrastructure Development Company limited (SIDCL)**

Against an allocation of Rs. 4.19 billion for 5 schemes, an expenditure of Rs. 1.96 billion is incurred on the projects of Sindh Infrastructure Development Company limited, envisioned with the goal of improvement of infrastructure of Sindh, especially, Karachi.

## Housing and Works Division (Provincial Road Infrastructure Projects)

Against an allocation of Rs. 9.99 billion for 77 projects, Rs. 3.95 billion is incurred for completion of the ongoing works of various provincial & Federal Road projects for the community good.

## Interior Division (Capital Urban Projects)

Against an allocation of Rs. 1.97 billion for 7 schemes, an expenditure of Rs. 0.33 billion is incurred on the projects of Islamabad urban areas.

## PSDP Planned Activities 2023-24

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

An allocation of Rs. 271.701 billion has been made for the development programme of the transport infrastructure sector. The funding has been made in line with the present government priorities and strategies to improve the transport infrastructure in the country. The broad distribution of funds; sector / ministry wise is as under.

**Table 16.1: Allocation (2022-23), Expenditures and Proposed Allocation for T&C Sector Projects**

(Rs. Million)

Sector / Ministry	No. of Projects	Allocation (2022-23) including F.Aid	Utilization / Expenditure (*)	Proposed Allocation (2023-24)**
Aviation Division	3	2,105.0	909.6	5,000.0
Communications Division	4	180.0	48.0	350.4
National Highway Authority	111	111,253.4	99,075.3	160,800.0
Defence Division	0	0	0	300.0
Defence Production Division	2	2,200.0	742.0	2,000.0
Provinces and Special Areas	51	23,531.7	4,861.0	39,477.0
Housing & Works Division	77	9,990.6	3,949.3	23,926.5
Interior Division	7	1,970.0	330.1	1,536.9
Maritime Affairs Division	10	2,359.9	627.5	1,987.4
Planning, Development & Special Initiatives Division	5	4,187.6	1,962.0	3,322.8
Railways Division	33	32,146.4	25,240.0	33,000.0
Religious Affairs & Inter Faith Harmony Division	1	319.612	60.0	0.0
<b>Total</b>		<b>190,244.2</b>	<b>137,804.8</b>	<b>271,701.0</b>

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

\*\* the Proposed PSDP allocations are taken from the NEC Working Paper - 06.06.2023.

# 17. PHYSICAL PLANNING & HOUSING

Urbanization is a powerful and irreversible force that is a crucial part of most countries' development towards a stronger economy. Pakistan has the highest urbanization rate in South Asia. It is predicted that almost half of Pakistan's population will live in cities by 2025. The process of urbanization and economic development in Pakistan has been interdependent. Conforming to the worldwide trend, the urban centers in Pakistan, have become key drivers of economic growth, contributing around 80 per cent of the country's GDP. However, recent research suggests that the relationship between urbanization and growth is not automatic, and comprehensive public policies are necessary to reap the benefits of urbanization. Unplanned and unmanaged urbanization has resulted in urban slums, environmental degradation, poverty, and inequality.

## **Performance Review 2022-23**

### **Financial Review**

To achieve the sectoral objectives, an allocation of Rs. 22.4 billion was made in Federal PSDP 2022-23 to different federal ministries and line departments for the implementation of physical planning & housing sector programs/projects. Similarly, the provincial governments allocated a substantial amount for the execution of projects relating to the sector, i.e., Punjab Rs. 81.9 billion, Sindh Rs. 59.7 billion, Khyber Pakhtunkhwa Rs. 42.9 billion, Balochistan Rs. 34.7 billion and Azad Jammu and Kashmir Rs. 3.3 billion.

Major allocations were made to the Ministry of Interior, Housing & Works, Aviation Division, Cabinet Division, Defence Division, Establishment Division, Finance Division, Foreign Affairs Division, Kashmir Affairs & Gilgit Baltistan Division, Law & Justice Division, Maritime Affairs Division, Narcotics Control Division, Planning, Development & Special Initiatives Division, Religious Affairs & Inter Faith Harmony Division, and Revenue Division for execution of projects relating to water supply, sanitation, construction of office and residential buildings. It is estimated that at the end of the financial year 2022-23, approximately more than 60 percent funds would be utilized on the development of projects related to the physical planning and housing sector.

### **Physical Performance Overview**

Major sectoral projects undertaken during 2022-23 include Construction of Gravity Flow Water Supply Scheme Mansehra; Sanitary Sewerage System with Treatment Plant

for Gilgit City; Post-Flood 2022 Reconstruction Program; Flood Response Emergency Housing Project; Gravity Based Safe Drinking Water Supply System in Havelian Abbottabad, Khyber Pakhtunkhwa; Greater Water Supply Scheme for Central Hunza from Attabad Lake; Revamping of Water Supply and Sewerage Facilities in Multan; Upgrading of Mechanical System for Sewerage & drainage /services in WASA Multan; Construction of IB Office; Construction of Pakistan Audit & Accounts Academy at Islamabad; Establishment of Hostel at Punjab Forensic Science Agency, Lahore; Technical Assistance for Punjab Affordable Housing Program (PAHP-TA); Development of Ziarat Town; Rehabilitation of Old Town of Gwadar, (Provision of Missing Facilities); Construction of three sewerage treatment plants and related sewerage system to treat the waste falling into Korang River Rawal Lake and other area of ICT.

To improve the availability of adequate housing in the country, the Government of Pakistan envisioned increasing the number of housing units manifold in coming years and has taken several measures to support the provision of financing for the housing and construction sector. The government augmented these efforts by introducing the Government Markup Subsidy Scheme, commonly known as Mera Pakistan Mera Ghar (MPMG) markup subsidy Scheme. State Bank of Pakistan is the executing partner with the Government of Pakistan.

The construction sector not only activates 40-70 allied industries in Pakistan like steel, cement, wood and paint but also helps achieve the government's goal of creating job opportunities in the construction sector. For this purpose, Government is in the process of Establishment of Construction Industry Development Board (CIDB) to boost construction activity. In this regard, Ministry of Planning has done extensive consultations with Stakeholders. The purpose of CIDB is to promote, encourage, facilitate the private construction industry and encourage investment in the infrastructure sector and safeguard the investments already made therein and to provide a one-window facility to industry participants.

Besides, Ministry of PD&SI formulated sector-specific Post-Flood 2022 Reconstruction Program aims to cater the emergency needs of flood-affected communities followed by rehabilitation and resilient reconstruction measures related to lost infrastructure (houses; water supply and sanitation) and livelihood. These measures are being supported through Government's resources (PSDP and Provincial ADPs). Similarly, international development partners (including World Bank) are also supporting the Government for fast-track recovery and lasting resilience building, by targeting the worst-hit communities from the recent floods especially for Balochistan Province. Besides Government of Sindh has started a project for reconstruction of houses damaged in the last flood with the support of World Bank.



## **Outlook 2023-24**

### **Sectoral Objectives**

- i. Ensure sustainable development of the affordable housing sector; increasing available shelter and housing options by high-density living conditions.
- ii. Increase housing stock through facilitation to the Ministry of Housing & Works, Pakistan Housing Authority, National Housing Authority, and Federal Government Employees Housing Authority. Besides, provincial governments to initiate housing programs/projects, particularly for low-income residents.
- iii. Increase progress and achievement of SDGs by providing technical and financial assistance to provincial governments in devising and implementing physical planning & housing programs/projects including social housing, urban water supply, sanitation & solid waste management infrastructure/services.
- iv. Improve existing service delivery and the performance of local service delivery organizations through promotion/facilitation to provincial/local governments to launch programs in PPP mode.
- v. Enhance the efficiency of urban land markets, through appropriate and affordable land use, building standards and regulations by assisting provincial/local governments to initiate urban land management programs.

### **Programs 2023-24**

An amount of Rs. 41.5 billion has been allocated to implement physical planning and housing sector programs by various ministries /divisions and departments. Priority will be given to meet the emergency needs of flood-affected communities through rehabilitation and resilient reconstruction measures related to houses; water supply and sanitation infrastructure and livelihood and to promote public-private partnership for housing and new urban centres on the build own operate and build operate transfer (BOO and BOT) basis. The key focus area will be the availability & sustainable management of water & sanitation for all. Efforts will be made to complete ongoing schemes; launch new schemes (expansion/augmentation) and augment budgetary resources through various modes of financing.



## 18. CHINA-PAKISTAN ECONOMIC CORRIDOR

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

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

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

### **Performance Review 2022-23**

In 2022-2023, the following milestones have been achieved in various sectors of the CPEC. In the energy sector, the establishment of the "Guiding Principles for China-Pakistan Economic Corridor Cooperative Energy Projects" brings transparency to the inclusion and exclusion of power projects in the CPEC List. Furthermore, financial closure was achieved for significant projects like Kohala hydropower, Azad Pattan hydropower, and Shanghai Electric Thar Block-I coal power projects. In the Infrastructure sector, the Eastbay Expressway in Gwadar was inaugurated, and groundbreaking ceremonies were held for the Sukkar-Hyderabad (M-6) section of the Motorway and the D.I.Khan-Sagu section of N-50. Gwadar witnessed the completion or

near-completion of projects such as the Freshwater supply distribution system and the Pak-China Friendship Hospital, while the operational dredging of the Gwadar Port channels is currently in progress. Special Economic Zones (SEZs) like Rashakai, Allama Iqbal, Bostan, and Dhabeji are receiving priority, with the progress made in the development and allocation of plots for industrial units. An Action Plan for Agriculture Mechanization & Modernization has been formulated, and significant strides have been made in the implementation of socio-economic development projects, with projects completed, under implementation, and in the pipeline. Lastly, the shortlisting of 57 projects for the third batch has been shared with the Chinese side for consideration

**Table 18.1: CPEC Project Milestones 2022-23**

<b>JWG</b>	<b>Project Name</b>	<b>Milestones 2022-2023</b>
<b>Energy</b>	“Guiding Principles for China-Pakistan Economic Corridor Cooperative Energy Projects” These Guiding Principles provide an effective and transparent guideline for inclusion and exclusion of power projects to and from the CPEC List.	Signed on 19 <sup>th</sup> October, 2022
	Financial Close of 1124 MW Kohala hydropower, 700.7 MW Azad Pattan hydropower and 1320 MW Shanghai Electric Thar Block-I coal power projects	Financial close of 1320 MW Shanghai Electric Thar Block-I achieved and project completed/operationalized in March 2023
<b>Infrastructure</b>	Eastbay Expressway Gwadar	Project inaugurated by Prime Minister in June 2022.
	Sukkar-Hyderabad (M-6) section of Motorway	Prime Minister performed the ground-breaking on 13 <sup>th</sup> December 2022
	D.I.Khan- Sagu section of N-50	Prime Minister performed the ground-breaking on 27 <sup>th</sup> December 2022.
<b>Gwadar</b>	Necessary Facilities of Freshwater supply in distribution System for Gwadar City	Project completed and operationalized in January 2023
	Pak-China Friendship Hospital Gwadar	Substantial progress has been achieved and expected to be completed by the first quarter of 2023-24
	Operational Dredging of Gwadar Port	Operational Dredging of the Channels are underway

<b>Special Economic Zone</b>	Prioritized SEZs (Rashakai, Allama Iqbal, Bostan and Dhabeji)	<ul style="list-style-type: none"> <li>i. <b>Rashakai SEZ:</b> Ground breaking of Rashakai SEZ took place on 28<sup>th</sup> May 2021 and its first phase is near completion.</li> <li>ii. <b>AIIC SEZ:</b> Development work is in process. Around 30 industrial plots have been allotted to various enterprises including foreigners for establishing industrial units.</li> <li>iii. <b>Bostan SEZ:</b> 200 acres of Bostan SEZ has been developed and plots have been allotted for industrial units.</li> <li>iv. <b>Dhabeji:</b> Concession Agreement for Dhabeji SEZ was signed on 23<sup>rd</sup> February, 2022 and contractors mobilized in January, 2023.</li> </ul>
<b>Agriculture</b>	Action Plan for Agriculture Mechanization & Modernization	Comprehensive Action Plan for Agriculture Mechanization & Modernization formulated.
<b>Socio-Economic Development</b>	Progress on first batch (17) and Second batch (10) projects	Seven (07) projects completed. Nine (09) under implementation. Eleven (11) projects are in-pipelines their Letters of Exchange have been finalized.
<b>Socio-Economic Development</b>	Finalization of Third batch	Fifty-seven (57) projects of 3 <sup>rd</sup> Batch have been shortlisted in consultation with Provincial governments and shared with Chinese side for consideration on grant-in-aid basis.

Also, meetings of all Joint Working Groups (JWG) including Transport Infrastructure, Industrial Cooperation, Science and Information Technologies, Security, Gwadar, Socio-Economic, Planning & CPEC LTP and International Coordination and Cooperation were held in the 2022-23. Followed by the 11<sup>th</sup> session of Joint Cooperation Committee (JCC) of CPEC held on 27<sup>th</sup> October 2022.

## Outlook 2023-24

The year 2023-24 is planned to be the year of industrial cooperation, agriculture modernization, socio-economic development, and scientific collaboration in addition to the ongoing projects in infrastructure and energy. Moreover, projects in the petroleum sector are envisaged to be taken up in the years to come to make Pakistan's carbon energy supply more secure through diversification.

In Industrial Cooperation, out of the nine prioritized special economic zones, four economic zones namely Rashakai SEZ, Allama Iqbal Industrial Zone, Dhabeji SEZ and Bostan SEZ have been placed on the priority list. Work on utility provisions such as gas and electricity has already been started and sufficient supply has been ensured in the

year 2022-23 to effectively run the economic zones. Power requirements for Rashakai, Allama Iqbal, Dhabeji and Bostan SEZs are respectively 210 MW, 375 MW, 250 MW and 50 MW, whereas, gas requirements are 30, 40, 30 and 10 MMCFD respectively.

In the agriculture sector, it was agreed in the 3<sup>rd</sup> meeting of JWG on Agriculture to start implementation of the action plan for the sector with an emphasis on enhancing the productivity of major crops, value addition in agricultural produce, reducing post-harvest waste and pest and disease control as well high-quality seed development and production. Human Resource Development and agriculture mechanization are also part of the plan to bring efficiency and innovation to the Agriculture sector.

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

In the socio-economic sector, of the 27 projects identified under poverty alleviation, health, education, vocational training, agriculture and water supply, all 17 fast-track projects will be implemented in the year 2023-24. The scope and content of the remaining 10 priority projects have been mutually shared and Letter of Exchanges (LoEs) will be signed in the planned year.

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

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

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

In infrastructure, Mainline-1 (ML-1) is a strategic project that will achieve significant milestone in the year 2023-2024. The project, once implemented, is expected to considerably improve the logistics performance of Pakistan.

## **Programmes 2023-24**

2<sup>nd</sup> phase has been initiated with emphasis on the Industrialization/ Development of Special Economic Zones (SEZ), Agriculture modernization, Sciences & Information Technology cooperation, and Socio-Economic Development. The overall objective is to reap dividends of the investment made in the 1<sup>st</sup> phase (2015-20) that has created an

enabling environment for investment in other sectors as existing voids in infrastructure and energy have been filled.

The 12<sup>th</sup> JCC meeting of CPEC is planned to be held in the first quarter of the fiscal year 2023-24. Several deliverables have been identified for the JCC by all stakeholders for 2023-24. Following is a summary of the targets and proposed action plan for the year.

## **Energy Sector**

884 MW Sukki-Kinari HPP is currently under construction and is expected to be completed in November 2024. In addition, it is expected that physical work on two Hydro Power Projects, 1,124 MW Kohala and 700.7 MW Azad Pattan, and 300 MW Gwadar Coal Power Project would be started in the last quarter of 2023-24.

The “Development Plan of Oil & Gas Sector of Pakistan” has been launched and subsequently, the plan will be implemented afterwards which mainly includes projects related to Coal-to-Gasification / Liquid in Thar, North-South Gas Pipeline etc. The aforementioned plan will act as a guiding document for Public Sector Development Program (PSDP) spending in the Energy Sector for 2023-24.

