

PAKISTAN COMMON COUNTRY ASSESSMENT

UNITED NATIONS COUNTRY TEAM

DRAFT FOR REVIEW AND COMMENT

NOT TO BE QUOTED OR FOR ATTRIBUTION

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Pakistan at a Glance¹

Land area	796,095 square kilometres
Total cropped area	22 million hectares
Population (2002)	140.5 (June 2001 estimate)
Main towns	Population in millions, June 2001
	Karachi 9.6
	Lahore 5.3
	Faisalabad 2.1
Languages	English is the official language; Urdu is the national language
Currency	Rupee=100 paisa. UN Exchange rate Sept 2002:PRs 58.89:US\$1
Fiscal year	July 1 st -June 30 th
Population growth	2.4% (average, 1996-2000)
GDP (at market prices)	PRs3.2trn (1999/2000) US\$61.3bn (1999/2000, at market rate)
GDP growth (at factor cost)	3.9%(average, 1995/96-1999/2000) 2.56% (2000/01)
GDP per head	US\$450 (1999/2000, at market rate) US\$1,840 (1999/2000, at PPP)
Inflation	7.3% (average, 1996-2000)
	4.4% (2000, average)
	5.0% (2000, year end)

Government Structure

The Islamic Republic of Pakistan was founded as a federal republic in 1947. The 1972 Constitution of Pakistan provides for a bicameral legislature, with the National Assembly as the lower house and the Senate as the upper house of the parliament. Elections for the National and the four Provincial Assemblies were held on 10 October 2002. The new government is headed by a Prime Minister and the day-to-day functioning of the government is to be carried out by his cabinet of elected representatives.

¹ Economic Survey of Pakistan 2001

Executive Summary

Introduction

Under the overall guidance of the current policy agenda of the Government, the 2002 Common Country Assessment for Pakistan (CCA) was prepared by the UN Country Team (UNCT) with assistance from regional and global UN offices. Civil society and some federal ministries were engaged during a series of thematic meetings held in June 2002. The UNCT has developed this Common Country Assessment, in keeping with the resolutions of the 2000 UN Millennium Declaration, adopted by Pakistan together with 189 countries.

Participatory Governance

Realization of the fundamental right to development requires the creation of favourable national and international conditions. Development is a comprehensive economic, social, cultural and political process, which aims at the constant improvement of the well-being of the entire population and of all the individual on the basis of their active, free and meaningful participation in development and in the fair distribution of benefits resulting therefrom (*1986 Declaration on the Right to Development*). Progress in this context is influenced by the quality of governance. In this CCA, the UNCT has chosen to clearly distinguish governance from Government; recognising that the quality of governance reflects patterns of human interactions in a society as a whole.

In this context, the Government's Three Year Poverty Reduction Programme recognizes that the "spectre of rising poverty is not only an outcome of economic ills but also a result of misgovernance over past years". It then goes on to add "Poverty redressal is only possible when economic, social, legal and political dimensions of governance are properly addressed by forging a partnership between the government, the private sector and civil society".

Several far-reaching governance reform measures, therefore, have been initiated by the current government. Over the coming years, it will be important that these policies and laws are fully implemented. Key reforms include: Devolution of power, police reform, judicial reform, educational reform, Tax reform, Civil service reform and Political reform. Issues of child survival, protection, development and participation remain a government priority. The Devolution reform addresses the issue of empowerment of the poor and aims at enabling citizens' participation, especially that of the most vulnerable, in policy matters. The Devolution Plan will enable a broader and more equitable sharing of power and authority. By offering a stake in governance, decentralization will help bridge the gap between the state and citizens

Cross-Cutting Issues

Gender

Gender mainstreaming at public policy is a high priority for meeting Pakistan's human resource and social development needs. There has been some improvement in the condition of women in Pakistan in recent years. Mainstreaming of a gender perspective through out policy planning, implementation, monitoring and evaluation of policies programmes and projects remains a challenge for ensuring their development, protection and participation. In order to eliminate all forms of discrimination against women a Permanent Commission on the Status of Women has been set up.

Population

Over the past decade, there has been a meaningful slowing of population growth rate in Pakistan. However, the rate is still high and child survivability has improved. Presently 70% of the population is below the age of 30 years old. This demographic transition can be a serious issue for the future.

National aggregate population and development statistics best describe the conditions of the irrigated plains of Punjab and the urban concentrations. The more sparsely populated non-irrigated rural parts of the country have significantly different characteristics that must be captured in highly disaggregated statistics.

Environment

Economic slow down has had an impact on Pakistan's environment as well. Environmental degradation has assumed the form of air pollution, contamination of ground and surface water, depletion of water and forest resources, erosion, degradation and desertification of land due to loss of forest cover, water logging and salinity. Also, economic impoverishment has led to rural and urban unemployment, dislocation of low-income

communities and impoverishment of traditional communities depending for their livelihood on balanced use of natural resources. The effects of this environmental degradation, notably in form of pollution, deforestation and drought, weighs heaviest on the poor.

Drug Control

Pakistan has addressed the problem of drug production and trafficking with great commitment and resolve under the Drug Law Enforcement Program restoration and a promotional plan. Pakistan kept to its commitment to become a poppy cultivation free country by 2000 and has considerably strengthened its drug law enforcement capacity to reduce drug trafficking through Pakistan.

Humanitarian Affairs

Pakistan has played the gracious host for over 3.3 million Afghan refugees for the past 20 years. This burden has sapped much needed resources from the nation's development program. The pressure is beginning to lessen with almost 1.5 million refugees voluntarily repatriated this year.

Culture and Development

Pakistan has a very rich and diversified cultural heritage that requires preservation. So far tourism and cultural activities have not been able to generate resources. This is an area, in particular, where Pakistan requires international assistance. The cultural sector including cultural tourism has a huge potential in generating incomes for the vast majority of the people of Pakistan.

Poverty Reduction

Pakistan's development agenda is increasingly focused on reducing the level of poverty in the country. The three-year Poverty Reduction Program of the Government recognizes that the increase in poverty during the 1990s requires urgent attention. It identifies the extent, nature and profile of current poverty. It sets out priority actions, policies and sectoral focus needed to reduce poverty. It encompasses a four-pronged attack on poverty centering around; (i) Increased economic opportunities for the poor; (ii) Their empowerment; (iii) Access to physical and social assets; and (iv) Access to welfare and support through the development of appropriate social safety nets. The instruments for achievement will be; (a) Economic Reforms; (b) Physical Asset Creation for the Poor; (c) Social Asset Creation for the Poor; (d) Social Safety Net Mechanism, and (v) Good Governance.

