

**POVERTY REDUCTION STRATEGY PAPER:
ANNUAL PROGRESS REPORT 2005-06**

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**PRSP Secretariat - Finance Division
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1 Introduction

1.1 Rising trends in poverty during the 1990s led to the launch of Interim Poverty Reduction Strategy Paper (I-PRSP) in 2001. The full PRSP (or PRSP-I) was launched in 2003, which has completed its tenure in June 2006. PRSP-II for the 2006-09 period is under preparation and is expected to be launched very soon. This is the fifth annual report of the PRSP, which has monitored the progress in input, intermediate and output indicators during the fiscal years 2006 (FY06). While PRSP-I has completed its tenure, an attempt has also been made in this report to give an overview of the PRSP progress since its inception.

1.2 PRSP initiative has been successful in Pakistan in many fronts, although several challenges are ahead. GDP grew on average by nearly 7% during the last four years. This recent growth is broad-based, and it has been underpinned by the macroeconomic policies of the government. Visible progress has also been made in reducing macroeconomic imbalances, reducing debt burden and accelerating efforts towards privatization.

1.3 Recent high economic growth has created job opportunities and consequently unemployment rate has declined from 8.3% in 2001-02 to 7.7% in 2003-04, which further declined to 6.5% during July-March 2005-06 period. Both high growth and decline in unemployment along with considerable increase in pro-poor expenditure during the PRSP process, rise in per capita income, large inflow of remittances and direct transfers to the poor through zakat, Pakistan Bait-ul-Mal and micro-credit have contributed in 10.6 percentage points decline in absolute poverty from 34.46% in 2000-01 to 23.9% in 2004-05. Although poverty reduced substantially, income inequality increased marginally during the same period.

1.4 According to Fiscal Responsibility and Debt Limitation Act 2005, poverty alleviation expenditures are not to be reduced below 4.5% of estimated GDP for any given year. PRSP expenditures have adhered to this Act; these expenditures as percentage of GDP consistently increased from less than 4% in FY02 to 5.63% in 2005-06. The spending level on health and education sectors has also shown considerable improvement. These high-levels of spending have contributed in improving the social indicators in Pakistan; the net primary enrollment ratio, adult literacy, and child immunization have substantially increased and a reduction in infant and child mortality has also been witnessed. Access to safe drinking water has also shown upward trends. In short, the current economic and social conditions in Pakistan are better than in 2001 when the PRSP process was initiated.

1.5 However, there are many challenges ahead. High sustained economic growth is required for longer period to achieve the MDG/PRSP targets by 2015. There is a need to broaden the inclusiveness of economic growth to reduce income inequality level in the country. Despite a sharp decline in rural poverty, it is still almost double the poverty levels in urban areas. The challenge of further reduction in poverty particularly in rural areas requires more targeted interventions. Gender gaps still persist in literacy and primary school enrolment. District-level variations are also high in literacy, school enrolment, child immunization, pre- and post-natal consultation and water supply and sanitation. The Government of Pakistan is aware of these challenges and will be addressed in PRSP-II.

1.6 The rest of this report is organized as follows. Section 2 has examined recent trends in poverty and inequality with reference to the growth performance, while an

overview of the macroeconomic indicators is presented in the next section. Sections 4 and 5 have analyzed the data on pro-poor budgetary expenditures and direct transfers including zakat, Pakistan Bait-ul-Mal and micro-credit. Progress in some intermediate indicators concerning education and health sectors, land distribution and unemployment is discussed in section 6, followed by a district-level analysis of selected outcome indicators using Maps generated through Geographical Information System. Achievements in governance are reported briefly in section 8. Some on-going poverty reduction programs have been outlined in section 9, followed by a discussion on the steps taken to rehabilitate the earthquake affectees. The penultimate section presents a description of the PRSP monitoring and evaluation successes and challenges. The summary of the report is presented in the final section.

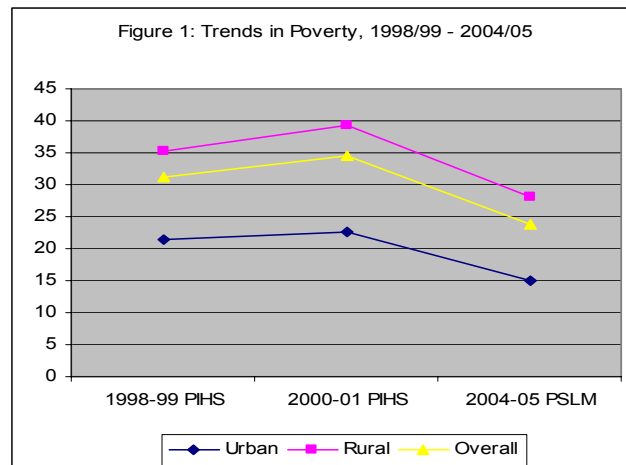
2 Growth, Poverty and Inequality

2.1 In the past four years Pakistan has been averaging GDP growth of nearly 7 percent. This growth momentum is underpinned by dynamism in industry, agriculture and services, and the emergence of a new investment cycle supported by strong credit growth. As in other South Asian countries, the high and sustained economic growth in Pakistan has contributed to an impressive reduction in poverty. The strong links between growth and poverty reduction have also created an opportunity for Pakistan to attain the Millennium Development Goals in poverty as well as health and education. This section has examined recent trends in poverty and inequality with reference to the growth performance. It is worth noting that the sustained high growth has been one of the four pillars of the PRSP and the major instrument to reduce poverty in Pakistan.

2.1 Poverty Trends (1998-99/2004-05)

2.2 For monitoring the changes in poverty levels, Household Income and Expenditure Survey (HIES) has been the major data source. HIES was merged with the Pakistan Integrated Household Survey (PIHS) in its last two rounds - 1998/99 and 2000/01. For the 2004/05 period, the consumption module of the HIES was made part of the Pakistan Social and Living Standards Measurement (PSLM) survey. In these recent surveys, the consumption module of the HIES remained unchanged, thus providing consistent data for poverty estimation.

2.3 The official poverty line, based on a threshold level of 2350 calories per adult equivalent per day and PIHS/HIES data for the 1998/99 period, was adopted by the Planning Commission. After adjusting for inflation, the official poverty line has also been computed for the 2000/01 and 2004/05 periods. Poverty estimates based on these official lines are presented in Figure 1 which shows that poverty in Pakistan initially increased from 30.6% in 1998-99 to 34.4% in 2000/01 and then declined sharply to 23.9% in 2004/05. In absolute numbers, the count of poor persons has fallen from 49.23 million in 2001 to 36.45 million in 2004-05.¹ In other words, 12.78 million people were brought out of poverty in the last four years.

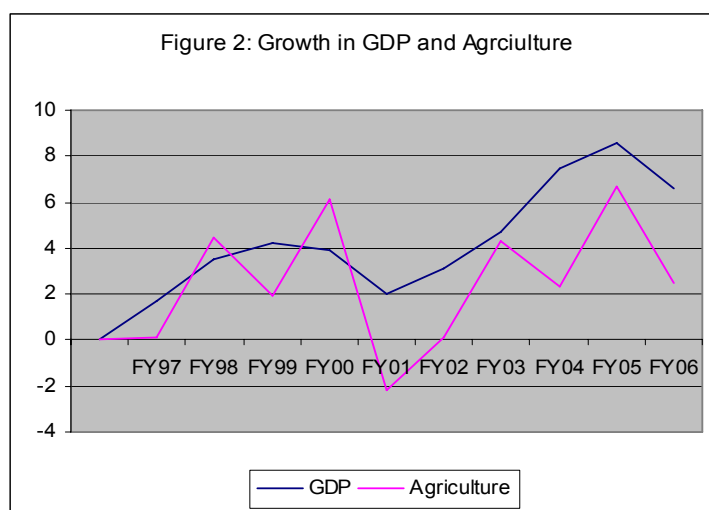


¹Pakistan Economic Survey 2005/06, Government of Pakistan, Finance Division, Economic Adviser's Wing, Islamabad

2.4 The direction of change in poverty at the regional level between 1998/99 and 2004/05 period shows that rural poverty fluctuated more than the urban poverty. While rural poverty increased substantially from 34.7% in 1998-99 to 39.3% in 2000-01 and then declined to 28.1% in 2004-05, urban poverty increased marginally in 2000-01 and then declined from 22.7% to 14.9% during the above period, suggesting a decline of 11.2 and 7.8 percentage points in rural and urban areas respectively. However, the sharp decline in rural poverty between 2000/01 and 2004/05 period could not narrow the rural-urban gap - rural poverty in 2004/05 is almost double of the urban poverty.

2.5 These poverty trends are quite consistent with the macroeconomic developments in the country during the 1998-2005 period (Figure 2). While the low economic growth due to drought seems to have increased rural poverty during the 1998/99-2000/01 period, the exceptional growth of about 7 percent on average per annum during the last four years seems to have resulted in a rapid decline of more than 10 percentage points in overall poverty. Moreover, the data presented in Figure 2 gives a cyclical view and shows a close association between economic growth and poverty reduction. The year of 2000/01, when poverty increased, was a very poor agriculture year showing a negative agricultural growth of 2.2%. Thus shocks such as a drought or a bad agriculture year can push many non-poor families into poverty.

2.6 High growth during the last four years has created job opportunities² and consequently, unemployment rate declined from 8.3 percent in 2001-02 to 7.7 percent in 2003-04. It declined further to 6.5 percent during July-March 2005-06 period (For more detail, see section 6.4). Reduction in unemployment is likely to have increased the household income levels. Massive spending on poverty related and social sector programs, rise in per capita income and a large inflow of remittances are the other important factors responsible for recent poverty reduction in Pakistan.



2.7 However, the links between growth and poverty reduction, as discussed above, indicates the vulnerability of households just above and just below the poverty line; small changes in consumption can affect the incidence of poverty dramatically. Table 1, for

² According to the 2005/06 Economic Survey, since 2003-04 and until the first half of 2005-06, 5.82 million new jobs have been created as against an average job creation of 1.0 - 1.2 million per annum (GoP, 2006).

example, shows that while the percentage of population classified as extremely poor remained almost identical in the two survey periods, 2000/01 and 2004/05, the proportion of ultra poor and poor and vulnerable poor have declined. At the higher end, the percentage of quasi non-poor and non-poor has increased in 2004/05 relative to 2000/01.

2.8 While the 2004/05 PSLM data has not yet been analyzed to understand the micro-level (or household) factors associated with poverty and vulnerability, the analysis of earlier data such as PIHS 2000/01³ shows that larger households have higher incidence of poverty than smaller ones. Since larger households tend to have higher proportion of children so poverty might be reduced significantly if households were to have fewer children. Poverty increases as dependency ratio rises. Households having access to amenities like gas, telephone and piped water are most likely to be less poor compared to those without them. Poor households own less land than non-poor. As size of land ownership increases, poverty declines monotonically but with fewer margins. Education plays a vital role in accelerating economic growth and reducing poverty. There is an inverse relationship between poverty and education of the household head. Households headed by educated persons are more likely to have greater incomes and thus have lower chances to be poor. Poverty is highest among households whose heads are working as sharecroppers, followed by livestock and paid employees. It is lowest among remittance-receiving households. A majority of poor work in the informal sector. These micro-level characteristics provide a base for targeted interventions to reduce vulnerability and bring the people out of poverty.

Table 1: Comparative poverty profile (% of population)

Poor/non-poor categories	2000-01	2004-05
Extremely Poor	1.1	1.0
Ultra Poor	10.8	6.5
Poor	22.5	16.4
Vulnerable	22.5	20.5
Quasi Non-poor	30.1	35.0
Non-Poor	13.0	20.5
All	100.0	100.0

Source: Economic Survey 2005-06

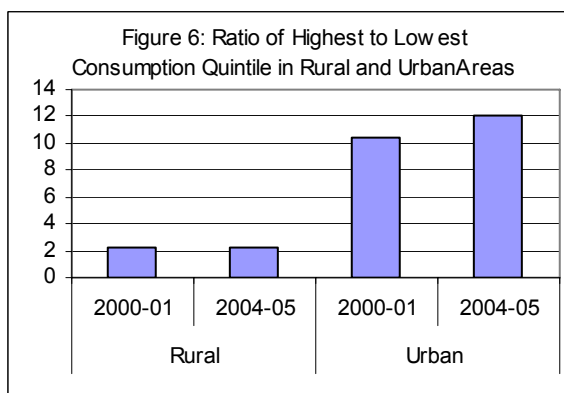
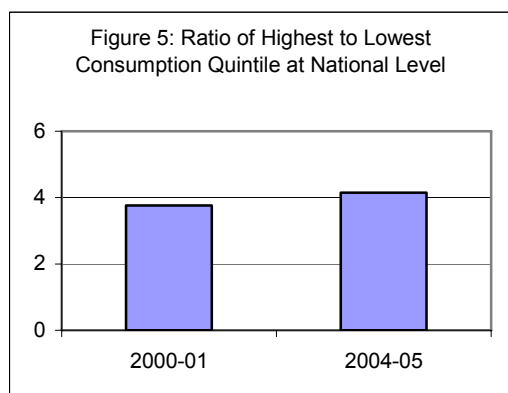
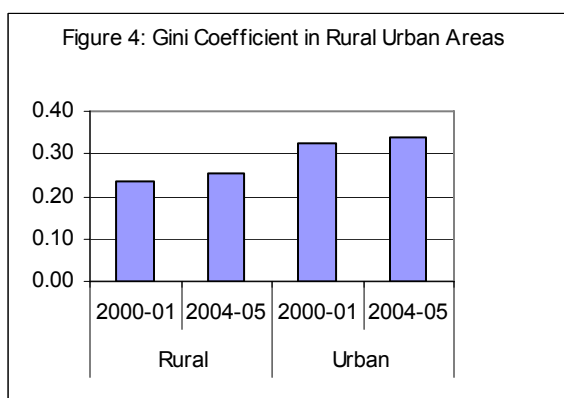
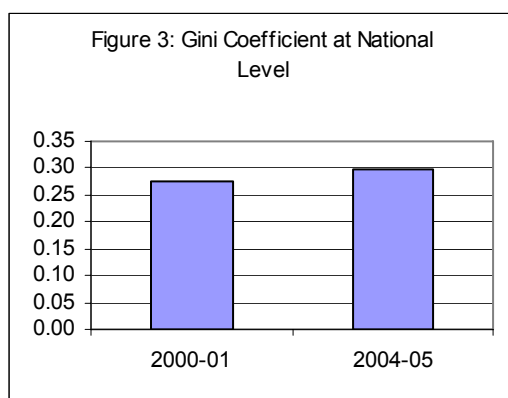
2.2 *Inequality Trends*

2.9 Gini coefficient is commonly used to determine the inequality levels in a country. This measure has been applied to the household consumption data of PSLM 2004-05 and it has been compared with the 2000/01 PIHS/HIES data. Results show that consumption inequality has increased in Pakistan between 2000/01 and 2004/05 (Figure 3). Although consumption inequality increased in urban areas as well as rural areas during this period, the inequality in urban areas is higher than in rural areas, probably due to diversification of urban workforce in terms of skill and education, leading to differentials in household earnings and consumptions (Figure 4).

³ Cheema, Iftikhar Ahmed (2005), A profile of Poverty in Pakistan, Centre for Research on Poverty Reduction and Income Distribution, Planning Commission.

2.10 Another measure of inequality is the ratio of highest to the lowest consumption quintile, which measures the gap between the rich and the poor. This ratio has increased overall marginally from 3.76 in 2000/01 to 4.15 in 2004/05 (Figure 5). However, in urban areas gap between the rich and the poor has widened relatively more from 10.40 in 2000/01 to 12.02 in 2004/05, compared to the rural areas, where the gap between the rich and the poor remained more or less unchanged, 2.22 in 2000/01 and 2.19 in 2004/05 (Figure 6). Regarding the earlier period between 1998/99 and 2000/01, when poverty increased, empirical evidence shows a decline in inequality.

2.11 It thus appears that low growth during the 1998/99-2000/01 period has resulted in higher levels of poverty but lower levels of inequality, whereas high growth during the 2000/01-2004/05 period has resulted in lower levels of poverty but higher levels of inequality. The higher the inequality in the country, the harder it is for growth to reduce poverty. The reduction in poverty between the 2000/01 and 2004/05 period could have been more had the distribution of consumption expenditures remained the same. Inequality reflects distortions in access to markets, in the availability and quality of health, education and infrastructure services, and in rural-urban distortions – all of which dampen growth and poverty reduction. The government of Pakistan is fully aware of the rising trends in inequality, and the PRSP-II aims to design policies to reduce it considerably through enhancing the inclusiveness of economic growth and improving the efficiency of targeted interventions.



Source: Pakistan Economic Survey 2005/06 based on the PIHS 2000/01 and PSLM 2004/05 data.

3 Trends in macroeconomic Indicators⁴

3.1 Macroeconomic indicators have in general been favourable for poverty reduction, despite rising oil prices, the widespread damage caused by the earthquake of October 8, 2005 and rising domestic interest rate. For instance, the real GDP growth increased monotonically from 3.1% in 2001/02 to 8.6% in 2004/05, the year when poverty declined sharply (Table 2). Although the real GDP growth of 6.6% in 2005-06 is less than the target of 7%, it has surpassed the PRSP projected target of 6%. The Government has set the GDP growth target of 7% for FY07, which seems to be achievable. This section presents an overview of the selected macroeconomic indicators, covering the whole PRSP period.

3.1 Agriculture

3.2 About 44.8% of Pakistan's work force is employed in agriculture sector, whereas 65.9% of population lives in rural areas and is directly or indirectly linked with agriculture for their livelihood. Therefore, poor performance of agriculture will have negative impact on the lives of people living in rural areas. Agriculture growth has shown mixed trends. During FY02, drought turned agriculture growth negative. During FY03 and FY05, relatively better availability of irrigation water had positive impact on overall agricultural growth and this sector exhibited modest to strong recovery.

3.3 Agriculture sector in FY06 faced adverse weather conditions and grew by 2.5% in FY06, against the target of 4.2%. The performance of major crops and forestry was poor and the growth in minor crops and fishery was weak. Besides high base of FY05, there was 13% less production of cotton (12.4 million bales, as compared to 14.3 million bales last year). Sugarcane is another major crop, which registered a negative growth of 6.2% (from 47.2 million tons to 44.3 million tons). However, two other major crops rice and maize recorded positive growth, rice production increased by 10.4% and maize production increased by 27.3%. Despite the impressive performance of these two crops, they could not compensate the decline in production of cotton and sugarcane. Wheat production remained more or less at last year's level with marginal increase of 0.4 percent (21.7 million tons as against 21.6 million tons).

3.4 Livestock sector performed exceptionally well and grew by 8%, compared to 2.3% growth in FY05 and also well above the average growth rates of the 1980s and 1990s. A substantial increase in the population of animals, particularly reflected in milk production, which increased by 6.3% in FY06 compared with 2.8% rise last year. In recent years, livestock sector has been recognized as an important source for rural household income. Increased access to institutional credit, availability of technical support from government and private sector initiatives suggest that the contribution of livestock sector would significantly increase in the coming years.

3.2 Industry

3.5 Table 2 shows that the Large Scale Manufacturing (LSM) witnessed an upward trend in growth from FY02 to FY04. In FY04, LSM growth of 18.2% was highest in the last three decades. The LSM growth though declined to 15.6% in FY05, but was still

⁴ This section is based on Economic Survey 2005-06, State Bank quarterly and annual reports and highlights of the economy 2005-06, prepared by Finance Division.

substantially stronger than average growth of 9.6% during FY02-FY04. In FY04, LSM growth of 18.2% was highest in the last three decades. The overall growth rate of small and household manufacturing increased from 7.5% in FY05 to 9.3% in FY06, surpassing the PRSP projected target of 5.3%.

Table 2: Trends in Macroeconomic Indicators*

	2001-02	2002-03	2003-04	2004-05	2005-06	PRSP Projected 2005-06**
Agriculture	-0.1	4.3	2.3	6.7	2.5	4.4
Manufacturing	4.5	6.9	14	12.6	8.6	7.6
Large Scale Manufacturing	3.5	7.2	18.1	15.6	10.7	8.5
Small & Household	7.5	7.5	7.5	7.5	9.3	5.3
Services	4.8	5.2	5.9	8	8.8	-
Real GDP Growth Rate	3.1	4.7	7.5	8.6	6.6	6.0
Inflation (CPI Growth)	3.5	3.1	4.6	9.3	7.9	4
GDP at Market Price (Billion Rs)	4,402	4,823	5,641	6,581	7,713	5,397
As % of GDP						
Investment	16.8	16.9	16.6	18.1	20	17.5
Fixed Investment	15.5	15.3	15	16.5	18.4	16
Public	4.2	4	4	4.4	4.8	6.3
Private	11.3	11.3	10.9	12.1	13.6	9.7
National Savings	18.6	20.8	17.9	16.5	16.4	19
Foreign Savings	-1.9	-3.8	-1.3	1.6	3.7	1.5

*Source: Economic Survey 2005-06

**Accelerating Economic Growth and Reducing Poverty, the Road Ahead (2003),
Poverty Reduction Strategy Paper

3.6 Overall value addition by industry witnessed a rise of 5.9% in FY06, significantly lower than both, the 9.5% target for the year and 11.4% growth in FY05. This deceleration in industrial growth was contributed by all sub-sectors other than small scale manufacturing and slaughtering. LSM grew by 10.68% during FY06, against the target of 13%. The relatively slow pace of LSM show signs of moderation on account of higher capacity utilization and strong base effect. Due to decline in cotton production high prices and disruption in gas supply during Dec-Feb FY06, the overall performance of textile and apparel sector remained subdued. Textile and apparel sector grew by only 4.3%. This sector has large weight in LSM. Sugar production with large weight also recorded a decline of 5%. Metal industries witnessed a decline of 13.47%. LSM sub-groups, which showed a positive growth include food, beverages & tobacco (5.28%), petroleum products (2.24%), pharmaceuticals (12.94%), chemicals (11.6%), non-metallic minerals (12.74%), leather products (5.81%), paper and board (13.21%), tyres & tubes (12.27%), wood products (40.64%), automobiles (25.76%), fertilizers (5.14%), electronics (36.50%) and engineering items (31.21%).

3.3 Services

3.7 Services sector has been growing rapidly over the last five years. It grew by 4.8% in FY02, 5.2% in FY03, 5.9% in FY04, 8% in FY05 and 8.8% in FY06. Growth in services sector in FY06 was mainly attributed to strong growth in the finance and insurance sector, better performance of wholesale and retail trade, as well as transport and communications sector. The services sector contributed two- third to the real GDP growth in FY06.

3.4 Per Capita Income

3.8 The per capita income in dollar term has grown at an average rate of 13.6% per annum during the last three years - rising from US\$669 in FY04 to US\$742 in 2004-05 and to US\$847 in 2005-06. The sharp rise in per capita owes to acceleration in real GDP growth; stable exchange rate and four folds increase in inflow of workers' remittances.

3.5 Inflation

3.9 During July-June FY06, Consumer Price Index (CPI) grew by 7.9% compared to 9.3% a year ago. Food inflation is estimated at 6.9% as compared to 12.5% a year ago. However, non-food inflation stood at 8.6% in FY06, as compared to 7.1% in FY05. Core inflation (non-food, non-oil) is estimated at 7.1% in FY06, compared to 7% in FY05. The inflation in FY06 was driven by food, energy, transport and house rent.

3.10 To control prices of food commodities, Government of Pakistan allowed a liberal import regime for food items, including zero rating of the imports of food commodities. The government has been selling wheat flour and sugar through the outlets of the Utility Stores Corporation at much lower prices than the market. The role of the Trading Corporation of Pakistan (TCP) has been enhanced. TCP is importing sugar and is asked to import various kinds of pulses to keep a check on the prices of these commodities.