## **Transport Infrastructure**

In the Transport Infrastructure sector, Sagu-Zhob Project N-50 is under discussion with the Chinese side for financing and expected to launch in 2023-24. Due to the construction of the Dasu & Bahsha Dams, the existing KKH alignment will be submerged. Therefore, a G2G Joint Technical Working Group (JTWG) has been notified to conduct the feasibility for the Realignment of Thakot - Raikot Section of KKH. Moreover, the Concessional Financing Agreement for the landmark ML-1 project is expected to be finalized this year, and subsequently, arrangements will be made for the ground-breaking of the project.

The Framework Agreement of Karachi Circular Railway (KCR) has been shared with the Chinese side to take up the project under the CPEC framework. Feasibility studies of the following new projects have been proposed to be considered under the CPEC framework in the forthcoming Joint Working Group meeting of Transport Infrastructure.

- i. Mirpur-Muzaffarabad-Mansehra (MMM)
- ii. M-9 Motorway
- iii. Babusar Tunnel

In addition to the road projects, construction work on New Gwadar International Airport is well underway and likely to achieve CoD by the second quarter of 2023-24.

## Industrial Cooperation

Significant progress, in terms of utility provision, has been made under the industrial cooperation in the 2022-23. The current year will see more progress in terms of marketing the prioritized SEZs. Efforts are being made to attract investors in these SEZs.

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

## Socio-Economic Development

Thus far, 07 projects have been completed. The following projects are expected to be implemented in 2023-24 (Table 18.2).

**Table 18.2: Projects to be implemented in 2023-24**

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



Remaining 09 projects mainly require on-site feasibilities, and will be carried out 2023-24. Moreover, 3<sup>rd</sup> Batch projects are anticipated to be finalized in the planned year.

### **Development of Port City Gwadar**

Several projects in Gwadar City are expected to achieve significant milestones in in 2023-24. Pak-China Friendship Hospital Gwadar project is expected to be completed in the second quarter of 2023-24 along with the 1.2 MGD Desalination Plant and New Gwadar International Airport. The Gwadar Free Zone is a significant initiative for industrial development and transshipment businesses in the city. Moreover, the following projects are anticipated to be launched in 2023-24:

- i. 300 MW Gwadar Coal Power Plant
- ii. Construction of Breakwater
- iii. Operational Dredging of Breathing areas and Channels

### **Agricultural Development for Food Security**

Under the Agriculture Cooperation, a comprehensive National Action Plan for Agriculture Development and Food Security has been prepared. The plan includes technology transfer to develop mechanized farms and meeting and food processing technologies, center for sustainable control of plant pests and diseases, and an exchange of germplasm and agriculture experts. Furthermore, several other initiatives are also proposed to be carried out in 2023-24 for agriculture sector development which includes: Corporate/contract Agriculture Farming, deceleration of FMD Free Zones and local production of FMD vaccines and bilateral agreements and protocols to enhance trade.

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

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

## **Science & Technology**

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

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

## **Information Technology**

Information Technology is one of the fastest-growing sectors of Pakistan's Economy. It has assumed a central enabling role in the emerging dynamics of a knowledge society and knowledge economy. To enhance cooperation in the field of Information Technology, a Joint Working Group on the Information Technology Industry was established between China and Pakistan during the 10th JCC meeting held on 23rd September 2021. The 1st meeting of the Joint Working Group on Information Technology Industry was successfully held on 28th July 2022. The agreed area of cooperation under Information Technology Industry JWG includes: ICT Infrastructure Development, ICT Application Innovation, Cybersecurity, Policy and Regulation, Radio Spectrum Regulation and Human Resource Development.

The Information Technology Industry JWG under CPEC is committed to improving the Information and Communication Technology infrastructure development in China and Pakistan, building an innovative and pragmatic China-Pakistan Digital Corridor, strengthening investment cooperation in the digital economy, promoting the development and deployment of new digital technologies and applications, deepening the cooperation and information-sharing in the digital sector between the two countries, maintaining an open, fair and non-discriminatory business environment, and empowering social and economic development with Information and Communication Technologies.

# **SOCIAL SAFETY NETS AND SDGs**



# 19. SOCIAL PROTECTION, INCLUSIVE DEVELOPMENT AND SUSTAINABLE DEVELOPMENT GOALS

## **Sustainable Development Goals**

The Sustainable Development Goals (SDGs) Agenda 2030 places people at the centre of the development process and calls for rigorous implementation of the 17 SDGs. These goals demand action from all countries - developed and developing with global partnership to eradicate all forms of poverty and other deprivations which in turn requires strategies that improve health and education, reduce inequality, and spur economic growth while tackling climate change and preserving oceans and forests.

The targeted beneficiaries of social welfare services are poor, vulnerable, disadvantaged, women, elderly, persons with disabilities, transgender and religious minorities etc., intending to target areas of exclusion to reduce inequalities, enhance equal opportunities, reduce human rights violations, gender empowerment and enhanced safety net coverage and mainstreaming gender into the development process. All social welfare initiatives comprise of human rights protection, social protection and social safety nets across the country by engaging public and private sector stakeholders.

Further, Social welfare sector envisages the provision of policies, interventions, systems, benefits and guarantees with an aim to provide decent and stable living standards for the poor, needy and vulnerable people. It emphasizes those in need, enabling them to cope with the risks and building their capacity to participate and benefit from available opportunities to graduate out of poverty and mitigate vulnerability.

## **Progress Review of SDGs 2022-23**

Pakistan is already reporting on 133 SDG indicators and has published the first-national SDG Status Report to track progress on the goals and identify gaps. Work is in progress to increase the number of reported indicators to 193. To bridge data gaps in its collection and reporting, a working group was formed for the harmonization and standardization of data relevant to SDGs. The working group comprises representatives of the Pakistan Bureau of Statistics (PBS), Ministry of PD&SI, Planning Departments and Provincial Bureau of Statistics.

National Economic Council (NEC) sub-committee on SDGs continues providing strategic guidance under the chairmanship of the Minister for PD&SI for the effective implementation of SDGs, demonstrating the government's unwavering commitment and ownership towards SDGs at the highest level. This is aimed at achieving better cross-sectoral and inter-provincial coordination for the effective implementation of the SDGs. The committee approved the national SDGs dashboard which reflects national and provincial performance on all SDG indicators, index values for all goals, baseline values, current values and the target for 2030.

The government has taken several measures to improve coordination with the provinces including AJ&K and GB. In this regard, Provincial Coordination Committees, headed by the Chief Ministers have been established, which are focused on monitoring SDGs implementation. As a result, provinces are in the process of prioritizing their SDGs targets, aligning ADPs with SDGs and developing of dashboard and monitoring evaluation mechanism. Moreover, the federal and provincial SDG units mapped non-government stakeholders, including media, private sector, academia, think tanks and civil society to facilitate the tracking of the contribution of non-government stakeholders in the implementation and achievement of SDGs.

Most importantly, keeping in view the SDG's exigencies, the Federal Government has allocated an umbrella fund of Rs.40 billion for the marginalized and vulnerable population under the name of 'Special Development Initiative for Backward Districts of Pakistan'. The initiative aims to uplift less developed districts of Pakistan while coordinating and collaborating with the provinces on a 50:50 cost-sharing basis. The allocated fund seeks to alleviate extreme poverty in the districts selected as per mutually agreed criteria and aims for catalytic utilization of resources that addresses the perpetuating disparities adversely affecting the national performance. The resolve to structure the project with a special focus on the vulnerable population of less developed districts simultaneously ensures sufficient domestic financing commitments for achieving multiple SDGs and advancing the 2030 Agenda for sustainable development.

The various initiatives, policies, and plans aimed at SDGs implementation culminated into Second Voluntary National Review (VNR), which was compiled in close collaboration with all stakeholders (private sector, academia, civil society etc.). The VNR was presented at the United Nations High-Level Political Forum (UNHLP) in July 2022 to highlight the country's progress, challenges confronted, lessons learnt and success stories towards achieving the SDGs.

To promote South-South cooperation, Pakistan collaborated with Sri Lanka on VNR under a Twinning Program with the Help of the United Nations Economic and Social Commission for Asia and Pacific (UNESCAP). The objective of the Twinning programme was to establish, a partnership to exchange best practices and modalities for the follow-up and review of the SDGs 2030 agenda through study tours.

Pakistan has been actively promoting cooperation for the implementation of SDGs. The Sixth South and South-West Asia Forum on the SDGs was held in hybrid mode, from 5-7 December 2022 in Pakistan, and served as a sub-regional preparatory meeting for the Asia Pacific Forum on Sustainable Development (APFSD) 2023<sup>7</sup>. The Forum deliberated on the progress made in the implementation of the Sustainable Development Goals in light of the “triple C” crisis of COVID, conflict and climate change which adversely impacted development gains in the sub-region.

## **Provincial Review of SDGs 2022-23**

At the provincial level, several initiatives aimed at catalysing SDGs Implementation across all tiers are given below:

### **Punjab**

Punjab recently hosted two important events organized by UNDP Pakistan. The first was a Provincial consultation on Financing for Development in Punjab, aimed at supporting the Government of Punjab's commitment to bridge the financing gap for equitable and sustainable development at the provincial level.

The second event was the 3<sup>rd</sup> Portfolio Initiation Framework Consultation on Gender, which aimed to identify challenges and obstacles and identify the emerging opportunities to reduce gender inequality and empower women in the province.

It also tagged Provincial Line Departments' Schemes against SDGs on the SMDP Portal. The Punjab SDGs Unit conducts extensive capacity-building training sessions for government officials in all 36 government line departments yearly before the finalization of the provincial budget and Annual Development Plan. In this regard, the Unit hosted a series of capacity-building sessions for the Provincial Departments on integrating SDGs into Punjab's planning and budgetary processes.

### **Khyber Pakhtunkhwa**

In KP, District Score Cards have been developed to make informed policy decisions on the part of executives, monitoring the progress on SDGs, conducting a comparative analysis, and optimizing resource allocation. The SDG District scorecards is an assortment of available data on SDG indicators at the district level. A total of 33 indicators were collected for KP based on their availability. These indicators cover areas such as multi-dimensional poverty (Goal 1), Stunting and wasting (Goal 2), maternal mortality ratio (Goal 3), literacy rate (Goal 4), safe drinking water (Goal 6), access to

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<sup>7</sup> The Forum was jointly organized by the Government of Pakistan, the Sustainable Development Policy Institute's (SDPI) and the South and South-West Asia Office of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP SSWA), in SAARC Secretariat, World Bank, Asian Development Bank and member organisations of the South Asia Network on the SDGs (SANS).

electricity (Goal 7), child labor (Goal 8), governance (Goal 16) etc. The Scorecard can act as a catalyst in accelerating both evidence-based planning and resource allocation.

As an extension of the Capacity Need Assessment, KP has initiated the development of a comprehensive data eco-system for the province to streamline/systemize the administrative data collection, analysis and reporting system for more meaningful estimation of SDGs indicators. This involves assessment of the data collection system currently in vogue amongst the Provincial Bureau of Statistics, Line Departments and Districts, analysis of administrative data, data collection tools and computation of the missing indicators using statistical tools and techniques.

## **Sindh**

Several advocacies, awareness & sensitization sessions have been held to align and accelerate progress towards achieving SDGs; These include 17 sessions with civil society and the private sector on various themes. Technical Sessions with Sindh Parliamentary Task Force on SDGs focused on Legislation, Budgeting, and Oversight; SDGs Driven ADP Planning Guidebook and Exercises on the same with GoS Departments; and provincial consultations on SDGs Investments portfolio, Climate and Disaster Risk Financing.

Additionally, P&D GoS developed costing models for Sindh on achieving SDG-2: Zero Hunger and SDG-7: Clean & Affordable Energy and worked on the integration of SDGs in GoS Budgetary Framework and tracking of individual expenditure heads mapped with SDGs at the target and indicator level budget allocation, releases, and expenditures. In addition to that, Acceleration Guide has been developed for Sindh to accelerate the achievement of SDG-8 (Decent Work & Economic Growth).

## **Balochistan**

The final report on SDGs Acceleration Action Plan has been completed and is currently under review. This study focuses on the key players, initiatives, and current challenges that impact the progress of SDG 3, 4, 8 and 9. The Plan provides an overview of the SDGs progress, institutional mechanism, and legal and policy framework enabling the SDGs achievement.

Government of Balochistan has completed the exercise on Green Building Design Standards for reducing utility costs and the carbon footprint of public sector buildings and organizations in Balochistan by deploying energy conservation and efficiency measures.

In addition, SDGs have been incorporated in Balochistan Comprehensive Development and Growth Strategy (BCDGS) 2021 – 2026 whereby other documents regarding SDGs have also been disseminated, such as Costing of priority SDGs, Green Building Design Standards and Capacity Need Assessment (CNA) of Statistical Institutions for the implementation of 2030 Agenda in Balochistan. The Review of Administrative Data sets and Surveys for SDG indicators is also progress.



## **Azad Jammu & Kashmir (AJ&K)**

The first-ever large-scale household-level assessment of the vulnerable population including persons who use drugs, transgender individuals, widows, persons with disabilities, and the elderly was conducted in the region. The findings of the study have been disseminated to all concerned stakeholders for better evidence-based planning.

Moreover, SDGs have been incorporated into several policies i.e. AJK Health Policy, AJK Youth Policy, AJK TEVTA Policy, and AJK Social Protection Policy. In 2022, AJ&K has also established the baseline for additional 27 SDGs indicators from different surveys and admin sources and, therefore, now reports on 112 indicators out of 145 pertaining to AJ&K.

## **Gilgit Baltistan (GB)**

GB SDG Unit is providing technical support to P&D Department in developing the GB Development Statistics Report 2022 for the first time in GB which includes a chapter on SDG indicators. This report will help the government to address the data challenges for reporting on SDGs in GB. Moreover, the GB SDGs framework report was reviewed and endorsed by P&D Department and will be presented to the Cabinet for endorsement and approval. GB unit also tagged developed projects with SDG codes. After mapping, a graphical analysis was performed to see the trends in ADP allocations against SDGs in the last five years.

To localize SDGs at the district level in Pakistan, the Ministry of PD&SI initiated work on three model child-focused district development plans to cover all or most of the child-related indicators of SDGs. In this regard, three pilot districts were selected i.e. Muzaffarabad in AJ&K, Sakardu in Gilgit-Baltistan and Islamabad Capital Territory. Based on the consultations with key District Stakeholders and using the results of the latest MICS and other national survey results, the district profile of Islamabad was developed to set a baseline and targets for child-related SDGs indicators.

## **Poverty Alleviation**

Poverty in Pakistan is measured based on the Cost of Basic Needs using HIES data. The latest poverty estimates for Pakistan show that national poverty has declined from 24.3% to 21.9% in 2018-19 compared to 2015-16. Urban poverty declined to 11% from 12.5% whereas, rural poverty declined from 30.7% to 28.2%. Rural poverty witnessed more decline i.e. of 2.5%age points as compared to the decline in urban poverty i.e. of 1.5%age points.

New data is not available as the HIES survey has not been conducted since 2019. Hence, official numbers of poverty are unavailable for the year 2022-23. The trend of a gradual decrease in poverty in the last decade is likely to be interrupted post-2020 owing to the disruption caused by the COVID-19 crisis and the impact of climate change, specifically

floods in 2022. For instance, preliminary estimates suggest that, as a direct consequence of the floods, the national poverty rate will increase by 3.7 to 4.0 percentage points, pushing between 8.4 and 9.1 million people, additionally, into poverty<sup>8</sup>. The same report also estimates that multidimensional poverty will increase by 5.9 percentage points, meaning that an additional 1.9 million households will be pushed into non-monetary poverty.

The impact of COVID-19 and floods may not be that adverse due to the end-to-end system of social protection in the country under the administrative control of the M/o PASS by offering basic provisions of life and economic opportunities that will lift vulnerable groups out of poverty. Social protection especially in terms of cash transfers was increased during COVID-19 as well as floods.