The output of the agriculture sector has a major impact on the nation's economic growth. It is the single largest component of the nation's GNP employing nearly one-half of the labour force, and accounting for two-thirds of all exports. The GDP and food crop production have been increasing, the percentage of the population that is shown to be below the poverty line on a caloric-based head count is on the rise, especially in the rural-areas. The recent drought had a serious impact on the poor in the country and there are many long-term measures that need to be addressed in order to significantly increase outputs.

As a result of wide ranging economic reform measures, the State Bank of Pakistan reported in July that much progress was made on the macro front during the last fiscal year: the fiscal deficit has been contained, inflation is low, the current account is in surplus, and foreign exchange reserve is growing.

Public expenditure constraints, increased tax revenues, and decreased utility subsidies have lowered overall purchasing power. The poor feel reduced purchasing power most severely as their expenditures are dominated by the absolute necessities of life. The limited educational opportunities and under-utilization of the human potential, notably of girls and women have a negative impact on the economic development of the country.

Health

Access to quality health services by the poor is the most critical factor involved in improving health in a developing society. It is one of the factors contributing to the mortality rates for infants and children under five years of age.

Water quality is a contributing factor to disease and death levels in Pakistan. Although millions more people have access to protected sources of water than two decades ago, the chemical and biological quality of that water is increasingly in doubt.

In Pakistan female life expectancy at birth is lower than that of men. Poor rural and urban illiterate women suffer most; they generally work longer hours, get less food and have limited access to comprehensive health

care thus contributing to MMR. Diseases of the poor, such as infectious diseases exacerbated by malnutrition and maternal risks, are major concerns in Pakistan.

Pakistan has established an extensive health delivery system network, which is a mix of Government and private facilities, distributed all over the country. The Government owned health facilities at all levels are operated by public funds generated through internal revenues or external assistance. The private sector is largely covered by out of pocket household expenditures with some assistance from NGOs, trust funds, etc.

In spite of steady improvements, the present health system has not been able to cope with the demands of a growing population. The health status of the nation after 55 years of independence is characterized by a population growth rate of around 2.2 percent, infant mortality of 85 per thousand live births and maternal mortality ratio of 350-800 per 100,000 live-births. Communicable, infectious and parasitic diseases remain a severe burden, while dental and gum diseases are increasing. Drug abuse has emerged as a public health problem, while malaria and tuberculosis continue to be potential threats. Protein-energy malnutrition is prevalent in the most vulnerable population, while micronutrient deficiency disorders e.g. iron deficiency anaemia in children and women, and iodine deficiency disorders in certain endemic regions overshadow all other nutritional problems. Poor maternal nutrition status results in the high incidence in about 25 percent of the cases of low birth weight babies.

Immunisations are a vital part of the overall public health programme of any country. The prevalence of polio in Pakistan has been greatly reduced.

Pakistan adopted the National Health Policy in 2001, which combined with the National Reproductive Health Services Package in 1999 is intended to bring significant improvement in critical health service delivery.

Education

At the time of Independence, the country was faced with overwhelming problems in education. However, schools, colleges, and universities were maintained and new ones established. Since then there has been a considerable increase in the number of educational institutions and in enrolment. Literacy rate increased from 13 percent to 52 per cent and enrolment at primary level increased from 0.77 million to 16.7 million. Secondary level enrolment increased from 0.28 million to 8.4 million. Enrolment at professional and higher levels has also increased considerably. Numbers of institutions and teachers have increased proportionately. About 35 per cent of those who pass Matric now go for technical and vocational education.

While the increase in private sector educational activities is encouraging, severe income-related, gender and rural-urban imbalances exist both in the availability and quality of education. Education remains inequitably distributed among income groups and regions in the country. Literacy and participation rates are below those in other South Asian countries with similar level of economic development.

Access of education to children of relevant age group is still inadequate. Educational institutions lack physical facilities. The target of minimum essential requirement for quality education has not yet been achieved. Educational institutions are facing shortage of trained and qualified teachers, especially female teachers. The training of teachers needs to be strengthened in order to support and motivate the teachers as the main pillars of the educational system.

Budgetary allocations for the education sector need to be increased in order to achieve the goals of Education for All, notably for free and compulsory quality basic education for all children, youth and adults. Due to financial constraints and want of managerial capacity the education targets remained unaccomplished during the period 1992-2000. The slow implementation of programs/projects undermined the efficiency of the system in terms of qualitative improvement at all levels.

Adolescents are the future of Pakistan, and an increased investment in their productive role will be beneficial.

Significantly, major reforms are underway in the education sector. The Education Sector Reform (2001-2005) strategy entails national legislative, administrative and financial actions at all levels. Regionally, Sindh and Punjab and Islamabad Capital Territory (ICT) have legislated compulsory primary education on a trial basis.

Conclusion

In conclusion, the UN Country Team is convinced that the full inclusion of all the people is key to improved economic performance and competitiveness in the global economy, while sustaining the environment and ensuring all citizens' rights to development. The UNCT will be working over the next several months to finalise the UN Development Assistance Framework for Pakistan. Some of the initial areas of strong interest include: Poverty Alleviation, Human Development, Devolution with a focus on protection and participation of children and women and community self-development, Public-private partnerships in gender-conscious social sector reform and Integration of environmental concerns into economic development agenda.

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INTRODUCTION

1. The process for creating the UN Development Assistance Framework (UNDAF) in each country is based on a Common Country Assessment (CCA), which is an overview of national development priorities and programmes. The CCA aims to take into account national priority issues, the mandates of United Nations organisations and internationally agreed goals set by the various world conferences.

2. The Common Country Assessment and the UN Development Assistance Framework are both a part of the UN reform process initiated by the UN Secretary General and endorsed by the UN General Assembly. The purpose of this reform process is to enhance and streamline the development work of the United Nations System in member countries. This reform process builds upon existing co-ordination under the Resident Co-ordinator System and on the 1996 decision of the Joint Consultative Group on Policy (JCGP) to harmonise programming cycles.