3.6 Current Account Balance

3.11 The current deficit, excluding official transfers, stood at US\$5683 million (4.3% of GDP) in FY06, as compared to US\$1784 in FY05. Pakistan's current account balance turned negative in FY05, after posting surpluses for three consecutive years. The deterioration in current account deficit is the result of higher oil import bill on the back of high global crude oil prices, large increase in non-oil imports, due to increased demand. In addition to widening of trade deficit, higher freight charges by international shipping lines as a result of large increase in global trade and higher fuel cost and growth in personal travel due to rising level of income of middle and high income groups have also contributed to the widening of current account deficit. Workers' remittances, the second largest source of foreign exchange inflows after exports, continue to maintain its rising trend. Workers' remittances stood at 4.6 billion in FY06, as compared to 4.2 billion in FY05.

3.7 Investment and Savings

3.12 Investment as percentage of GDP is estimated at 20% of GDP in FY06, as compared to 18.1% in FY05. Fixed investment stands at 18.4% of GDP in FY06, compared to 16.5% in FY05. Public investment as percentage of GDP amounts to 4.8%

and private investment at 13.6% in FY06, compared to 4.4% and 12.1% in FY05, respectively. Fixed investment grew by 24.7% on average during the last three years (FY04-FY06), while private investment grew by 24.6% per annum during this period. National savings as percentage of GDP stand at 16.4% in FY06, compared to 16.5% in FY05.

3.8 *Fiscal Balance*

3.13 Fiscal deficit including earthquake expenditure is estimated at 4.2% of GDP in FY06. Fiscal deficit excluding earthquake expenditure stood at 3.4% of GDP, against the target of 3.8% of GDP, owing to better than expected revenue performance. The revenue expenditure gap was financed through external and domestic sources.

4 An Analysis of Pro-Poor Budgetary Expenditures

4.1 Public expenditures are strongly linked with poverty reduction efforts. According to Fiscal Responsibility and Debt Limitation Act 2005, poverty alleviation related expenditures are not to be reduced below 4.5% of estimated GDP for any given year, and the PRSP expenditures, as reported in Table 3, are in line with this law. The overall expenditures on the 17 pro-poor sectors, as identified in I-PRSP, as percentage of GDP increased from 3.8% in FY02 to 5.6% in FY06. In nominal terms, the pro-poor expenditures in FY06 were 2.6 times of the base year expenditures in FY02.

4.2 PRSP development expenditures have increased from Rs 37.6 billion in FY02 to Rs 170.8 billion in FY06 (Table 3), recording an increase of 354%. In terms of percentage of GDP, PRSP development expenditures have consistently increased from 0.86% in FY02 to 0.92% in FY03, 1.4% in FY04, 1.7% in FY05 and 2.21% in FY06. PRSP current expenditures have increased from Rs129.6 billion in FY02 to Rs 263.8 billion in FY06, registering an increase of 103%. However, as a percentage of GDP, PRSP current expenditures have shown mixed trends, as they initially increased from 2.95% in FY02 to 3.41% in FY03, and then declined to 3.23% in FY04, further declined to 3.09% in FY05 and increased to 3.42% in FY06.

Table 2: PRSP Development and Current Expenditures 2001-02 to 2005-06

Year	PRSP Expenditures (Rs Million)			PRSP Expenditures as % of GDP		
	Development	Current	Total	Development	Current	Total
2001-02	37,638	129,642	167,280	0.86	2.95	3.80
2002-03	44,208	164,320	208,528	0.92	3.41	4.32
2003-04	78,983	182,318	261,301	1.40	3.23	4.63
2004-05	112,635	203,608	316,243	1.71	3.09	4.81
2005-06	170,794	263,797	434,591	2.21	3.42	5.63

Source: Compiled from Civil Accounts provided by Accountant General's Office.

Note1: For data of 2001-02 to 2004-05 source is PRSP Annual Progress Report 2004-05.

Note 2: GDP (mp) at current factor cost for FY02, FY03, FY04 and FY05 in million Rs amounts to 4401699, 4822842, 5640580, 6581103 and 7713064 respectively. These figures are taken from Economic Survey FY05.

4.3 Overall as well as sector-wise allocation and change in pro-poor expenditures are presented in Tables 4 and 5. The overall expenditures recorded respectable increase of 24.7% between FY03 and FY02, 25.3% between FY04 and FY03, 21.0% between FY05 and FY04 and 37.4% between FY06 and FY05.

4.4 The 2005 earthquake disaster has led to a huge increase in expenditures on 'natural calamities' from Rs 922 million in FY05 to Rs 19148 million in FY06 overall. However, even if these expenditures on 'natural calamities' are excluded, the growth in overall expenditure between FY05 and FY06 stood at 31.4%, which is highest during the last 4-5 years.

Table 4: Budgetary Poverty Related Expenditures by Sectors, FY02 to FY06

Sectors	Expenditures (million Rs)					% Change			
	2001-02	2002-	2003-	2004-	2005-06	2002-	2003-	2004-	2005-
		03	04	05		/2001-	/2002-	/2003-	
						02	03	04	06/
									2004-05
Roads, highways & bridges	6,340	13,145	22,746	35,181	53,248	107.33	73.04	54.67	51.35
Water supply and sanitation	4,644	3,421	5,799	6,538	10,338	-26.34	69.51	12.74	58.12
Education	66,290	78,447	97,697	116,873	141,702	18.34	24.54	19.63	21.24
Health	19,211	22,368	27,009	31,426	39,203	16.43	20.75	16.35	24.75
Population Planning	1,331	3,120	4,689	4,578	10,229	134.41	50.29	-2.37	123.44
Social security & welfare	3,664	1,301	4,144	2,030	7,575	-64.49	218.52	-51.01	273.15
Natural Calamities	189	410	529	922	19,148	116.93	29.02	74.29	1976.79
Irrigation	10,133	15,535	22,506	37,871	59,819	53.31	44.87	68.27	57.95
Land reclamation	1,838	1,733	2,016	2,111	2,673	-5.71	16.33	4.71	26.62
Rural development	12,325	16,883	18,607	15,369	15,040	36.98	10.21	-17.40	-2.14
Rural electrification	0	0	1,422	4,354	1,000	-	-	206.16	-77.03
Food subsidies	5,513	10,859	8,513	5,359	6,021	96.97	-21.60	-37.05	12.35
Food Support Programme	2,017	2,017	2,804	2,703	3,081	0.00	39.02	-3.60	13.98
Tawana Pakistan	800	800	590	78	-	0.00	-26.25	-86.78	-
Low cost housing	0	0	423	318	305	-	-	-24.82	-4.09
Administration of justice	1,981	2,196	2,437	3,116	5,642	10.85	10.97	27.86	81.07
Law and order	31,004	36,293	39,370	47,416	59,567	17.06	8.48	20.44	25.63
Total	167,280	208,528	261,301	316,243	434,591	24.66	25.31	21.03	37.42

Source: Compiled from Civil Accounts provided by Accountant General's Office.

Table 5: Budgetary Poverty Related Expenditures by Sectors as % of GDP

	2001-02	2002-03	2003-04	2004-05	2005-06
Roads, highways/bridges	0.14	0.27	0.40	0.53	0.69
Water supply/sanitation	0.11	0.07	0.10	0.10	0.13
Education	1.51	1.63	1.73	1.78	1.84
Health	0.44	0.46	0.48	0.48	0.51
Population Planning	0.03	0.06	0.08	0.07	0.13
Social security & welfare	0.08	0.03	0.07	0.03	0.10
Natural Calamities	0.00	0.01	0.01	0.01	0.25
Irrigation	0.23	0.32	0.40	0.58	0.78
Land reclamation	0.04	0.04	0.04	0.03	0.03
Rural development	0.28	0.35	0.33	0.23	0.19
Rural electrification	0.00	0.00	0.03	0.07	0.01
Food subsidies	0.13	0.23	0.15	0.08	0.08
Food Support Programme	0.05	0.04	0.05	0.04	0.04
Tawana Pakistan	0.02	0.02	0.01	0.00	-
Low cost housing	0.00	0.00	0.01	0.00	0.00
Administration of justice	0.05	0.05	0.04	0.05	0.07
Law and order	0.70	0.75	0.70	0.72	0.77
Total	3.80	4.32	4.63	4.81	5.63

GDP (mp) at current factor cost for FY02, FY03, FY04, FY05 and FY06 in million Rs amounts to 4401699, 4822842, 5640580, 6581103 and 7713064 respectively. These figures are taken from Economic Survey FY06.

4.5 Sectors, which observed a decline, include rural development, rural electrification and low cost housing. The implementation of Tawana Pakistan project was slow and incomplete as compared to the envisaged targets. It is being redesigned and has been temporarily suspended. It is a nutrition target program, which includes serving of meals and micronutrient supplementation to school girls. The program has been launched in 5300 schools of 29 poor districts of Pakistan.

4.6 Despite a decline in expenditure on rural development, the development expenditure on this sector increased by 21.3 percentage points between FY05 and FY06 (Appendix Table 1). Development expenditure also increased by 4.6 percentage points on roads, highways and bridges. The corresponding increase on water supply & sanitation sector was 8 percentage points. Sectors which show an increase as percentage of GDP in FY06 over FY05 include roads, highways and bridges, water supply and sanitation, education, health, population planning, social security & welfare, natural calamities, irrigation, administration of justice and law and order (Table 5). During the same period the sectors where this percentage remained same, include land reclamation, food subsidies and food support program. The sectors which experienced a decline include rural development and rural electrification. It is worth noting that by FY05, 71% villages in the country had access to electricity and the strategy for the electrification of remaining villages is being formulated (see Box 1).

Box 1: Electricity for All by 2007

The Rural Electrification Programme is designed to provide adequate infrastructure and facilities for rural electrification of villages and the target is to achieve 100% rural electrification by 2007. The extensive village electrification has been implemented by Water and Power Development Authority (WAPDA), which is responsible for implementation in all the provinces including Federally Administered Tribal Areas (FATA). Under the policy of equal access to electricity, the Government of Pakistan (GoP) decided to implement mass village electrification using its budget on grant basis. The main sources of budget are: 1) Prime Minister's directive; 2) Tameer-e-Pakistan (federal and provincial); 3) Khushal Pakistan Programme 2, which covers not only rural electrification but also rural infrastructure development (see section x for details). Rural electrification in 1990s was characterized by foreign assisted project financed by major donors such as OECF (JBIC), Asian Development Bank (ADB) and World Bank (WB). After 2000, GoP took over village electrification at a higher pace; as a result, 71% of rural areas were electrified by FY05. There are a total of 127,568 villages in Pakistan and 90,489 were electrified by FY05. The Ministry of Water and Power is finalizing a strategy to electrify the remaining 37,079 villages by December 2007.

4.1 Provincial Patterns of PRSP Expenditures

4.7 Table 6 shows that largest increase in pro-poor expenditures was recorded in NWFP at 77.98% in FY06, as compared to FY05, which is 40.6 percentage points more than overall increase at national level. As explained in previous PRSP quarterly progress report, expenditures made for relief and reconstruction of earthquake-affected areas in NWFP resulted in overall increase of pro-poor expenditures made in this province. However, in NWFP province, the increase in pro-poor expenditures was made in all sectors. There were no expenditures at the province level on low cost housing in FY05 and FY06. Expenditures made on population planning increased from Rs 4 million in

FY05 to Rs1.9 billion in FY06 in NWFP, of which 96% expenditures were for development purpose.

4.8 The largest increase in expenditure by the Federal Government was on 'natural calamities' followed by social security & welfare, population planning, irrigation, food subsidies, health, education, administration of justice, law and order and food support program. During FY06, Federal Government spent Rs 6 million on low cost housing, whereas it made no expenditure under this head in FY05.

4.9 The overall PRSP expenditures in Punjab, Sindh and Balochistan witnessed an increase of 26.7%, 42.3% and 15.6%, respectively in FY06 as compared to FY05. Punjab, Sindh and Balochistan experienced an increase in expenditures made on roads, highways & bridges, education, population planning, social security & welfare, irrigation, administration of justice and law and order in FY06 relative to FY05. During the same period Sindh and Balochistan observed decline in expenditures made on water supply & sanitation. It is worth noting that the government of Pakistan aims to provide safe drinking water to entire population by 2010, far earlier than Millennium Development Goals of water supply in 2015. To achieve this target, Sindh and Balochistan may increase expenditure on the water supply sector. Expenditures made on natural calamities declined in Balochistan. Expenditures on rural development declined in Punjab and Sindh.

Table 6: PRSP Change in Expenditures between 2005-06 and 2004-05 by Sector and Province

Sectors	Federal	Punjab	Sindh	NWFP	Balochistan	Pakistan
Roads, highways & bridges	-9.23	60.90	79.83	21.36	20.60	51.35
Water supply and sanitation	-54.80	267.63	-45.97	19.47	-17.16	58.12
Education	32.84	10.52	33.71	27.49	4.18	21.24
Health	40.35	14.55	43.13	17.38	-6.61	24.75
Population Planning	105.09	34.17	31.59	46175.00	67.97	123.44
Social security & welfare	338.46	42.45	924.12	86.67	17.47	273.15
Natural Calamities	636.36	8434.38	72.61	18823.53	-30.77	1976.79
Irrigation	68.55	19.05	91.75	72.33	26.22	57.95
Land reclamation	-80.95	12.35	14.74	-	-	26.62
Rural development	-38.29	-10.17	-77.39	51.41	52.53	-2.14
Rural electrification	-77.03	-	-	-	-	-77.03
Food subsidies	62.67	-50.00	-25.80	0.00	-	12.35
Food Support Programme	9.49	25.09	-8.60	11.48	12.73	13.98
Tawana Pakistan	-	-	-	-	-	-
Low cost housing	-	-5.97	-	-	-	-4.09
Administration of justice	39.11	140.92	24.14	57.58	68.60	81.07
Law and order	25.77	32.60	14.68	18.14	34.99	25.63
Total	41.58	26.74	42.29	77.98	15.62	37.42

Source: Compiled from Civil Accounts provided by Accountant General's Office.

4.2 Sector-wise Analysis of PRSP Expenditure

4.2.1 Education

4.10 Pakistan has committed to all international declarations to extend the agenda of providing the basic right of education to all of its citizens. The National Plan of Action for Education for All (EFA) was initiated in response to the commitment made at Dakar World Education Forum 2000. The Education Sector Reforms (ESR) which is built upon the National Education Policy 1998-2010 is a long term plan, with three yearly action plans. ESR addresses the development of overall education sector through investment in rehabilitation of schools, improving the curriculum and assessment reform system, an adult literacy campaign, mainstreaming the *Madaris*, a pilot school nutrition program and technical stream in secondary school⁵.

4.12 In line with the commitment of the government of Pakistan, the largest proportion of PRSP expenditures, approximately 33% was spent on education sector in FY06; there has also been a trend of spending largest proportion of PRSP expenditure on education sector. PRSP education expenditures at national level increased by 21.2% to Rs 141.7 billion in FY06 over FY05. During the same period increase in education expenditure by Federal Government, Punjab, Sindh, NWFP and Balochistan, stood at 32.8%, 10.5%, 33.7%, 27.5% and 4.2%, respectively (Table 7).

4.13 Primary education expenditures have always shown a positive growth during the periods under consideration (Table 7). Expenditure on primary education during FY06 over FY05 increased by 9.2% to Rs 53.8 billion. Federal Government witnessed a decline of Rs 36.6% on expenditures made on primary education in FY06, whereas all provinces made increases; NWFP witnessed the largest increase of 27.1% amounting to Rs 8.3 billion and Balochistan observed smallest increase of 3.4% to Rs 1.8 billion.

4.14 Secondary education expenditures increased by 23.5% in FY06 as compared to FY05 to Rs 50.4 billion. During FY03 to FY06, secondary education expenditures witnessed a positive growth. Expenditures on general university/college education increased by 103% in FY06 over FY05 to Rs 29.2 billion. Largest increase under this head was seen in expenditures made by Federal Government to Rs19.9 billion, which were largely made by Higher Education Commission. Expenditures on professional/technical universities declined by 35.6% in FY06 compared to FY05. This decline was the result of a 56% decline in expenditures made by the Federal Government. Expenditures made on teacher and vocational training increased marginally in FY06 over FY05 to Rs 2.3 billion. During the same period, expenditures made on other educational institutions increased by 33.8% to Rs 14.2 billion. Increase in expenditure under this head took place in all regions except Balochistan.

4.15 Pakistan is a signatory of Millenium Development Goals (MDG) and aims to achieve universal primary education by 2015. The share of expenditure on primary schooling in total education expenditure during FY02, FY03, FY04, FY05 and FY06 stood at 32.7%, 42.4%, 44.3%, 42.2% and 38.0%, respectively, indicating that largest

⁵ For details see Economic Survey 2005-06 and website of Ministry of Education; www.moe.gov.pk.

proportion of education expenditure were made on primary education. It depicts the government's commitment to achieve MDG targets related to primary education (Table

Table 7: Percentage Change in PRSP Education Expenditures by Sectors

Sectors	Fiscal Year	Federal	Punjab	Sindh	NWFP	Balochistan	Pakistan
Primary Education	2002-03/2001-02	-52.36	18.05	-4.85	26.49	-4.77	6.24
	2003-04/2002-03	1.00	49.16	10.99	8.37	15.35	31.36
	2004-05/2003-04	111.25	8.32	13.00	22.86	-1.43	13.84
	2005-06/2004-05	-36.62	5.64	23.80	27.12	3.41	9.20
Secondary Education	2002-03/2001-02	23.22	10.51	52.59	19.42	-3.53	21.17
	2003-04/2002-03	1.58	18.98	11.91	8.17	27.56	13.86
	2004-05/2003-04	24.11	14.18	16.21	28.98	-7.57	16.93
	2005-06/2004-05	17.87	18.84	31.55	26.99	14.43	23.50
General University/ College Education	2002-03/2001-02	106.27	22.67	5.75	59.93	20.00	57.73
	2003-04/2002-03	28.73	3.10	17.78	0.00	0.27	18.47
	2004-05/2003-04	-18.43	22.01	22.62	4.80	4.21	-3.57
	2005-06/2004-05	173.60	22.43	54.04	26.48	13.75	103.13
Professional/Technical Universities	2002-03/2001-02	10.06	-20.75	6.50	17.74	47.52	6.07
	2003-04/2002-03	29.85	30.89	3.62	7.63	25.48	21.08
	2004-05/2003-04	320.30	-0.72	31.57	24.36	23.76	170.85
	2005-06/2004-05	-56.05	82.28	19.14	42.54	5.73	-35.61
Teacher and Vocational Training	2002-03/2001-02	-69.99	-17.60	-43.66	26.32	54.27	-43.07
	2003-04/2002-03	-90.49	126.43	4.17	66.67	-36.81	25.22
	2004-05/2003-04	591.49	12.66	-7.09	-22.50	3.92	24.84
	2005-06/2004-05	-86.15	9.61	25.42	-100.00	114.15	0.22
Other Educational Institutions	2002-03/2001-02	265.03	50.23	-22.20	218.31	74.73	89.40
	2003-04/2002-03	22.02	122.93	88.29	-58.89	81.29	40.65
	2004-05/2003-04	-12.59	46.08	-9.85	-55.62	62.33	12.47
	2005-06/2004-05	83.46	2.57	85.95	27.39	-11.96	33.79

Source: Compiled from Civil Accounts provided by Accountant General's Office.

Table 8: Percentage Distribution of Education Expenditures by Province and Level of Education 2001-02 to 2005-06

	Federal	Punjab	Sindh	NWFP	Balochistan	Pakistan
2001-02						
Primary Education	9.09	56.41	46.62	35.52	36.75	32.65
Secondary Education	10.78	24.90	32.25	32.32	28.32	28.51
General University/ College Education	49.16	9.75	9.34	6.78	8.43	19.94
Professional/Technical Universities	14.24	2.68	5.73	7.17	4.79	7.10
Teacher and Vocational Training	3.61	2.48	0.70	0.33	7.07	2.83
Other Educational Institutions	13.12	3.77	5.37	17.88	14.64	8.97
Total	100.00	100.00	100.00	100.00	100.00	100.00
2002-03						
Primary Education	8.79	57.54	45.72	41.55	36.75	42.40
Secondary Education	11.94	24.27	33.81	35.73	28.32	25.81
General University/ College Education	47.36	9.98	8.33	7.16	8.43	16.19
Professional/Technical Universities	12.49	1.67	5.65	4.28	4.79	5.08
Teacher and Vocational Training	3.34	2.42	0.77	0.20	7.07	2.18
Other Educational Institutions	16.08	4.11	5.73	11.07	14.64	8.33
Total	100.00	100.00	100.00	100.00	100.00	100.00
2003-04						
Primary Education	7.83	60.14	43.08	44.88	34.88	44.32
Secondary Education	10.25	21.35	32.61	38.52	29.66	24.00
General University/ College Education	50.81	7.30	8.26	7.14	6.83	15.27
Professional/Technical Universities	13.49	1.25	5.41	4.60	5.41	4.86
Teacher and Vocational Training	0.27	3.41	0.70	0.33	1.96	1.88
Other Educational Institutions	17.34	6.56	9.94	4.54	21.25	9.66
Total	100.00	100.00	100.00	100.00	100.00	100.00
2004-05						
Primary Education	11.46	57.60	42.91	45.84	30.66	42.18
Secondary Education	8.81	21.56	33.41	41.30	24.44	23.46
General University/ College Education	28.70	7.88	8.93	6.22	6.35	12.31
Professional/Technical Universities	39.26	1.09	6.28	4.75	5.97	11.00
Teacher and Vocational Training	1.28	3.39	0.57	0.22	1.81	1.97
Other Educational Institutions	10.50	8.47	7.90	1.67	30.76	9.09
Total	100.00	100.00	100.00	100.00	100.00	100.00
2005-06						
Primary Education	5.47	55.06	39.73	45.71	30.43	37.99
Secondary Education	7.82	23.18	32.87	41.14	26.85	23.89
General University/ College Education	59.10	8.73	10.29	6.17	6.93	20.62
Professional/Technical Universities	12.99	1.80	5.59	5.31	6.06	5.84
Teacher and Vocational Training	0.13	3.37	0.54	0.00	3.73	1.62
Other Educational Institutions	14.49	7.86	10.98	1.67	25.99	10.03
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Compiled from Civil Accounts provided by Accountant General's Office.

8). Second priority was given to secondary education in terms of proportion of education expenditures over the past five fiscal years. However, the gap between proportion of expenditures made on general university/college and secondary education has substantially declined in FY06. Smallest proportion of expenditures was made on teacher and vocational training over the past five fiscal years.

4.16 Federal Government spent largest proportion of education expenditures (59.1%) on general universities and colleges in FY06, which as discussed earlier is the result of large expenditure made by Higher Education Commission. Second important sub-sector of education in terms of proportion of education expenditure made by Federal Government was other educational institutions (14.4%) in FY06. In all the provinces there is a trend of spending largest proportion of education expenditure on primary education, followed by secondary education.

4.2.2 Health

4.17 A nation must be healthy in order to contribute to economic development. About 9% of the total PRSP expenditure in FY06 was made on the health sector. Between FY06 and FY05, health expenditure increased by 24.8% to Rs 39.2 billion. Largest increase in health expenditure was incurred in Sindh (43.1%), followed by Federal Government (40.4%), NWFP (17.4%) and Punjab (14.6%), whereas health expenditure declined by 6.6% in Balochistan (Table 9). As Balochistan has poorest health indicators compared to other provinces (see PRSP annual report FY05), there is a need to increase health expenditure in Balochistan.