### **Programme Review 2022-23**

The scope of policies/programmes designed under M/o, PA&SS offers a unique opportunity to link and map SDGs across policies and programmes. These programmes and policies cover eleven out of seventeen SDGs; SDG 1 (Elimination of all forms of poverty); SDG 2 (Zero hunger); SDG 3 (Good health and well-being); SDG 4 (Quality education); SDG 5 (Women's empowerment and gender equality); SDG 6 (Clean water and sanitation); SDG 8 (Full and productive work); SDG 9 (Innovation); SDG 13 (Climate action); SDG 10 (Reducing inequality) and SDG 17 (Partnerships). The aim is to create safety nets for at least 10 million families (90% women), provide financial access to health care for 10 million families, offer scholarships and incentives for more than 5 million students (50% Girls), provide livelihood opportunities for 3.8 million families and foster financial & digital inclusion for 9 million individuals (90% Women).

### **Benazir Kafaalat**

Benazir Kafaalat Programme is an initiative that offers an unconditional cash-transfer programme that provides payments of Rs. 9,000 every 3 months, savings bank accounts and improved access to mobile phones for poor and disadvantaged women across the country. This programme has registered 9 million beneficiaries so far.

### **Benazir Nashonuma**

It was founded with the primary objective to arrest malnourishment by assisting with the diet among new-born and mothers which is believed to be 40% of the population. The programme is now operational through 425 facilitation centres in 152 districts of Azad Jammu and Kashmir, Balochistan, Gilgit-Baltistan, Khyber Pakhtunkhwa, Sindh, Punjab and Islamabad. 504,975 pregnant and lactating women and children under two years of age have been enrolled in the programme. Eligible pregnant and lactating women (PLW) and children less than 2 years of age receive specialized nutritional food

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<sup>8</sup> Pakistan Floods 2022 Post Disaster Needs Assessment Report

and quarterly cash stipends of Rs. 2,000 for boys while Rs.2,500 are provided for the girls.

### **Benazir Undergraduate Scholarship**

The scholarship covers a 100% tuition fee and also provides a monthly stipend of Rs 4,000. Around 102,000 students in 3 batches have been awarded scholarships under the project till 2022.

### **Benazir Taleemi Wazaif**

Under Benazir Taleemi Wazaif, conditional cash transfer to the children of Kifalat beneficiaries for education in lagging districts is ensured by providing them cash support from class one to twelve. This programme is operational in all districts of Pakistan and **9.56** million beneficiaries have been enrolled till now.

### **National Poverty Graduation Programme**

Under National Poverty Graduation Programme, a total of 112,973 assets have been transferred to poor households. The assets consist of livestock and agricultural as well as technological assets e.g., dairy animals, fattening animals, hand-tractors, digital skills, customized small vehicles for carriage and transportation in rural areas, milk collectors' motorbikes and enterprises. Around 111,726 beneficiaries have received livelihoods trainings so far. Trainings are provided on enterprise development, asset management and functional literacy to help them effectively utilize the given assets and interest-free loans for business purposes. Under National Poverty Graduation Initiative, IFL (Interest-Free Loans) is being implemented by PPAF through its 21 partner organizations. The range of IFLs is PKR 20,000 to PKR 75,000. So far, a total of 152,199 loans have been disbursed to beneficiaries.

### ***Schools for Rehabilitation of Child Labor (SRCLs)***

Across the country, 159 Schools for Rehabilitation of Child Labor (SRCL) are established. Rs. 10/- daily stipend is provided to the students for regular attendance and Rs. 300/- per month subsistence allowance is paid to the parents. About 19,080 children are enrolled in these schools and so far, a total of 47,441 students have passed out so far.

### ***Women Empowerment Centres:***

Women Empowerment Centers (WEC) across the country are providing free training in different skills to widows, orphans & economically disadvantaged girls. Currently, there are 162 operational centres offering training in Computer Skills, of office equipment like Fax, Photocopiers, Printers, Interior Decoration, Beautician, Cooking, Tie & Dye and Glass Painting among others, based on the specific needs of the area. A total of 277,238 trainees have successfully graduated from these centres to date.

## Outlook 2023-24

Ending poverty in all its forms and dimensions by 2030 is the first goal of the UN's SDGs. Accordingly, the National Poverty Graduation Programme (NPGP) is planning to expand its outreach to 28 flood-affected districts during the period 2024-26 with a budgeted amount of Rs.17 billion. NPGP is also planning to initiate another Special Development Project (Rs. 5 billion) in 7 Backward/poor districts to uplift the living standards of people through Livelihood Development in Agriculture, Livestock Value Chains and Alternate Skills. Currently, NPGP is being implemented in 21 districts that focus on achieving sustainable poverty graduation of the ultra-poor (320,000 households) through asset transfers, trainings and interest-free loans.

BISP in collaboration with the World Bank (WB), Asian Development Bank (ADB) and other stakeholders designed a Hybrid Social Protection Scheme that blends social assistance with social risk mitigation elements to promote savings that informal sector workers can fall back on in case of shocks, while also providing a platform through which the government can more rapidly deploy additional support during a crisis. The basic model, drawing from global experiences, will be a contributory savings scheme with matching incentives, with a short-to-medium term horizon for withdrawals.

M/o PA&SS is also working with international agencies such as on different Social Protection Programmes and intends to expand in the area of Adaptive Social Protection, and design effective risk-resilient programmes in future. Conventional social protection systems consist of large, ideally all-of-society risk pools to reduce individual or family-level risks relating to health, livelihood, nutrition, and others. Emerging social protection systems must be made adaptive so that they can provide relief and prevention in a commensurate way. Potential new interventions in this regard supported by development partner contributions are currently discussed and further developed. The German Development Cooperation, among others, is keen to support in the expansion of the adaptive Social Protection systems further. To accelerate SDG's implementation, numerous initiatives are envisaged at the Federal and provincial levels for 2023-24:

- i. Conduct a mid-term review of SDGs and develop a roadmap for the acceleration of SDGs for the next half till 2030.
- ii. Accelerate a Communication and Awareness Plan for SDGs
- iii. Collaborate with PBS and SDG Units to develop district and constituency-level reports with available disaggregated level data.
- iv. Increase engagement with parliamentary task forces.
- v. Improve partnerships with think tanks, universities, the private sector, and civil society on conducting research and teaching corporate social responsibility, awareness and sensitization, and overall compliance.
- vi. Develop sectoral plans in provinces.
- vii. Need assessment for twenty selected districts.
- viii. Develop financing framework for SDGs.

- ix. Capacity building of the newly elected LG representatives on SDGs and preparation of district-level SDG plans.

The GoP attaches high priority to the promotion and protection of the human rights of all the citizens as guaranteed by the Constitution and in accordance with our religious ethos as well as national and international obligations. As a party to the core international human rights conventions, Pakistan has undertaken commitments to uphold the universal human rights standards and to implement them at the national level.

## Progress Review 2022-23

### Social Protection

The social welfare services provided during 2022-23 particularly through the projects of Human Rights, covering the areas of strengthening institutional structure, information management system, action plan for human rights, human rights awareness programmes, national mechanism for reporting & follow up, transgender protection, and services for children particularly disabled children.

There were 11 projects in PSDP 2022-23, for strengthening the institutional structure of human rights and special education with an accumulative allocated amount of Rs. 184.682 million. Project wise cumulative values of investments in PSDP 2022-23 and utilizations are elaborated in Table 19.1:

**Table 19.1: Allocations and Utilization 2022-23**

(Rs. Million)

Sr. No	Project Title	Original Cost	Allocation (2022-23)	Utilization (2022-23)
1.	Establishment of Human Rights Information Management System	59	22.426	1.833
2.	Establishment of Project Planning and Monitoring Unit (PMU) in MoHR	75	20	0.502
3.	Establishment of Project Planning and Monitoring Unit (PMU) at Directorate General of Special Education, Islamabad	15	5	6.724
4.	Establishment of Sub-Office Regional Directorate of Human Rights in Merged Districts of KP.	65	19.301	0
5.	Human Rights Awareness Programme	55	21.5	1.913
6.	Human Rights Coordination and Monitoring Unit for National Mechanism for Reporting and Follow-up Framework	43.9	22	0.006
7.	Implementation of Action Plan for Human Rights in Pakistan	57.5	24.273	3.825

8.	Institutional Strengthening of Ministry of Human Rights	59.735	17.682	4.525
9.	Establishment of Transgender Protection Centre, Islamabad	35.8	15	5.579
10.	Pilot Project for Inclusive Education for Children with Disabilities in normal Public & Private Schools at I.C.T. Islamabad.	30	10	6.044
11.	Feasibility Study for Establishment of Rehabilitation Centre for Multiple Disabilities at Primary Level at H-11, Islamabad.	15	7.5	2.263

The Ministry of Human Rights has taken various legislative, policy and awareness measures, aligned with the development agenda and the relevant SDGs, to uplift the communities through sustainable development. These initiatives are a priority under PSDP portfolio of the MoHR. The MoHR has also established the Human Rights Information Management System (HRIMS), the digital database for the compilation and reporting of the SDGs indicators.

Poverty Alleviation & Social Safety (PASS) Division executed the following two PSDP funded projects:

First is the Monitoring & Evaluation Unit for Ehsaas Tahafuz Program at a total cost of Rs. 200 million, which will be completed by June 2023.

The other one is the Sehat Tahfuz Program at a total cost of Rs. 1,989 million, which aims for 38,000 patients to be treated gradually during 03 years across Pakistan through empanelled Public Sector Hospitals. Major physical progress/ achievements have been made so far through above-mentioned interventions:

- i. Sehat Tahafuz Program has empanelled 14 Service Providers (Hospitals) out of at least 20 hospitals to be empanelled during 3 years (2021-24) at KP, Federal, Punjab, Balochistan, Sindh, AJ&K and GB as per approved revised PC-I.
- ii. Till date, total 16,059 patient requests got approved for Health Financing which includes the treatment of 177 cochlear implantation patients.
- iii. Indigenous software developed by NITB for Sehat Tahafuz Program during Financial Year 2022-23, has replaced the earlier software provided as in-kind support by Bill & Melinda Gates Foundation USA.

Other agencies operating in the sector are BISP and Pakistan Bait-ul-Mal. The total number of beneficiaries to date for the BISP is 29,347,046 with an outlay of Rs. 1,222 billion. Pakistan Bait-ul-Mal provides services in the area of shelter homes for families, sweet homes for children, medical assistance, financial assistance, education for poor and old-age homes. Under the Shelter Home Scheme, 0.864 million individuals are provided shelters while 10.909 million are provided meals. The cumulative number

of beneficiaries for medical assistance and education are 244,012 and 157,449 respectively.

## **Programmes/Initiatives to Uplift Vulnerable Segments of the Society**

The following are PSDP-funded ongoing and new initiatives for the social welfare sector:

### **Ongoing Development Initiatives**

- i. Establishment of Human Rights Information Management System:** The project is to establish a digital system to institutionalize mechanism for disaggregated data collection and Technical Analysis of data to monitor and evaluate the patterns of emerging Human Rights Trends across Pakistan. Additionally, it will assist in evidence-based policy-making and technical facilitation.
- ii. Establishment of Project Planning and Monitoring Unit (PMU) in MoHR:** The project aims to provide technical support to the Ministry of Human Rights for the effective execution of the development projects, which includes project planning and preparation of project documents, management of development budget, technical and economic appraisal of PC-I and monitoring and evaluation of development projects.
- iii. Establishment of Project Planning and Monitoring Unit (PMU) at Directorate General of Special Education (DGSE), Islamabad:** The Project objective includes assisting DGSE in planning project proposals for children with special needs, monitoring and evaluation of projects and building the capacity of DGSE.
- iv. Human Rights Awareness Programme:** The project is aimed to raise awareness about human rights as ensured in the constitution of Pakistan along with national/domestic laws and mass media campaigns to inform the public about their rights, how they can protect their rights and report any violation to seek support from the government.
- v. Human Rights Coordination and Monitoring Unit for National Mechanism for Reporting and Follow-up Framework:** The NMRF is a national mechanism to coordinate and prepare reports for international mechanisms including treaty bodies, and other Human Rights commitments.
- vi. Implementation of Action Plan for Human Rights in Pakistan:** The project has been developed under the action plan for human rights. The project features Human Rights education sensitization, advocacy communication and coordination among Ministries/Departments at Federal and provincial levels. The Action Plan spells out its detailed implementation Framework with six thematic areas and 60 actions.
- vii. Establishment of Transgender Protection Centre, Islamabad:** In pursuance of the implementation of the Transgender Protection Act 2018, this project was developed for establishing a Protection Center for affected persons

from Transgender community. The project aimed at providing emergency medical services, socio-psychological and legal counselling, rehabilitation services to transgenders.

- viii. **Sehat Tahafuz Programme:** The scope of the programme is to empanel at least 20 Public Sector Hospitals from all provinces including Federal, Gilgit Baltistan and AJK. Currently, 14 Public Sector Hospitals are on the panel of Sehat Tahafuz Program, while the expression of interest for empanelment with Sehat Tahafuz Program from DHQ - Okara, Bolan Medical Complex, Quetta and DHQ - DG Khan have also been received. Sehat Tahafuz Program has started the empanelment process of other public sector hospitals and 26 potential hospitals among 45 poor districts of Pakistan, as per the Multi-dimensional Poverty Index (MPI), to be included phase-wise. The initiative of ehsaas delivery unit is being revised into social protection delivery unit.

## Other new initiatives 2023-24

- i. **Strengthening Social Protection Delivery System in Sindh (SSPD):** The project is a special initiative of the Government of Sindh to establish and strengthen a social protection system in the province. An effective and efficient social protection delivery system with a Unified Beneficiary Registry (UBR) will improve the integration of systems for identification and registration processes, promote better social mobilization and communication mechanisms through its strong citizen interface, strengthen digital payment systems (for example, by using debit cards, mobile phones, national identification cards, and so on) using enhanced authentication measures (for example, national identity card, fingerprints, and so on), support an electronic compliance verification system (for CCTs), promote better GRM services, and support a dynamic M&E system. In addition, the SPIS can be used to reach out to shock-affected populations for the provision of additional income support to mitigate the economic impact of a shock.
- ii. **Mother and Child Support Program (MCSP):** Improving maternal and child health outcomes – such as mortality rates and nutrition indicators – offer important potential gains with respect to human capital accumulation and sustainable economic growth. This component focuses on increasing the uptake of public services, and improving nutritional intake.
- iii. **Establishment of Rehabilitation/ Life Skills Development Centers for Persons with Disabilities (PWDs) to Enhance Life Skills in 10 Districts of Gilgit Baltistan:** The project is under revision to be done by the Ministry of Kashmir Affairs in collaboration with Social Welfare Department, GB. The project proposes the development of rehabilitation and life skills development center under one umbrella to create an enabling environment for the PWDs in GB through the provision of equal opportunities.
- iv. **Prime Minister’s Initiative for Women’s Mobility:** The project envisages to address the mobility issues of women. The aim is to increase accessibility and mobility of working women by providing Scooties at fifty% subsidized prices to the women working in Islamabad Capital Territory, Punjab, Sindh,



Balochistan, Khyber Pakhtunkhwa, AJK and Gilgit-Baltistan. The Government of Pakistan will provide capital subsidy to the successful applicants/working women and girls of ICT, Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa, Gilgit-Baltistan, and AJK, who will pay the remaining cost of the Scooty in instalments with Mark-up on the amount being financed by the National Bank of Pakistan. Or another participating bank etc.

- v. **Establishment of Mediation, Human Rights Training Centre and ADR** is a HR initiatives with allocation of Rs. 114.0 million.
- vi. **Purchase of Land and Construction of the Building for Child Protection Institute, Islamabad:** The project costing at Rs. 88.90 million will make reporting child abuse easier and can support coordinated investigation and provision of support services. For this to happen in the friendliest and most effective way possible, the government will need to undertake awareness-raising campaigns to disseminate information across the ICT about the availability of child protection services for girls at the facility level, encouraging community members to report relevant cases to the CPI through mechanisms established.
- vii. **Establishment of Child Protection Institute for Girls Islamabad,** to be implemented with allocation of Rs. 15.705 million
- viii. The Human Rights has been allocated Rs. 814.0 million and out of this Rs. 500 million allocated to Prime Minister's Initiative for Women's Mobility "Women on Wheels" project to be executed by the National Commission on Status of Women, M/o Human Rights. Rs. 500 million has been allocated for two projects of poverty alleviation & social safety.