3. The 2002 Pakistan CCA has been prepared taking into account national development priorities and country-level follow-up to UN global conferences, commitments to global conventions, and the 2000 Millennium Declaration. In May 2001, the UN Heads of Agency met and agreed that collaborative programming would be initiated on a voluntary basis and that such programming would emphasise integration and complementarity. Following this meeting, the detailed Common Country Assessment for the UN in Pakistan was initiated in late 2001 with a series of thematic discussion sessions involving UN personnel. These discussions resulted in a set of detailed papers written by UN agency staffers that reflected the situation of particular sectors and the status of agency programme operations.

4. In early 2002, a CCA Core Group was formed of UN staff members from several agencies. In order to engage a broader set of participants in the CCA preparations, a series of four half-day workshops involving Pakistan Federal Government personnel, Islamabad-based NGOs and UN staffers and representatives was conducted between 25 June and 3 July 2002. The first three workshops were thematic focused: Human Capabilities (sub-theme 1 Health, Population, and HIV and sub-theme 2 Basic Education); Participatory Governance (sub-theme 1 Human Rights & Gender and sub-theme 2 Government), Poverty Reduction (sub-theme 1 Economy, Food Security & Employment and sub-theme 2 Infrastructure & Environment). A fourth workshop was held that synthesised these outputs and enhanced the understanding of the interlinkages among the themes.

5. The participants were given a brief orientation to begin with. In the sub-theme groups, they were first asked to review the indicators and datasets that had been selected for each sub-theme. They used these data, plus their own knowledge and experience, to brainstorm on the key problems and accomplishments they considered important in their theme area. They were asked to elaborate on these problems using a set of probing questions designed to tease out disaggregated problem areas. They selected several significant problems for root cause problem analysis. An accountability analysis and a preliminary selection of Areas of Co-operation and potential partners completed the process.

6. Following these workshops, a draft CCA was prepared by a consultant and reviewed by UN agencies in Pakistan and elsewhere. Comments were incorporated and a second draft was shared with Government for review. This draft was discussed on 10 September in a consultation session and presented formally on 21 October to the Government (including federal, provincial and district level representatives).

SECTION TWO STRATEGIC ANALYSIS

I. Conceptual Framework

*“Now, if you want to make the great state of Pakistan happy and prosperous we should wholly and solely concentrate on the well being of the people, and specially of the masses and the poor...If you can change your past and work together in a spirit that everyone of you, no matter to what community he belongs, no matter what relations he had with you in the past, no matter what his colour, caste or creed, is first, second and last a citizen of this state with **equal rights, privileges and obligations**, there will be no end to the progress you will make.”*

**Quaid-e-Azam
Mohammad Ali Jinnah**
11 August 1947

7. Focussing on the Quaid’s vision of placing human beings at the centre of development of Pakistan, the Pakistan interim Poverty Reduction Strategy Paper (iPRSP) states that it is “a response to the realization that poverty reduction requires a holistic effort that should target all the elements that cascade into inequality, human deprivation, and social exclusion.” Building upon this example, the 2002 Common Country Assessment of Pakistan has been prepared, by assessing the current reality and the underlying institutional framework that influences the pace of development in Pakistan.

8. The adoption of a holistic framework for development offers the scope for including standards of accountability and social justice along with economic and other progress indicators.

9. The value of a holistic development framework is that it looks not just at resources, but also at the capabilities, choices, personal security and power needed for the enjoyment of life. As well, it defines the duties and obligations of the state to protect and promote the fulfilment of the development needs of the people. Another important value is the focus on the most marginalized and excluded in society. Fundamentally the holistic approach stems from the recognition of a commonly held set of normative principles supporting the understanding that all persons have fundamental rights to survival, protection, development, *participation in decision making at all levels*, and the willingness to address failures to do so in the past.

10. Pakistan’s Ten Year Perspective Development Plan 2001-2011 has outlined the priorities for the Government of Pakistan and the strategy in implementing these priorities. The problems facing the economy of Pakistan are structural in nature, requiring a long view for their systemic resolution. Poverty reduction and growth, the key goals of all efforts in economy and society, have to become ingrained in this process of structural change. The strategy of the Ten Year Perspective Development Plan 2001-2001 responds to this challenge.

11. The economy of Pakistan lost momentum in economic growth during the nineties. Since October 1999, efforts have been concentrated on short-term economic stabilization through a consistent, credible and transparent set of tight fiscal and monetary policies. By 2000-01, prudent management of the economy led to encouraging signs of stability: the rate of inflation under 5 per cent, monetary expansion well within target and the fiscal deficit at 5.3 per cent.

The key objectives of the Ten Year Perspective Development Plan are:

- Accelerating GDP growth, reduce unemployment and alleviate poverty;
- Financing growth increasingly by Pakistan’s own resources;
- Government to improve its income-expenditure configuration to contain domestic borrowing;

- Private Sector to transform a larger proportion of its saving into foreign exchange through exports. This is to contain external borrowing;
- Improvement in competitiveness by promoting productivity, efficiency, and quality;
- Build human capital base for long-term, self-reliant growth;
- Institutionalize social capital conducive to sustainable development.

12. The key elements of the Millennium Declaration, adopted in 2000 by all 189 members states of the UN General Assembly, that are addressed in this document include:

- **Peace, security and disarmament**
- **Development and poverty eradication**
- **Human rights, democracy and good governance**
- **Protecting our common environment**
- **Protecting the vulnerable.**

II. Summary of the Current Situation

13. One of the pre-conditions of achieving broad-based, sustainable and pro-poor economic growth is to fully harness the productive potential of the human and physical resources of the country. Many of the problems faced by the Pakistan society are because of too much government. The top down over-centralization of decision-making, lack of openness and transparency has led to massive wastage of resources in unproductive areas. Also, the present state of low human indicators is caused by extending economic opportunities to a few and ignoring the demand for creating basic infrastructure and social services to address the issue of poverty in a proper manner through redistribution taxation system.

14. The National Reconstruction Bureau of the Government of Pakistan explains the governance issue as: “On Independence Day 1947, Pakistan inherited a colonial system of governance, the foundations of which were rooted in the feudal-imperial system largely influenced by the British Raj... Government thus existed for the sovereign, and the governance paradigm was that the ‘interest of the Crown must never be sacrificed.’ Soon, (after independence) the ruling elite (of Pakistan) took over and, finding themselves wearing the ‘crown’, decided to maintain the status quo, and only reworded the governance paradigm to read ‘never should the interest of the ruling elite be sacrificed.’”²

15. This Government view is supported by the evidence of a unique pattern of land ownership inequality in the country. In many parts of the country large areas are still owned by a very small minority of landlords who have traditionally controlled most of the land and human resources.