4.18 Expenditure on general hospital and clinics showed a positive growth during FY03 to FY06 (Table 9). Expenditure under this head increased by 26.1% to Rs 27.6 billion in FY06 over FY05. Federal Government and Sindh observed an increase of 55.9% and 56.1%, respectively during the same period, which amounted to Rs 5 billion and Rs 6.2 billion, respectively. Balochistan is the only region, which experienced a decline of 11.9% to Rs 892 million under this head. Expenditures on mother and child increased substantially in FY06 relative to FY05 to Rs 216 million. Here again, a decline in expenditure under this head was seen only in Balochistan, which spent only Rs 2 million. An increase of 30.1% was recorded in expenditure made on health facilities and preventive measures amounting to Rs 7.2 billion in FY06 compared to FY05. During the same period under this head a substantial increase was seen in NWFP to Rs 557 million. Federal Government and Punjab also witnessed increases, whereas Sindh and Balochistan saw declines. Expenditure on other health facilities increased by 6.2% to Rs 4.2 billion in FY06 over FY05. Balochistan province showed an increase of 26.2% under this head to Rs 839 million.

4.19 Table 10 shows that during FY02 to FY06, 70-72% of health expenditure was spent on general hospitals and clinics. Second priority was given to preventive measures, followed by other health facilities and mother and child. Federal Government spent largest proportion (50.3%) of health expenditure on other health facilities in FY06, followed by general hospitals and clinics (43.9%). All provinces spent largest proportion of health expenditure on general hospitals and clinics, whereas in Balochistan gap between proportion of expenditure on general hospital and clinics and other health facilities was of just 3 percentage points in FY06. To achieve the MDG health related targets, expenditures on preventive measures may be increased.

Table 9: Percentage Change in PRSP Health Expenditures by Sectors

	Fiscal Year	Federal	Punjab	Sindh	NWFP	Balochistan	Pakistan
General Hospital and Clinics	2002-03/2001-02	7.28	24.97	4.87	10.82	-8.72	14.53
	2003-04/2002-03	33.93	22.96	25.48	0.87	-3.05	21.08
	2004-05/2003-04	9.64	7.35	2.67	44.73	48.75	11.99
	2005-06/2004-05	55.90	14.32	56.08	9.03	-11.94	26.06
Mother & Child	2002-03/2001-02	0	41.94	0	-8.33	-71.43	3.39
	2003-04/2002-03	0	20.45	0	9.09	-50	13.11
	2004-05/2003-04	0.00	-97.96	-	8.33	1450.00	-23.08
	2005-06/2004-05	50.00	6300.00	4300.00	15.38	-93.55	332.00
Health Facilities and Preventive Measures	2002-03/2001-02	30.42	92.86	6.28	9.3	84.68	28.43
	2003-04/2002-03	4.43	125.93	-19.55	18.09	114.63	9.99
	2004-05/2003-04	34.24	6.42	-5.56	239.63	-36.62	30.06
	2005-06/2004-05	34.24	6.42	-5.56	239.63	-36.62	30.06
Other Health Facilities	2002-03/2001-02	43.91	15.32	-16.92	23.35	5.11	14.91
	2003-04/2002-03	-5.59	17.5	60.65	47.57	12.01	16.6
	2004-05/2003-04	-4.46	33.20	141.48	22.70	-32.00	14.96
	2005-06/2004-05	3.27	12.80	-14.72	-16.35	26.17	6.24

Source: Compiled from Civil Accounts provided by Accountant General's Office.

Table 10: Percentage Distribution of Health Expenditure by Province and Sector 2001-02 to 2004-05

	Federal	Punjab	Sindh	NWFP	Balochistan	Total
2001-02						
General Hospitals and Clinics	41.90	86.60	81.90	87.50	45.40	71.80
Mother & Child Health Facilities and Preventive Measures	0.04	0.45	0.00	0.44	0.25	0.25
Other Health Facilities	48.00	0.60	10.00	3.20	12.90	15.00
Total	10.10	12.30	8.10	8.80	41.40	13.00
Total	100.00	100.00	100.00	100.00	100.00	100.00
2002-03						
General Hospitals and Clinics	41.00	87.10	81.40	86.30	45.40	72.10
Mother & Child Health Facilities and Preventive Measures	0.04	0.47	0.00	0.49	0.25	0.27
Other Health Facilities	47.20	0.60	12.90	4.10	12.90	15.00
Total	11.80	11.90	5.70	9.10	41.40	12.60
Total	100.00	100.00	100.00	100.00	100.00	100.00
2003-04						
General Hospitals and Clinics	43.75	87.71	89.37	82.22	32.34	72.29
Mother & Child Health Facilities and Preventive Measures	0.03	0.43	0.00	0.50	0.09	0.24
Other Health Facilities	46.17	1.16	4.36	4.62	21.13	14.67
Total	10.05	10.71	6.26	12.66	46.44	12.80
Total	100.00	100.00	100.00	100.00	100.00	100.00
2004-05						
General Hospitals and Clinics	39.50	86.09	76.80	83.86	46.79	69.58
Mother & Child Health Facilities and Preventive Measures	0.02	0.01	0.06	0.38	1.43	0.16
Other Health Facilities	52.57	0.87	10.49	4.81	21.06	17.62
Total	7.91	13.04	12.66	10.95	30.72	12.64
Total	100.00	100.00	100.00	100.00	100.00	100.00
2005-06						
General Hospitals and Clinics	43.87	85.91	83.75	77.89	44.11	70.32
Mother & Child Health Facilities and Preventive Measures	0.03	0.44	1.79	0.38	0.10	0.55
Other Health Facilities	50.28	0.80	6.92	13.93	14.29	18.37
Total	5.82	12.84	7.54	7.80	41.49	10.77
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Compiled from Civil Accounts provided by Accountant General's Office.

5 Direct Transfers

5.1 Direct transfers, which generally include cash transfers such as Zakat and food support program, pension and micro-credit, are the major tools for targeted interventions to benefit the poor. The amount of direct transfers and number of beneficiaries by type of transfers are given in Table 11. Total direct transfers in FY06 stood at Rs 16.6 billion, which were transferred to 5.5 million beneficiaries. Both the disbursement and number of beneficiaries have increased considerably since FY02. This section has analyzed the expenditure data through Zakat, Pakistan Bait-ul-Mal (PBM), micro-credit programs and Employees Old Age Benefits Institution (EOBI).

5.1 Zakat

5.2 Zakat disbursement has declined by 12 percentage points to Rs 3.2 billion in FY06, as compared to Rs. 3.7 billion in FY05. However, during the same period the number of beneficiaries has increased by 18.7% to 1.6 million, indicating that amount of disbursement per person has probably declined. Zakat disbursements were as high as Rs 8 billion in FY03. Zakat is disbursed under different programmes. During FY06, a large proportion of it, about 63%, was disbursed through Guzara allowance, whereas the corresponding percentage was 48% in FY05. Proportion of Zakat disbursed through educational stipend stood at 15.5% in FY06 and at 11.2% in FY05. Stipends to students to *Deeni Madaris* stood at 7.9% in FY06, as compared to 6.4% in FY05. Disbursement under health care amounted to Rs 185 million in FY06, making 5.7% of total Zakat disbursement, which in FY05 stood at 4.3%. About 3.7% of Zakat was disbursed under Social Welfare/Rehabilitation in FY06, which stood at 2.2% in FY05. About 4.1% of Zakat was spent on marriage assistance in FY06, which stood at 2.8% in FY05. About 25% of Zakat was given as Rehabilitation Grant in FY05, whereas no disbursements were made under this head in FY06. About 59.9% of Zakat disbursements were made in Punjab, 18.9% in Sindh, 13.9% in NWFP, 5.4% in Balochistan, 0.7% in ICT and 1.2% in Northern areas in FY06. In FY06 proportion of male beneficiaries (65%) and female beneficiaries (35%) of Zakat remained more or less same as in FY05.

5.2 Pakistan Bait-ul-Mal

5.3 Amount disbursed by PBM increased by 17% to Rs 3.8 billion in FY06 over FY05, benefiting around 3 million households, indicating an increase of 87% in FY06 relative to FY05 (Table 12). Food Support Program is part of PRSP budgetary expenditures. Food Support Program is the largest program of PBM, which increased by 14% in FY06 relative to FY05 to Rs 3.1 billion and benefited 1.5 million households. Disbursement under individual financial assistance increased by 29% to Rs 450 million. Disbursements under national centres for rehabilitation of child labour increased by 24% to Rs 139 million. There was a substantial increase of 196% in disbursement under vocational training centres to Rs 71 million. Disbursement under institutional rehabilitation increased by 17% to Rs 97 million in FY06 compared to FY05.

Table11: Direct Transfers and Beneficiaries

Programme	Disbursement/beneficiaries	2001-02	2002-03	2003-04	2004-05	2005-06
Zakat	Amount disbursed (million Rs)	5,254	8,009	5,330	3,692	3,234
	Total beneficiaries (000)	1,710	1,754	1,639	1,370	1,627
Pakistan Bait-UI-Mal (all programmes)*	Amount disbursed	-	-	3,159	3,270	3,838
	Households (000)	-	-	1,614	1,671	3,130
Credit**	Amount disbursed (million Rs)	1,049	2,518	3,034	5,431	6,655
	Total beneficiaries (000)	100	216	286	470	606
EOBI	Amount disbursed (million Rs)	1,366	1,592	1,742	1,929	2,868
	Total beneficiaries (000)	NA	108	115	121	129
All Programmes	Amount disbursed (million Rs)	7,669	12,119	13,265	14,323	16,595
	Total beneficiaries (000)	1,810	2,078	3,654	3,632	5,492

Source: For Zakat: Ministry of Religious Affairs Zakat and Ushr, for Pakistan Bait-UI-Mal: Ministry of Social Welfare and Special Education, for source of credit see table 13, for EOBI: Employees' Old Age Benefits Institution, Head Office Karachi.

* Includes Food Support Programme as given in budgetary expenditure

**Comprise of PPAF, Khushali Bank and ZTBL

Table 12: Programmes of Pakistan Bait-UI-Mal

Programme	FY 2004-05		FY 2005-06	
	Disbursement (Rs million)	Households	Disbursement (Rs million)	Households
Food Support Programme*	2,703	1,113,601	3,081	1,460,000
Individual Financial Assistance	348	30,043	450	27,229
National Centres for Rehabilitation of Child Labour	112	11,040	139	13,440
Vocational Training Centres	24	9,212	71	13,156
Institutional Rehabilitation (Grant-In Aid to NGOs)	83	506,680	97	1,615,938
Total Disbursement Under All Programmes	3,270	1,670,576	3,838	3,129,763

*Food Support Programme is included in PRSP budgetary expenditures also.

Source: Ministry of Social Welfare & Special Education.

5.3 Micro Credit

5.5 Micro-credit is recognized as an effective tool to pull the poor and vulnerable out of poverty and vulnerability. The award of this year Nobel Peace Prize to Dr. Yunis Khan and the Grameen Bank reinforces the importance of micro-credit in poverty reduction efforts and improving the well being of poor households. The fourth pillar of Pakistan's PRSP-I concerns with targeted interventions, being the micro-credit as the major one. Since FY02, as Table 11 shows, micro-credit disbursement has increased consistently from Rs 1 billion in FY02 to Rs 6.6 billion in FY06. During the same period, number of beneficiaries increased from 100 thousand in FY02 to 606 thousand in FY06. Amount disbursed by Khushali bank increased by 28% to Rs 2.9 billion in FY06 relative to FY05.

During the same period number of female beneficiaries declined by 10.7% to 44 thousand and male beneficiaries increased by 31.6% to 229 thousand (table 13). Micro-credit disbursed to partner organizations of Pakistan Poverty Alleviation Fund (PPAF) increased by 19.3% to Rs 3.7 billion. Number of male beneficiaries of PPAF increased by 28.4% to 202 thousand and number of female beneficiaries increased by 48.8% to 130 thousand in FY06. PPAF activities are spread in 79 districts. Micro-credit disbursed through Zarai Taraqati Bank Limited (ZTBL) is very meager, as it disbursed only Rs 28 million (Table 13). Despite the progress made in the expansion of micro-credit through PPAF, Khushali Bank and other organization, coverage of the poor population is still low. There is a need to enhance further micro credit facilities in Pakistan, so that it can cater to all the poor and needy persons in the country.

Table 13: Micro credit Disbursement (Million Rs)

		2004-05	2005-06
PPAF	amount disbursed	3,106	3,706
	No of districts	79	79
	No of male beneficiaries (000)	158	202
	No of female beneficiaries (000)	87	130
	Total beneficiaries (000)	245	332
Khushali Bank	amount disbursed	2,277	2,922
	No of male beneficiaries (000)	174	229
	No of female beneficiaries (000)	49	44
	Total beneficiaries (000)	223	273
ZTBL	amount disbursed	48	28
	No of male beneficiaries (000)	2	0.7
	No of female beneficiaries (000)	1	0.4
	Total beneficiaries (000)	2	1.2
Credit	Total credit	5,431	6,655
	Total male beneficiaries	333	433
	Total Female beneficiaries	137	174
	Total beneficiaries	470	606

Source: Pakistan Poverty Alleviation Fund; and respective Banks.

Box 2: Pakistan Poverty Alleviation Fund (PPAF)

Pakistan Poverty Alleviation Fund (PPAF) represents an innovative model of public/private sector partnership sponsored by the Government of Pakistan and funded through the World Bank. PPAF is mandated to work with Non Government Organizations (NGOs), Community Based Organizations (CBOs), Rural Support Programmes (RSPs) and other private sector organizations. The area of operation of PPAF extends to whole Pakistan. It aims to maintain judicious balance between rural and urban areas. PPAF provides financial assistance through: lines of credit for expansion of poverty targeted micro credit/enterprise development programs; grants for community physical infrastructure on a cost sharing basis; grants for health and education on cost sharing basis; and grants to strengthen and build the institutional capacity of partner organizations and communities. Activities of PPAF include: Credit and Enterprise Development (CED), Community Physical Infrastructure (CPI), Social Sector Development Program (SSDP) and Human and Institutional Development.

PPAF launched a pilot programme, with Government and ENGRO Chemical Pakistan Limited (ECPL), to provide credit for livestock acquisition and technical assistance for better livestock management through its partner organizations; NRSP, SAFWO and Taraqee Foundation. This pilot project is completed successfully and main project agreement is in the process. To assist earthquake Affectees, PPAF established Disaster Relief Centers with reallocation of US\$ 5 million from its existing resources. It has

been assigned 34 earthquake effected union councils of NWFP and AJK, for reconstruction and rehabilitation.

5.4 EOI

5.6 The objective of EOI is to provide subsistence pensions to Pakistani workers who retire after completing a minimum number of years of insurable employment. The institution was established in 1976, with the core objective of providing monetary benefits as pension to the workers of private industrial and commercial establishments across the country. Amount disbursed by EOI increased by 48.6% to Rs 2.9 billion in FY06 as compared to FY05. During the same period total number of beneficiaries increased by 6.7% to 129,000.

6 Performance of the PRSP Intermediate Indicators

6.1 Performance of some intermediate indicators related to education and health sectors for which data are available have been analyzed in this section. Recent information on land distributed among the poor households has also been provided below. A discussion on the unemployment trends is also part of this section. Monitoring of many other intermediate indicators such as water supply and sanitation depends on household survey data which are not available for the more recent period. It is worth noting that monitoring of the intermediate indicators related to education sector depends primarily on the education census data and the latest available information is for the 2004/05 period.

6.1 Education sector

6.2 Education intermediate indicators discussed under this subsection include functional public schools, basic facilities in public schools, posts filled against sanctioned schools in public school and percentage of trained teachers in these schools. Number of functional public primary (including mosque schools) and middle schools in Pakistan and regions are reported in Table 14. Total functional public schools observed a decline since FY02; they declined by 5,130 schools since FY02 to 141,186 in FY05. Total number of functional schools is also below the PRSP projection of 153,824 for FY05. This decline in functional schools is the result of 5% decline in primary schools in FY05 relative to FY02, whereas middle schools during the same period increased by 7%. It appears that many primary schools have been upgraded to the middle level. Punjab being the most populous province also has the largest number of functional schools, which were 57,442 in FY05. Punjab, Sindh, NWFP, AJK and Islamabad witnessed a decline of 2%, 11%, 1%, 5% and 2%, respectively in total functional schools in FY05 as compared to FY02.

6.3 It is encouraging to see an increase of 4% in number of functional schools in Balochistan in FY05 relative to FY02, which will assist in improving education sector outcome indicators. FANA and FATA observed an increase of 11% and 16%, respectively in number of functional schools in FY05 compared to FY02.

6.4 Proportion of basic facilities in public schools in Pakistan and regions are given in Appendix Table 2. All the basic facilities in public schools have improved slightly in Pakistan in FY05 compared to FY04 at both primary and middle level. Islamabad and FATA are two regions where all four basic facilities were above 89% in FY05, whereas situation in other regions is very dismal, indicating that there is a need to increase investment in basic facilities in public schools. Improvement in provision of basic facilities in public schools is expected to improve education outcome indicators. It is hard to focus on studies without electricity in summers.

6.5 Posts filled against sanctioned posts in public schools in Pakistan and regions for male and female teachers are shown in Appendix Table 3, which also shows percentage of trained teachers for male and female in Pakistan and regions. Posts filled against sanctioned posts in public schools in NWFP, Balochistan and FATA were more than 90%. In these regions percentage of posts filled against sanctioned posts were higher for males relative to females. In Punjab more than 80% positions were filled against sanctioned posts. In Islamabad about 19%-23% posts were vacant against sanctioned posts in FY05. Public schools are doing well in terms of percentage of trained teachers, as 100% teachers male as well as female were trained in Punjab, NWFP and FANA in

FY05. In Balochistan percentage of trained teachers declined slightly in FY05 compared to FY04, most probably due to recruitment of untrained teachers.

Table 14: Number of Functional Public Schools

Region/Province	Year	Primary	Middle	Total
Pakistan	2001-02	133,116	13,200	146,316
	2002-03	134,027	13,736	147,763
	2003-04	133,952	13,668	147,620
	2004-05	127,040	14,146	141,186
Punjab	2001-02	52,035	6,579	58,614
	2002-03	51,995	6,875	58,870
	2003-04	51,698	6,801	58,499
	2004-05	50,268	7,174	57,442
Sindh	2001-02	39,176	2,240	41,416
	2002-03	40,121	2,373	42,494
	2003-04	40,121	2,373	42,494
	2004-05	34,633	2,104	36,737
NWFP	2001-02	22,573	2,076	24,649
	2002-03	21,992	2,055	24,047
	2003-04	21,993	2,053	24,046
	2004-05	22,024	2,385	24,409
Balochistan	2001-02	9,913	696	10,609
	2002-03	9,893	764	10,657
	2003-04	10,087	774	10,861
	2004-05	10,282	772	11,054
AJK	2001-02	4,376	989	5,365
	2002-03	4,376	989	5,365
	2003-04	4,374	988	5,362
	2004-05	4,053	1,032	5,085
FANA	2001-02	1,126	202	1,328
	2002-03	1,231	221	1,452
	2003-04	1,231	221	1,452
	2004-05	1,253	223	1,476
FATA	2001-02	3,695	371	4,066
	2002-03	4,202	407	4,609
	2003-04	4,238	404	4,642
	2004-05	4,318	402	4,720
Islamabad	2001-02	222	47	269
	2002-03	217	52	269
	2003-04	210	54	264
	2004-05	209	54	263

Source: Academy of Educational Planning and Management, Ministry of Education.

Note: Mosque schools are included in primary schools

6.2 Health sector

6.6 In the health sector, data on immunization and coverage of the lady health workers (LHWs) program are available. TT-1 and TT-2 immunization coverage of pregnant women in FY05 and FY06, is shown in Table 15. At the national level TT-1

immunization coverage increased by 9 percentage points to 51% and TT-2 immunization coverage increased by 11 percentage points to 55% in FY06 compared to FY05. FATA has the highest coverage of TT-1 immunization at 62% and Capital Development Authority (CDA) has the lowest coverage at 20% in FY06. Except for AJK all regions experienced an increase in coverage of TT-1 immunization in FY06. During the same period FATA also has the largest coverage of TT-2 immunization at 81%, whereas Balochistan and FANA have lower coverage at 27% and 29%, respectively.

Table 15: TT- Immunization Coverage for Pregnant Women

Province/Region	2004-05			2005-06		
	Target Population (+4.1% Pop)	TT-Immunization		Target Population (+4.1% Pop)	TT-Immunization	
		TT-1 Cov%	TT2+ Cov%		TT-1 Cov%	TT2+ Cov%
Punjab	3,508,680	46	47	3,167,410	55	57
Sindh	1,426,182	43	48	1,328,073	52	58
NWFP	891,762	26	26	777,402	47	45
FATA	136,914	56	67	132,632	62	81
Balochistan	333,336	23	30	282,434	26	27
AJK	142,494	55	55	125,785	46	49
FANA	41,676	17	18	36,705	25	29
ICT	12,978	40	31	11,429	54	39
CDA	36,606	18	67	32,239	20	68
Others	-	-	-	-	-	-
Pakistan	6,530,628	42	44	5,894,109	51	55

Source: Federal EPI/CDD Cell, National Institute of Health

6.7 LHWs program was started in 1994 to provide basic health care services to the communities at their doorstep and to bridge the gap between communities and static health care services. It has proved to be a successful programme. LHWs at national level covered 57.7% of population and 75.3% of target population in FY06 (Table 16). About 40.9% of urban population and 66.1% of rural population was covered in FY06. LHWs at national level (National Programme and Rural Health Project) increased by 8% to 92,849 in FY06 relative to FY05⁶. During the same period, in urban areas LHWs increased by 20% to 19,590 and in rural areas they increased by 5% to 73,259 (Table 17). About 79% of total LHWs were deployed in rural areas and 21% in urban areas. Proportion of LHWs situated in Punjab, Sindh, NWFP and Balochistan stood at 52%, 22%, 15% and 6%, respectively.

6.3 Land Distribution

6.8 The Government of Pakistan has designed a programme to distribute the state land among the rural landless households. State land distributed by number of beneficiaries during FY02 to FY06 is given in Table 18. In FY02, 49.98 thousand acres of land was distributed among 2,694 beneficiaries in all provinces, in the later years this activity slowed down as during FY05, only 384 acres of land was distributed among 51 beneficiaries in Punjab. In FY06, 2.48 thousand acres of land was distributed among 543 beneficiaries in Punjab and Sindh. During 2005-06, 1461 *katchi abadies* were regularized, whereas in 2004-05, this number stood at 1455.

⁶ According to Economic Survey 2005-06, 100,000 LHWs were recruited in FY06; this larger number is due to inclusion of LHWs deployed in Women Health Project.

Table 16: Coverage of Lady Health Workers (LHW)

	Projected 2006	Population Covered by LHWs in 2006
Total Population	158,014,555	57.7
Urban Population	52,873,250	40.9
Rural Population	105,141,305	66.1
Target Population	121,003,280	75.3

Source: Ministry of Health, National Programme for Family Planning and Primary Health Care

Table 17: Placement of Lady Health Workers*

Province	2003-04			2004-05			2005-06		
	Urban	Rural	Total	Urban	Rural	Total	Urban	Rural	Total
Punjab	7,602	29,049	36,651	7,384	37,950	45,334	9,760	38,552	48,312
Sindh	6,746	11,633	18,379	6,220	11,951	18,171	5,654	14,689	20,343
NWFP	1,569	8,758	10,327	1,536	10,358	11,894	1,548	12,093	13,641
Balochistan	840	4,532	5,372	745	4,420	5,165	880	4,769	5,649
AJK	178	2,185	2,363	176	2,253	2,429	175	2,115	2,290
FANA	117	1,090	1,207	184	1,063	1,247	172	801	973
FATA	0	878	878	0	1,414	1,414	1,362	0	1,362
ICT	58	248	306	51	237	288	39	240	279
Total	17,110	58,373	75,483	16,296	69,646	85,942	19,590	73,259	92,849

* Includes LHWs who are under training.