**GOVERNANCE  
AND BALANCED DEVELOPMENT**



## 20. INSTITUTIONAL REFORMS AND GOVERNANCE

Governance consists of traditions and institutions by which political, economic, and administrative authority in a country is exercised to manage a nation's affairs. Good governance guarantees the management of sound development by addressing the issues of accountability, transparency, participation, openness, rule of law and predictability. Governance is a cross-cutting theme therefore, requires uniform strategies and joint actions of multiple stakeholders. It is critical for successful achievement of the strategic thrust, policies, programmes, and targets and is a prerequisite for economic growth and development. As growth generates income, good governance trickles this effect down to the masses, particularly the poor.

Democratic Governance is a system of government where institutions function according to democratic processes and norms, both internally and in their interaction with other institutions. The responsibility of the state and its institutions is to create a conducive political, legal and economic environment for building individual capabilities and encouraging private initiatives.

### **Performance Review 2022-23**

#### **Financial Review**

An amount of Rs. 13.9 billion including foreign aid of Rs.1.08 billion was allocated in PSDP 2022-23 for the governance sector projects against which an amount of Rs 13.8 billion has been spent to accomplish the reform agenda. The focus of investment remained in the areas of innovation, capacity building, performance management, service delivery, justice sector, police, research, civil service and public sector reform including regulatory framework during the 2022-23.

#### **Sectoral Review**

##### ***Public Sector Management Efficiency***

##### **Justice Sector Reform**

The proposed Public Sector Development Programme (PSDP) of the Ministry of Law and Justice for the 2022-23, is to fulfil Pakistan's obligations under UN 2030 agenda, especially under Sustainable Development Goals (SDGs)- Goal 16: Peace, Justice and Strong Institutions to speedup judicial dispensation and provide access to justice for all.

In addition, these development projects have been designed to create jobs by providing meritorious candidates with much-needed employment opportunities. Furthermore, by remediating institutional problems in the provision of justice, the projects have yielded windfall gains in terms of reducing inequality and improving access to justice.

First and foremost, a project to implement a framework for Capacity enhancement of Legal Wings and Central Law Officers of the Ministry of Law and Justice and Litigation/Legal Wings of Federal Ministries/Divisions has been launched to develop a Case Assignment & Monitoring System for Central Law Officers and development of Knowledge Management System. Another highly successful project titled Strengthening of Planning and Monitoring Unit in Ministry of Law and Justice, Islamabad is being implemented to strengthen the monitoring and evaluation system of development portfolio.

Infrastructure development remained a critical focus area, whereby a legal facilitation center is being constructed within the newly constructed building of Islamabad High Court to facilitate lawyers and litigants. A new building for the Supreme Court of Pakistan Branch Registry, Karachi is also being constructed. Federal Courts/Tribunals Complex, Lahore, Federal Service Tribunal Camp Office, Karachi and Office of the Attorney General of Pakistan, Office of Advocate/ Prosecutor General and other Allied Offices in connection with the Supreme Court of Pakistan are being constructed. The project titled "Judicial Reform" has been launched at a cost of Rs.300 million to reform the judicial system in ICT.

To ensure good governance and implement institutional reforms i.e. improve capacity, performance, transparency, efficiency, effectiveness, accountability, rule of law, automate procedures and functions of the judiciary, other institutions of the Justice Sector and better case management, efforts have been made by Law and Justice Commission of Pakistan (LJCP) in coordination and supervision of National Judicial Policy Making Committee (NJPMC) chaired by the Honorable Chief Justice of Pakistan and National Judicial Automation Committee (NJAC) chaired by a Senior Judge of the Supreme Court approved a centralized and national level unit called National Judicial Automation Unit (NJAU) to work as a secretariat of NJAC by proposing and implementing automation plans, policies and projects. A development project PC-II was proposed in this regard titled, "Strengthening and Expansion of National Judicial Automation Unit" with a financial outlay of Rs. 30.9 million. The Wafaqi Mohtasib Secretariat (WMS) has been strengthened. WMS has upgraded its online hearing system of complaints resolution, on the directions of the Supreme Court of Pakistan, a National Committee on Prisons Reforms has been constituted by the Wafaqi Mohtasib to review the status of prisons in Pakistan and to make recommendations for improving the overall condition of prisons.

## ***Revenue Reforms***

Under the World Customs Organization's (WCO) flagship programme, customs authorities have initiated the Authorized Economic Operator (AEO) programme to provide security and facilitation benefits to businesses that demonstrate a high level of compliance with customs regulations and trade laws. The AEO programme is part of a larger effort to secure and facilitate global trade, and it is often seen as a way to strengthen supply chain security and improve the efficiency of customs processes. The AEO programmes are operational in 97 countries and are under development in 20 countries including Pakistan. Pakistan Customs is giving high priority to fast-tracking the implementation of the AEO programme. Currently, there are three certified AEOs which will be increased to 50 by the end of CFY 2022-23. A step forward will be taken to negotiate Mutual Recognition Agreements for AEO recognition with major trading partners in future.

In pursuance of the economic vision of the government, the Federal Board of Revenue (FBR) has taken several initiatives for improving service delivery, enhancing resource mobilization, increasing Tax-to-GDP ratio, simplification of rules and regulations, separation of tax policy from tax administration, and facilitation of trade. For simplification/ automation of registration of sales tax and income tax, a mobile app has been launched for online registration.

FBR envisions the facilitation of the taxpayers for better revenue collection through strict enforcement and monitoring measures along with broadening of the tax base, documentation of the economy and deployment of technology to identify risk areas to support risk-based audit.

A project titled "Pakistan Raises Revenue Project-IPF Component" is being implemented with the financial support of the World Bank (WB) for eliminating the country's fiscal constraints through a sustainable increase in revenues, reducing tax expenditure by broadening the tax base and modernizing FBR with advanced ICT based operations under its transformation roadmap. The programme will increase the tax-to-GDP ratio up to 17% by 2024-25.

The project titled "Pakistan Single Window (PSW) (Hub for Trade and Transport in Pakistan)" for establishing an ICT based integrated platform for efficient management of trade-related information and decision-making has been implemented. The Pakistan Single Window Company has been established as a public sector company under Section 42 of the Companies Act, 2017. Pakistan Single Window currently involves 04 Other Government Agencies (OGAs) i.e. Department of Plant Protection, the Animal Quarantine Department, the Federal Seed Certifications & Registration Department, the Pakistan Standard & Quality Control Authority, The Marine Fisheries Department and online exchange of cross border trade-related financial information through integration with 29 banks. PSW is also giving high priority to fast-track the

implementation of Integrated Risk Management Systems (IRMS) in line with the PM's Strategic Roadmap and rules will be notified by Federal Government by 30<sup>th</sup> June 2023.

The project titled "Development of Integrated Transit Management System (ITTMS) under ADB Regional Improving Border Service" is being implemented. The project has incorporated trade facilitation aspect by developing physical and logistics infrastructure at Torkham, Chaman and Wahga Border Crossing Points (BCPs) and offering joint port operations by Customs, ANF, Immigration, NADRA, FIA, National Food Security and Livestock, Plant Protection and Quarantine departments etc. under a single roof. Land at Torkham and Chaman has been acquired and infrastructure construction work is underway.

Under the PM Strategic Roadmap, to bolster enforcement / operational measures, Customs Patrol Unit (CPU) has been established in KPK and Balochistan during CFY. Furthermore, the collectorate of customs, Gwadar, has also deployed a Customs Patrol Unit at the coastal highway for interdiction of smuggled goods coming along the coast border in southern Balochistan. To decrease the value of smuggling-prone goods imported through Afghan transit, a study will be conducted by a third party for which consultations with the Pakistan Institute of Development Economics (PIDE) have been initiated.

### ***Public Financial Management***

Public Financial Management Act has been passed by the parliament and all necessary steps are being undertaken to implement PFM law in its true spirit. Ministry of Finance has launched a development project titled, "Implementation of PFM Policy Framework in Federal Government" at a total cost of Rs. 320 million for the provision of necessary resources to streamline the incorporation of PFM ACT provisions in the Federal Government. Under the project, coordination with FABS-PIFRA for the improvement and implementation of different Forms / Reports will be carried out. Workshops are conducted on accounting procedures and regulations including topics i.e. procedure for the supplementary grant, technical supplementary grant and re-appropriation, delegation of financial powers, regulations and revised fund release strategy & austerity measures, ASAAN assignment account procedures (Current & Dev), revised accounting procedure for revolving fund account, public account of federation receipt and payment procedures and personal ledger account, SBP RAAST payment system gateway, SAP integration, PRAL and DMFAS overview, completion of performance monitoring report 2021-22 as per section 35 of PFM Act. Budget Management Specialists have arranged meetings/workshops with 81 CFAO / joint Secretaries of Division / Entities. The following divisions/departments will be integrated into the system:

- i. Budget wing with FABS-AGPR for automation of OM Module in SAP
- ii. IPAS Planning Commission, integration with SAP for real-time data transfer of approved projects for timely budget preparation in SAP.
- iii. Integration with MOF server with AGPR server for budget data transfer.



During the year multiple consultative meetings have been arranged with SAP/Siemens with Budget Wing management for briefing of integration of ERP / Non-ERP systems and on implementation of cash forecasting module as per IMF requirements. Efforts are on foot to achieve Treasury Single Account by analysis of more than 90K accounts for possible inclusion in TSA-II, reviewing of TSA accounting framework and donor coordination on TSA-II. With government support the amendments in existing legal and procedural documents including PFM Act, CM&TSA Rules & Special Assignment Account procedure were incorporated. Entities were classified as autonomous, self-generating organizations etc. falling under section (37) of the PFM Act 2019.

***Public Procurement Regulatory Reforms:***

E-procurement is one of the current procurement regimes stands out area. To achieve the objectives, the Public Procurement Regulatory Authority (PPRA) launched the test pilot system of e-Procurement in Ministry of National Health Services Regulation & Coordination and the Ministry of Federal Education and Professional Training including their associated and attached departments. During 2022-23, PPRA has conducted ten (10) training sessions on public procurement rules, 2004 and amendments to date in which 174 officers of different procuring agencies were trained. Changes in rules and regulations were introduced. To enable the procuring agencies and suppliers/contractors to seamlessly use the e-procurement system, the authority has notified ePak procurement regulation containing all the provisions as in what manner procurement is to be carried out through “e-Pak Acquisition & Disposal System i.e. e-Pak Acquisition & Disposal System (EPADS) system.

***National Archives of Pakistan***

The National Archives of Pakistan is the reservoir of the non-current records of the Government of Pakistan. Information of the National Archives of Pakistan is derived from numerous sources, including various editions of the Pakistan Year Book and Economic Survey of Pakistan. The National Archives of Pakistan is a member of the International Council on Archives and its regional branch called the South and West Asian Regional Branch of the International Council on Archives (SWARBICA). A digitization project titled, “Strengthening and modernizing national archives of Pakistan” has been started and digitization of archival material is in progress. Amendment in the national archives act, 1993 is in progress in the cabinet division. Amendments are being also envisaged in the Secretariat Instructions 2021 edition regarding E-Filing, E record management etc. The National Archives of Pakistan will mount six exhibitions of rare documents, archival material and photographs of Pakistan movements in the next Financial Year. A total of 195,000 pages of archival material will be digitized through an ongoing project. Further, restoration and conservation of archival material of approximately 3500 documents will be done.

## **Governance Reforms in Provinces**

### **Punjab**

Punjab Government has developed a five-year governance reform agenda assisted by the WB to improve service delivery and citizens' satisfaction with public services. The programme focuses on promoting improvements in three areas i.e. Transparency and Access to Services; Results-Based Management for Service Delivery; and Resource Mobilization and Value for Money. (Repetition).

The Punjab Cities Program has been initiated as an umbrella programme funded by the World Bank with a total cost of US\$ 236.00 million. Under the Investment Project Financing (IPF), the strategic design will be prepared to ensure efficiency and efficacy in the entire cycle of Local Government (LG) functioning, including investment planning, budgeting, procurement, accounting, revenue, reporting, audits, accountability and transparency. Local Governments will be able to pay explicit attention to urban development issues under the response legal framework and make the MCs to manage these issues for providing and overseeing the provision of municipal services (like water supply, drainage waste management, urban planning, urban infrastructure, etc.). In addition, the Government of Punjab has implemented Sub-National Governance Program (SNGP) in collaboration with Department for International Development to improve the management of service delivery by strengthening the evidence-based decision-making, enhancing government transparency, local accountability, responsiveness and openness to citizens.

### **Sindh**

The Government of Sindh took various initiatives during the financial year to improve transparency, efficiency and good governance through reforms in public sector management. A project titled "Competitive and the Livable City of Karachi Project (CLICK)" at a total cost of Rs 33.6 billion with the financial support of the WB has been launched. The project envisaged improving the performance of Karachi's Local Councils and agencies in urban management, financing and service delivery and improving the business environment for private sector development in Karachi which aims to transform Pakistan's urban areas into creative, eco-friendly sustainable cities through improved city governance. Capacity building of Sindh Revenue Board, Excise, Taxation and Narcotic Department is also underway. A project titled "Sindh Public Sector Management Reform" is being implemented to enhance the performance of public financial management systems.

A Budget Strategy Paper containing the principles to guide the whole budget cycle, broad fiscal parameters, key government strategies, priorities and policies for the management of public revenues and expenditures is being developed. The automation of the tax system, human resource management reforms in the tax machinery and institutionalization of evidence-led tax policy will further improve revenue collection.

The Government of Sindh has moved towards substantial reforms under debt restructuring; tax reforms; expenditure management reforms as well as sector and regulatory reforms. These reforms helped in creating the fiscal space, which in turn was used for providing higher allocations for poverty-reducing sectors including the ADP.

## **Khyber Pakhtunkhwa**

The Government of Khyber Pakhtunkhwa (GoKP) has formulated specific strategies and action plans to improve governance and efficient service delivery. The most robust one is the Chief Minister Good Governance Strategy which has been launched in March 2019 having five pillars i.e. open government and transparency, public services delivery, citizen participation, accountability and innovation & technology. A total of 205 performance indicators have been identified in various sectors aimed at improving the service delivery of government while simultaneously gauging the performance of various government office holders.

The Government has shown a strong commitment to Public Financial Management (PFM) reforms as part of its efforts to increase and make better use of the province's resources to further improve the welfare of the population. Based on the tax assignments under the 7<sup>th</sup> NFC Award and the 18<sup>th</sup> Amendment, KP has introduced tax reforms with encouraging results. The province has established the KP Revenue Authority to collect the General Sales Tax (GST), which has become the largest contributor to its own source of tax revenue. A development project titled "Khyber Pakhtunkhwa Revenue Mobilization and Public Resource Management Program (Technical Assistance) at a total cost of Rs.2.83 billion with the financial support World Bank has been initiated.

Under the good governance strategy, an attempt will be made to ensure public service delivery through the implementation of regulatory functions, smart management for improved performance and technology-driven services delivery. Other reforms initiatives which will facilitate citizens for effective and timely services delivery include KP Inspections App; M-Fard App (e-Citizen App); KP Citizen Portal App; Integrated Performance Management System; Efficiency Tracking System; District Performance Management Framework Application; Domicile Management System; Revenue Case Tracking System; Department Performance Management Framework Application and Reforms Tracking System and E-Planner App.

## **Balochistan**

Planning Commission in collaboration with the Government of Balochistan launched a project titled "Post-Flood 2022 Reconstruction Program: Resilience Enhancement and Livelihood Diversification in Balochistan" which was approved by the ECNEC at a total cost of Rs. 88 Billion (US\$ 400 million) for creating more job opportunities for youth and re-construction / rehabilitation of Balochistan flood-affected areas. The key objectives of the project are:

- i. Reconstruction and rehabilitation of provincial and local roads.
- ii. Restoration of flood protection, irrigation, drainage water supply and sanitation infrastructure.
- iii. Restoration of health, education and other community facilities
- iv. Establishment of Hydro-meteorological Early Warning System in Balochistan
- v. Resilient housing reconstruction (including solar panels)
- vi. Livestock restocking, vaccination and related livestock and aquaculture infrastructure
- vii. Cash compensation & horticulture support for farmers
- viii. High-value climate-smart agriculture/ & agri value chain development
- ix. Youth internships for 6 Months (10,000 Interns)

## **Sectoral Plan / Strategy for 2023-24**

Governance is perhaps the single most important factor in ensuring the objectives of effective service delivery. The present government is committed to ensure the effective delivery of public service. The plan framework will lay emphasis, particularly on improving the performance of all sectors of the economy in an open, transparent and accountable governance system resulting in minimum space for mal-administration by building inclusive institutions. A progressive regulatory and legal policy framework for smooth and sustainable economic development and effective implementation of government policies would be the main theme of the Plan.