16. The proportion of rural households that were landless in 1999 in the province of Punjab were 55%. The figure in 1961 was only 46%. The province of Sindh has the most inequitable pattern of power and wealth in the country and here the landless increased from 65% of rural households in 1961 to 69% in 1999.³

² Government of Pakistan, National Reconstruction Bureau, Devolution of Power and Responsibility: Establishing the Foundation of Genuine Democracy, May 2000.

³ Social Policy and Development Centre, Social Development in Pakistan: Growth, Inequality and Poverty, 2002. p. 74 based on Population and Agricultural Census data

17. There is evidence of the emergence of an upwardly mobile urbanizing culture stemming from the refugee influx at the time of partition. Feudal lords, in many areas, have been replaced by those who supply water, fertiliser, transport, tractor, informal light engineering and money.

Peace, security and disarmament

18. It is broadly accepted that peace and development are inextricably linked. There is not likely to be sustainable development without lasting peace. This is clearly evident in the South Asian context where a difficult regional security situation has led to the diversion of scarce development resources to defence. Pakistan has therefore striven to resolve all issues bedevilling regional peace and security according to the principles and purposes of the UN Charter.

19. Development and Poverty Eradication

20. The solution to the problem of growing unemployment currently estimated at around 10.5% be found through a high rate of economic growth in general and growth of those sectors which have shown relatively larger capacity to absorb labour, in particular, and by enhancing the employment elasticity or equivalently labour absorption capacity of economic activity. To supplement the opportunities created by the normal growth process, direct employment generation programs, and avenues for overseas employment will have to be explored. The reduction in open and disguised unemployment is one of the major objectives of the First Phase of Poverty Reduction Strategy (2000-04).

21. Literacy rate is an important indicator for monitoring the poverty issue. The literacy rate in Pakistan is twice as high among the rich compared to the poor. This data do not yet reflect the disparities that can be found when gender and spatial variations are taken into account. The situation of the poor girls and women in city slums and rural areas warrants particular attention.

Human rights, democracy and good governance

22. Pakistan has acceded the Convention on the Elimination of Racial Discrimination, the Convention on the Rights of the Child (CRC), and the Convention for Elimination of all Forms of Discriminations Against Women (CEDAW). Pakistan has also signed the two optional protocols to the Convention on the rights of the Child and will soon ratify them. The government has already taken concrete steps for implementation of these international commitments. Continued attention will be given to improving the coordination, monitoring and reporting of their implementation status.

23. During 2000, local governments were recreated and elections were held on a non-party basis. Local executives were indirectly selected by the elected councils. For the first time women were allocated 33% seats in the local bodies and 17% seats were allocated to women at the provincial and national assemblies. This has allowed a large number of women to enter the political arena. Elections to the National and Provincial Assemblies were held in October 2002 and new Governments are in place at the Federal and Provincial levels.

24. Several laws have been drafted for fulfilment of child rights and efforts are being made for their promulgation. In 2000, the Juvenile Justice Ordinance was promulgated. This law provides increased protection to children in conflict with the law. Pakistan has also recently signed and ratified the ILO Convention 182 for Elimination of the Worst Forms of Child Labour.

25. The federal ministry of women development has prepared the National Policy for the Empowerment of Women as well as a National Plan of Action for women, both of which have been approved by the Government. This is a big step forward towards the implementation of the Beijing Platform for Action (1995).

Protecting our common environment

26. Pakistan faces major environmental challenges. Land degradation is taking place due to urbanisation, drought, floods, salinity, seawater intrusion as well as deforestation, biodiversity loss, mono-cropping, groundwater depletion. The environmental impact on human health is on the rise due to exposure to contaminated water, overuse of pesticides, over dependence on fossil fuel, and toxic waste from industries, hospitals and households as in most developing countries. Poor people living are particularly vulnerable to environmental degradation.

Protecting the vulnerable

27. The post-11 September 2001 crisis in Afghanistan compounded an already difficult refugee situation in Pakistan, where Afghans have sought asylum for the last two decades. From October to December 2001, over 300,000 Afghans entered Pakistan through unofficial border crossings, bringing the refugee population up to 3.3 million. Refugee flows into Pakistan continued in Balochistan during the first two months of 2002, albeit on a much lower scale. The changes occurring in Afghanistan began to have a measured impact on the refugee situation in the spring of 2002, when the UN, with the assistance of the Pakistani government, launched a voluntary repatriation operation. By early September 2002, over 1.48 million Afghan refugees, 82 % coming from Pakistan's major cities, had returned to their country. Threat of refugee inflow into Pakistan continues with the onset of a harsh winter in Afghanistan.

Key Poverty Reduction Initiatives

28. The Government's poverty reduction programme builds upon two plans that have been put into effect. These are the Ten-year National Development Plan (2001-2011) and the Three-year rolling Poverty Reduction Plan (2001-2004). The objective of the Ten-year Plan is to kick-start the national industry by inducing growth of the national economy and rapid socio-economic uplift, focus it to generate employment (about 1 million jobs) and help revive industry, boost production and consumption of cement, steel and brick, thus contributing to poverty alleviation. Fund allocation for the next three years of projects under this strategy has been made. The Three-year Plan emphasises a five point agenda including economic reforms, creation of physical assets for the poor, social assets for the poor, social safety nets and governance. This reform plan will require the government to rationalise public expenditures and reduce the burden of existing non-development expenses to improve social sector outcomes.

29. An important vehicle for guiding the Government in addressing many of the issues mentioned above is the Poverty Reduction Strategy, now in its interim phase. Gender needs to be mainstreamed in the PRSP not only in social sectors like education and health which give gender disaggregated data and targets but in macro-economic reform areas such as agriculture, industry, labour and trade. The PRS framework is built on five pillars:

- Foster Growth through Economic Reforms (employment generation, stabilisation, tax reform, expenditure management, external adjustment, debt management)
- Physical asset creation for the poor (housing, land, and credit access)
- Social asset creation for the poor (education, health, nutrition, population, water & sanitation)
- Development of social safety nets
- Governance (devolution of power, civil service, justice, and police reforms)

III. Participatory Governance:

30. The distressing profile of poverty is the most urgent challenge faced by institutions of governance in Pakistan. Poverty redressal is only possible when economic, social, legal, and political dimensions of governance are properly addressed by forging a partnership between the government, the private sector, and civil society. The Government is conscious of the areas of weakness and efforts are underway to address some of the problems.