Source: Ministry of Health, National Programme for Family Planning and Primary Health Care.

Table 18: State Land Distribution by Number of Beneficiaries in Each Province

	Punjab	Sindh	NWFP	Balochistan	Total
2001-02					
Land (acres)	15,878	11,394	17,619	5,089	49,980
Beneficiaries (number)	1,386	1,127	24	157	2,694
2002-03					
Land (acres)	3,260	4,241	0	0	7,501
Beneficiaries (number)	330	490	0	0	820
2003-04					
Land (acres)	3,452	0	0	0	3,452
Beneficiaries (number)	354	0	0	0	354
2004-05					
Land (acres)	384	0	0	0	384
Beneficiaries (number)	51	0	0	0	51
2005-06					
Land (acres)	1,010	1,465	0	0	2,475
Beneficiaries (number)	326	217	0	0	543

Source: Federal Land Commission

6.4 Unemployment Rate

6.9 The relationship between poverty reduction and productive employment is well established. Growth is the main source for employment generation, although several schemes are in progress in the country to provide support to unemployed labour force for self-employment. PRSP monitors trends in unemployment, based on the Labour Force Survey (LFS) data. So far, the LFS has been an annual activity, and the last LFS was carried out in 2003/04 by the FBS. To draw up the formative configuration of annual labour force indicators, the LFS 2005/06 has been carried out on a quarterly basis. For this purpose, the survey's total sample size has been evenly distributed into four distinct nationally representative sub-samples, each to be enumerated in a given quarter. Three quarter-yearly (July 2005-March 2006) employment data has been released. Although it is not strictly comparable with the 2003/04 annual data of the LFS, it does provide useful information on changes particularly in unemployment rates. Moreover, three-quarters data is sufficient to give reasonable proxy for the whole year. When the LFS data are available for all quarters of 2005/06, it would be possible to see seasonal variations in unemployment and other labour market indicators. Examination of this variation would be useful to design policies to reduce seasonal unemployment. Table 19 shows data on unemployment rate for 2003/04 (annual) and 2005/06 (three quarter-year) overall as well as by age and gender.

Table 19: Age-specific unemployment rate

Age groups (years)	LFS 2003-04 – annual (Jul-Jun)			LFS 2005-06 – 3 quarters (Jul-Mar)		
	Total	Male	Female	Total	Male	Female
Overall (≥10 years)	7.7	6.6	12.8	6.5	5.6	9.9
10 -14	12.8	13.6	10.4	8.2	8.9	6.4
15-19	13.2	12.8	14.9	10.1	9.9	11
20- 24	10.3	9.3	15	7.8	7.2	10.3
25 - 29	7.1	6.1	12.5	5.1	4.5	7.8
30 - 34	4.5	3.8	7.4	3.1	2.7	4.6
35 - 39	2.9	2	7.2	2.6	1.9	5.2
40 - 44	2.9	2.5	4.8	2.6	1.9	5.7
45 - 49	3.5	2.3	9.5	3.1	2.3	6.5
50- 54	5.1	3.5	12.2	6.3	4.7	13.9
55- 59	7.1	4.5	20.7	9	6.4	20.1
≥60	12.8	8.9	36.1	14.6	10.2	38.8

Source: Federal Bureau of Statistics - www.statpak.gov.pk.

6.10 The overall unemployment rate has declined from 7.7% in 2003/04 to 6.5% in 2005/06. It is worth noting that in the beginning of the PRSP process (2001/02), overall unemployment rate was 8.3%. Thus during this process, unemployment rate has declined by 1.8 percentage points. This is the period when poverty also declined considerably in the country. It is encouraging to note that while unemployment between the 2001/02 and 2003/04 period was declined primarily among females, the decline during the more recent period, 2003/04-2005/06, is among both sexes. Female unemployment declined by approximately 3 percentage points, while the corresponding decline for male was by one percentage point. Female unemployment is now in single digit – 9.9% whereas it used to be much higher in previous years. Table 19 also shows a consistent decline in age-specific unemployment rates across the gender, except for the post fifties age group of female. Youth unemployment rate has usually been higher than

the overall unemployment level. The decline in youth unemployment is substantial during the recent period e.g. 3% and 2.5% for 15-19 and 20-24 years old labour force. This decline was observed among male as well female. It appears that high economic growth rate during the last three years have generated job opportunities particularly for youth.

7 Performance of PRSP/MDG Indicators at District Level

7.1 PRSP progress reports have been monitoring the performance of input, intermediate and outcome PRSP/MDG indicators primarily at the national level. District level analyses could not be included in previous reports because of data scarcity. It is first time that Federal Bureau of Statistics (FBS) has generated data through the PSLM 2004/05 household survey, representative at the district level. While national as well as provincial level performance of different socio-economic indicators, based on the PSLM, has been discussed in detail in the previous PRSP reports, district-level analysis has been carried out in this section. It is based on the district report of PSLM, 2004/05 published by the FBS. District-level differentials in selected PRSP/MDG indicators are examined through maps generated by the Geographical Information System (GIS). The focus here is on the literacy rate, primary and middle-level school enrolment, child immunization, pre-and post-natal consultation and water supply and sanitation. Gender gaps in literacy and enrolment have also been discussed.

7.1 Literacy Rate

7.2 At the national level, literacy rate⁷ of adult population aged 10 years and above has increased from 43.9% in 1998 to 53% in 2004-05 (Appendix Chart 1). Literacy rate stood at 65% for males and 40% for female, indicating a gender gap of 25% at the national level in 2004/05.

7.3 The highest literacy rate of 84% is found in Islamabad district, while the lowest literacy, only 20%, is observed in Qilla Saifullah and Jhal Magsi in Balochistan (Map-1). Map-1 shows that there is a belt of 10 districts, with highest literacy range of 60-84%, starting from Lahore in central Punjab and ending to Abbottabad in NWFP.⁸ Rawalpindi, a district in this belt, has the highest literacy rate in Punjab at 75%, followed by Lahore, which has literacy rate of 73%. Abbottabad has the highest literacy rate in NWFP. The other districts in the high-literacy belt are: Gujranwala, Gujrat, Sialkot, Jhelum, Chakwal and Attock. Two districts in Sindh, Karachi and Sukker, and Quetta in Balochistan, are also in the highest literacy range. All these districts had the most literate population in 1998 as well, according to the census data and these are also among the least deprived districts⁹.

7.4 Map-1 shows that many districts in Punjab are in the average range of literacy rate - 50-59%. This group of districts lies between the high-literacy belt as discussed above and southern districts of Punjab, where the proportion of literate population is well below the national average. A similar situation, by and large, can be observed in Sindh, Balochistan and NWFP. For example, two districts in Sindh with average level of literacy are adjacent to Sukker, which is among the high literacy districts. Districts with lowest range of literacy rates are mainly situated in Balochistan and some in NWFP

7.5 The bottom 15 districts on the basis of literacy are given in Table 19. In Punjab lowest literacy rate is in Muzaffargarh at 36%, Thatta in Sindh at 35%, Kohistan in NWFP at 25% and 20% in each in Qilla Saifullah and Jhal Magsi in Balochistan. Literacy rate in the bottom 15 districts has shown an improvement between the 1998 and 2004/05 period but with a slow pace.

⁷ Population aged 10 years and older that is literate expressed as a percentage of population aged 10 years and older. Literacy: For all surveys, literacy is taken as the ability to read a newspaper and to write a simple letter.

⁸ Islamabad is included in this belt.

⁹ Jamal et al (2003) Mapping the Spatial Deprivation of Pakistan, Pakistan Development Review.

Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

7.6 It is beyond the scope of this report to ascertain the determinants of district-level literacy rates. However, it appears that level of urbanization is among the important reasons for achieving high levels of literacy. Districts in north Punjab, mostly in high-literacy belt, are more urbanized than districts in southern Punjab, with below average levels of literacy. Similarly, in Sindh, Karachi, Hyderabad and Sukker are the most urbanized districts. The same is the case with Quetta in Balochistan. On the basis of deprived indices (calculated from the district-level data on education, housing quality and congestion, residential housing services and employment), the high-literacy districts are mostly the least deprived ones¹⁰.

7.2 Gender Gap in Literacy

7.7 Gender gap in literacy deserves to be discussed here. The lowest gender gap in literacy in 2004-05 with a range of 7-19% exists in 9 districts of Punjab, which forms a belt starting from North East of Punjab and ending at central Punjab, including Gujrat, Gujranwala, Sialkot, Hafizabad, Sheikhupura, Faisalabad, Lahore and Toba Tek Singh (Appendix map-1). Bahawalpur is another district in Punjab where gender gap is between 7-19% and is situated in Southern Punjab. In Islamabad gender gap stood at 14%. Other than these districts of Punjab, Karachi is the only district in Sindh where gender gap in literacy stood at 10% and hence falls in the green region. It is worth noting that most of the districts with lowest gender gap are either in the highest literacy range or in the average literacy range, with few exceptions.

7.8 Districts in dark blue in Appendix map-1 show those districts, which have the highest gender gap range in literacy: 40-53%. Twelve districts of NWFP, forming a belt starting from Northern NWFP and reaching near South of the province, are in this range; women in terms of literacy and education are neglected in these districts. In Punjab, Mianwali is the only district marked in dark blue areas in Appendix Map-1. Remaining districts of Punjab have 30-39% gender gap in literacy.

7.9 In Balochistan there are five districts namely Qilla Abdullah, Ziarat, Loralai, Musa Khel and Jafarabad, where gender gap in literacy falls in the highest range of 40-53%. In Sindh, Ghotki, Khairpur and Sanghar have high gender gaps in literacy. In Sindh, there is also a belt starting from North West and ending in South West and Tharparkar (Mithi) in South East region, where the gender gap in literacy is 30-39% range.

7.10 It is worth reviewing here briefly the literacy policy of the government to see its relevance with the geographical variations in literacy. The government has instituted a number of programs that support education and literacy. 'Education For All: National Plan of Action 2001-2015' has specific goals for increased literacy as: ensuring that the needs of all young people and adults are met through equitable access to appropriate learning, life skills and citizenship programs; improvement in levels of adult literacy by 2015, especially for women and equitable access to basic and continuing education for all adults; and improving all aspects of quality education and ensuring excellence of all so that recognized and measurable learning outcomes are achieved by all, especially in literacy, numeracy and essential life skills. To meet these goals, the government has instituted a broad-based Adult Literacy Plan that is to be implemented in phases up until the year 2015, by the end of which the Government hopes to achieve an overall literacy rate of 86%. The enabling tool in this case is meant to be Literacy Centres. A total number of 270,000 centres are proposed. Districts with low literacy rates, like south

¹⁰ Jamal et al (2003) Mapping the Spatial Deprivation of Pakistan, Pakistan Development Review.

Punjab have given a priority in the literacy program. Implementation of the Adult Literacy Plan will enable to achieve the literacy targets by monitoring geographical variations.

Table 19: Top 15 and Bottom 15 Districts on the Basis of Literacy Rate in 2004-05

Top 15 Districts	Bottom 15 Districts
Islamabad	Jhal Magsi
Karachi	Qilla Saifullah
Rawalpindi	Nasirabad
Lahore	Zhob
Chitral	Kohistan
Gujranwala	Awaran
Jehlum	Panjgur
Gujrat	Upper Dir
Quetta	Khuzdar
Abbottabad	Kharan
Sialkot	Qilla Saifullah
Attock	Musa Khel
Toba Tek Singh	Bunair
Faisalabad	Malakand
Pishin	Lasbilla

Source: GoP PSLM 2004-05, Province/Districts/FBS

7.3 School Enrolment

7.3.1 Gross Enrolment Rate at Primary Level

7.11 At the national level, gross enrolment rate¹¹ (GER) at primary level (age 5-9 years) increased from 72% in 2000-01 to 86% in 2004-05, recording an increase of 14 percentage points. In urban areas GER increased from 91% in 2000-01 to 104% in 2004-05. Rural areas though have lower GER than urban areas, but it recorded an increase of 16 percentage points, from 66% in 2000-01 to 79% in 2004-05. Punjab has the highest GER at 95%, followed by NWFP at 80%, Sindh at 75% and Balochistan at 67% in 2004-05. GERs at primary level across districts are shown in Map-2. Highest GER at primary level exists in Narowal in Punjab at 130% and lowest in Nasirabad at 33% in Balochistan in 2004-05.

7.12 Punjab education sector program is bearing fruit as this province has 15 districts, which have GER between 100-130%. These districts form a belt in the North East and North West of Punjab. According to District- Based Multiple Indicator Cluster Survey (MICS) 2003-04 Punjab, GER is much higher in urban as compared with rural (104% vs 83%) and in boys compared with girls (93% vs. 83%). According to PSLM 2004-05 GER stood at 104% in urban areas and 79% in rural areas. District level results of MICS Punjab 2003-04 are comparable with PSLM 2004-05 results for districts with higher GER.

¹¹ Gross Enrolment Rate at primary level: Number of children attending primary level (classes 1-5) divided by number of children aged 5-9 years multiplied by 100. Enrolment in katchi is excluded.

7.13 Haripur, Abbottabad and Manshera are the three districts in NWFP, which have GER in the range of 100-130%. In Sindh Karachi has GER at 111%. In Balochistan Kech district has GER at 110% in 2004-05. In Punjab, central districts have GER in the range 80-99% and all southern districts of the province have GER at 61-79%. According to MICS Punjab 2003-04, Lodhran, Muzaffargarh and Rajanpur had GER fewer than 60%. PSLM 2004/05 data show that in these districts GER at primary level has improved in one year. In NWFP, Kohistan, Tank and Dera Ismail Khan are the three districts, which have as low GER as 33-60%. Central west districts of Balochistan have GER at 80-90%. In Sindh, Naushera Feroz is the district where GER is estimated at 81%.

7.14 Appendix Map-2 shows gender gap in GER at primary level for the 2004/05 period. Districts in Punjab, which have low gender gap in literacy, also generally have low gender gap in GER. Gender gap in GER in five districts of Punjab – Narowal Gujrat, T.T Singh, Lahore and Sheikupura – is negative, showing that more girls than boys are enrolled in these districts. Punjab and Sindh have no district, which has gender gap in GER as high as 40-70%. Whereas in NWFP districts which have gender gap in the range 40-70% include Kohistan, Upper Dir, Bunair, Kohat, Hangu and Bannu. In NWFP, Mardan, Haripur, Abbottabad and Mansehra have low gender gap in the range of -9-9% in GER, these districts also have low gender gap in literacy. The districts in Northern and Central Balochistan have gender gap in GER in the range of 40-70%.

7.3.2 Net Enrolment Rate at Primary Level

7.15 Net Enrolment rate¹² (NER) at primary level aged 5-9 years has increased by 10 percentage points to 52% in 2004-05 as compared to 42% in 2000-01. In urban areas NER increased from 56% in 2000-01 to 64% in 2004-05. In rural areas this indicator increased by 10 percentage points from 38% in 2000-01 to 48% in 2004-05. Punjab has the highest NER at 58%, followed by Sindh at 48%, NWFP at 47% and Balochistan at 37% in 2004-05.

7.16 NER at district level is shown in Map-3. It is highest in Sialkot in Punjab at 84% and lowest at 19% in Panjgur in Balochistan. There is a belt spread in the North East and North West of Punjab, which extends to central Punjab, have NER in the range of 60-84%. There is a belt in South East districts of Punjab, which have NER in the range of 35-49%. None of the districts in Punjab have NER as low as 19-34%. In Sindh Karachi has NER at 65% and Nowshero Feroze at 54%. In NWFP Abbottabad, Haripur and Mansehra have NER in the range of 60-84%. In Balochistan Ketch has NER at 63%. Districts coloured in red have NER in the range of 19-34%; in NWFP Kohistan, Lower Dir and Shangla are coloured red and are situated in North of NWFP. In Balochistan 11 districts are coloured in red, which are situated in North, North East, North West and South West of Balochistan. In Sindh Jacobabad and Thatta have NER in the range of 19-34%.

7.17 Districts which form a belt in North East and North West of Punjab which have high NER also have low gender gap in GER in the range of -4-4% (Appendix Map-3), T.T. Singh, Multan and Vehari also fall in the same range. In Punjab none of the districts have gender gap in GER as high as 25-37%. In NWFP Manshera and Abbottabad have no gender gap in GER, whereas Kohistan and Lakki Marwat have this gap at 30% and

¹² Net Enrolment Rate at primary level: Number of children aged 5-9 years attending primary level (classes 1-5) divided by number of children aged 5-9 years multiplied by 100.

25%, respectively. In Balochistan Quetta, Sibi and Panjgur have gender gap in NER at only 4% each, whereas Musa Khel, Loralai and Awaran have gender gap as high as 25-37%. In Sindh, Karachi has gender gap as low as 2% in NER. Like Punjab, none of the districts in Sindh have a district, which has high gender gap coloured in dark green.

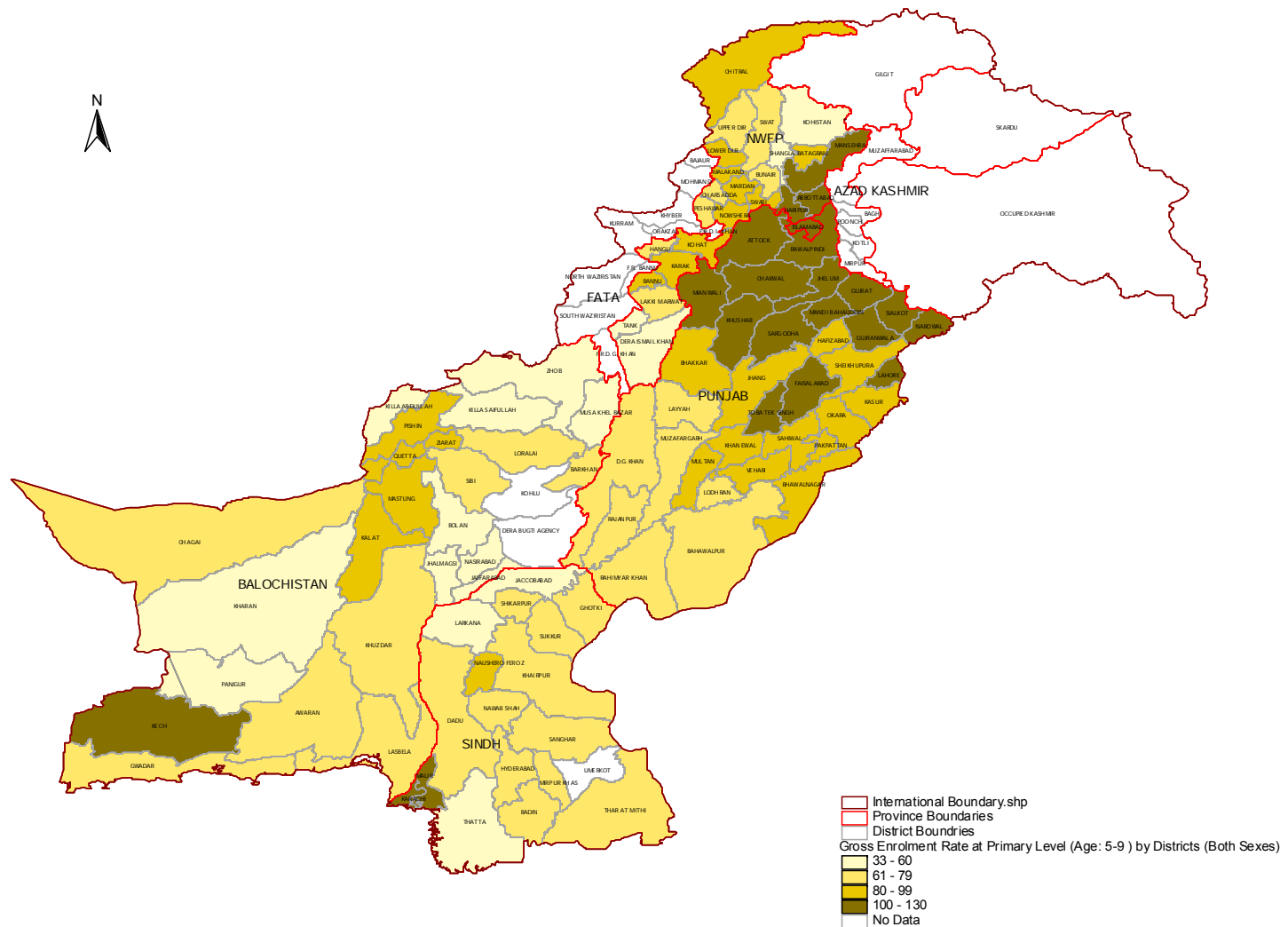
7.3.3 Gross Enrolment at Middle Level

7.18 Overall, the middle-level GER¹³ for children aged 10-12 increased from 41% in 2000-01 to 46% in 2004-05. In Urban areas there was an increase of one percentage point to 64% in 2004-05 and in rural areas 6 percentage points to 38%. Punjab has highest middle-level GER at 49%, followed by NWFP at 47%, Sindh at 42% and Balochistan at 30% in 2004-05.

7.19 Among the districts the highest GER at the middle level, about 97%, is found in Islamabad while the lowest level, only 11%, is observed in Kharan (Balochistan). There is a belt in the North East and North West of Punjab, where middle-level GER is in 50-97% range (Map 4). In Punjab, Muzaffargarh and Lodhran have very low middle-level GER at 28% each. In NWFP, Chitral, Lower Dir, Malakand, Mardan, Swabi, Kohat, Hangu and Karak have high GER in 50-97% range. Upper Dir, Kohistan, Shangla and Batagram in NWFP have low GER at the middle-level. Quetta and Kech in Balochistan have middle-level GER at 54% and 62% respectively. Middle-level GER in Balochistan is very low (11-29%) in most of the districts situated in North, Central and South East districts of Balochistan. In Sindh, the middle-level GER was highest in Karachi and lowest in Thatta and Badin.