The legal and regulatory institutions will be further strengthened to protect public interests through formulation and application of the rules and regulations, democratic accountability, consistent and coordinated regulation, transparency and predictability, and implementation of performance contracts at all levels. Civil service reforms and government restructuring will be introduced on the recommendations of task forces constituted by the Prime Minister. PPP Authority will be strengthened for the effective implementation of PPP projects in the infrastructure sector. Tax reforms will be implemented through a sustainable increase in revenues and reduce tax expenditure by broadening the tax base and modernizing the FBR with advanced ICT-based operations under its Transformation Roadmap. The existing procedures and rules of public financial management will be reviewed and updated in accordance with international standards. Planning Commission will be strengthened and development procedures will be simplified.

The Auditor General Office, FIA and other federal and provincial anti-corruption institutions will be strengthened through capacity building and financial and administrative autonomy. Steps will be undertaken for public participation and involvement of civil society, especially voluntary organizations in policy formulation and implementation. The key gaps in the economic and social statistics, including the quality and coverage of management information systems, national accounts, poverty estimation, monitoring and analysis, and district/sub-district data will be addressed

systematically. The capacity of institutions responsible for monitoring and evaluation of development projects will be strengthened.

E-governance will remain the special focus of the reforms for the effective delivery of public services. Governance mechanisms among federal and provincial levels for coordination of collective measures will be strengthened to manage emergent crises including pandemics. Border control measures to reduce illegal border crossings as well as the flow of immigrants will be strengthened. The programmes which are already under implementation at federal and provincial levels will be continued during the upcoming FY and new projects for strengthening institutions will be initiated.

### **Financial Outlay 2023-24**

An amount of Rs.14.7 billion including foreign aid of Rs. 1.0 billion has been proposed for the governance sector in 2023-24. The allocation indicates an increase of 5.8% over the last year's allocations. To accomplish the reform agenda, the investment will be made in activities relating to innovation, capacity building, performance management, service delivery, justice sector, police, research, reforms in the civil service and public sector including regulatory framework and statistics during 2023-24.



## 21. BALANCED DEVELOPMENT – FOCUS ON LESS DEVELOPED REGIONS

Reduction in regional development disparities is a pre-requisite, to ensure sustainable economic growth. It envisages equitable allocation of resources among all regions, including both developed and less developed parts of the country. In achieving the objective of balanced development, efficient public sector infrastructure can facilitate, through the commercialization of economies of less developed regions. In Pakistan, socio-economic disparities exist not only among different regions of the country but also in different districts of the same region. Azad Jammu & Kashmir (AJK), Gilgit Baltistan (GB) and Merged districts of KP as special areas, have been categorized as Less Developed Special Regions.

The Government of Pakistan has been facilitating various development programmes in collaboration with special areas governments to ensure equitable economic growth in these areas. As area specific plans, based on local potential are required to cater for area-specific needs/requirements. Therefore, the federal government is providing special funds in the form of block allocations for special areas and a Ten-Year Development Plan (TYDP) has also been implemented for Merged Districts of KP i.e. erstwhile FATA to mainstream this region. The first three-year phase of the Accelerated Implementation Programme (AIP) has been completed and the second phase (AIP-II) is underway. Moreover, special areas especially GB and AJK have huge potential for tourism which can play a pivotal role in the economic development of these regions.

### **Performance Review 2022-23**

During the period under review, efforts have been made by the federal government in collaboration with special areas governments to achieve desired developmental targets in Special Areas. Financial & physical progress during 2022-23 is given below:

#### **Financial Progress**

During the 2022-23, an amount of Rs. 107.25 billion was allocated for Less Developed Special Areas. Out of the total allocation, an amount of Rs. 77.25 billion was earmarked for three Special Areas as block allocation and federally funded projects. Rs. 30 billion were set aside for merged districts-AIP (10-year development programme). Out of the total allocation, Rs. 73.0 billion has been utilized up to May 2023.

**Table 21.1: Agency/Division-wise Allocations for 2022-23**

(Rs. In Billion)

Agency/ Ministry/Division	Allocation	Authorization	Percent Authorized
Azad Jammu & Kashmir	29.45	22.30	75.72
Gilgit Baltistan	24.60	17.65	71.70
Merged Districts of KP	23.20	33.05	62.00
Merged Districts 10-year development plan	30.00		
<b>Total</b>	<b>107.25</b>	<b>73.0</b>	<b>68.00</b>

### Sectoral Performance Overview 2022-23

During the period under review, funds provided to special areas by the federal government were utilized in multiple sectors, i.e. infrastructure, education, health, food security, industries & production, information technology, natural resources, science & technology, etc. as per the priorities of the area government. Funds have been allocated for ongoing & new schemes as per details given in the Table 21.2:

**Table 21.2: Funds Allocated for ongoing & new schemes (recheck title)**

Region	Ongoing		New		Total	
	Schemes	Percent Allocation	Schemes	Percent Allocation	Schemes	Percent Allocation
AJ&K	389	62	263	38	652	100
GB	1386	83	288	17	1674	100
NMD-ADP	305	87	45	13	350	100
NMD-AIP	268	72	106	28	374	100

### Azad Jammu & Kashmir (AJ&K)

During 2022-23, In AJ&K, 177 development projects are planned for completion by the end of the FY. The Communication & Works sector remained major recipient of financial resources i.e. 42% followed by PP&H 11%, LG&RD 10%, Power 8%, Education 7%, and Health 6%, while the remaining 16% resources are allocated for other sectors. As per physical achievements against the allocation of major sectors, include 15 KM double lane/major roads, 250 KM link road, 225 Km rural roads 1,373-meter bridges and 16 Km irrigation channels. In the power sector, 21,000 consumers were provided electricity connections, 230 transformers were installed and 01 grid station was constructed.



In the education sector, 18 educational buildings have been constructed/upgraded, 300 Early Childhood Education (ECE) rooms were established in schools, 50 schools were provided missing facilities, 02 government technology colleges, 01 IT excellence center has been constructed and skills development training have been imparted to 550 individuals under various trades. Moreover, 153 mini sports grounds, 3 tourist sites and 1 museum has been established. In the agriculture sector, 10,000 bags of certified seeds were distributed among farmers, vegetable research trials were carried out at 50 Kanal land and a forestry plantation was made at 14,000 acres of land.

### **Gilgit Baltistan (GB)**

During 2022-23, the Power sector remained the major recipient of development funds followed by education, health, transport & communication. agriculture, home & police, tourism and social welfare etc. In the transport & communication sector, 190 KM metaling of roads were completed, 410 KM shingle roads and 58 bridges of various types were constructed. 7 water purification plants were installed, water supply pipelines to provide benefit to 1 million people are underway. In the Power sector, various hydel power projects are under construction and are expected to be completed by the end of 2022-23. In the sports & tourism sector, 7 indoor sports facilities and 9 sports grounds were constructed. Moreover, 1 tourist information center was constructed at Chilas, Diamer and capacity-building training was imparted to youth.

In the education sector, 49 new development schemes were included in ADP 2022-23, 6 IT labs were upgraded and capacity-building trainings were provided to 190 faculty members at the college level. In the IT sector, GB E-Rozgar scheme is underway to provide soft loans for IT start-ups. In the agriculture sector, 1.2 million fruit trees were planted, and 13,400 bags of certified seeds were provided to farmers. In the social welfare sector, 2000 women were provided skills development trainings in various fields, and 750 Persons with disabilities were provided with Assistive devices. In the mining sector, 100 Nos of youth (Male & Female) of GB have been provided training in Gemstone cutting and polishing for the value addition of Gemstones. Furthermore, 18 incinerators were installed in all public sector hospitals along with the provision of primary, secondary and tertiary collection systems.

### **Newly Merged Districts of KP**

During 2022-23 under Merged Districts ADP, 92 schemes are planned for completion by the end of CFY out of total 724 schemes. During the year, the roads/communication remained one of the key sectors with allocation of 22% followed by Education 11%, Health sector 9%, Multi-sectoral development 9%, Water sector 7%, Sports/Tourism 4% and Urban Development 4%. However, progress on these schemes during the current financial year was affected due to funds constraints, especially under AIP. As per sector-wise physical achievements, in the water management and irrigation sector, 90% of the construction work of Bajur Dam has been completed, 188 irrigation channels were

constructed, 2,941 acres of command area developed, 19,500 feet protection walls were constructed to protect farmlands from flooding. Monitoring & Evaluation setup has been extended to the district level in KP and merged areas. Further, economic development and district development plans have also been formulated.

In the education sector, the education infrastructure has been improved including the construction of 06 science labs, the provision of equipment for 82 IT labs and a solarization facility for 266 schools. In the social welfare sector, 9 child protection units, 5 special education schools, 2 drug addict centers, 2 Panagahs and 25 women facilitation centers were established. Leading Social Welfare programmes in merged areas include the Benazir Income Support Program (BISP), and the Ehsaas Program. In the public health engineering sector, 93 drinking water supply schemes (DWSSs) were constructed, 09 DWSSs were rehabilitated and 50 DWSSs were solarized. Under the home and tribal affairs sector, 10 police stations, 07 police posts, 03 CTD offices, and 03 DPO offices were constructed. In the roads sector under AIP-I, 224 km of all types of roads have been constructed/rehabilitated. In Agriculture & Livestock sector, 341 farmers were trained and 60 conventional poultry forms were established.

#### ***Accelerated Implementation Program (AIP)-II***

*TYDP has been divided into three phases, the first phase has been completed as AIP-I and the second three-year phase of the programme has been initiated. The AIP-II aims to bring about transformational change in the Merged areas of Khyber Pakhtunkhwa by 2025. The programme comprises 374 projects at a cost of PKR 471 billion, reflecting the needs and priorities of local administration. It focuses on improving service delivery, expanding public infrastructure, and strengthening institutional development in the merged areas. It prioritizes sectors such as education, health, and energy, as well as social protection, economic growth, and good governance. In addition to traditional projects, AIP II will also emphasize on Public-Private Partnerships (PPPs) and District Development Packages.*

## **Outlook 2023-24**

During 2023-24, the interventions will be focused to address the issue of deprivation and mainstreaming of people of less developed areas. Special areas programmes are in line with federal government efforts to ensure maximum decentralization of administrative & financial powers for special areas. The government of AJ&K intend to embark upon a strategy for accelerating economic growth through optimum utilization of natural/local resources, like water, minerals, hydro-power, human resource and tourism etc. Gilgit Baltistan's main development focus will be improving regional hydel and renewable energy in line with national policy to tap hydel power potential. Moreover, the tourism sector will be given top priority. To ensure the dissemination of development activities benefits in merged districts, quick impact projects have been identified and will be given priority. Maximum allocation will be provided to ongoing projects that are at a fairly advanced stage of implementation.

## Programs 2023-24

Table 21.3. Area-wise Allocations for 2023-24

(Rs. In Billion)

Special Area	Allocation 2023-24
Azad Jammu & Kashmir (Block Allocation)	30.0
Gilgit Baltistan (Block Allocation)	20.5
Newly Merged Areas of KP (Block Allocation)	26.0
Merged Districts 10-year development Plan	31.0
<b>Total (Special Areas)</b>	<b>107.5</b>

## Key Interventions / Programs 2023-24

### Azad Jammu & Kashmir

In AJ&K-ADP sectoral targets under major sectors during next year are summarized as follows:

- i. The Government of AJ&K has identified seven key sectors with immediate economic potentials including; (1) Human Resource Development for Manpower Export, (2) Transport and Communication, (3) Hydropower, (4) Tourism, (5) SMEs, (6) Minerals and (7) Rural Agriculture Development.
- ii. In the infrastructure sector, the construction of 230 km of rural roads, 19 km double lane and 480 km of link roads will be completed during the plan period.
- iii. 229 buildings of educational institutions will be upgraded and 1 educational complex has also been planned.
- iv. Electricity connections will be provided to 20,000 consumers, 204 transformers will be installed, 01 grid station will be constructed and Hydel power generation of 07 MW has been targeted for next year.
- v. Skill trainings in various disciplines will be imparted to 1500 individuals, 01 IT excellence Centre will be constructed.
- vi. Credit assistance will be provided to 18,000 entrepreneurs and in agriculture sector, 17,000 bags of certified seeds will be provided for agricultural inputs in order to increase productivity.
- vii. For the development of tourism at potential sites, 10 tourist sites are planned.
- viii. 03 sports stadiums and 102 mini-sports grounds will be constructed.

### Gilgit Baltistan

In GB, the following development activities have been planned under major sectors during 2023-24.

- i. In the power sector, 142 MW capacity of PSDP power projects will be completed and the completion of 91 MW capacity schemes included in the GB ADP. In the roads sector, various regional roads will be constructed/ rehabilitated.

- ii. In the education sector, cadet colleges for both boys and girls will be established in Gilgit and Ghizer, 20 IT hubs planned in all tehsils of GB. Further, teachers training centers will be established in all the districts of GB.
- iii. In the health sector, diagnostic centers will be established in all 20 tehsils, health insurance card will be provided to 100% population. On the basis of healthcare card, online clinical linkages will be established with leading health centers.
- iv. In the tourism sector, winter sports facilities will be established across GB, small loans will be provided for homestay infrastructure in GB.
- v. In the minerals and industries sector, small and medium-level regional-level cottages, gems, agro and other industries will be established.
- vi. In the environment sector, the sewerage system in all 10 district HQs will be completed.

### **Newly Merged Districts of KP**

In Newly Merged Districts of KP, major schemes/projects under ADP/AIP are as follows:

- i. In the education sector, 104 schools will be constructed and 149 schools will be rehabilitated. Construction of 124 science labs and 82 examination halls is also planned. Further, 834 schools will be solarized and 100 IT labs will be provided necessary equipment.
- ii. In the relief & rehabilitation sector, the establishment of Rescue-1122 and its operationalization in all the Merged Districts has been planned, compensation will be provided to 30,567 damaged houses/ business loss compensation and work on 11 rescue substations will be completed.
- iii. In the social welfare sector, 9 child protection units, 5 special education schools, 2 drug addict centers and 25 women facilitation centers will be established.
- iv. In the water management and irrigation sector, 2 dams, 482 irrigation channels and 42,000 feet of protective wall will be constructed. A command area of 14,503 acres will be developed.
- v. In the agriculture and livestock sector, 30 agricultural tube wells will be installed, and 120 agricultural tube wells will be shifted on solar energy. 6,000 acres of wasteland will be converted into arable land.
- vi. In the local government and rural development sector, 72 link roads and 211 drinking water supply schemes (DWSS) will be constructed.
- vii. In-home and tribal affairs, 13 police stations, 04 police posts, 01 CTD office and 02 police lines will be constructed with the view to improve law & order conditions.
- viii. Construction and rehabilitation of sports facilities & holding of sports, culture and youth activities in all the merged districts will be undertaken.
- ix. Construction of 132 KV Grid Stations at Kurram & Orakzai and rehabilitation of power infrastructure is also planned.
- x. Construction of mega roads i.e. Mamad Gat- Timergara, Tani Gull Kuch & Thall-Mirali has been planned.
- xi. Development spending in the Newly Merged Tribal Districts will be given special priority, given the need to accelerate development spending within these areas.

## 22. CLIMATE CHANGE AND ENVIRONMENT

Currently, Pakistan is confronted with a multitude of significant environmental challenges that pose a threat to the well-being, welfare, and long-term economic progress of its populace. Pakistan is facing deforestation, and the degradation of ecosystems have resulted in a range of adverse effects, such as the proliferation of airborne and waterborne diseases, diminished agricultural output, biodiversity loss, and the occurrence of climate-related disasters.