31.

32. Party based national elections were held in October 2002. The National assembly and four Provincial Assemblies are in place with sizable women representation.

33.

34. Participation in decision-making is not free if information is not readily accessible. The print media in Pakistan is fairly free to criticise. There are a growing number of private national television channels that are beginning to delve into matters that had not previously been mentioned on the air. In November 2002, the Government issued licenses to operate small-radius radio and television stations, especially in rural areas.

35. Until recently, women also were relatively absent from political life. A positive, and radical step was taken in association with the new devolution policy that has the potential to bring women directly into the political decision making arena. The newly created local councils are now required to have women holding at least 33% of the seats. Throughout the country over 40,000 women were elected to local council seats. Additionally, national and provincial assemblies will have a minimum of 17% and the Senate 8% women seats following the October 2002 elections. In the first year of operation, however, the female local councillors have faced hurdles to their integration into all council functions

36. Several judicial reforms have been initiated to overcome e.g., the separation of the judiciary from the executive.

37. Also, development of institutions for prosecution, mechanisms for accountability and assurances for protection of civil rights of citizens are important areas where reform measures are underway.

Protection: An often neglected issue

38. The protection of the vulnerable is an important point of focus for the Government and the UN System.

39. Gender based violence is worldwide concern, including in Pakistan. Girls and women suffer from different forms of violence both within and outside the home environment. Not only does this violence or its threat have a negative impact on the development of girls and women themselves, but also children who witness violence against women in their families often suffer from life long psychological trauma. In the last few years the issue is being discussed more openly by government, civil society and media. In the recent past several perpetrators of violence against women have been swiftly brought to justice by the government. These high profile cases have started to give the message that violence against girls and women can no longer be tolerated.

40. The government has adopted a National Strategic Framework for Family Protection focusing on five areas of strategic intervention: 1) awareness raising; 2) information and support services through an effective referral system; 3) access to justice; 4) support services; and 5) positive policy environment.

41. A survey to gauge the extent of child labour in Pakistan was undertaken the Government of Pakistan with the assistance of and collaboration with the ILO under its IPEC programme in 1995 – 1996. According to that survey the number of economically active children in Pakistan was 3.3 million with an error of +/- 0.3 million. No authoritative exercise to determine the scale of the problem has been undertaken since then, though some quarters assert that the due to the increase in poverty over the last ten years or so, it may have increased. In the case of child labour in Pakistan a clear gender differential is observed with the activity rate of boy workers more than double that of girls. This differential is more pronounced in urban than in rural areas.

42. The primary reason given by parents for allowing a child to work is 'to assist in a household enterprise'. This reason was given in more than 2/3 of the cases for boys and more than three-quarters of the cases for girls. Obtaining supplementary household income was the second major reason (30% for boys and 22% for girls).

43. The Government of Pakistan has accorded high priority to combating child labour. On August 15, 2001 Pakistan ratified ILO Convention 182 on the Elimination of the Worst Forms of Child Labour. The Cabinet approved a time bound plan of action to eliminate child labour in June 2000. The In September 2001 the Cabinet also approved a plan of action to eliminate bonded labour. The Government's initiatives in the field of universalisation of primary education are also aimed at having a direct impact on reducing the incidence of child labour. Similarly a number of initiatives in the field of poverty reduction are designed to also have a positive impact in reducing child labour. These include the establishment of the Poverty Alleviation Fund, strengthening of the vocational training institutes and various self-employment schemes.

44. The social protection that a country provides for its citizens through a series of measures against the economic and social distress resulting from sickness and death of an income-earner, unemployment and old age, is the backbone of the modern welfare state. As the Pakistani economy has gone into a slump, job and income insecurity are increasing, especially for women and other vulnerable groups who are dependent on informal and casual work without any provisions for social protection.

45. In view of a limited fiscal base, a large section of the population is not provided pension or old-age benefits. All government employees and their dependants are entitled to life pension, widow pension and commutation of a portion of pension and free medical care. A small number of employees of registered business establishments have been covered under the Employees Old Age Benefits (Amendment) Ordinance 2002 scheme which allows benefits to be provided to 'survivors' of an employee, not just his 'widow'. However, the majority of workforce in Pakistan is engaged in the informal sector.

46. Government is attempting a radical restructuring of its basic political and administrative structures and devolution of power from the centre to the periphery.

47. The Government's policy of devolution has great potential for enhancing participation, non-discrimination, protection and state accountability. Numerous innovations have been included in this one policy: placing locally elected leaders in charge of public services departments at the local level; providing local councils with the right to obtain information on departmental operations and to monitor performance; allowing properly registered citizen groups to gain direct access to a portion of the local councils' development budgets; enabling citizens to participate in formally structured Public Safety Commissions (to oversee the police) and Community Tribunals (for adjudicating social

disputes), creating the tehsil as a ‘municipal’ entity responsible for maintenance and development of basic municipal services such as water, sanitation, streets, lighting, parks, and business regulation.

48. At the time of the preparation of this CCA document, the process of devolution was still being implemented. Political and administrative foundations for local councils have been created, but fiscal decentralisation has yet to take place. A nation-wide public service quality survey in every district is currently underway to establish a baseline for ascertaining progress over the coming years.

49. Based on the work carried out by Government on the Ten-year National Development Plan and the Three-year Poverty Reduction Plan, Pakistan formulated the interim PRSP in November 2001. The consultative process for all three of these guiding documents involved federal and provincial governments, selected elements of the civil society and private sector, the IFIs and the donor community. The UN country team in Pakistan has made contributions in the process, highlighting gender and environmental aspects that are inadequately reflected in the iPRSP.

50. The Centre for Poverty Research and Income Distribution (CRPRID), established in 2001, is providing independent advice to the Planning Commission, and will also monitor the PRSP with focus on outcomes. CRPRID has also initiated work on comparing PRSP targets with MDG-related targets. Out of the 18 MDG targets identified for global purposes by the UN Development Group, the iPRSP has several comparable targets. There is a need to develop ‘localised’ targets for Pakistan under MDGs, mainly in terms of disaggregating income strata, geographical sectors, and gender.