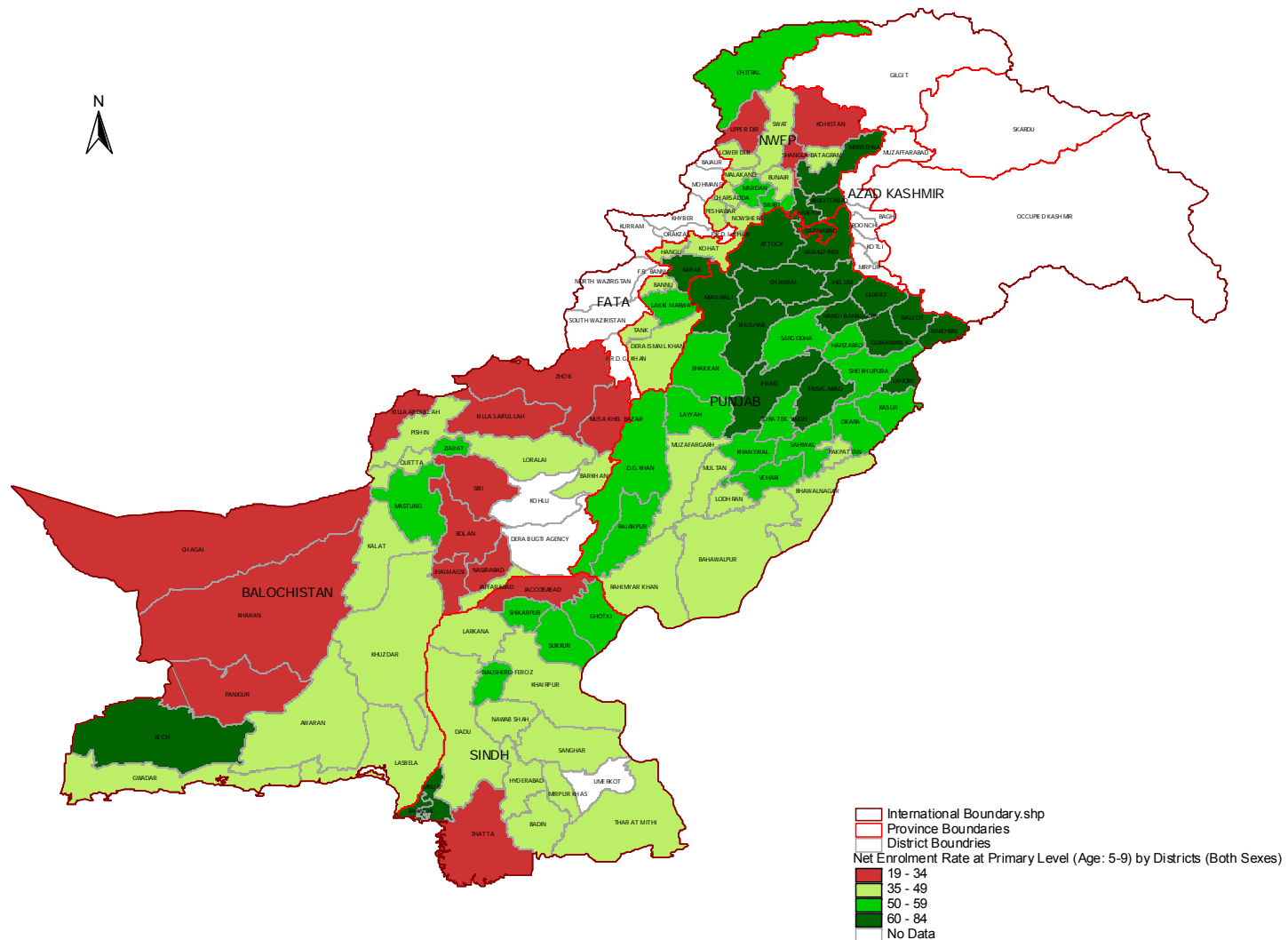
¹³ GER at middle level: Number of children attending middle level (classes 6-8) divided by number of children aged 10-12 years multiplied by 100.

Map 2: Gross Enrolment Rate at Primary Level (Age: 5-9) by Districts (Both Sexes) (2004-2005)



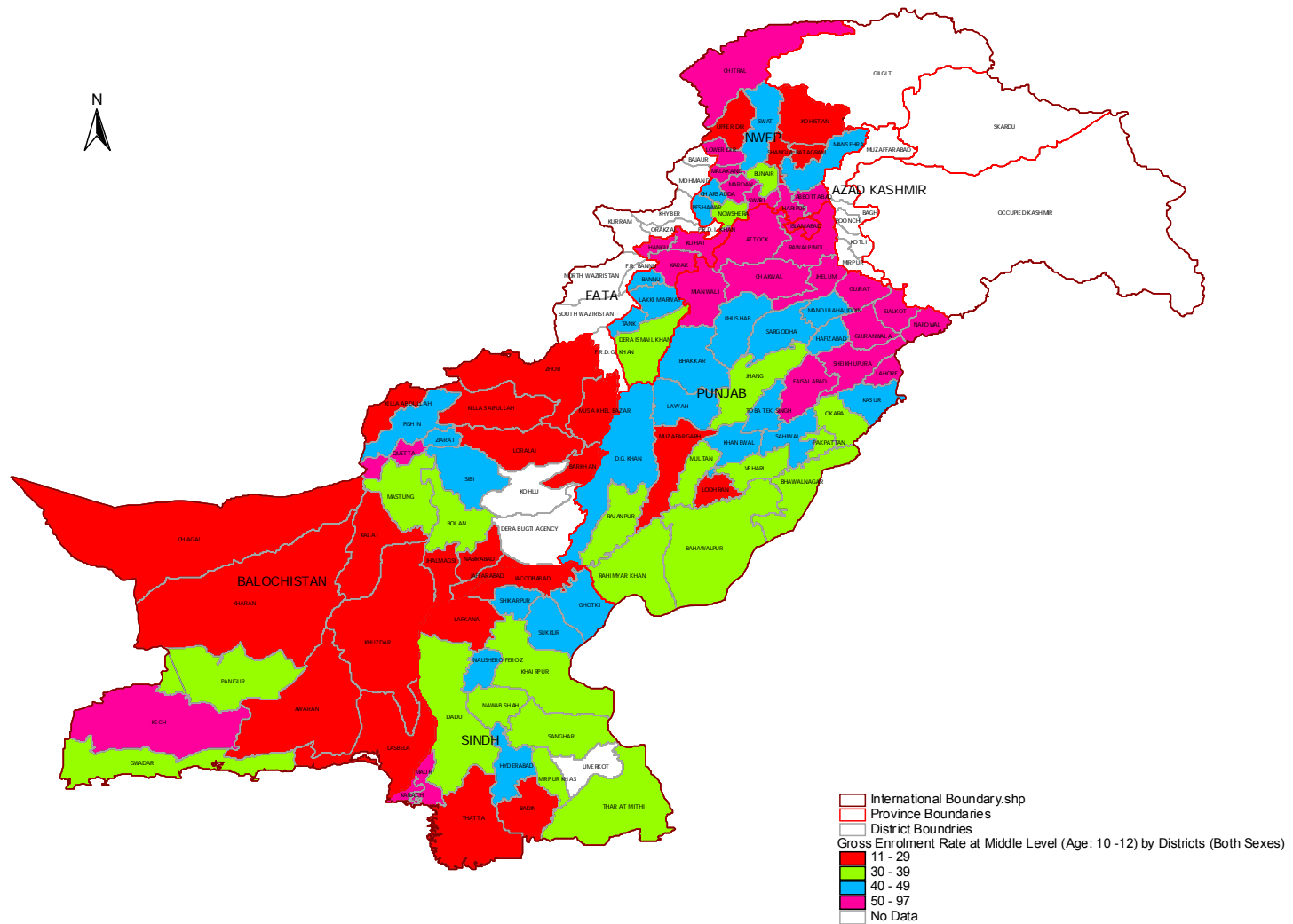
Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

Map 3: Net Enrolment Rate at Primary Level (Age: 5-9) by Districts (Both Sexes) (2004-2005)



Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

Map 4: Gross Enrolment Rate at Middle Level (Age: 10-12) by Districts (Both Sexes)



Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincia/Districts, Federal Bureau of Statistics, Islamabad.

7.4 Health Indicators

7.4.1 Child Immunization

7.20 Percentage of children aged 12-23 months who have been immunized¹⁴ based on recall and record increased by 24 percentage points to 77% in 2004-05 as compared to 2000-01. In urban areas this percentage increased from 70% to 87% and in rural areas from 46% to 72%, showing appreciable improvement. This indicator has highest value in Punjab at 84%, followed by NWFP at 76%, Sindh at 73% and Balochistan at 62% in 2004-05.

7.21 District level information on immunization is given in Map 5. In Islamabad 89% of children are fully immunized in 2004-05. Chitral, which is situated in NWFP has 100% immunization of children, which is the highest rate in any district. Qilla Saifullah in Balochistan has lowest rate of immunization at 28%. There is a belt in Punjab starting from Rawalpindi and extending to North East and North West of the province, where immunization rate falls in the range of 89-100%. There is also a small belt in central East of Punjab comprising of Toba Tek Singh, Sahiwal, Pakpattan and Bahawalnagar which also falls in the same range. In Punjab Bahawalpur is the district with lowest level of immunization at 64%. In NWFP Chitral, Swat and Charsadda have immunization rate in the range 80-100% and Kohistan has lowest rate of immunization at 48%. In Balochistan Gwadar has the highest rate of immunization at 97%, followed by Zhob at 89%. Districts in Balochistan which have low immunization rate in the range of 28-50% include Musakhel, Barkhan, Qilla Saifullah, Sibi, Qilla Abdulla, Chagai and Panjgur. Surprisingly, there is not a single district in Sindh where immunization rate falls in the range 89-100%. In Sindh Hyderabad and Nowshero Feroze have the highest immunization rate at 88% each. In Sindh Jacobabad has the lowest rate of immunization at 35%, followed by Sanghar at 46%.

7.4.2 Pre-natal Consultation

7.22 At the national level, pre-natal consultation¹⁵ by pregnant women increased from 35% in 2000-01 to 50% in 2004-05, recording an increase of 15 percentage points. Punjab province has highest rate of prenatal consultation at 56%, followed by Sindh at 55%, NWFP at 39%, and Balochistan at 35%. In Punjab, the districts with high pre-natal consultation in the range of 63-81% are Attock, Rawalpindi, Islamabad (Federal), Sialkot, Gujranwala, Narowal and Lahore (Map 6). In most of the other districts of Punjab the corresponding range is 47-63%. In NWFP, Haripur and Abbottabad have high level of pre-natal consultation rate, 63-81% while in Kohistan, Shangla, Batagram, Bunair, Kohat, Karak and Tank, pre-natal consultation is relatively low in the range of 6-34%. Gawadar in Balochistan and Karachi in Sindh have high pre-natal consultation rates at

¹⁴Based on Recall: Children reported as having received at least one immunization expressed as percentage of all children aged 12-23 months.

Based on Record: Children who reported having received full immunization who also have an immunization card, expressed as percentage of all children aged 12-23 months.

To be fully immunized a child must have received: BCG, DPT1, DPT2, DPT3, Polio1, Polio2, Polio3 and Measles.

¹⁵ Currently married women aged 15-49 years who had given birth in the last three years and who had attended at least one pre-natal consultation during the last pregnancy expressed as a percentage of all currently married women aged 15-19 years who had given birth in the last three years.

72% and 81%, respectively. In Balochistan most of the districts have pre-natal consultation in the range of 6-34%.

7.4.3 Tetanus Toxoid Injection

7.23 Overall, percentage of pregnant women who received Tetanus Toxoid¹⁶ injection increased by 5 percentage points to 51% in 2004-05 as compared to 2000-01. Punjab has the highest value of this indicator at 62%, followed by Sindh at 48%, NWFP at 45%, and Balochistan at 25%. In Punjab there is a belt of districts starting from Attock and ending at Lahore where proportion of pregnant women who received Tetanus Toxoid injection range is 60-87%.

7.24 In Punjab Layyah, DG Khan, Multan and Vehari also have this range for Tetanus Toxoid injection. Punjab is doing well in this particular health indicator as all districts have the percentage above 39%. In NWFP, Swat, Mardan and Peshawar proportion of pregnant women who received Tetanus Toxoid injection stood at 63%, 62% and 63%, respectively. There are many districts in NWFP where this proportion is low between 2% and 39%, they are situated in North and Centre and South of NWFP. In Balochistan except for Panjgur where proportion of pregnant women who received Tetanus Toxoid injection stood at 50% and Quetta at 47%, all the rest of districts have this proportion in the range of 2-39%. Situation in Sindh is better, Karachi and Mirpurkhas have this indicator at 72% and 53%, respectively. There are 8 districts in Sindh where proportion of pregnant women who received Tetanus Toxoid injection stood at only 2-39%.

7.4.4 Post-natal Consultation

7.25 In Pakistan percentage of women who received a post natal consultation¹⁷ within 6 weeks after delivery, increased from 9% in 2000-01 to 23% in 2004-05. This indicator has highest value in Sindh at 27%, followed by Punjab at 23%, NWFP at 21% and Balochistan at 16% in 2004-05. Map-8 illustrates postnatal consultation by districts; very few women in Pakistan have a post natal checkup which is reflected in high maternal mortality in Pakistan. Islamabad has highest post-natal consultation at 50% and Qilla Saifullah has lowest post natal consultation at 3% in 2004-05. There is a small belt in North West Punjab consisting of Attock, Rawalpindi and Chakwal where postnatal consultation stood in the range 30-50%. This indicator in Lahore, Bhakkar, Okara, Pakpattan and Rahimyar Khan also fall in this range. In Punjab none of the districts fall in the range of 1-9% for post natal consultation.

7.26 There is a belt in North East of NWFP including Manshera, Abbottabad and Haripur and a belt in North West of NWFP including Chitral, Upper Dir and Lower Dir where postnatal consultation ranges between 30-50%. Peshawar has postnatal consultation at 31%. Bunair has postnatal consultation at 6% and Kohistan at 4% in NWFP.

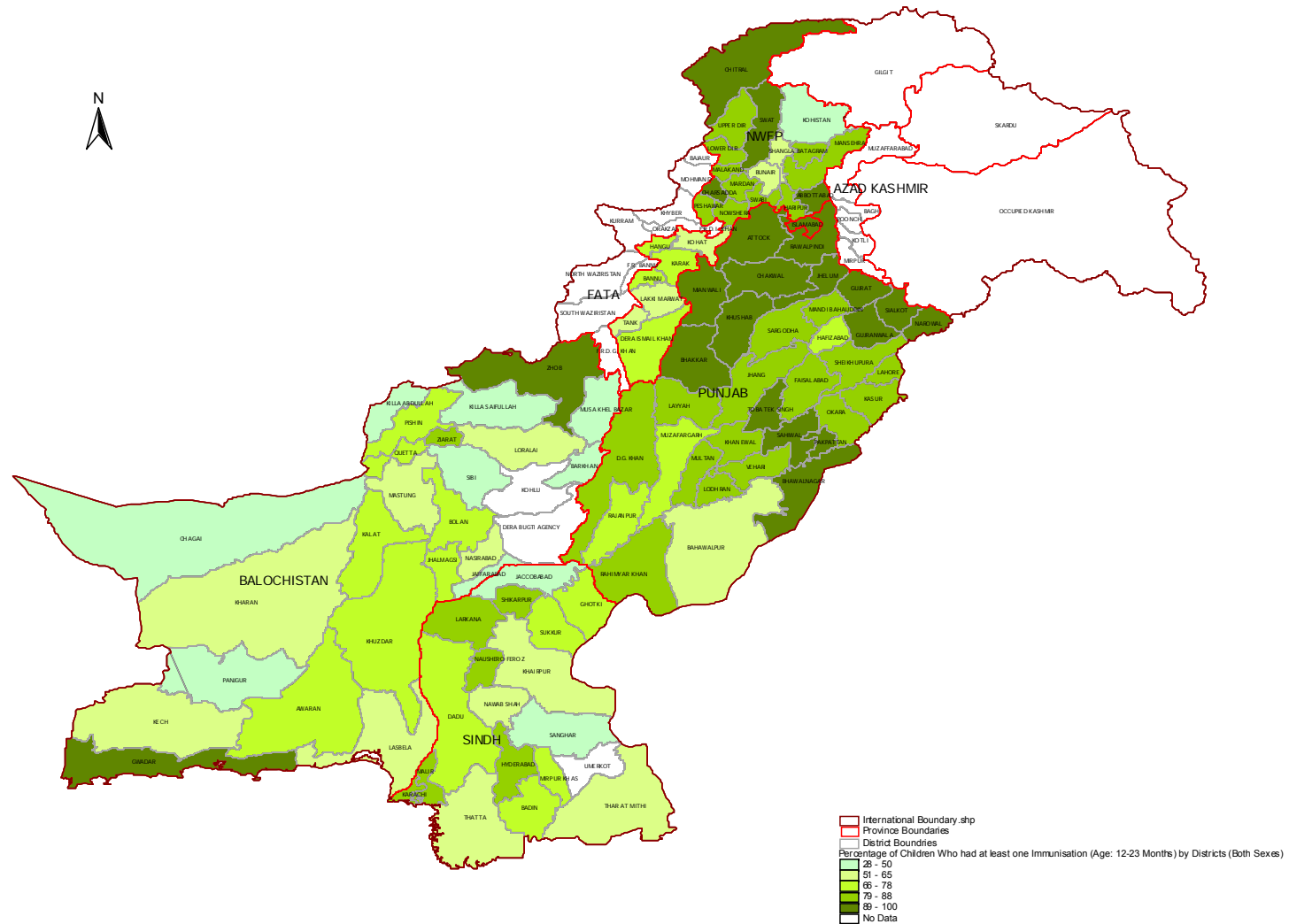
7.27 In Balochistan Jaffarabad is the only district where post natal is 31% all the remaining districts have less than 30% value. There is a belt in the North, central and South East of Balochistan where postnatal consultation falls in the range 1-9%. In Sindh Karachi has the highest percentage of postnatal consultation at 45%, Mirpurkhas has

¹⁶ Currently married women aged 15-49 years who had a birth in the last 3 years and received a tetanus toxoid injection during the last pregnancy.

¹⁷ Currently married women aged 15-49 years who received post-natal checkup expressed as a percentage of all currently married women aged 15-49 years who gave birth in the last 3 years.

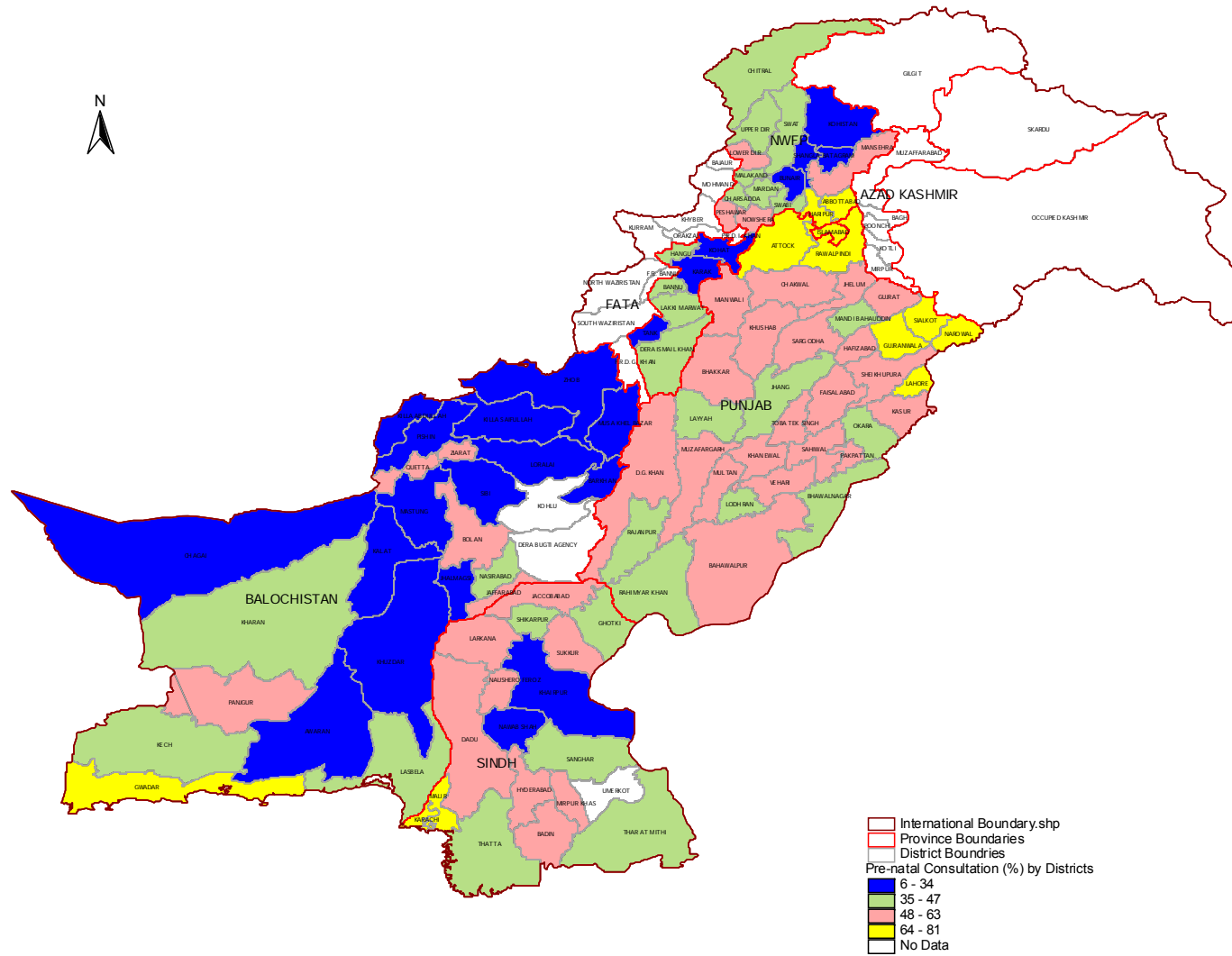
33%, Sukkur has 36% and Larkana has 36%, rest of the districts have this figure less than 30%. Sanghar in Sindh has lowest postnatal consultation at 7%.