The susceptibility of Pakistan to climate change was highlighted by the occurrence of flash floods in 2022, which had a profound and detrimental effect on the country's economy. The resulting economic losses amounted to PKR 3.2 trillion (equivalent to US\$14.9 billion), as reported in the Pakistan Floods 2022: Post-Disaster Needs Assessment. Notably, it is worth emphasizing that Pakistan's contribution to global greenhouse gas emissions is less than one%. (Pakistan Country Climate and Development Report, 2022). In addition to this, the country faced an unprecedented heatwave, with temperatures in Jacobabad and Sindh reaching a record-breaking 49°C in April 2022. The importance of implementing effective strategies for climate change mitigation and adaptation is evident, and the Annual Plan for the period 2023-24 recognizes this imperative. It endeavors to tackle this requirement by introducing initiatives that foster sustainable development, curtail greenhouse gas emissions, and enhance the capacity of communities and ecosystems to withstand climate-related hazards.

The Government of Pakistan has made a firm commitment to tackle these environmental challenges and foster sustainable development. This dedication is reflected in the implementation of policies and programmes outlined in the Pakistan Vision 2025 and previous annual plans, which serve as guiding frameworks for achieving these objectives.

By addressing the environmental challenges, the Government aims to improve the health and well-being of its people, strengthen the country's resilience to climate change, and support sustainable development for future generations.

### **Performance Review 2022-23**

In order to ensure optimal sector efficiency and effectiveness, it is crucial to conduct periodic performance reviews of related departments and projects. This comprehensive evaluation aims to assess the accomplishments, strengths, and areas for improvement. Streamline operations, and enhance overall productivity has been identified as opportunities for growth. In this section, we delve into the performance review of different divisions, providing valuable insights into their contributions and highlighting key findings to facilitate informed decision-making and strategic planning.

## Ministry of Climate Change

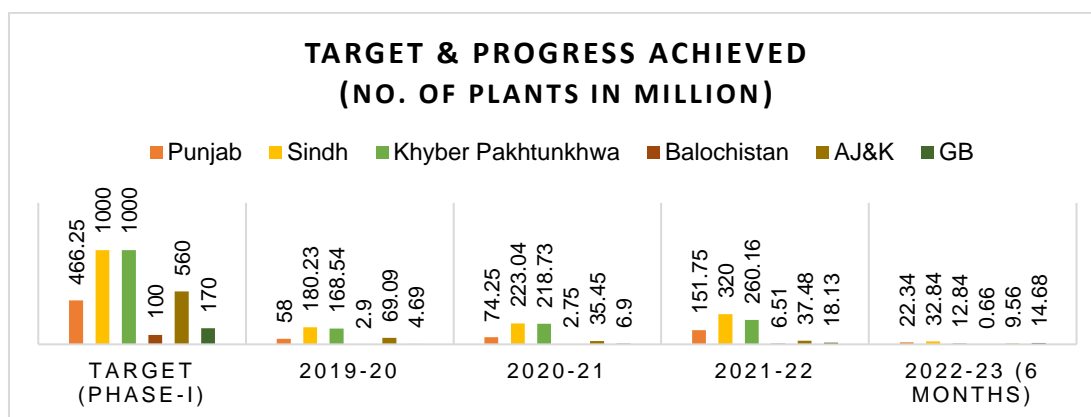
Under the PSDP 2022-2023, the Ministry of Climate Change was allocated Rs. 9,500 million, which was slightly less than the revised allocation of Rs. 9,579.433 in the previous fiscal year. Out of the total allocation, Rs. 9,458 million were allocated to the project “Upscaling of Green Pakistan Programme (Revised)”. The objective of this project is to foster environmental resilience in Pakistan through the execution of ecologically focused endeavours, including afforestation, preservation of biodiversity, and policy revisions that align with the SDG 15, the Climate Change Policy 2021, and Nationally Determined Contributions.

Table 22.1 and Figure 22.1 present a comprehensive overview of the accomplishments attained by the Phase-I of the Upscaling of Green Pakistan Programme (Revised)/TBTP. It highlights the targets successfully achieved by the initiative, showcasing the tangible outcomes in a structured format for easy reference and analysis.

**Table 22.1 Province-wise Physical Progress of Forestry Component TBTP  
(No. of plants in million)**

#	Province/ Territory	Total Plantation / Regeneration Targets as per PC-I (Phase – I)	Fiscal Year-wise Physical Progress				Total Progress	Percent Achiev e-ment
			2019-20	2020-21	2021-22	2022-23 (till December 2022)		
1	Punjab	466.25	58.00	74.25	151.75	22.34	306.34	65.7
2	Sindh	1000	180.23	223.04	320.00	32.84	756.11	75.6
3	Khyber Pakhtunkhwa	1000	168.54	218.73	260.16	12.84	660.27	66.0
4	Balochistan	100	2.90	2.75	6.51	0.66	12.82	12.8
5	AJ&K	560	69.09	35.45	37.48	9.56	151.57	27.0
6	GB	170	4.69	6.90	18.13	14.68	44.40	26.1
<b>Total</b>		<b>3,296.25</b>	<b>483.45</b>	<b>561.11</b>	<b>794.04</b>	<b>92.92</b>	<b>1931.52</b>	<b>58.6</b>

**Figure 22.1: Plantation progress against target**



The ongoing climate-related initiatives encompass various endeavors, including the implementation of Capacity Building on Water Quality Monitoring and SDG-6 reporting, with a designated allocation of Rs. 23 million. The primary objective of this initiative is

to augment water quality management through the establishment and maintenance of water quality management laboratories at both national and regional levels. These laboratories consist of 36 district labs in Punjab, 7 divisional labs in KP, and one lab in PCRWR. Moreover, the project strives to enhance capacity building in water policy and lab operations, foster knowledge and experience sharing with the Korean Government, and bolster coordination between the Ministry of Climate Change (MoCC) and provincial governments. Another ongoing endeavor is the Climate Resilient Urban Human Settlements Unit, which has received a funding of Rs. 19 million.

### Aviation Division (Pakistan Meteorological Department)

In PSDP 2022-23, Rs. 25 million was allocated for the Installation of a Weather Surveillance Radar at Multan. The revised project has been approved by the CDWP with cost of Rs. 6188.759 million, out of which the total cumulative expenditure up to June 2023 is estimated to be Rs. 49.176 million. The purpose of this project is to establish a Weather Surveillance Radar for issuing flood forecasting and warnings in Multan and the South Punjab Region. The significance of this project has been emphasized after the devastation of the 2022 floods in the region. Another similar scheme, the Installation of a Weather Surveillance Radar at Sukkur, was allocated Rs. 10 million. This project had a total approved cost of Rs. 2,522 million, out of which the total estimated cumulative expenditure up to June 2023 is Rs. 24.192 million. Additionally, a new scheme has been approved titled as “Establishment of a New Meteorological Observatory at Naran and Hostel for Operational Staff at Balakot”, with total cost of Rs. 265.50. Table 22.2 summarizes the schemes of the Pakistan Meteorological Department (Aviation Division) in 2022-23.

**Table 22.2: Schemes of Pakistan Meteorological Department during 2022-23**  
(Rs. million)

S. No	Project Title	Core Objective	Relationship with Climate	Approved Cost	Allocation in PSDP FY 2022 – 2023	Performance Review FY 2022 – 2023
1.	Installation of Weather Surveillance Radar at Multan in the Islamic Republic of Pakistan	Establishment of a Weather Surveillance Radar for issuing flood forecasting/ warnings at Multan & South Punjab Region.	Mitigation of Damages due to natural disasters	6188.759	25.000	The completion of PSDP component i.e., construction of office and residential infrastructure is in progress.
2.	Installation of Weather Surveillance Radar at Sukkur in the Islamic Republic of Pakistan.	Establishment of a Weather Surveillance Radar for issuing flood forecasting and weather warnings to the	Mitigation of Damages due to natural disasters	2,522.000	10.000	The completion of PSDP component i.e., procurement of Automated

		resident of Sukkur and surrounding areas.				Weather Stations is in progress.
3.	Establishment of new Meteorological Observatory at Naran and Hostel for Operational Staff at Balakot	Construction of new Meteorological Observatory at Naran and Hostel for operational staff at Balakot	Mitigation of Damages due to natural disasters	265.500	5.000	

(Source: Ministry of Aviation)

### Climate Adaptation and Resilience for South Asia (CARE)

Climate Adaptation and Resilience for South Asia is a World Bank (WB) funded project for the years 2020-25 to contribute towards an enabling environment for climate resilience policies and investments in selected sectors and countries in South Asia. The three components of the project are 1) Promoting Evidence-based Climate Smart Decision Making; 2) Enhancing Policies, Standards and Capacities; 3) Project Management. The focus area of the project is 1) Climate Smart Agriculture; 2) Integrated Water Resource Management; 3) Resilient Infrastructure. The project is being implemented by two regional organizations namely the Asian Disaster Preparedness Center (ADPC), and the Regional Integrated Multi-Hazard Early Warning System for Africa and Asia (RIMES).

During 2022-23, the Government of Pakistan has effectively communicated a set of significant priorities to numerous donors and international partners. These priorities have been established as focal points for ongoing endeavors and are currently being diligently pursued.

#### **ADPC**

The Asian Disaster Preparedness Center (ADPC) has been a valued source of funding and support for various initiatives in Pakistan. ADPC's contributions have been instrumental in strengthening disaster preparedness, response, and recovery efforts across the country. Through their financial assistance and expertise, ADPC has helped advance resilience-building initiatives, capacity development programmes, and risk reduction projects in Pakistan. Their funding has played a crucial role in enhancing the country's ability to mitigate the impact of disasters and promote sustainable development. The collaboration between ADPC and Pakistan has fostered a productive partnership in addressing the challenges posed by natural disasters and building a safer and more resilient future.

- i. Accreditation of MoPDSI with GCF for large projects category which is greater than US\$ 250 million



- ii. Accreditation of Capital Development Authority (CDA) with GCF for large projects category which is greater than US\$ 250 million
- iii. Approval of 02 projects related to the water sector from GCF worth US\$ 50 million each
- iv. Approval of 02 projects related to the agriculture sector from GCF worth US\$ 50 million each
- v. Roadmap for Pakistan from Climate Vulnerable Country to Climate Resilient Country based on validated best climate change transition framework for intervention at niche, socio-technical regime and existing landscape

### ***RIMES***

Development and refinement of a Decision Support System (DSS) prototype by the Regional Integrated Multi-Hazard Early Warning System for Africa and Asia (RIMES) under the Climate Adaptation and Resilience (CARE) Project to enhance MoPDSI's climate-related decision-making capabilities. The outcome of the project shall be the development of Artificial Intelligence based DDS to help the planning process of Agriculture and Water at provincial and federal levels.

### ***GIZ funded project***

Climate Risk Profile & Agriculture Assessment in Pakistan is a Deutsche Gesellschaft für International Zusammenarbeit (GIZ) GmbH-funded project having a time duration of January 01 to June 30, 2022, with a Technical Assistance (TA) budget of Euro 200,000/-. The objective of the project was an in-depth need assessment of climate risks in Pakistan to identify the likelihood of extreme weather events in key sectors (agriculture, water, and health) and the cost-effectiveness and suitability of adaptation strategies which can be used by relevant authorities.

In 2022-23, the report on Country Climate Risk Profile for Pakistan will be published which provides an overview of project climate parameters and related impacts on different sectors in Pakistan until 2080 under different climate change scenarios.

Additionally, revisions in another report, Climate Smart Agriculture Investment Plan, Punjab and Khyber Pakhtunkhwa will also be finalized.

### **International Funding Opportunities**

Preparation of the draft for Climate Proofed Project Development Manual and User Handbook to ensure that the Ministry of PD&SI undertakes Climate Responsive Public Investment screening through the climate-proofing of PC-I to PC-V proformas is also underway. The anticipated result of the project is to establish Pakistan's eligibility to access international green climate funding, which is specifically allocated to support the development efforts of developing countries. This targeted intervention will facilitate the availability of government funding that can be traced and accounted for within the development portfolio.

## **Outlook 2023-24**

### **Sectoral Objectives**

Paving the path towards sustainability and resilience, the following objectives are set:

- i. **Green finance:** Develop and implement policies and initiatives to promote green finance, including sustainable investments and green bonds, to mobilize private sector investment towards sustainable development and climate action.
- ii. **Environmental governance:** Develop and implement policies and initiatives to improve environmental governance, including strengthening institutions, promoting stakeholder engagements and ensuring transparency and accountability, to promote sustainable development and protect the environment.
- iii. **Climate adaptation:** Develop and implement policies and strategies to help communities and ecosystems to adapt to the impacts of climate change, including sea level rise, extreme weather events, and changing weather patterns to reduce vulnerability and building resilience.
- iv. **Sustainable agriculture:** Develop and implement policies and initiatives to promote sustainable agriculture practices, including agroforestry, organic farming, and soil conservation, with the goal of reducing environmental degradation, improving food security, and promoting sustainable livelihoods.
- v. **Sustainable transport:** Develop and implement policies and initiatives to promote sustainable transport options, such as public transportation, cycling, and walking, to reduce greenhouse gas emissions and improve air quality.
- vi. **Waste management:** Develop and implement policies and strategies to improve waste management practices, including waste reduction, recycling and proper disposal, to reduce environmental pollution and promote a circular economy.
- vii. **Biodiversity conservation:** Develop and implement policies and initiatives to conserve and protect the country's biodiversity, including its ecosystems, wildlife, and natural resources, with the goal of promoting sustainable development and preserving natural heritage.
- viii. **Energy transition:** Develop and implement policies and strategies for transition of country's energy system towards renewable energy sources to reduce greenhouse gas emissions and increase energy security.

## **Programmes 2023-24**

### **Ministry of Climate Change**

In the fiscal year 2023-24, the Ministry of Climate Change has proposed allocations for ongoing and a new scheme. For the ongoing scheme, Capacity Building on Water Quality Monitoring and SDG 6 (6.1) Reporting, a budget of Rs. 26.5 million has been allocated.

Furthermore, extensions of two projects have been granted for a period of one year. The first is the Upscaling of Green Pakistan Programme (Revised) with allocation of Rs. 3,902.55 million. The second is the Climate Resilient Urban Human Settlements Unit project with a proposed allocation of Rs. 20.95 million.

Additionally, the Ministry of Climate Change has approved one new scheme titled as “Pakistan Biosafety Clearing House for GMO Regulation in Pakistan” with a total cost of Rs. 200 million and allocation of Rs. 100 million for 2023-24.

### **Aviation Division**

In 2023-24, the proposed allocation for ongoing projects includes Rs. 32 million for the Installation of a Weather Surveillance Radar at Multan, Rs 28 million for the Installation of a Weather Surveillance Radar at Sukkur, Rs. 50 million for Establishment of new Meteorological Observatory at Naran and Hostel for Operational Staff at Balakot.



## 23. SPECIAL INITIATIVES

The priorities of the Federal Government have evolved with a focus on balanced development to minimise vast differences among the federating units in terms of development and growth. To address ongoing challenges like Floods, natural calamities, development of less developed districts of the country and to provide opportunities to youth, Planning Commission/ MoPD&SI has introduced the following initiatives:

### **Floods/Disaster Management**

Pakistan ranks among the top 10 countries worldwide most affected by the Climate Change, thus, adversely affecting economic development. Over the last two decades, occurrence of natural disasters has increased significantly caused mainly by changing weather patterns, variations in precipitation and temperatures, increased frequency and severity of tropical storms, glacial melt and droughts causing loss of biodiversity, desertification, and flooding. The coastal belts of Balochistan and Sindh have experienced increased frequency and severity of tropical storms, coastal rains, and seawater intrusion whereas, plains of Punjab, Sindh and Southern Balochistan have experienced frequent riverine floods and heatwaves.

In June-August 2022, torrential rains and a combination of riverine and flash flooding led to an unprecedented natural disaster in Pakistan. According to the National Disaster Management Authority (NDMA), around 33 million people were affected by the floods, including nearly 8 million people displaced across 94 districts of Sindh, Balochistan, Khyber Pakhtunkhwa, Punjab, Gilgit Baltistan and Azad Jammu and Kashmir. Floods 2022 claimed over 1,700 lives, destroyed millions of houses, damaged social and physical infrastructure while submerging entire villages; in particular, Sindh and Balochistan were hit the hardest.