51. Other government reforms directly related to Participatory Governance include:

- **Civil service reform** – This is a phased approach aimed at development of a lean, skilled, effective and decentralized civil service
- **Justice reform** – This is focused on creating an environment that respects the rule of law, protects property and offers access to independent and professional judiciary. A Small Claims Court system law has been put into effect.
- **Police reform** – The Police Ordinance 2002 was passed by Cabinet in August 2002. This represents the first successful reform of the police since independence. Implementation of the reform still requires adequate implementing rules and guidelines.

52. Many sound policies have been developed. The new laws offer protection, In the same way, state functionaries, civil society groups, communities and families (duty bearers) need to be made aware of their obligations and responsibilities. Duty bearers need the necessary knowledge and skills or resources to fulfil their obligations and responsibilities. Focusing on building this capacity in a holistic manner is one of the ways the UN system can assist the Government of Pakistan.

53. There is an increasing trend amongst civil society groups and media representatives to highlight cases of violations. These groups have also been lobbying for legislative reform for preventing violations. The combination of focused Government policies and strong internal monitoring allows some hope for sustained improvements in the future.

IV. Fundamental cross-cutting issues

54. It is broadly accepted that peace and development is inextricably linked. There is not likely to be sustainable development without lasting peace. This is clearly evident in the South Asian context where a difficult regional security situation has led to the diversion of scarce development resources

to defence. Pakistan has therefore striven to resolve all issues bedevilling regional peace and security according to the principles and purposes of the UN Charter.

55. Drug abuse, in particular, heroin use is serious in Pakistan. The National Drug Abuse Assessment Study undertaken by UNDCP in cooperation with the Government of Pakistan in 2000 estimates the number of chronic heroin abusers at 500,000.

56. Drug addicts have little access to effective treatment. The services provided by government-run drug treatment facilities are limited to the management of acute withdrawal symptoms of 7-10 days duration. NGO's are at different levels in terms of their capacity and development in providing drug treatment. Some NGO's and private institutions offer a wider range of treatment concepts and a range of services beyond medical interventions to their clients.

57. It is estimated that approximately 20% of Pakistan's prison population has been incarcerated because of drug abuse, possession of drugs and other drug-related offences. Treatment services in prisons, if available, are limited to medical intervention to bring relief from acute withdrawal symptoms.

58. Pakistan has given high priority to tackling issues related to illicit drugs. The Government in co-operation with UN agencies and bi-lateral donor agencies has achieved considerable success especially in eliminating cultivation and production of opium, and good progress is being made in suppressing trafficking of illicit drugs. In the year 2000, Pakistan was declared to be a poppy-free country. However, a lot more needs to be done particularly in areas of drug abuse prevention and treatment.

59. At the June 1998 UN General Assembly Special Session on Drugs, the General Assembly developed a comprehensive strategy to tackle the world drug problem. Pakistan, among other Member States represented at the session, adopted the Declaration on the Guiding Principles of Drug Demand Reduction and measures to enhance international co-operation to counter the world drug problem. The Action Plans and measures adopted by the General Assembly provide guidance to Member States on steps to be taken, and the Declaration clearly defines target dates for meeting the goals set by the Special Session.

60. According to Government of Pakistan's report to the World Conference on Women in Beijing, "it is increasingly evident that women and girls in poor households bear a disproportionately high share of the burden of poverty."⁴ Women face barriers owing to limited education and training opportunities, have low level of literacy rate, limited access to social services and restricted mobility. Economic status and age are important factors in determining women's' mobility, that increases with poverty and age.

61. Reducing the gender disparities by enhancing the human and physical resources commanded by women and integration of gender perspective and participation of women in capacity building is part of the governments' efforts. Programme policies and actions are being focused to reduction of caloric poverty, increase in primary school enrolment, reduction in maternal mortality and improvement of social services.

62. Over the last 20 years, a quiet revolution has taken place in Pakistan. More girls are going to school and parental demand for girls' schooling is growing. Many more women have access to contraception and some are able to control the size of their family. Moreover women have started taking direct part in social or public affairs and they are exercising their influence with increasing

⁴ Pakistan National Report , Fourth World Conference on Women, Beijing, September 1995

opportunities and mobility. However, there is still a long way to go to reverse the negative trends of gender development in Pakistan.

63. The demographic issues facing Pakistan have major implications for national development. This was recognised by the Government of Pakistan, which clearly articulated them at the global UN conferences of the 1990s, most notably through National Reports presented at the world summits on Children in 1990, Environment in 1992, Population in 1994, Sustainable Development in 1995, Women in 1995 and Food in 1996. The Government also endorsed the Declarations and Programmes of Action adopted at these and other conference.

64. The need now is to recognise the wider linkages of population stabilisation with macro-economic growth, poverty reduction, environment, human development and sustainability issues, and to adopt a multi-sectoral approach to Population and Development. In this endeavour, greater involvement and co-operation with NGOs and other civil society organisations is also called for.

65. The 1998 census counted the population of Pakistan at about 132.4 million, showing an increase of more than 46 million persons during the 1981-98 period. Between 1991-2002, population growth rates came down from 3 per cent per annum to 2.2 per cent. The awareness of at least one method of family planning is around 95 percent, the contraceptive use prevalence is at 30 per cent whereas the current total fertility rate (4.6) is still one of the highest in Asia. The antenatal care is resorted to by only 27 per cent of the women and about 20 per cent deliveries take place at home. This situation can best be addressed through mass awareness campaigns and enhanced availability of skilled service providers at the grass root level. It will include training of the Family Health Workers (FWHs) as midwives and up gradation of Family Welfare Centres (FWCs) into Mother & Child Health (MCH) Care Centres.

66. The 1998 population census also noted a change in the age structure of the population, mainly because of the modest decline in fertility in the 1990s. The share of population under 15 years of age has declined slightly for both sexes. However, despite this decline, the age composition of both women and men is still heavily weighted towards younger and dependent ages. The share of the youth population (15-29 years) in the total population is the only discrete cohort set to show an increase between the censuses. As noted, this will continue to put pressure on labour markets and contribute to higher unemployment rates, if jobs are not available for new entrants in the labour market.

67. There is a strong correlation between the number of children in a family and the extent of poverty. However, contrary to the popular belief that the poor seek to have many children in order to have source of steady income, poverty was claimed by respondents to a recent survey as the main reason for seeking family planning assistance.