Map 5: Percentage of Children who had at-least one Immunization (Age: 12-23 Months) by Districts (Both Sexes) (2004-2005)



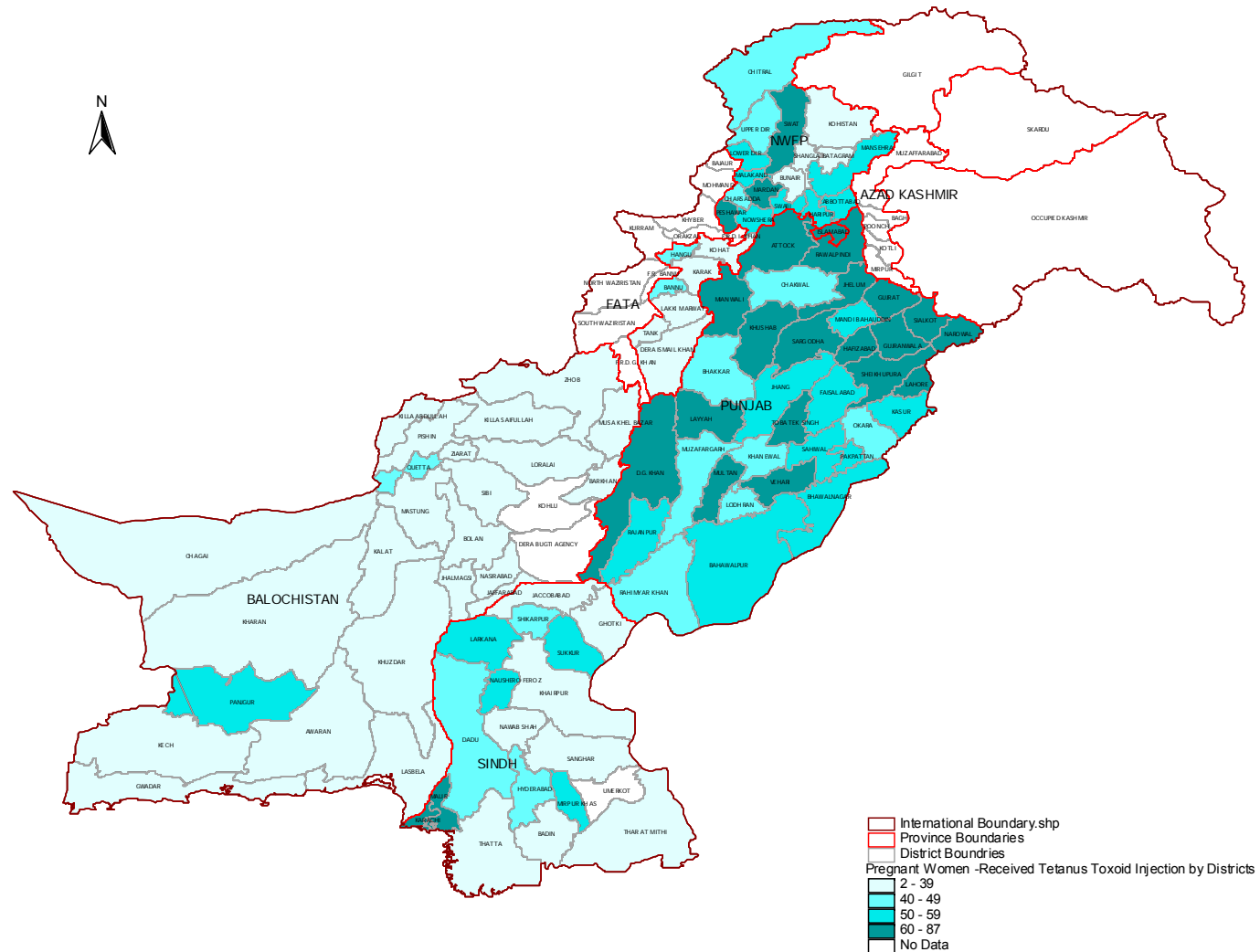
Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

Map 6: Pre-natal Consultation (%) by Districts (2004-2005)



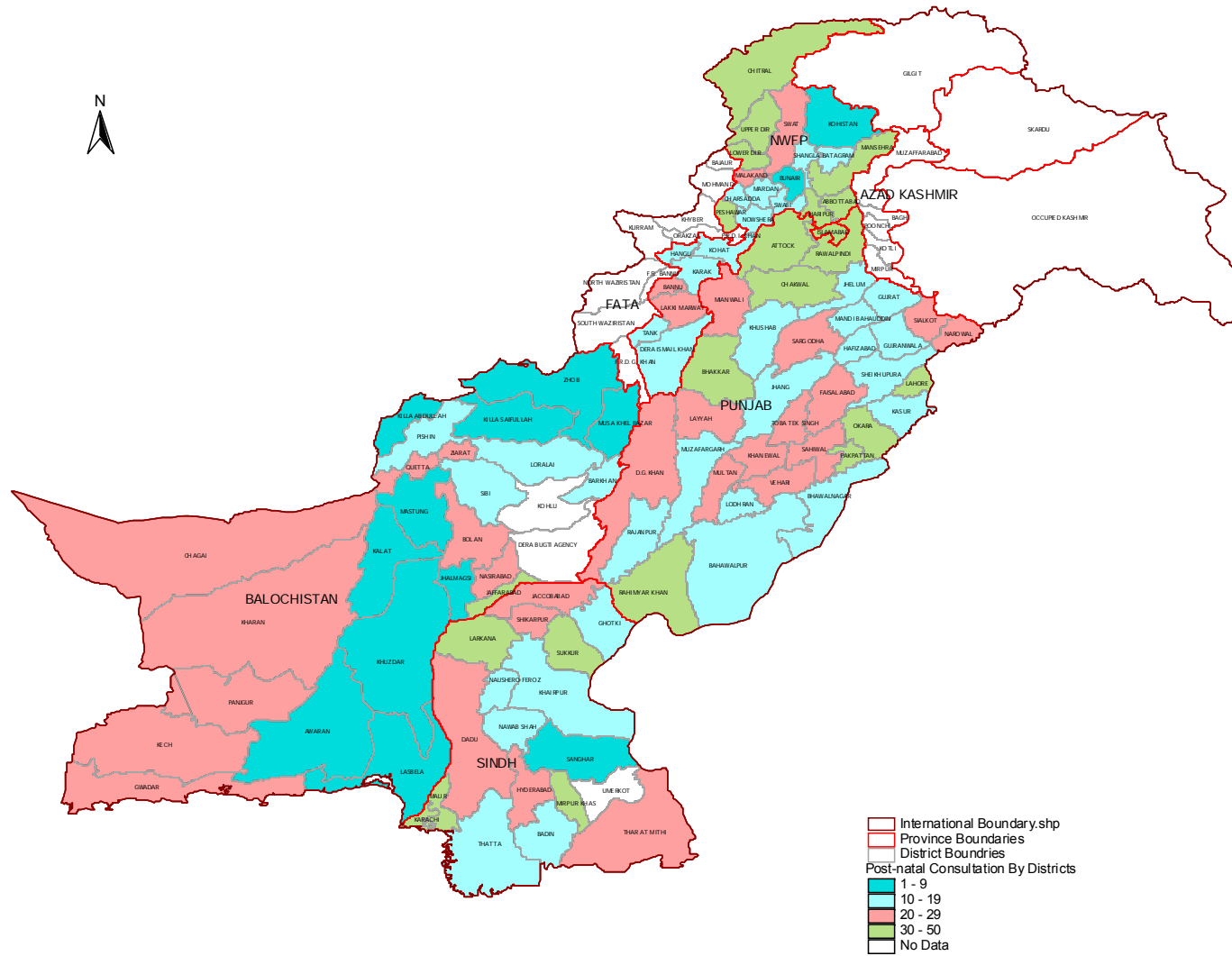
Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

Map 7: Proportion (%) of Pregnant Women - Received Tetanus Toxoid Injection by Districts (2004-2005)



Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

Map 8: Post-natal Consultation by Districts (2004-2005)



Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

7.5 Water Supply and Sanitation

7.28 In Pakistan percentage of households with access to tap water¹⁸ increased from 25% in 2000-01 to 39% in 2004-05. NWFP has highest value of this indicator at 48%, followed by Sindh at 45%, Balochistan at 40% and Punjab at 32% in 2004-05. In 2000-01, 44% of households have access to hand pump in Pakistan, which declined to 27% in 2004-05, probably due to tap water availability to households. In 2000-01, 17% of households have access to motor pump, which increased to 18% in 2004-05.

7.29 Proportion of households, which have access to tap water at district level in 2004-05, is shown in Map-9 while households with access to hand pump¹⁹ and motor pump²⁰ are shown in Appendix Maps. In Islamabad 67% of the households have access to tap water, 3% have access to hand pump, 11% have access to motor pump and 11% have access to dug well in 2004-05. In Punjab there is a small belt in North West region of Punjab, Lahore and Bahawalnagar where 45-86% of households have access to tap water. In these districts less than 23% of households have access to hand pump and less than 14% of households have access to motor pump. In Punjab, motor pumps are common in Gujrat, Mandi Bahuddin, Gujranwala, Toba Tek Singh and Multan.

7.30 In NWFP more than 45% of households in Chitral, Swat, Lower Dir, Manshera, Abbottabad, Haripur, Bunair, Peshawar, Noshewara, Kohat, Lakki Marwat and Tank have access to tap water. About 43% of households in Dera Ismail Khan in NWFP have access to hand pump. In NWFP 7% of households have motor pumps. Tap water seems to be a common source of water supply in Balochistan, as there are 14 districts, where 30-86% of households have access to tap water. About 4% of households in Balochistan have access to hand pump and similar percentage have access to motor pump. In Karachi, 86% of households have access to tap water while the corresponding percentage is 49 for Hyderabad district. Hand pump is a common source of water in Sindh; as 36% of households have access to hand pump.

7.31 The overall proportion of households with a flush toilet facility increased by 10 percentage points to 54% in 2004-05 compared to 2001-02. About 20% of households in 2004-05 have non-flush toilet and 26% have no toilet. Proportion of households with a flush toilet in 2004-05 in Punjab, Sindh, NWFP and Balochistan stood at 66%, 51%, 48% and 23%, respectively.

7.32 Map-10 illustrates proportion of households who have flush toilet²¹ in 2004-05 at district level. In Islamabad and Rawalpindi, 81% and 76% of households have respectively flush toilets. There is a belt in North East of Punjab consisting of Sialkot, Gujranwala, Shiekhupura, Lahore, Faisalabad and Toba Tek Singh, where 70-90% of the households have flush toilet. There are 20 districts in Punjab where 50-69% of households have flush toilet. Sanitation condition in Punjab is better than other provinces as there is not a single district, where proportion of households with flush toilets falls in the range 2-29%. In Peshawar 73% of households have flush toilet and remaining districts have less than 70% of households with access to flush toilet. Kohistan is the worst district in NWFP in this respect as only 8% of households have access to flush

¹⁸ Tap water consists of both tap water inside and outside house.

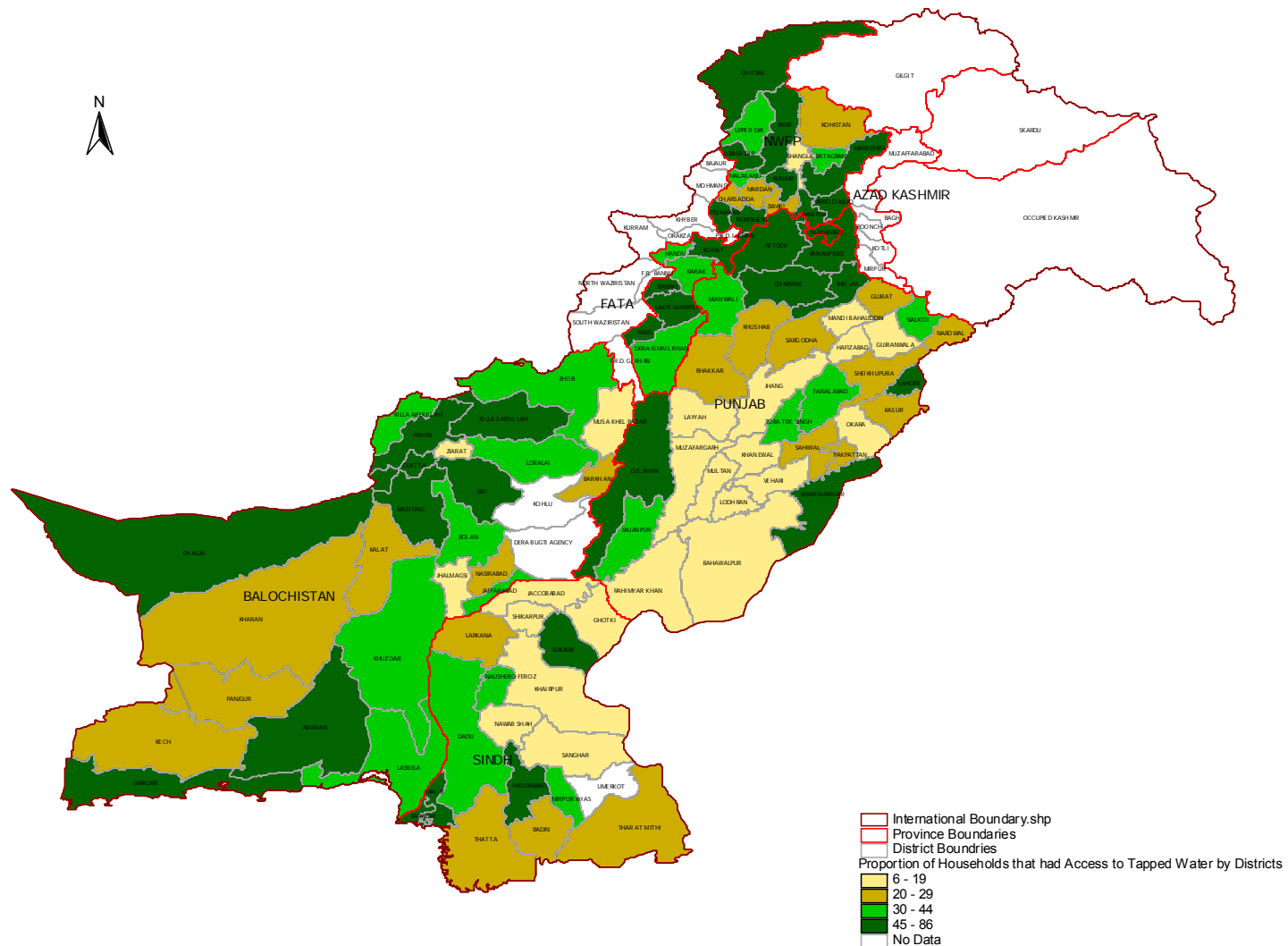
¹⁹ Hand pump includes hand pumps both inside and outside house.

²⁰ Motor pump includes motor pump and tube well inside and outside the house.

²¹ Flush consists of flush connected to public sewerage, flush connected to septic tank and flush connected to open drain.

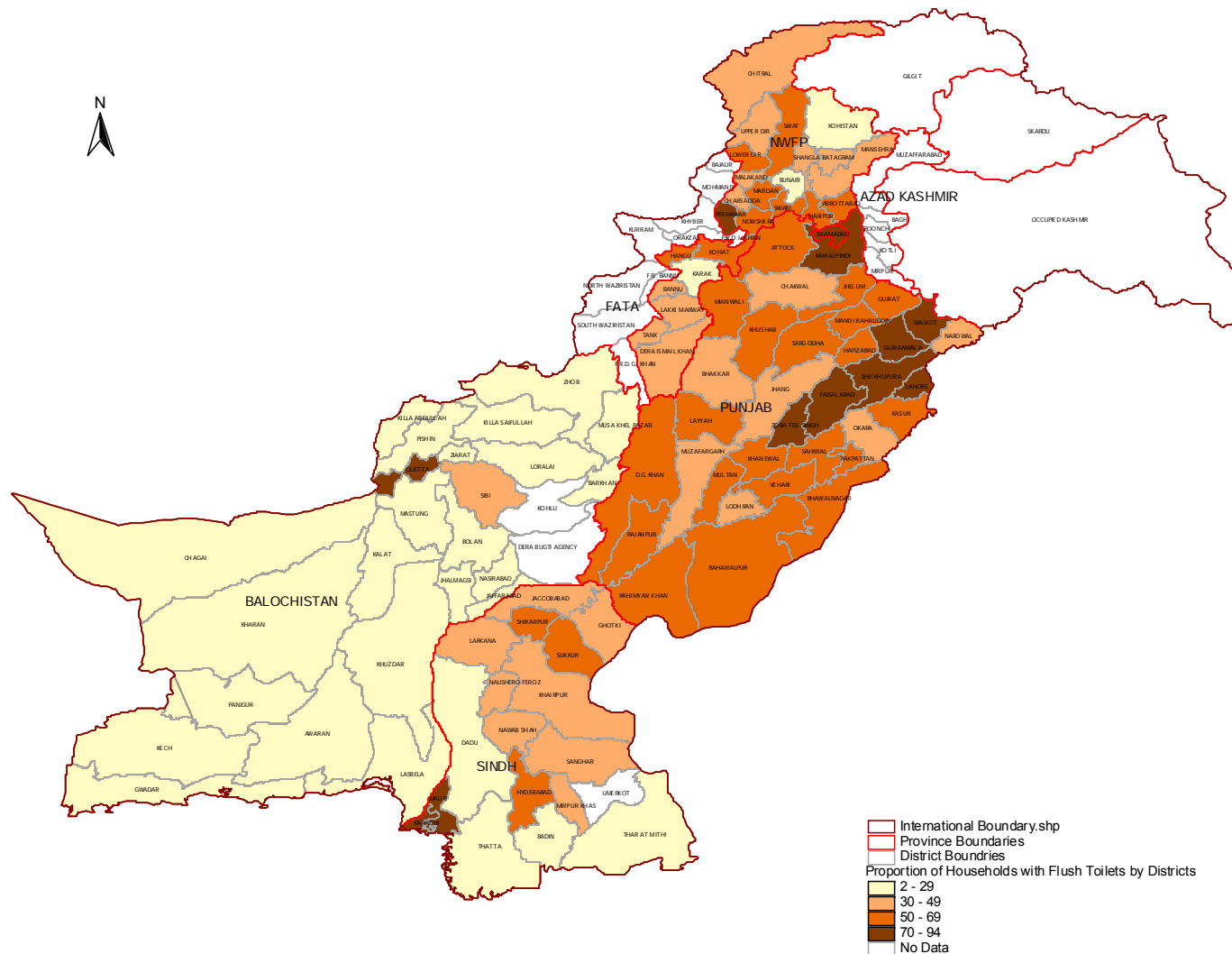
toilet. In Quetta, 76% of households have access to flush toilet, whereas this proportion stood at 41% in Sibbi. In rest of Balochistan only 2-29% of households have access to flush toilet. In Karachi 91% of households have flush toilet. In Shikarpur, Sukkur and Hyderabad proportion of households with access to flush toilet stood at 50-69% and in remaining districts less than 50% of households have access to flush toilet.

Map 9: Proportion of Households that had Access to Tapped Water by Districts (2004-2005)



Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

Map 10: Proportion of Households with Flush Toilets by Districts (2004-2005)



Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

8 Governance: Improvements and Achievements

8.1 Governance as the second pillar of PRSP-I makes clear the intersects between poverty reduction and governance, especially using good governance as a benchmark that promotes services, rights and provides benefits enabling its citizens to lead better lives. PRSP-I has discussed the governance and devolution agenda comprehensively with reference to devolution, fiscal decentralization, access to justice, police reforms, civil service reforms, pay and pension reforms, capacity building, anti-corruption strategy, procurement reforms, freedom of information, fiscal and financial transparency and strengthening statistics²². Given the broadness of the scope and theme of the governance as covered in PRSP-I, this section catalogues the performance of some components of devolution and provides statistical and/or qualitative evidence on some achievements.

8.2 Development in the constitutional dimension of devolution is noteworthy; its actual implementation has resulted in separation of powers as per the 1973 Constitution. Added to this is the constitutional protection afforded to the devolution process. The devolution initiative has been placed under the Sixth Schedule of the Constitution of 1973 thereby maintaining that devolution cannot be altered, repealed or amended without sanction of the President. Post devolution changes in the political landscape of governance have begun to demonstrate visible changes. The first is manifested in local government elections; 79 percent of councilors had not contested in an election before and therefore this was their first entry into politics - about two-thirds of them had no family members who had contested in elections previously; majority of the councilors are from younger strata of society – around 74 per cent were under 46 years old; in terms of literacy 79 per cent of the councilors were literate, of which 16 per cent were B.A.²³; and there has been a pronounced shift in female representation.²⁴ Devolution has also succeeded in modifying incentives for performance at district and tehsil levels. There have been visible changes in fiscal gains, people's participation and service delivery. These issues have been discussed below.

8.1 Fiscal Decentralization²⁵

8.3 Fiscal decentralization involves the transfer of expenditure and revenue collection to local governments. In terms of the devolution initiative, fiscal decentralization is important as delegation of service delivery to local governments necessarily means that they have to have fiscal autonomy to provide services. The process of fiscal decentralization is in progress. Local governments are now in charge of their budgets. Provincial Financials Commissions are operative and are regulating intergovernmental transfers and the tax capabilities at local government level have been enhanced. Table 20 shows the percentage increase in own source revenues pre and post devolution in selected districts; many districts have been able to double revenues from their own resources during the post-devolution period.

²² Poverty Reduction Strategy Paper

²³ Patta Development Organization, 2001

²⁴ Nasir Islam, Local Level Governance: Devolution and Democracy in Pakistan, University of Ottawa, April 2002.

²⁵ Fiscal Decentralization: Local Government Booklet Series

Table 20: Own Source Revenue of Tehsils – Pre and Post-Devolution (Rs million)

Urban Local Councils MCs (pre-devolution) Local Governments TMAs (post devolution)	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	% increase over 2001- 02
Rawalpindi	369	281	216	343	361	489	617	80
Sialkot	169	237	259	210	197	283	343	64
Sargodha	127	199	188	159	154	201	219	37
Mandi Bahaudin	46	35	51	32	51	74	79	148
Bhakkar	27	24	29	36	40	74	84	131
Narowal	17	25	26	29	30	46	51	78
Bahawal Nagar	30	48	38	29	29	57	60	103
Pasrur	14	13	16	20	32	26	38	92
Chakwal	44	46	48	53	68	73	101	90

Source: Presentation by Chairman NRB, Daniyal Aziz on the [Impact of Devolution on Service Delivery](#), April 2005 at the Pakistan Development Forum 2005

8.2 Local Government and Citizen Participation²⁶

8.4 The findings of the 2002 social audit survey and the 2004/05 social audit are encouraging with regards to citizen participation as well as the views of the local governments themselves. Citizens' contacts with union nazims have registered an increase. This is reflected in citizen experience of the new councils with 30 per cent reporting that they believe the new system to be better than the previous councils. A surprising and encouraging note is that generally, citizens are more satisfied with women councilors as compared to male ones. The audit also reflects increased participation in voluntary groups and Citizen Community Boards (CCBs).

8.3 Citizen Community Boards

8.5 CCBs are the primary tool for securing community participation in governance. The number of registered CCBs in four provinces of the country has increased from less than two thousand in 2003 to approximately 14000 in December 2004 (Table 21). The DTCE/CIET Social Audit shows a perceptible shift in CCB awareness. Notably there is a percentage shift in the number of persons, both male and female when it came to awareness and participation in CCB fora. There was also an increase in willingness to join CCBs in the 2004 audit with an estimated 49 per cent more likely to be willing to join a CCB.²⁷

²⁶ DTCE/CIET: Social Audit 2004/2005

²⁷ Presentation by Chairman NRB, Daniyal Aziz on the [Impact of Devolution on Service Delivery](#), April 2005 at the Pakistan Development Forum 2005

Table 21: Citizen Ownership – Registered CCBs

Province	Mar-03	Dec-03	Mar-04	Dec-04
Punjab	1,066	3,258	3,482	7,244
NWFP	224	709	1,299	4,337
Sindh	213	941	917	1,837
Balochistan	5	119	138	442
Total	1,508	5,027	5,836	13,860

Source: Presentation by Chairman NRB, Daniyal Aziz on the Impact of Devolution on Service Delivery April 2005 at the Pakistan Development Forum 2005

8.4 Experience of Women Councilors²⁸

8.6 Under devolution 33% quota has been reserved for females. According to data on political participation, 36,187 women entered into the system. Just as important is the manner in which the public reacted to female councilors and their working relationships with other individuals in government. Thirty eight per cent of women councilors reported a positive reaction from the community; 25 percent reported that their new roles were supported by the people and 21 per cent said that people were unhappy as they were unable to meet the expectations that people had of them. A large percentage (59 per cent) said they had a good working relationship with union nazims. In terms of participating and voice 79 per cent of women said that they were allowed to speak at Union Council meetings like their male counterparts. The figures relating to attendance of council meetings by women were not so positive, along with access to development budgets. Some women also voiced the need for greater funding and powers, especially for women councilors. But on the whole, the responses gained from women councilors suggest optimism regarding devolution.

8.5 Satisfaction from Basic Services

8.7 Most basic services have been devolved to Tehsil or Union Councils level. Access to and development of facilities such as roads, sewerage, and water supplies seem to have benefited under the new system of devolution. Social indicators have improved over time. Other devolved services such as health, education and the police and courts have also demonstrated some improvements.

8.8 The PSLM survey-CWIQ 2004-05, has for the first time generated information on the satisfaction from schooling, health facilities, family planning, veterinary hospital, agriculture and police²⁹. People's perception about health and education services is discussed. Percentage of people satisfied with schools in Pakistan stood at 59.84% in 2004-05 (Table 22). Highest level of satisfaction from schooling (67%) has been found in the NWFP while the lowest level of satisfaction (48%) is in Balochistan. Level of satisfaction from schooling is higher in urban areas compared to rural areas, indicating better quality of schools in urban areas. Percentage of population satisfied from basic health unit stood at 36% in 2004-05, which is alarmingly low. Level of satisfaction from services of basic health unit at provincial level is at more or less similar level except NWFP, where this level is relatively high (52%). The level of satisfaction in rural areas

²⁸ DTCE/CIET: Social Audit 2004/2005

²⁹ Also discussed in PRSP Annual Progress Report 2004-05.

from the services of basic health unit is higher than in urban areas.

8.9 There is no doubt that streamlining the devolution plan will take time. The kind of changes envisaged especially vis-à-vis the new tiers of government and the attitudinal shift required to provide services are unique. Given the time span and the emerging data there is optimism that the devolution efforts are likely to deliver changes that past efforts have failed to bring to fruition.

Table 22: Household Satisfaction By Facilities and Services Use (%)

Region and Province	Facilities and Services Use	
	Basic Health Unit	School
Urban Area	29.36	66.38
Punjab	20.47	67.63
Sindh	31.35	61.57
NWFP	58.78	72.98
Balochistan	36.67	66.71
Rural Areas	40.96	54.85
Punjab	38.89	59.11
Sindh	40.98	47.87
NWFP	48.76	64.70
Balochistan	36.62	40.89
Overall	35.94	59.84
Punjab	30.04	63.20
Sindh	36.33	54.49
NWFP	51.92	67.31
Balochistan	36.64	48.29

Source: PSLM 2004-05.