The floods have had great humanitarian toll as it displaced millions of people, destroyed houses, and pushed around 9 million people into poverty as it inundated agricultural lands, swiped crops, and perished livestock. The direct and indirect damage caused by the floods has been worked as \$ 30 Billion and with the macroeconomic impact of around 2% of the GDP in 2022-23.

### **Impact Assessment of Floods (Post Disaster Needs Assessment-PDNA)**

To robustly and methodically assess the devastating impacts of floods on lives and livelihoods of people, Ministry of Planning, Development and Special Initiatives (MoPDSI) in collaboration with the Provincial Governments, Federal Ministries/Divisions and Development Partners completed Post Disaster Need

Assessment (PDNA).<sup>9</sup> PDNA was comprehensive exercise covering assessment of damage, loss and needs in 17 major sectors of the economy including health, agriculture, industries, infrastructure, transport etc., across 94 calamity-hit districts of Pakistan<sup>10</sup>.

<b>Sectors</b>	<b>Coverage</b>
<b>Social</b>	Housing; Health; Education; Culture and Heritage.
<b>Infrastructure</b>	Transport and Communications; Energy; Water, Sanitation, and Hygiene (WASH), Municipal Services, and Community Infrastructure.
<b>Productive</b>	Agriculture, Food, Livestock, and Fisheries; Water Resources and Irrigation; Commerce and Industries; Finance and Markets; and Tourism.
<b>Cross-cutting</b>	Governance; Social Sustainability, Inclusion, and Gender; Social Protection, Livelihoods, and Jobs; Environment and Climate Change; Disaster Risk Reduction and Resilience.

PDNA estimates suggest that total damage and loss to the economy resulting from Floods-2022 amount to \$ 30.14 billion including damage to social and physical infrastructure, private and public assets and resulting loss of output. Geographically, the extent of damage has been greatest in Sindh (\$ 20.4 billion) followed by Balochistan (\$ 4.1 billion), KPK (\$ 1.6 billion) and Punjab (\$ 1 billion). This is not surprising as the rains lashed out Sindh and Southern Balochistan the hardest leading to flash floods and severe inundation in Sindh and Southern Balochistan. 70% (24 out of 29 districts) of Sindh and 33 districts in Balochistan were declared calamity-hit by the

NDMA were badly affected by the rain, flash-flooding and inundation. The total impact of floods was less severe in KP and Punjab. In KP floods affected 17 districts but the damage and loss as well as humanitarian impact was rather less severe as opposed to Punjab where, floods were limited only to its southern districts (DG Khan, Rajanpur and Mianwali) but the impact in the effected districts was severe in terms of damage and loss. Finally, cross-provincial damage and loss quantify impact of floods on the national

<b>Province/Region</b>	<b>Damages &amp; Losses</b>	<b>Needs</b>
Balochistan	4,141	2,286
Khyber Pakhtunkhwa	1,593	780
Punjab	1,081	746
Sindh	20,444	7,860
Cross-Provincial	2,798	4,540
Special Regions	81	48
<b>Grand Total</b>	<b>30,139</b>	<b>16,261</b>

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<sup>9</sup> PDNA is a globally recognized, comprehensive and data-driven framework for assessment of damage, loss and needs after the occurrence of natural or man-made disaster to inform resilient recovery and reconstruction planning.

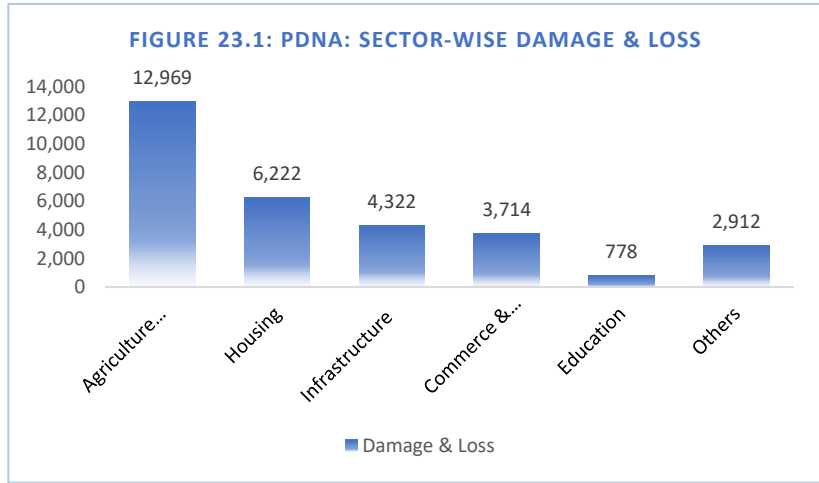
<sup>10</sup> For the complete list of calamity-hit districts, refer to the PDNA Main Report 2022.

<sup>11</sup> For methodological coherence, 17 sectors were classified into 4 major sectors: social, infrastructure, productive and cross-cutting.

public infrastructure, which mainly, includes railways, national highways and motorways and telecommunication infrastructure. Heavy rains and resulting floods severely damaged highways (road sections) and overpass bridges in Sindh and KPK, respectively, whereas inundation partially damaged railways lines in Sindh and Southern Balochistan. Total of 8000 km of road network were 3000 km of railways lines were either partially or completely damaged among others leading to total loss of \$ 2.8 billion to key public infrastructure across Pakistan<sup>12</sup>.

The resulting “needs” for climate resilient recovery and reconstruction across four provinces and special regions have been worked to be \$16.2 billion over next three years. Recovery and reconstruction needs correspond with the total damage and loss incurred across various sectors and region. PDNA has identified Sindh to have highest needs (\$ 7.8 billion) followed by Balochistan (\$ 2.2 billion), KPK (\$ 780 million) and Punjab (\$746 million). Furthermore, Considering the dominant role road and rail network play in transportation system of Pakistan and severe damage suffered owing to floods, a considerable portion of reconstruction needs (\$5.4 billion) have been allocated for its climate resilient repair, recovery, and reconstruction.

Of 17 sectors in PDNA, Agriculture sector has suffered the greatest damage and loss to output (around \$13 billion). Perishing of 1 million livestock, complete destruction of majority of kharif crops in Sindh and Southern Balochistan, and delayed sowing of rabi crops owing to inundation has contributed towards agriculture sector recording the greatest loss.



Within the broader Infrastructure sector, which includes transport and communications, energy and municipal services, roads, railways and bridges have been impacted by the floods the greatest. Estimates

suggest that around 8000 km of roads, 3000 km of railway lines and 347 bridges have either been affected to varying degrees leading to the total sectoral loss of \$ 4.3 billion.

The floods caused damages to more than 2 million housing units across the country, including 780,000 units completely destroyed and more than 1.2 million partially damaged. The cost of this damage and loss in the housing sector amount to \$ 6.2 billion. Moreover, more than 80% of the affected houses were in Sindh followed by Balochistan, KPK and Punjab.

<sup>12</sup> See PDNA supplemental report for granular data on damage and loss to public infrastructure across provinces.

Agriculture, Housing, and Infrastructure Sectors have incurred combined damages and losses of \$ 23.5 billion (78% of total damage/loss caused by Floods-2022). Similarly, reconstruction needs identified for these three sectors (\$ 12.1 billion) also account for 78% of total reconstruction “needs”.

## **Macroeconomic and Human Impact of Floods**

The PDNA assessed (i) damage; (ii) loss; and (iii) the recovery and reconstruction need in the aftermath of Floods-2022. The quantitative results and qualitative analysis of all three were utilized to assess the macroeconomic and human impact.

Floods severely impacted life and livelihood with poverty exacerbating significantly in the aftermath. Overall decline in GDP as a direct impact of the floods was projected to be around 2.2% of FY22 GDP. Among major sectors, agriculture sector value added was projected to decline the most at 0.9% of FY22 GDP, with floods causing the most losses to cotton, dates, sugarcane, and rice crops. The livestock sector also suffered extreme losses as around 1 million livestock perished. Overall, the damage and loss in the agricultural sector had spillover effects on the industry, especially textile industry, which accounts for around one-quarter of total industrial output.

The disaster has profoundly affected lives of people. PDNA estimates suggest that the national poverty rate have increase by 3.7 to 4.0%age points, pushing between 8.4 and 9.1 million people into poverty, as a direct consequence of the floods. Similarly, multidimensional poverty has been projected to increase by 5.9%age points, meaning that an additional 1.9 million households will be pushed into non-monetary poverty. Beyond the national average, poverty in Sindh is expected to increase by between 8.9 and 9.7%age points, and in Balochistan by between 7.5 and 7.7%age points. Moreover, the depth and severity of poverty will increase for households that were already poor prior to the floods. The poverty gap has substantially increased, with the number of extremely poor people living more than 20% below the poverty line increasing from 18 to 25–26 million.

## **PDNA Methodology and Coordination**

Ministry of Planning Development and Special Initiatives (MoPDSI) lead the PDNA by establishing a dedicated Flood Coordination Cell that coordinated with the Provincial Governments, Federal Ministries/Divisions and International Development Partners thereby successfully conducting PDNA. To this end, the Flood Coordination Cell organized more than 30 meetings involving stakeholders from Provincial Governments, Federal Ministries/Divisions, Civil Society Organizations and International Development Partners. The Flood Coordination Cell facilitated the provision of primary damage data through relevant federal and provincial departments. Subsequently in interest of robustness of PDNA analysis, all secondary data was duly validated through several measures including remote-sensing, satellite imagery, triangulation across affected districts and sectors, desk review, existing reports and consultations with the



stakeholders, limited field damage inspection and baseline information provides by the Pakistan Bureau of Statistics.

## Post Flood Reconstruction

In response to the 2022 floods, the Resilient Recovery, Rehabilitation, and Reconstruction Framework (4RF) is the Government of Pakistan’s strategic policy vision to guide post-flood recovery, rehabilitation, and reconstruction of the country. The 4RF follows a globally recognized approach and methodology for recovery strategy development. The framework draws from the findings of the Post Disaster Needs Assessment (PDNA) and presents sequenced priorities across four Strategic Recovery Objectives (SRO) alongside a policy framework, a financing strategy, and implementation and monitoring arrangements.

The 4RF is a critical starting point to that the transformational measures are taken for a resilient recovery and that the disaster will not have multi-generational impacts through reduced developmental gains. It is also a foundation on which the country will build and strengthen long-term resilience to natural hazards and climate change. This is critical considering the increase in frequency of disasters, particularly those that are climate induced. The Government of Pakistan recognizes the importance of long-term resilience in the aftermath of the unprecedented flooding and is committed to consolidating the ongoing efforts and undertaking new measures towards resilience, which will entail higher costs. In this regard, the government has a number of long-term strategies for resilience and adaptation, including the National Adaptation Plan of the Ministry of Climate Change and the National Disaster Management Plan of the National Disaster Management Authority.

SRO #	Strategic Recovery Objective
1	Enhance governance and the capacities of the state institutions to re- store lives and livelihoods of the affected people, especially the most vulnerable
2	Restore livelihoods and economic opportunities
3	Ensure social inclusion and participation
4	Restore and improve basic services and physical infrastructure in a resilient and sustainable manner

4RF has been developed through a consultative process with key stakeholders, including federal and provincial governments, Civil Society Organizations (CSO) and international development partners. The 4RF is an essential building block for the government’s comprehensive disaster recovery plans, including a detailed national and provincial recovery plan. The 4RF will further facilitate engagement with development partners for financial and implementation support. It will also support coordination of actors across the public, private, and non-profit sectors on provincial and national programmes. Importantly, the 4RF is a living document that can be updated regularly as priorities and resources change.

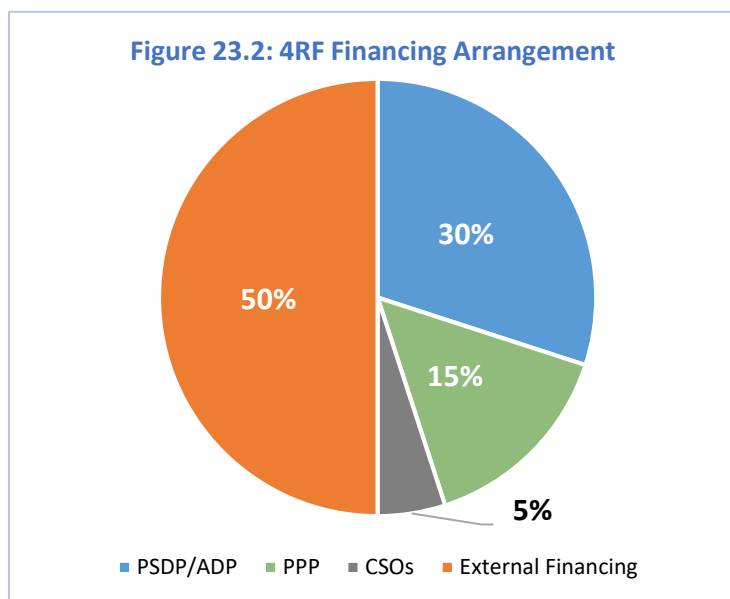
## Institutional Mechanism for Implementation of 4RF

For effective, efficient, transparent and swift implementation, 4RF envisions a comprehensive institutional mechanism with following major components:

**Institutional Arrangements:** Institutional arrangement of 4RF looks at the mandates of the key government and other stakeholders with the objective to create enabling institutional arrangements at federal and provincial level for achievement of the SROs. This will entail clarifying roles and responsibilities, relationship with each other, lines of authority and accountability, effective coordination and related mechanisms.

**Policy Environment:** Existing recovery policies and sector policies will be reviewed, and relevant new policy articulation will be identified.

**Financing and Management:** Existing on-budget financing for recovery and other available off-budget financing will be assessed to help prioritize the recovery activities for timeline, i.e., immediate- and short-term people centered socio-economic recovery,



and medium- to long-term recovery and reconstruction. Appropriate financial management arrangements will also be recommended to provide assurance for allocative efficiencies across priorities and transparency of use of funds for the purposes intended.

**Implementation and Monitoring Arrangements:** Existing implementation capacities and gaps will be identified as determined for

each contributing sectors and recommendations made for optimum implementation and monitoring arrangements. Similarly, existing monitoring arrangements will be reviewed to determine the gaps. Accordingly, necessary capacity development programmes will be identified to correspond to the programmatic recovery and monitoring activities in the 4RF.

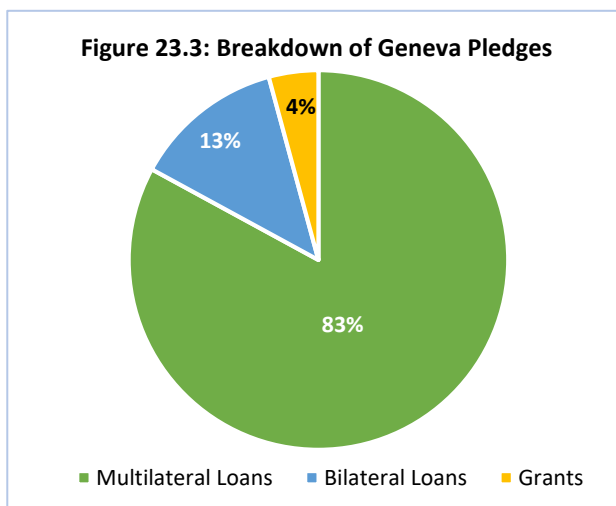
## Long-term Plan for Resilient Reconstruction

Given Pakistan's extreme vulnerability to climate change and natural hazards such as flooding, earthquakes, and torrential rains, which have invariably escalated into numerous humanitarian disasters, the Government of Pakistan has devised a long-term plan for resilient reconstruction of social and physical infrastructure. The objectives for the long-term resilient reconstruction are to build the damaged and new strategic

infrastructure in such a way that it reduces disaster risk and strengthens the institutional and stakeholder capacity to withstand climate induced shocks. The long-term plan targets eight different sectors including Housing, Health, Education, Culture & Heritage, Irrigation and Flood Protection, Transport and Communication, WASH, and Energy. The plan envisions long-term interventions up to the period of 10 years at total cost of \$ 13.5 billion beyond the Reconstruction Needs of \$ 16.2 Billion identified by the PDNA. Lastly, to better enable people and institutions to cope with climate-induced natural catastrophes, and other environmental hazards, the long-term 4RF Plan also envisions number of policy actions. Summary of major projects under 4RF long-term Plan are at Annex-I.