68. **Population Policy Reform Initiative:** The Population Policy of Pakistan (July 2002) aims to achieve population stabilization by 2020 through completion of the demographic transition entailing reduction in both fertility as well as mortality rates. Key strategies hinge upon launching advocacy campaigns, increased participation of stakeholders in programme design, improved extension facilities to underserved areas, and establishing strong partnerships between government and civil society.

69. Pakistan faces major environmental challenges caused, inter alia, by population pressure, transition from subsistence to market based economy, and changes in lifestyle both in rural and urban settlements. Land degradation is a serious problem due to drought, floods, salinity, seawater intrusion as well as deforestation, biodiversity loss, mono-cropping, groundwater depletion and urbanisation. The environmental impact on human health is on the rise as most of the reported cases are linked to the exposure to contaminated water, overuse of pesticides, and over-dependence on fossil fuel. Poor people living in marginal lands and squatter populations are particularly vulnerable. Poor women are disproportionately burdened by the degrading environment, having to carry water and fuelwood from

long distances, and being responsible for cooking food and caring for the children and the sick, while they are often victim to ill health themselves and less apt to seek help.

70. After the Pakistan Environmental Protection Ordinance came into force in 1983, many institutional, policy and regulatory developments have taken place at the federal and provincial levels. These include, among others, creation of the Ministry of Environment and Environmental Protection Agencies, promulgation of Pakistan Environmental Protection Act in 1997 and adoption of the National Environmental Quality Standards (NEQS). In 1992, the Pakistan National Conservation Strategy was developed, which was subject to the mid-term review in 1999.

71. Although the Environmental Protection Act was promulgated in 1997, it still needs to be enforced and high quality environmental protection mechanisms need to be developed and applied.

72. The Government of Pakistan approved the National Environmental Action Plan (NEAP) in 2001. NEAP aims to initiate actions and programmes for achieving the state of the environment that safeguards public health, promotes sustainable livelihoods and enhances quality of life of the people of Pakistan. Its focus is to take immediate measures to achieve a visible improvement in the rapidly deteriorating environmental conditions through effective co-ordination between the government agencies and civil society. NEAP's role to develop poverty-environment nexus can be instrumental and as a first step Poverty Reduction Strategy (PRS) and the 10-year Perspective Development Plan needs to be reviewed from environmental and resource conservation perspective. Another area of focus is to facilitate the involvement of communities under the Devolution Plan.

Rapid Urbanisation:

73. The ongoing, large rural to urban migration combined with population pressures has contributed to overburdening urban infrastructure and urban services. There has not only been a rapid decline in the quality and availability of basic urban resources and amenities, such as housing, potable water, transportation, electricity, gas, drainage and sewage, but also a mushrooming of Katchi Abadis (squatter settlements), often located on the most marginal land.

74. Until recently, urban population was counted only for those locations classed administratively as cities, towns, or municipalities. Recent work indicates a significantly higher percentage of the population living in 'urbanised' localities.

75. In most cities of Pakistan there is need for sewerage treatment for proper disposal of human effluent. The incidence of diseases related to poor sanitation and unsafe drinking water, like diarrhoea and hepatitis are on the rise. industrial concentrations of the country, the groundwater, has been so seriously polluted that it is no longer potable.

76. The poor are more prone to suffer adverse health impacts because of their greater exposure to polluted water, and the lack of health facilities to deal with them. Absence of adequate nutrition, lack of education and overcrowded housing increase their vulnerability to diseases. Low-income neighbourhoods mushroom around industrial areas and power plants, where exposure to air pollution is high. The poor also work long hours in factories in unsafe conditions; in particular, women and children are the most vulnerable, exposed to dust and chemical inhalations in household industries producing carpets, textile and leather goods. Poor communities are the most exposed to auto-emissions and other toxic fumes, as they tend to live close to the main trunk roads.

77. Pakistan has hosted Afghan refugees for over 22 years. Prior to 11 September, and based on the Government of Pakistan's own estimates, some 1.2 million Afghan refugees resided in refugee villages and another 1.8 million in urban areas. From October to December 2001, over 300,000 Afghans entered Pakistan through unofficial border crossings. In an effort to assist and protect this new influx, the UN and the Government of Pakistan established 16 new camps in NWFP and

Balochistan, and launched a relocation exercise from the urban areas in November 2001. There is danger of a new influx in view of a hard winter in Afghanistan.

78. Refugees in the new camps were able to access protection and assistance, and were not subject to deportation according to the Government of Pakistan's revised policy. The UN, in cooperation with Government and local and international NGOs, provided assistance in the sectors of water, education, community services, and food distributions.

79. A voluntary repatriation operation commenced on 1 March 2002 with the opening of the Takhta Baig Voluntary Repatriation Centre (VRC) in NWFP. The operation quickly gained momentum and, by the end of the first month, the grand total climbed to 120,000. By end August – a period of six months – the UN had facilitated to the return of 1.48 million refugees.

80. In view of the remote location of the new camps continuing food assistance will be required to sustain the refugees in 2003. Adequate supply of water remains the greatest challenge for the new camps, particularly the Shalman camps in NWFP and the camps near Chaman border in Balochistan (including the waiting area). Efforts to develop longer-term water supplies have not yet yielded results, and the camps must rely on water tankering for most of the new camps.

81. Pakistan has hosted, for the past 22 years, a large proportion of the 3.3 million Afghan refugees living in Pakistan up to the beginning of year 2002. In an environment badly affected by the drought, refugees have contributed to deforestation, degradation of rangelands and watersheds, and in general the depletion of natural resources. Refugees have also been sharing public services in terms of education, health, water and sanitation and the meagre opportunities available in the tribal belt, which is practically devoid of any significant agricultural and economic activity. Stabilisation of conditions in Afghanistan and stepped up repatriation of refugees have given rise to the possibility of starting a rehabilitation plan of the hosting communities who have been generously sharing their meagre resources with the refugees for more than two decades. The UN System, as part of its rehabilitation of refugee hosting areas proposal, plans to provide support for the rehabilitation of the environment, infrastructure and local economy of the country affected by the prolonged presence of large number of refugees.