9 Special Ongoing Programs/Schemes for Poverty Reduction

9.1 The Government has launched many schemes for poverty reduction. Two such schemes, Tameer-i-Pakistan Program (KPP-1) and Khushal Pakistan Program-2 have been discussed in this section. The Tameer-i-Pakistan Program (renamed as Khushal Pakistan Program with effect from 1st March 2005) was launched on 9th April 2003. Under this program, members of national assembly were authorized to identify development schemes in their respective constituencies for implementation through federal executing agencies. The development schemes focused on road, electrification, gas, telephone, education, health, water supply, sanitation and Bulldozer hours. During FY06, 6,323 schemes were approved as compared to the approval of 5,613 schemes in FY05 (Table 23). During FY06, 42% schemes were approved for Punjab, 13% for Sindh, 28% for NWFP, 6% for Balochistan, 9% for FATA and 1% for ICT. During FY05, 732 thousand temporary jobs were created and 19.2 million population benefited from KPP-1 schemes. In FY03, Rs 5 million per Member of National Assembly (MNA) were allocated, during FY04, Rs 10 million per MNA was allocated, during FY05 and FY06, Rs 5 million for each MNA was allocated. In January 2004, scope of scheme was extended to members of Senate. During FY03 to FY06, Rs 7.9 billion had been disbursed to the executing agencies.

9.2 Khushal Pakistan Program-2 is being launched for small infrastructure development schemes all over Pakistan, which include small road (including farm to market roads), small water supply schemes, construction, repair and resurfacing of small rural roads, pavement of streets, drains and storm channels in villages, sewerage and garbage collection schemes, essential repairs to primary and secondary schools, basic health units & rural health centres, rural electrification and provision of gas to villages.

Table23: Khushal Pakistan Programme (KPP-I): Number of Schemes Approved Under Each Category during 2005-06 and 2004-05

Province	Road	Electrification	Gas	Telephone	Education	Health	Water supply	Sanitation	Bold Dzrs	Hours	Total Schemes
FY2005-06											
Punjab	1,021	1,283	88	-	25	7	41	171	1		2,637
Sindh	268	251	13	-	156	21	19	32	82		842
NWFP	552	773	28	-	22	5	380	40	2		1,802
Balochistan	75	168	-	-	25	1	100	10	17		396
FATA	64	25	-	-	32	29	425	2	-		577
ICT	41	17	-	-	1		8	2	-		69
Total	2,021	2,517	129	-	261	63	973	257	102		6,323
FY2004-05											
Punjab	847	1,419	78	1	25	15	30	97	1		2,513
Sindh	218	330	19	2	105	19	17	27	2		739
NWFP	347	722	9	-	15	1	159	29	8		1,290
Balochistan	68	261	-	-	40	5	79	22	15		490
FATA	51	74	-	-	15	19	360	1	-		520
ICT	24	21	-	-	7	-	7	2	-		61
Total	1,555	2,827	106	3	207	59	652	178	26		5,613

Source: Ministry of Local Government and Rural Development.

10 Rehabilitation of Earthquake Affectees³⁰

10.1 The earthquake of October 8, 2005 brought widespread destruction in five districts of NWFP namely Abbotabad, Mansehra, Battagram, Kohistan and Shangla and four districts of Azad Jammu & Kashmir, namely Muzaffarabad, Neelum, Bagh and Ponch. Official estimates include 80,000 dead and a similar number of injured with a huge surviving population. Initially it was estimated that the earthquake severely damaged or destroyed 400,000 homes, but the figure now exceeds 600,000. Over 500 health facilities, nearly 6,000 schools and colleges and countless government buildings were destroyed. Some 85 bilateral, multilateral and private donors provided grants and in kind humanitarian assistance amounting to over US\$1.4 billion. In addition, about US\$ 6.2 billion was pledged in grants and loans for reconstruction at the Donors' Conference in November 2005.

10.2 Federal Relief Commission (FRC) was created, which integrated both civilian and military actors for the relief work in earthquake affected areas to deliver tents, iron sheets, blankets, food and non-food items to the affectees. Over 1,000 schools were opened, enrolling some 500,000 children. Over a million children were vaccinated against measles. FRC ceased to exist as an independent entity and became part of Earthquake Reconstruction and Rehabilitation Authority (ERRA) on 1st April 2006. In the early days of relief, there was limited involvement of provincial and district authorities; much work was carried out and coordinated by the army. In the reconstruction phase, however, implementation will shift to provincial/regional level. ERRA is setting up effective coordination mechanisms at the provincial and district levels that will be integrated within the Government's decision-making architecture.

10.3 The Early Recovery Plan has been developed, with an aim to support the longer-term road to reconstruction by bridging the end of the relief phase and the start of full-scale reconstruction. It covers activities over 12-month period from May 2006 onwards. ERRA has released housing subsidy amounting to Rs 29.3 billion to 415,900 beneficiaries by November 2006. Disbursement of funds for livelihood activities has also started in two key districts, Muzaffarabad in Azad Jammu Kashmir (AJK) and Manshera in the North West Frontier Province (NWFP). Technical assistance teams financed by the seven major donors, including World Bank and ADB have been mobilized and have developed the basic framework and requirements for a harmonized monitoring and evaluation system for ERRA, which is currently being implemented.

10.4 All education programmes in the earthquake affected areas will be coordinated through ERRA and implemented within the framework of the Minimum Standards of Education in Emergencies, chronic crisis and early reconstruction and will take place under the overall supervision and coordination of the necessary provincial/district and local authorities, including department of education, implementing partners and other government and rural development institutions. All health programmes outlined will be coordinated through ERRA. The vision for the water and sanitation sector is to improve the quality of life of people of the earthquake affected areas by reducing risks to the public health through provision of equitable, sustainable and reliable supply of sufficient quantity of safe water and appropriate sanitation services.

10.5 The earthquake has inflicted heavy damage to all kinds of productive infrastructure including business, farmlands, livestock, remittance channels and market

³⁰ Based on information given on www.erra.gov.pk

infrastructure. The loss of employment and lack of social safety nets has placed many families in a precarious position. In the short term, over 80,000 people will be engaged in the food for work activities such as clearing market access roads and rehabilitating river and road embankments.

10.6 ERRA has prepared a strategy on protection, which will guide the Early Recovery Plan. The vision of this strategy is to ensure that vulnerable people in the earthquake affected areas are provided basic social services, livelihoods assistance and support for rehabilitation primarily within their own families and communities and to establish linkages with the mainstream social welfare structures and services. ERRA has devised strategy for rehabilitation and reconstruction of telecommunication sector to ensure that communication needs of the affected population are met and government's objective of build back better is achieved. The strategy for reconstruction and rehabilitation of governance sector is to ensure that the public sector physical infrastructure become functional through construction of seismically safe structures and by providing necessary capacity building components in the shape of furniture, equipment and consultancy etc.

11 Monitoring and Evaluation System of PRSP: Successes and Challenges

11.1 It is worth reviewing the monitoring and evaluation experience of PRSP. Poverty monitoring framework of the PRSP focuses on regular tracking of input, intermediate and outcome indicators. At the beginning of PRSP process, the government in collaboration with its development partners finalized the intermediate and outcome indicators in education, health and population planning sectors. Intermediate and outcome indicators related to the housing sector, employment, safety net interventions, credit disbursement and environment were also added in the list of monitorable indicators. This list is not very long; it contains in total 17 outcome and 31 intermediate indicators, and these indicators are linked with public expenditures or policy inputs in the PRSP tracking/monitoring Matrix.

11.2 Institutional arrangements were also been made: the federal PRSP Secretariat in the Ministry of Finance was established, and provinces also identified focal points within their respective Planning and Development Departments. The federal PRSP Secretariat is responsible to collaborate with these provincial monitoring units and other departments/agencies for poverty assessment, outcomes and impact analysis studies apart from tracking budgetary and non-budgetary pro-poor expenditures.

11.3 The PRSP monitoring and evaluation mechanism has been able to develop a system to track budgetary and non-budgetary expenditures (input indicator) and they have been reported regularly for each quarter and annual basis in the PRSP progress reports.

11.4 For the monitoring of intermediate and outcome indicators, PRSP relies on several sources including; 1) management information systems developed by the Ministry of Education and Ministry of health; 2) other relevant ministries/departments such as Ministry of Population, Ministry of Rural Development, Ministry of Religious Affairs and Ministry of Environment, and 3) Pakistan Integrated Household Survey (PIHS) of the Federal Bureau of Statistics (FBS).

11.5 A close look at the identified data sources indicates that out of the total 17 outcome indicators, PIHS of FBS was shown as the main data source for the monitoring of 12 indicators including poverty incidence, gross enrolment, student dropout, literacy, infant and child mortality, total fertility rate, population growth, access to safe water and sanitation, variability in consumption of the poorest households and landholding. The remaining 5 outcome indicators which do not come under the purview of PIHS were related to environment and efficiency of credit disbursement (repayment rate and funding cost). The expectation was that PIHS would be available on annual basis. However, after the completion of PIHS series in 2000/01, which was funded by the donors to monitor the progress in Social Action Program (SAP), FBS could not continue it. The FBS has launched a new series of the PSLM. However, it has not provided data on infant and child mortality, which used to be part of the PIHS.

11.6 Although the monitoring of outcome indicators has not been as regular as was expected, with the timely availability of PSLM 2004/05 data it can be considered satisfactory. Large surveys usually are not carried out annually; the fact remains that a good quality household survey even after a gap of 2-3 years can serve the purpose of monitoring effectively. With the onset of PSLM series the situation of monitoring the outcome indicators will improve further during the PRP-II period.

11.7 Regarding the monitoring of intermediate indicators, approximately half of them, 14 out of 31, are related to health and education sectors. However, the last three years have not witnessed the desired improvement in the monitoring of these intermediate indicators. Data on indicators related to governance and environment could not be regularly reported. Thus the monitoring of intermediate indicators needs further improvement.

11.8 In short, this brief review of the monitoring experience shows that significant progress has been made in finalization of indicators for monitoring different dimensions of poverty, particularly in the priority sectors. Information has also been made available on these indicators during the last three years, albeit to a variable degree of regularity. The M&E system has provided a good base, but surely it needs to be strengthened and the following challenges remain.

- Household surveys of the FBS, have been the major source for monitoring the outcome indicators. However, they have not been conducted regularly, making the monitoring of progress in outcome/output indicators rather difficult. PSLM series now may be made regular. FBS should also collect information on the missing indicators such as infant and child mortality and malnutrition.
- Most of the management information systems operate in isolation and are not integrated at the national level. This isolation seems to be counter productive for gathering timely the required information. It requires a close coordination between the information systems and PRSP Secretariat.
- Devolution Plan 2000 poses some challenges and new demands for poverty monitoring and for effectively targeting and implementing poverty reduction and social safety net programs. The district governments would need the development of system to monitor poverty at the district level.
- Monitoring should not become an end itself. The real issue is effective follow-up and implementing remedial measures and reinforcement of accountability for results. Although M&E capacity is developing, the coordination of the flow of relevant information to decision makers still remains weak. It requires that results of intermediate and outcome indicators may be disseminated among stakeholders in order to have regular feedback to policy makers for appropriate adjustment in policies.
- Evaluation and assessment of poverty reduction related interventions have not been systematically carried out during the whole PRSP period, although many targeted programs have been evaluated and provided very useful information. Evaluation component needs to be strengthened. In some areas however, like microfinance, impact evaluation studies have been carried out.

12 Summary and Conclusions

12.1 Poverty Reduction Strategy initiated in 2001 has been successful in reducing unemployment and poverty in urban as well as rural areas of the country primarily due to high sustained growth during the last four years.

12.2 PRSP expenditures are in line with Fiscal Responsibility and Debt Limitation Act 2005. They increased by 37.4% in FY06 with respect to FY05 to Rs 434.6 billion. Increase in PRSP expenditures is seen in all regions in FY06 as compared to FY05. PRSP expenditures as percentage of GDP increased from 3.8% in FY02 to 5.6% in FY06. To achieve universal primary education by 2015, there is a trend of spending largest proportion of pro-poor expenditures on education and largest proportion of education expenditure on primary education. Direct transfers amounting to Rs 13.7 billion were made to 5,363 thousand beneficiaries in FY06. However, there is a need to enhance further micro facilities so that it can cater to all the poor and needy persons in the country.

12.3 Regarding the progress in intermediate indicators, the number of total functional public schools observed a decline since FY02; they declined by 5,130 schools since FY02 to 141,186 in FY05. Provision of basic facilities in public schools is dismal; urgent measures should be taken to improve them. Coverage of LHWs has been increasing since 1994. In 2006, 75% of target population is covered by LHWs.

12.4 Results of PSLM 2004-05 at district level have been discussed for the first time in this report, although comparable data for previous years for all indicators discussed are not available. Results are mixed. However, the analysis shows that a belt of districts starting from Lahore in Punjab to Abbotabad in NWFP, Karachi, Hyderabad and Sukker in Sindh and Quetta in Balochistan are much better than rest of districts in the country in health, education and water supply and sanitation sectors. These intra-district gaps may be narrowed down through investing more in districts with low levels in socio-economic indicators.

12.5 Rebuilding in earthquake affected areas has taken off at a good pace, as the government of Pakistan's strategy has avoided the mistake made in the post tsunami region, where government relied on relief agencies and local officials and the results have proved slow and inefficient. ERRA has released housing subsidy amounting to Rs 29.3 billion to 415,900 beneficiaries by November 2006.

12.6 The experience of monitoring the PRSP progress has provided a good base, but surely it needs to be strengthened. Evaluation component of the M&E system needs to be strengthened.

Appendix Table 1: PRSP Budgetary Expenditures (2004-05 / 2005-06)

	(Rs. Millions)											
	2004-05						2005-06 (Provisional)					
	Federal	Punjab	Sindh	NWFP	Balochist.*	Total	Federal	Punjab	Sindh	NWFP	Balochist.	TOTAL
Roads highways, & Bridges	2,480	17,283	7,728	2,219	5,471	35,181	2,251	27,809	13,897	2,693	6,598	53,248
Current	2,480	2,206	391	55	339	5,471	2,101	2,767	482	151	347	5,848
Development	0	15,077	7,337	2,164	5,132	29,710	150	25,042	13,415	2,542	6,251	47,400
Water Supply & Sanitation	469	1,826	1,118	601	2,524	6,538	212	6,713	604	718	2,091	10,338
Current	469	80	215	347	949	2,060	180	553	230	430	1,024	2,417
Development	0	1,746	903	254	1,575	4,478	32	6,160	374	288	1,067	7,921
Education	25,412	50,581	20,641	14,397	5,842	116,873	33,758	55,903	27,600	18,355	6,086	141,702
Current	14,250	43,647	20,110	13,573	5,001	96,581	17,992	52,288	25,244	17,231	5,519	118,274
Development	11,162	6,934	531	824	841	20,292	15,766	3,615	2,356	1,124	567	23,428
Primary Education	2,911	29,137	8,858	6,600	1,791	49,297	1,845	30,780	10,966	8,390	1,852	53,833
Current	2,896	23,667	8,827	6,111	1,791	43,292	1,802	28,761	10,423	7,749	1,852	50,587
Development	15	5,470	31	489	0	6,005	43	2,019	543	641	0	3,246

Secondary Education	2,239	10,905	6,896	5,946	1,428	27,414	2,639	12,960	9,072	7,551	1,634	33,856
Current	1,887	10,155	6,790	5,722	1,428	25,982	2,313	12,170	8,258	7,386	1,634	31,761
Development	352	750	106	224	0	1,432	326	790	814	165	0	2,095
General Universities, Colleges, & Institutes	7,292	3,986	1,843	895	371	14,387	19,951	4,880	2,839	1,132	422	29,224
Current	6,724	3,619	1,720	846	371	13,280	7,294	4,523	2,083	1,045	422	15,367
Development	568	367	123	49	0	1,107	12,657	357	756	87	0	13,857
Professional & Technical Universities, Colleges & Institutes	9,978	553	1,296	684	349	12,860	4,385	1,008	1,544	975	369	8,281
Current	874	526	1,116	629	349	3,494	4,061	835	1,381	792	369	7,438
Development	9,104	27	180	55	0	9,366	324	173	163	183	0	843
Teacher & Vocational Training	325	1,717	118	31	106	2,297	45	1,882	148	0	227	2,302
Current	298	1,687	107	27	106	2,225	35	1,882	145	0	220	2,282
Development	27	30	11	4	0	72	10	0	3	0	7	20
Others	2,667	4,283	1,630	241	1,797	10,618	4,893	4,393	3,031	307	1,582	14,206
Current	1,571	3,993	1,550	238	956	8,308	2,487	4,117	2,954	259	1,022	10,839

Development	1,096	290	80	3	841	2,310	2,406	276	77	48	560	3,367
Health	8,117	12,587	5,150	3,407	2,165	31,426	11,392	14,419	7,371	3,999	2,022	39,203
Current	3,944	11,414	4,776	2,870	1,773	24,777	5,174	13,013	5,984	3,410	1,829	29,410
Development	4,173	1,173	374	537	392	6,649	6,218	1,406	1,387	589	193	9,793
General Hospitals & Clinics	3,206	10,836	3,955	2,857	1,013	21,867	4,998	12,388	6,173	3,115	892	27,566
Current	2,768	9,717	3,954	2,401	1,013	19,853	3,820	11,037	4,853	2,943	892	23,545
Development	438	1,119	1	456	0	2,014	1,178	1,351	1,320	172	0	4,021
Mother & Child Health	2	1	3	13	31	50	3	64	132	15	2	216
Current	2	1	3	13	31	50	3	64	132	15	2	216
Development	0	0	0	0	0	0	0	0	0	0	0	0
Health Facilities & Preventive Measures	4,267	109	540	164	456	5,536	5,728	116	510	557	289	7,200
Current	691	108	355	93	80	1,327	804	100	461	151	96	1,612
Development	3,576	1	185	71	376	4,209	4,924	16	49	406	193	5,588
Others	642	1,641	652	373	665	3,973	663	1,851	556	312	839	4,221
Current	483	1,588	464	363	649	3,547	547	1,812	538	301	839	4,037
Development	159	53	188	10	16	426	116	39	18	11	0	184

Population Planning	3,106	799	516	4	153	4,578	6,370	1,072	679	1,851	257	10,229
Current	366	0	0	3	152	521	414	16	0	72	257	759
Development	2,740	799	516	1	1	4,057	5,956	1,056	679	1,779	0	9,470
Social Security & Social Welfare	806	636	257	165	166	2,030	3,534	906	2,632	308	195	7,575
Current	523	515	257	138	119	1,552	3,377	521	2,069	124	93	6,184
Development	283	121	0	27	47	478	157	385	563	184	102	1,391
Natural Calamities & Other Disasters	385	32	398	68	39	922	2,835	2,731	687	12,868	27	19,148
Irrigation	20,182	7,285	5,189	1,294	3,921	37,871	34,017	8,673	9,950	2,230	4,949	59,819
Current	1,152	3,960	2,563	799	2,896	11,370	94	4,203	2,834	928	3,781	11,840
Development	19,030	3,325	2,626	495	1,025	26,501	33,923	4,470	7,116	1,302	1,168	47,979
Land Reclamation	42	81	1,988	0	0	2,111	8	91	2,281	293	0	2,673
Rural Development*	713	10,316	973	2,025	1,342	15,369	440	9,267	220	3,066	2,047	15,040
Current	164	3,039	343	321	420	4,287	63	439	214	157	123	996
Development	549	7,277	630	1,704	922	11,082	377	8,828	6	2,909	1,924	14,044
Law and Order	16,664	14,567	9,510	3,700	2,975	47,416	20,958	19,316	10,906	4,371	4,016	59,567
Low Cost Housing	0	318	0	0	0	318	6	299	0	0	0	305

Justice Admn	542	1,217	642	422	293	3,116	754	2,932	797	665	494	5,642
Food Subsidies	2,459	1,500	500	900	0	5,359	4,000	750	371	900	0	6,021
Food Support Program	158	1,351	570	514	110	2,703	173	1,690	521	573	124	3,081
Tawana Pakistan	78					78						
Village Electrification^^	4,354					4,354	1,000					1,000
GRAND TOTAL	85,967	120,379	55,180	29,716	25,001	316,243	121,708	152,571	78,516	52,890	28,906	434,591

Source: Compiled from Civil Accounts Provided by Accountant General's Office.

Appendix Table 2: Proportion of Public Schools with Basic Facilities

Appendix Table E: Proportion of Public Schools with Basic Facilities							
Region/ Province		Level	Water (%)	Latrine (%)	Electricity (%)	B-Wall (%)	
Pakistan	2003-2004	Primary	53	42	26	45	
		Middle	71	64	59	61	
		Total	54	44	29	47	
	2004-05	Primary	55	45	27	48	
		Middle	75	69	61	66	
		Total	57	48	30	50	
	Punjab	2003-2004	Primary	78	47	35	55
			Middle	94	66	78	71
			Total	80	49	40	57
2004-05		Primary	77	46	30	54	
		Middle	93	69	74	74	
		Total	79	49	36	57	
Sindh	2003-2004	Primary	39	36	14	35	
		Middle	45	49	27	49	
		Total	39	36	14	36	
	2004-05	Primary	45	48	20	43	
		Middle	58	69	40	65	
		Total	46	49	21	44	
NWFP	2003-2004	Primary	45	55	33	55	
		Middle	56	76	53	57	
		Total	46	57	35	55	
	2004-05	Primary	49	57	35	58	
		Middle	61	75	55	64	
		Total	50	59	37	58	
Balochistan	2003-2004	Primary	13	18	11	26	
		Middle	36	49	31	58	
		Total	48	20	12	28	
	2004-05	Primary	15	19	11	26	
		Middle	39	49	34	60	
		Total	17	21	12	29	
AJK	2003-2004	Primary	35	31	12	8	
		Middle	49	66	35	17	
		Total	38	38	17	10	
	2004-05	Primary	23	33	11	10	
		Middle	43	68	32	15	
		Total	27	40	15	11	
FANA	2003-2004	Primary	36	38	14	29	
		Middle	9	56	28	51	
		Total	39	41	16	32	
	2004-05	Primary	33	26	25	36	
		Middle	65	70	62	60	
		Total	38	33	31	40	
FATA	2003-2004	Primary	36	42	46	53	
		Middle	54	70	71	83	
		Total	38	44	48	55	
	2004-05	Primary	37	41	45	52	

Islamabad	2003-2004	Middle	55	70	71	85
		Total	39	44	47	54
		Primary	90	91	92	93
		Middle	87	87	100	85
	2004-05	Total	90	90	94	91
		Primary	93	92	95	93
		Middle	98	91	100	87
		Total	94	92	96	92

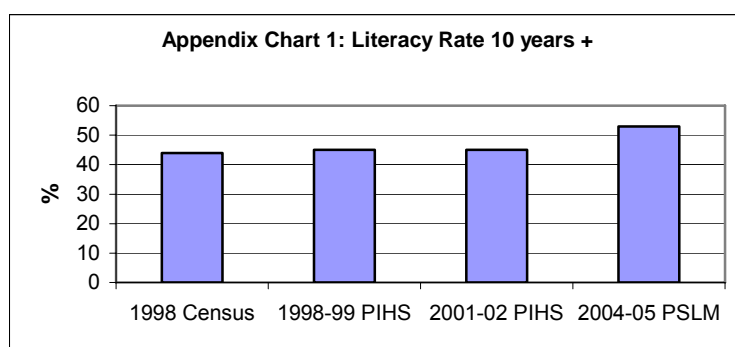
Source: Academy of Educational Planning and Management, Ministry of Education.