### Progress on Implementation of 4RF

After finalization of Resilient Recovery, Rehabilitation and Reconstruction Framework (4RF) in January 2023, Ministry of Planning, Development and Special Initiatives (MPDSI), in collaboration with Development Partners (UN, WB, ADB and EU), Ministry of Climate Change, Ministry of Foreign Affairs and Economic Affairs Division, organized an International Conference on Climate Change-Pakistan in Geneva on 9<sup>th</sup> January 2023. The conference received cordial reception as government appraised international forum on flood-induced damage & loss (PDNA) and its vision (4RF) for resilient reconstruction of social and physical infrastructure. The conference was successful as international donors, bilateral and multilateral development partners acknowledged flood-induced damage the economy suffered and lauded government’s vision for resilient reconstruction.



As such, around \$ 10.96 Billion were pledged during the conference in form of aid, loans, and grants to help Pakistan resuscitate and reconstruct social and physical infrastructure damaged by the floods. Lastly, for effective, swift and transparent implementation of 4RF, Ministry of Planning, Development and Special Initiatives has taken number of initiatives. A list of initiatives already and proposed initiatives is as under:

- i. Establishment of Strategic Policy Committee consisting of Federal Ministers and Chief Ministers
- ii. Establishment of Federal Steering Committee consisting of Federal Secretaries and Chief Secretaries of the Provincial Governments

- iii. The Ministry of Planning, Development and Special Initiatives have established recovery and Reconstruction Unit (RRU), along with Provincial RRUs established by the Provincial Governments of respective provinces.
- iv. To strengthen the Monitoring and Evaluation (M&E) System an integrated Dashboard is being built enabled with GIS and spatial monitoring features.
- v. Finalization of 4RF Integrated Results Framework to measure implementation progress.
- vi. Project Impact Evaluations during and after the project to ensure 4RF projects overcome any implementation challenge and create a long-lasting impact in terms of resilience and beneficiaries.
- vii. Randomized reconstruction quality checks.

## The summary of Interventions (projects) for long-term resilience

Sr No	Sector	Project	Cost PKR	Priority status	Remarks
1	WR-Irrigation (MoWR and Provincial Irrigation Departments)	NFPP- IV	194	First	FPSP-III (Component A)
		NFPP-IV	376	Second	FPSP-III (Component B)
2	Transportation (MOC)	Dualization and Rehabilitation of Road N-25 (Karachi-Quetta-Chaman)	224	First	
		National Highways damages during Floods	58	First	
		Rehabilitation and reconstruction of National Highways and Provincial roads	320	Second	
		Rehabilitation of N-55 (Indus Highway)	220		
		Rehabilitation of N-5	230		
3	Transportation (MOR)	ML-1 (Karachi – Sukkur)	660	First	
		ML-2, Kotri-Dadu-Habibkot-Jacobabad-Kot Addu	219	First	
		ML-2 Kot-Addu -Attock	203	Second	
		ML-3 Rohri-Taftan	276	Second	
4	Environment and Climate Change (MoCC)	Living Indus Initiative	-	-	Cost being calculated
	Total cost beyond PDNA		2980 Bn PKR 13.5 Bn USD		
<b>Total cost including PDNA and LT resilient Plan</b>			<b>13.5 +16.3 = 29.8 Bn</b>		<b>Cost doesn't include The Living Indus Initiatives Project</b>

## Other Special Initiatives - Youth Development Initiatives

## Development Leadership Awards

In commemoration of 75 years of independence, MoPD&SI announced the “Development Leadership Awards” to recognize the vision and excellence of trailblazers in the development arena. These awards aim to distinguish and honor leaders who have made outstanding contributions in their fields and will epitomize the core values of a successful leader – initiative, resilience, innovation, ingenuity, knowledge and foresight- which will inspire generations to come. These awards aim to bring to the fore the significant contributions of young leaders to their areas and encourage others to bring excellence to their fields and carve a name in the development history of Pakistan.

Accordingly, two major categories were announced viz-a-viz (i) high achievers (age higher than 35 years) and (ii) emerging leaders (age 35 years or below). Nominations were also requested from overseas Pakistanis.

### **Special Development Initiative for Backward Districts of Pakistan**

The Federal Government of Pakistan allocated Rs.40 billion as an umbrella fund for the marginalized and vulnerable population under 'Special Development Initiative for Backward Districts of Pakistan'. The initiative aims to uplift the less developed districts of Pakistan in close coordination and collaboration with the provinces on 50:50 cost-sharing basis. Multidimensional Poverty Index is taken as the selection criteria for most deprived districts.

Inequitable growth and development remain a chronic issue for Pakistan for decades resulting in regional disparities. Though economic growth has lifted large proportions of the population out of poverty, several districts of the country are still ridden with poverty and deprivation. The overall economic growth can materialize as sustained development only with a reduction in inter and intra-region socioeconomic disparities and by bringing vulnerable population into the fold of economic progress. Therefore, the allocated fund is envisaged to alleviate extreme poverty in the districts selected as per mutually agreed criteria and aims for catalytic utilization of resources that address the perpetuating disparities adversely affecting the national performance.

The project aims to support interventions to bring noticeable change in the social and economic fabric of these districts and is designed for multi-sector partnerships to address common structural determinants efficiently and effectively. The project adopts a multi-pronged strategy of integrating economic development with targeted initiatives to address multidimensional poverty in less developed districts in active coordination with the provinces that will design their projects as per their local context and needs of the marginalized and underserved population.

The umbrella project seeks to utilize public and private investments along with donor partnerships that are tailored to the holistic needs of vulnerable populations in ways that strengthen the sustainability of national responses and address key financial, programmatic, and other sustainability challenges.

Need Assessment exercise is being carried out in all the selected districts to develop district development plans. More than twenty indicators were selected to monitor the interventions in key areas that will uplift deprivation from these districts, socially and economically.

### **Construction of 250 Mini Sports Complexes (50:50 Sharing Ratio)**

The CDWP approved the project, in principle, the project with a total cost of Rs.12,000.00 million (federal and provincial share of Rs.6,000 million each) envisages the facilitation of the country's youth through sports infrastructure development and the

provision of accessible and high-quality indoor and outdoor sports facilities at the grass root level. The project is an integral part of the Prime Minister’s Youth Development Initiatives which has been launched by the Prime Minister on 21<sup>st</sup> March 2023. The tentative provincial distribution/breakup of 250 mini-sports complexes among provinces/regions with a mix of indoor and outdoor sporting facilities is as follows:

**Table No. 23.6 Province/District-Wise Status of Mini Sports Complexes to be established**

<b>S.#</b>	<b>Province/District-Wise Status</b>	<b>Number of Mini Sports Complexes to be established</b>
1.	Punjab (Total 36 Districts)	60
2.	Sindh (Total 29 Districts)	40
3.	Khyber Pakhtunkhwa (Total 34 Districts) (including 10 for merged areas)	50
4.	Balochistan (Total 33 Districts)	30
5.	Islamabad Capital Territory (ICT), Gilgit-Baltistan & AJ&K	70
	<b>Total</b>	<b>250</b>

### **Construction of the National Public Library in Islamabad**

The project aims at the establishment of a state-of-the-art National Public Library in Islamabad. National Heritage and Culture Division and CDA are the Sponsoring and the Executing Agencies of the project respectively. National Heritage and Culture Division has constituted a six-member Committee from the public and private sectors to oversee the initiation, planning, implementation and execution of the project.

### **‘Ba-Ikhtiar Naujawan’ Internship Initiative (BNIP)**

The initiative was launched by the MoPD&SI for 60,000 fresh graduates in Pakistan at a cost of Rs. 4828.05 million. The programme has the following two components:

#### ***Work-for-Skills Internship Program (WSIP)***

Under the Work-for-Skills component of the Internship Program, 40,000 paid internships will be awarded to young graduates in public, private and development sector organizations of Pakistan for 6 months in 2023-24. Interns will receive a monthly stipend of Rs. 25,000 conditionals upon the timely completion and submission of their monthly deliverables. Upon the successful completion of their internship, interns will be awarded an internship certificate by their host organization and the MoPD&SI.

### ***Build-for-Skills Internship Program***

Under the Build-for-Skills component of the Internship Program, around 20,000 interns will be hired for one year in new/ongoing PSDPs in 2023-24. Interns with 16 years or above qualifications shall be paid a monthly stipend of Rs. 40,000. Upon the successful completion of their internship, interns will be awarded a certificate by the concerned Project Director and the MoPD&SI

### **Youth Skill Training Program (Prime Minister Special Package to implement Skill for All Strategy)**

The government has developed a broader roadmap for skill development under National Skill for All Strategy (NSS) which emphasises on improving governance, exploring multi-source funding, capacity enhancement, quality assurance, access & equity, industry ownership and skill development for the international market to increase foreign remittances. To implement the strategy, an ongoing development scheme titled “Prime Minister Special Package to implement Skill for All Strategy” costing Rs. 9.880 Billion is being implemented by NAVTTC under the Ministry of Federal Education & Professional Training. Under the scheme 128,866 youth (75,268 in High-Tech/Digital IT and 53,598 in Conventional trades) are trained as certified skilled professionals including 141 transgender, established 05 Sector Specific Centres of Excellence with the collaboration of EU/GIZ (01 in each province), formally certified 46,275 Youth under Recognition of Prior Learning (RPL), completed 2100 apprenticeship training in 70 Industries and enterprises, developed 200 TVET Qualifications, established and operationalized NEXT skilled workforce & Job portal i.e.jobs.gov.pk. The 4<sup>th</sup> Batch of 40,000 trainees will be imparted training in High-Tech/Digital/IT (30,000) and Conventional Trades (10,000) under the Skill for All Program in 2023-24 along with other initiatives.

### **PhD Scholarships Program under PAK-US Knowledge Corridor (Phase-I) - Revised**

Under this initiative there is a provision for 1,500 Pakistani students/faculty PhD scholarships to study in US Universities in the selected fields. The main objective of the programme costing Rs. 25,226.274 million is to enhance the research and academic capacity by providing trained manpower in selected fields who will improve the quality of instruction and innovation research. It will also bring opportunities to develop research projects and simultaneously build capacity in the Higher Education system of both partner countries. Moreover, employment will be generated for 1,500 students by providing grooming and learning opportunities and through them preparing generations of future Critical, Constructive, and Competent human resources to generate a wealth of knowledge. 400 students have been awarded scholarships among which 376 are onboard.



## **Provision of Higher Education Opportunities for Students of Balochistan & Erstwhile FATA (Phase-III)**

The project costing Rs. 8,663.350 million will provide access to 5000 students (5000 Undergraduate 4-5-year BS programme) from Balochistan and erstwhile FATA to the quality education system. HEC will provide financial assistance to 5000 students from Balochistan and erstwhile FATA and the scholarship will be distributed based on the prevailing quota system among various districts/subdivisions as in previous phases of the project. HEC has already successfully launched the first and second phases of the project:

### **Launch of 75 MS/M.Phil and PhDs Scholarships Under OSS (Phase-III)**

On the auspicious occasion of the National Celebrations of the 75<sup>th</sup> Independence Anniversary of Pakistan, the Prime Minister desired to launch 40 PhD & 35 MS Scholarships to Pakistani and Azad Kashmir nationals in the world's top 25 ranked universities under Overseas Scholarships (OSS) (Phase-III). As per the directives, the scholarships will be awarded from the existing scheme.

### **Prime Minister's Youth Laptops Scheme (Phase III)**

The Scheme was announced as one of the initiatives launched under the Prime Minister's Youth Schemes in 2013 for five years, a total of 500,000 laptops were procured into two phases (I & II), following PPRA Rules and distributed amongst the students as per defined criteria of the announced scheme. The scheme was approved by CDWP in its meeting held on June 29, 2022, at a capital cost of Rs. 8,000 million with FEC 7,387.830 million. The scope of the project was the distribution of 74,700 laptops. Later on, the Prime Minister's Office desired to increase the number of laptops from 74,700 to 100,000 (25,300 additional laptops). Subsequently, 100,000 laptops would be distributed to all public sector HEI's students purely on a merit basis and 14,000 quota have been specifically reserved for Balochistan HEI's.

### **Establishment of Seerat Chairs in Public Sector Universities (Revised)**

The project was approved by CDWP in its meeting held on 27.07.2022. Under the project at a capital cost of Rs.1,387.647 million, the following 09 Seerat chairs, will be established in public sector universities, across the country i.e. i. Inter-faith and Communal Harmony, ii. Leadership and Governance, iii. Human Rights and Social Justice, iv. Business, Commerce & Property Rights, v. Education and Knowledge, vi. Sustainable Development, vii. Social Justice and Welfare, viii. Gender Studies & Women Rights, ix. Global Peace.

## **Strengthening of Sub Campuses of Public Sector Universities at District Level (Phase-II)**

HEC intends to provide higher education access in almost every district headquarters of the country either by establishing a sub-campus of the existing university or by upgradation of the existing sub-campuses to full-fledged universities in consultation and collaboration with the respective universities and the provincial governments. HEC will provide funding for the infrastructure/faculty development and other allied facilities whereas respective provincial governments shall be required to extend necessary support in terms of providing buildings to start academic activities and thereafter free of cost land for establishing a university/sub-campus. Another project titled "Establishment of Public Sector Universities at District Level (Phase-I) at Rs. 5,206.280 million established 21 district campuses.

## **Establishment of National Center of GIS and Space Applications**

The Secretariat/Directorate of the center will be at the Institute of Space Technology (IST), Islamabad, Pakistan. The location of seven labs at five Universities is mentioned below:

- i. Balochistan University of IT, Engineering & Management Sciences (BUIITEMS), Quetta & Sardar Bahadur Khan (SBK) Women's University, Quetta (1 Lab)
- ii. Institute of Space Technology (IST), Islamabad (3 Labs)
- iii. University of Agriculture Faisalabad (UAF) (1 Lab)
- iv. University of Peshawar (UOP), Peshawar & Shaheed Benazir Bhutto University, (SBBU), Dir (1Lab)
- v. University of the Punjab (PU), Lahore (1 Lab)

## **Young Development Fellows Program**

To enhance the capacity of young Pakistanis in the area relevant to Planning Commission i.e. development, strategic planning, performance management & evaluation, project management/ appraisal, public policy formulation and development communications, a Young Development Fellowship Programme was reintroduced with built-in "stretch/ learning assignment" where they gained valuable job experience. 40 YDFs have been engaged under the programme through a competitive process from across the country.

## **National Internship Program**

A policy framework titled "National Development Internship Programme" has been prepared, approved and launched to engage more than 20,000 interns having 16 years of educational qualification or a three-year diploma holder under ongoing development

projects being implemented through PSDP. The monthly stipend ranges between Rs. 30,000 to Rs. 40,000 will be paid to interns from the head of project contingency. A centralized online portal has been developed for receiving internship applications which are being processed.

### **Governance Innovation Lab**

A first-ever Governance Innovation Lab (GIL) has been established to deliberate emerging national issues and to propose practical solutions through a consultative process. So far, several consultations have been undertaken which include a Round Table Conference (RTC) on Innovation and Productivity, Agriculture Productivity Enhancement and award of Innovation Support to the Agriculture Sector, Governance and Social Sector Reforms with International Development Partners, Roadmap Towards Transparent Governance, Digitization of the Public Sector Development Program, Judicial Reform, and Citizen Client Charter.

### **Champions of Reforms Network**

The Champions of Reform (COR) network aims to bridge the gap between the public and private sectors by providing an opportunity to participate in public policy debates and give input on critical issues.

- i. More than 500 people are registered as COR.
- ii. All COR members are coordinated and engaged using modern digital communication platforms like WhatsApp, Zoom, Google Meet etc. regularly.

### **Innovation Support Project (Pakistan Innovation Fund)**

A PC-I titled “Innovation Support Project” at a cost of Rs.9.7 billion was approved to prepare first ever country innovation framework and to provide financial support for designing and implementing new innovative projects/ products/ ideas in all sectors of the economy which lead to value addition, new product development and productivity enhancement. Evaluation criteria and other related documents for innovation proposals/ ideas/ projects have been designed and advertised in national newspapers for seeking innovation proposals which are being evaluated.





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