Appendix Table 3: Actual Posts Filled Against Sanctioned Posts and Percentage of Trained Teachers (%)

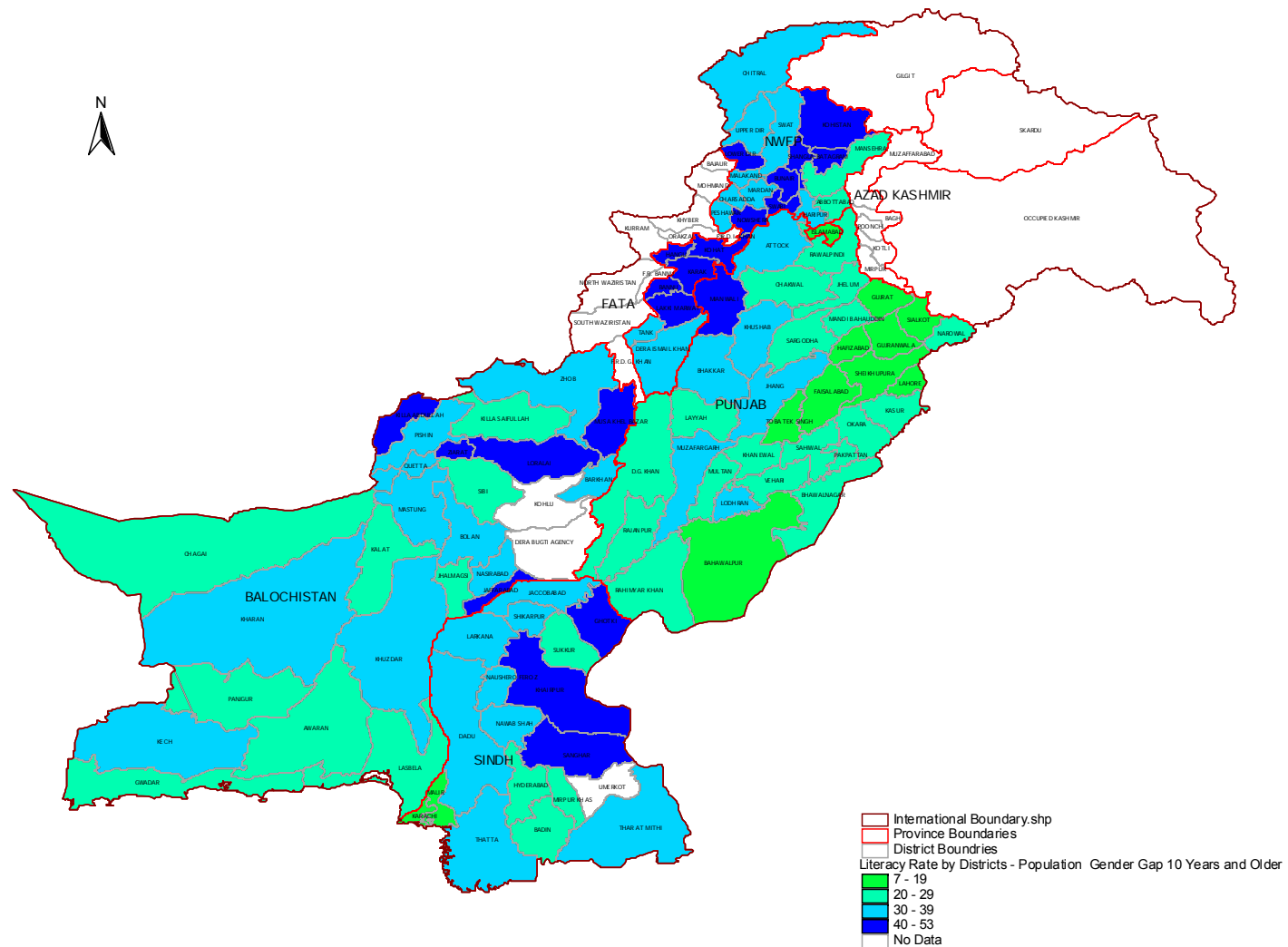
Region/ Province		Level	Actual Posts Filled Against Sanctioned Posts %			Percentage of Trained Teachers	
			Male	Female	Total	Male	Female
Pakistan	2003-04	Primary	NA	NA	NA	98.66	98.73
		Middle	NA	NA	NA	99.21	99.22
		Total	NA	NA	NA	98.78	98.88
	2004-05	Primary	NA	NA	NA	99.36	99.6
		Middle	NA	NA	NA	99.17	99.29
		Total	NA	NA	NA		
Punjab	2003-04	Primary	86.66	87.32	86.94	100.00	100.00
		Middle	81.83	77.86	79.61	100.00	100.00
		Total	85.35	83.65	84.55		
	2004-05	Primary	87.89	89.35	88.51	100.00	100
		Middle	80.99	77.68	79.15	100.00	100
		Total	85.94	84.66	85.34		
Sindh	2003-04	Primary	NA	NA	NA	96.59	95.93
		Middle	NA	NA	NA	95.46	96.89
		Total	NA	NA	NA		
	2004-05	Primary	NA	NA	NA	98.67	98.91
		Middle	NA	NA	NA	98.98	97.63
		Total	NA	NA	NA		
NWFP	2003-04	Primary	98.00	95.38	97.12	NA	NA
		Middle	88.08	73.76	83.12	NA	NA
		Total	96.14	91.14	94.46		
	2004-05	Primary	98.07	95.86	97.32	100.0	100.0
		Middle	91.40	79.67	87.11	100.0	100.0
		Total	96.76	92.38	95.25		
Balochistan	2003-04	Primary	97.92	96.56	97.53	100	100.00
		Middle	91.17	85.76	89.48	100.00	100.00
		Total	95.59	92.51	94.68		
	2004-05	Primary	98.32	99.12	98.57	98.4	99.9
		Middle	88.31	86.87	87.87	95.3	97.8
		Total	94.79	94.85	94.81		
AJK	2003-04	Primary	NA	NA	NA	96.56	87.43
		Middle	NA	NA	NA	95.84	91.73
		Total	NA	NA	NA		
	2004-05	Primary	NA	NA	NA	87.5	96.6
		Middle	NA	NA	NA	91.7	95.8
		Total	NA	NA	NA		
FANA	2003-04	Primary	NA	NA	NA	100.00	100
		Middle	NA	NA	NA	100.00	100
		Total	NA	NA	NA		
	2004-05	Primary	NA	NA	NA	100.0	100.0
		Middle	NA	NA	NA	100.0	100.0
		Total	NA	NA	NA		
FATA	2003-04	Primary	99.65	99.17	99.47	94.64	97.68
		Middle	96.79	95.06	96.33		

Islamabad	2004-05	Total	98.82	98.40	98.67		
		Primary	99.59	96.34	98.35	99.9	100.0
		Middle	98.35	90.13	96.18	100.0	99.7
	2003-04	Total	99.21	95.10	97.77		
		Primary	NA	NA	NA	99.57	99.79
		Middle	NA	NA	NA	100.00	99.75
	2004-05	Total	NA	NA	NA		
		Primary	74.6	82.1	80.1	100.0	99.1
		Middle	81.9	77.9	79.3	100.0	100.0
		Total	76.9	81.1	79.9		

Source: Academy of Educational Planning and Management, Ministry of Education.

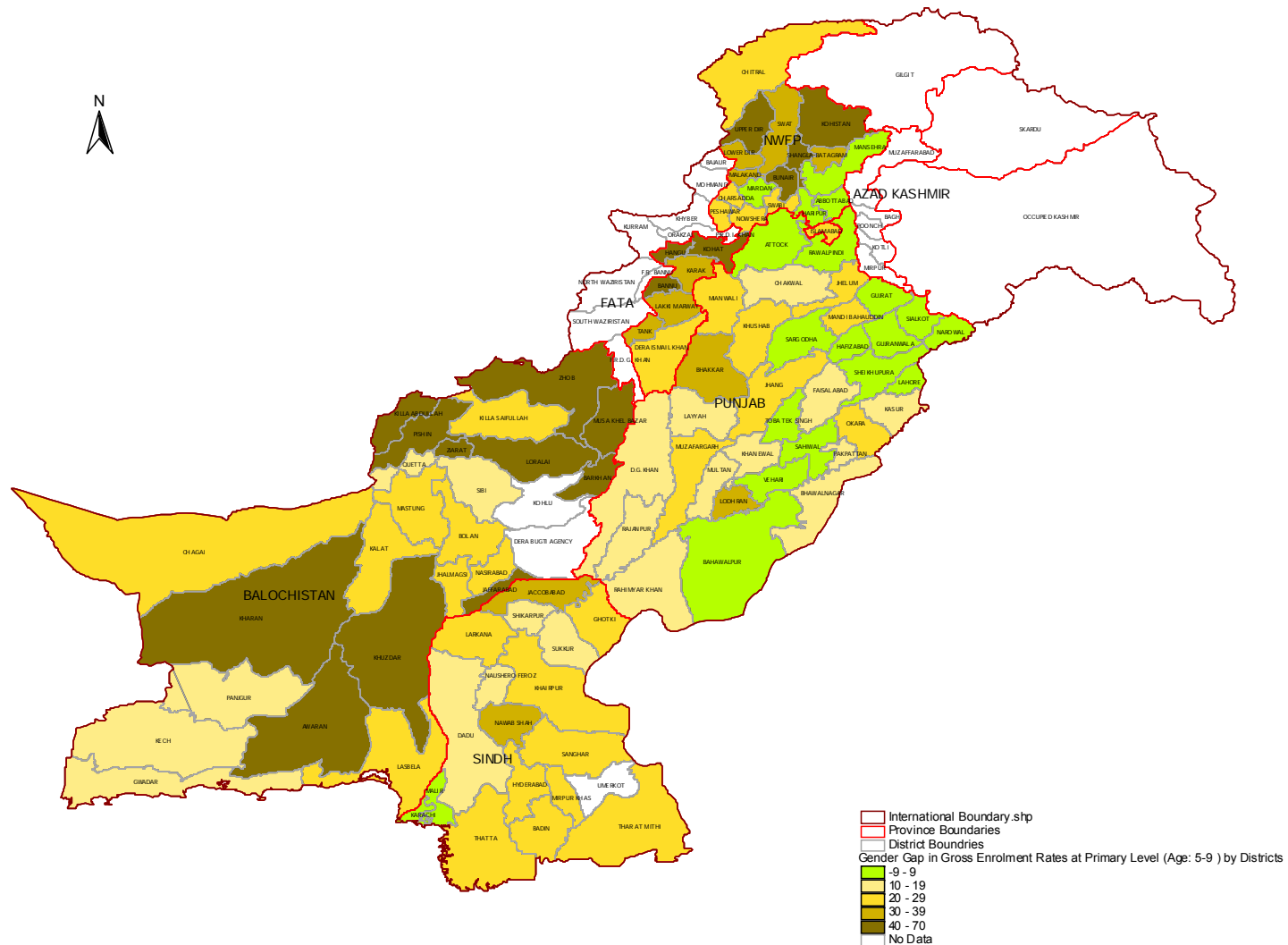


Appendix Map 1: Literacy Rate by Districts - Population Gender Gap 10 Years and Older (Both Sexes) (2004-2005)



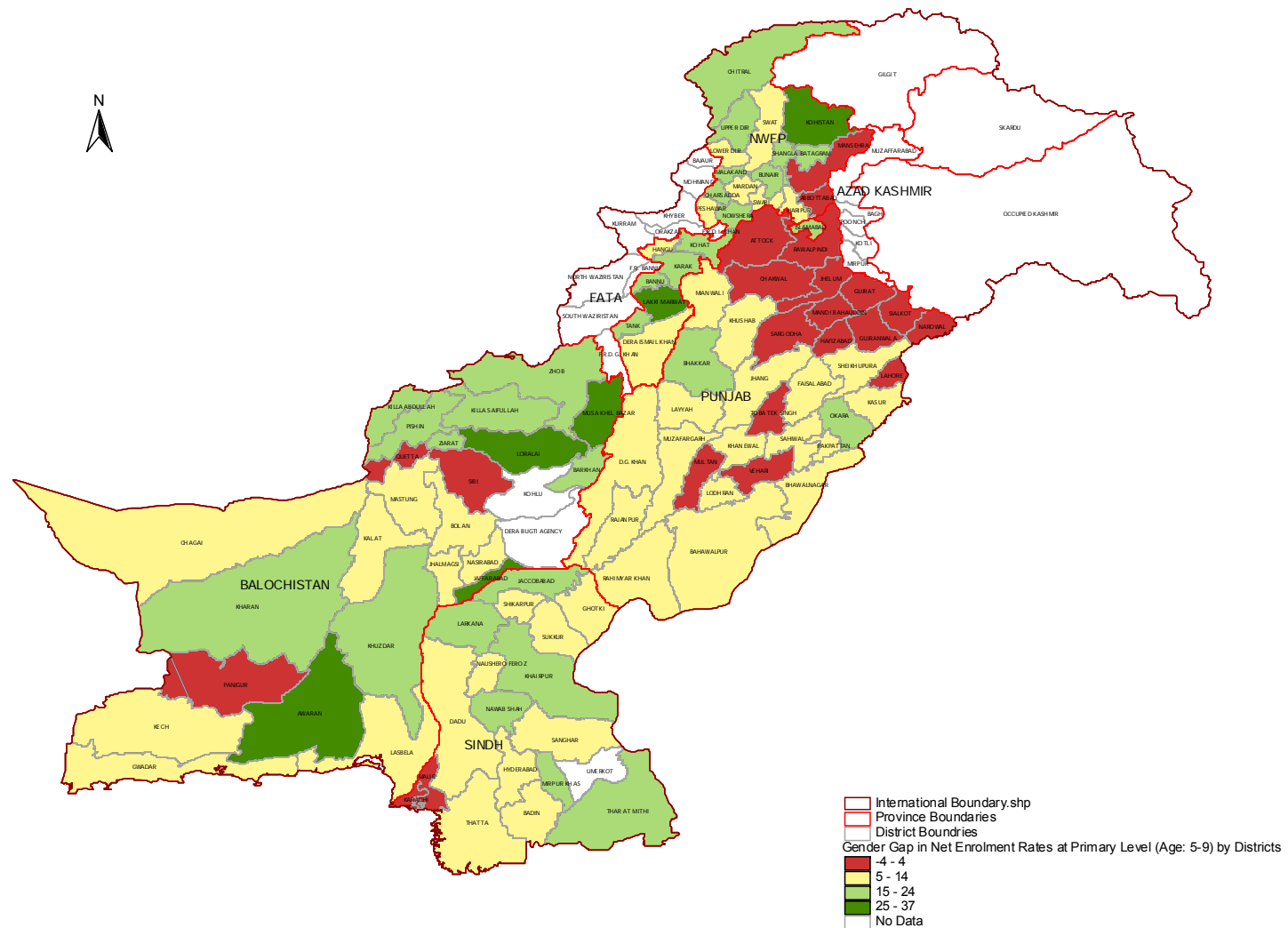
Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

Appendix Map 2: Gender Gap in Gross Enrolment Rates at Primary Level (Age: 5-9) by Districts (2004-2005)



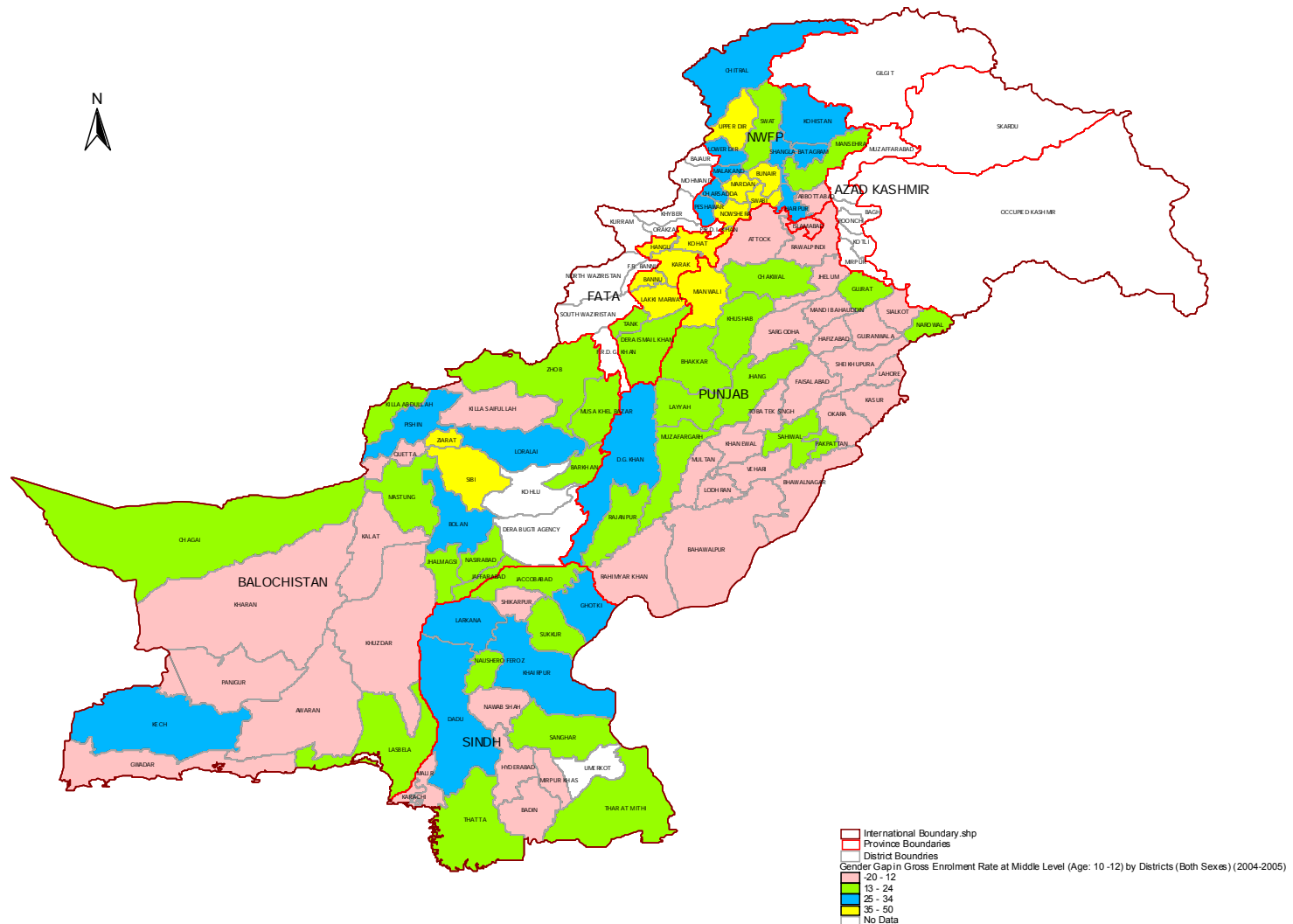
Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

Appendix Map 3: Gender Gap in Net Enrolment Rate at Primary Level (Age: 5-9) by Districts (2004-2005)



Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

Appendix Map 4: Gender Gap in Gross Enrolment Rate at Middle Level (Age: 10-12) by Districts (2004-2005)



Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

Map of Pakistan showing the proportion of households with access to water by hand pump by district. The map is color-coded according to the legend:

- 0 - 8 (Yellow)
- 9 - 23 (Light Green)
- 24 - 37 (Medium Green)
- 38 - 56 (Dark Green)
- 57 - 81 (Dark Blue)
- No Data (White)

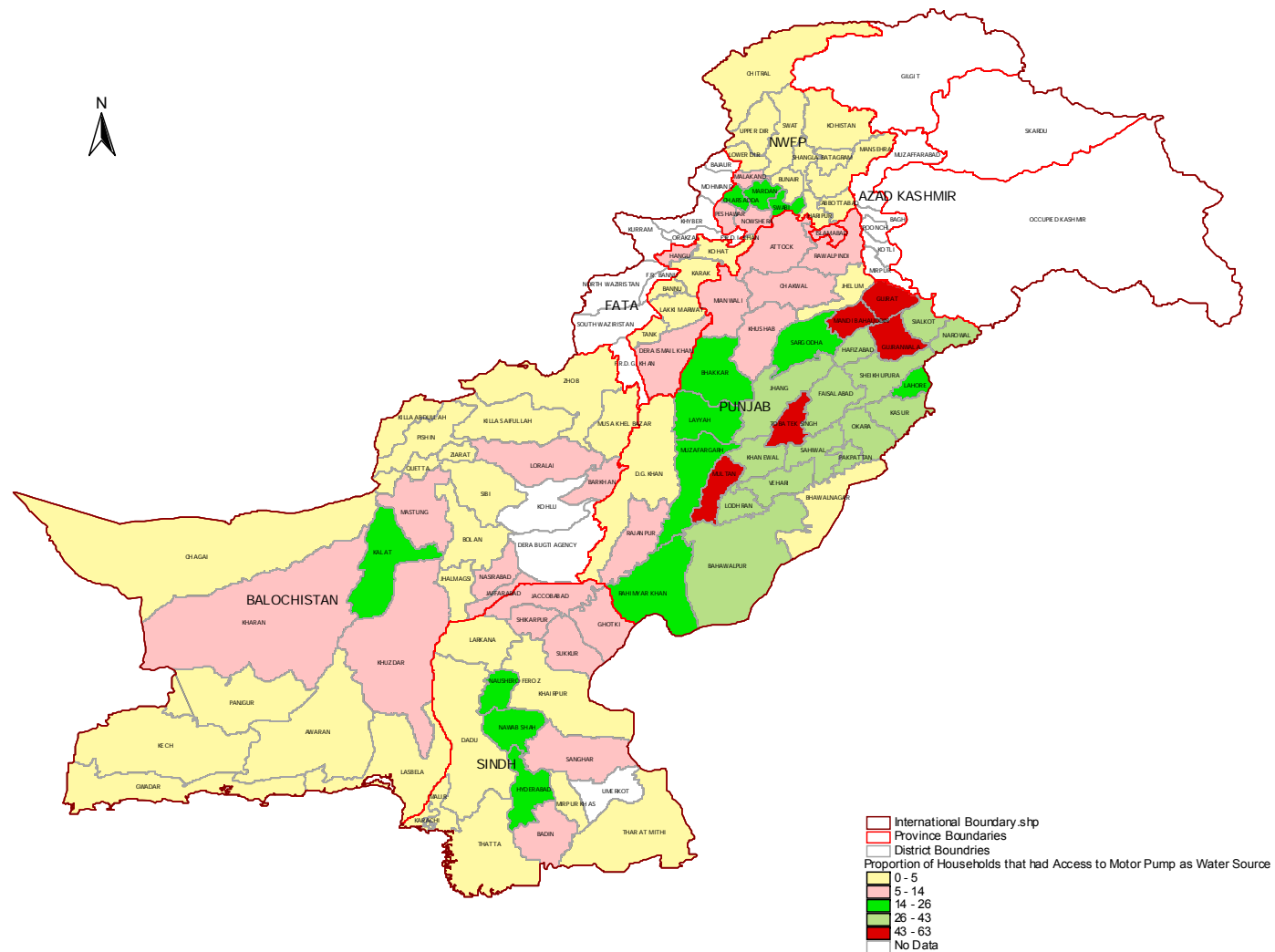
Legend:

- International Boundary.shp
- Province Boundaries
- District Boundaries

Proportion of Households that had Access to Water By Hand Pump

Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.

Appendix Map 6: Proportion of Households that had Access to Motor Pump as Water Source (2004-2005)



Source : Government of Pakistan (2006); Pakistan Social and Living Standards Measurement Survey 2004-05, Provincial/Districts, Federal Bureau of Statistics, Islamabad.