82. Pakistan ratified the World Heritage Convention concerning the Protection of the World Cultural and Natural Heritage in 1976. Six of its heritage sites are inscribed on UNESCO's World Heritage List, namely: the archaeological ruins of Moenjodaro; Taxila; the Buddhist monuments of Takht-i-Bahi and Sahr-i-Bahlol; the historical monuments of Thatta; the Lahore Fort and Shalamar Gardens; and the Rohtas Fort. These sites can serve as rallying points and create a sense of identity, shared by all components of the society, once they are aware of their value as properties of universal significance.

83. As a signatory to the Convention on World Heritage, Pakistan is making efforts to protect, project, and exhibit its national heritage including the pre-Islamic art.

84. The rich and diverse culture of Pakistan can be used as a tool for development both in terms of economic growth and as a means to enhance intellectual, emotional, moral and spiritual growth. Enriched with the influences and resources of several civilizations that flourished in the region, Pakistan offers a great cultural diversity with economic potential.

85. The link between culture and development has become an important lead into social sector development and is now being increasingly seen as a rejuvenating force in societies in despair, transition and reconstruction. With the flexibility that is inherent to culture, its activities can be translated into such vital areas of concern as eco-tourism, cultural tourism, heritage education, values education, cultural industry and crafts development among others. It houses the potential of providing

a developed base for income generation and job opportunities, besides generating economic activity related to its sites and monuments.

86. Cultural policies integrated into development strategies could allow individuals to improve their quality of life, without losing their identity and sense of community and at the same time cherishing and safeguarding their cultural heritage.

87. Artistic creativity adds to the cultural heritage of the future. It is a decisive factor for the development of the identity of peoples and the promotion of a universal dialogue. Encouragement of creativity, protection of artistic works and the promotion of artistic activities can therefore, make an essential contribution to improving the quality of life, entrepreneurship, the development of society and to the promotion of tolerance, justice and peace.

V. Poverty Reduction: The Right to a Sustainable Livelihood

Key Historical MDG Trends in Poverty & Hunger

88.	Pakistan	Urban	Rural	Male	Female	Balochistan	NWFP	Punjab	Sindh
1984-85	24.6	21.1	25.9						
1987-88	17.32	14.99	18.3						
1990-91	22.1	18.64	23.6						
1996-97	31	27	32			49	23	30	27
1998-99	32.6	25.9	34.6						
1999-00	33.5								

See Tables in Annex for references

89. There is a growing awareness that sustainable growth cannot be achieved without addressing the problem of the poor and vulnerable segments of the society. There is also a general consensus that poverty in Pakistan declined in the 1970s (from a considerably higher level than today) due to faster growth rate in outputs of major crops, high level of foreign aid and rapid growth in investment as well as in the 1980s due to rapid growth in home remittances and increased output from cotton. However, the 1990s witnessed a rapid increase in the incidence of poverty due to the decline in the growth rate of investment, fall in remittances and foreign aid, fall in growth of export prices, and increasing debt service payments.⁵

90. About one-third of the population in Pakistan is poor and the incidence is significantly higher in rural areas. In the last 20 years the percentage share of the lowest 20% in income distribution has further reduced and that of the highest 20% further increased in rural areas. Substantial inter- and intra-provincial differences exist in the level of income per person across the country. Poverty is evident in localities poor in natural resources, physical and social infrastructure. These areas include the southern part of NWFP, southern Punjab, most of Balochistan, rural Sindh and all peripheral districts of the Northern Areas.

91. Within the resource rich areas the poor generally live in small, informal settlements that are rarely serviced by the public utilities. In much smaller groups they also live on the periphery of land owned by large land holders⁶. In the urban context we find the poor living near heavily polluting factories, dumps, informal slums (Katchi Abadis) and hazardous waste sites, typically in the suburbs of the cities or congested and overcrowded old city centres.

92. Poverty tends to be concentrated in large families that have few earners, high dependency ratios, female-headed households, and households that either do not own assets or have no access to transfers. Within families, women, elderly and the children (especially girls) are the most vulnerable. Much of poverty is chronic and almost 70 percent of the country's poor households are headed by someone who is illiterate, elderly or female.

93. The poverty of opportunity (access to basic education and health services) is even more pronounced than that of income poverty. Despite gains, the incidence of poverty of opportunity in many areas amongst women is increasing as compared to men as they tend to suffer disproportionately in terms of lack of access to education and health care.⁷ The lower levels of nutrition for women and poor health care have contributed to a situation where mothers are seriously

⁵ Estimates of poverty vary substantially depending on the definition used. Considerable controversy surrounds the argument that poverty has increased at all during the past decade. The ADB and World Bank disagree on this point. All independent analyses of the subject point to both rising poverty and inequality measured by both caloric head-count and gini coefficient.

⁶ These landholders may be feudal landlords, industrialists or military managers.

⁷ Evidence for this comes from the widening male/female literacy gap that was 19% in 1981 and 24% in 1998.

malnourished. These mothers then produce low birth weight babies and are at increased risks of maternal mortality. Social restrictions on their mobility also contribute and aggravate their limited purview over incomes.

94. In rural areas, lack of ownership of land or livestock is one of the main reasons for poverty. In urban areas significant reduction in employment opportunities and the acquisition of skills has contributed to an increase in poverty. These trends are largely attributed to a declining share of development expenditures in GDP, reduction in construction activity across the country, an overall depression in economic activities, and mounting debts.

95. Deterioration of the quality of governance also has a profound impact on poverty in Pakistan.

96. In Pakistan, many survive due to inherited systems of mutual support. The extended family system has provided an informal mechanism of income transfers to the poorer parts of the family. Zakat and usher in formalised and informal versions have also contributed towards some income transfers to the poor.

Agriculture: The Potential Engine of Growth

97. Agriculture plays an important role, both directly and indirectly in generating economic growth. Although its contribution to GNP has declined gradually from a level of over 60% in 1949/1950 to about 25% in 2001/2002, agriculture remains the largest single sector in the economy, directly supports three quarters of the country's population and employs half the labour force. Despite its significant contribution to the national economy, agriculture receives only 1.7 % of the total public development budget.

98. Pakistan has a total land area of approximately 79.6 million hectares, of which about 22 million hectares is used for agriculture, while some 3 million hectares is forest and rangeland. The main causes of reduced land productivity are: shortage of irrigation water, salinity, water logging, flooding and loss of organic matter, poor access to inputs, low input use and crop management practices. These problems often occur simultaneously and produce synergistic impacts on agricultural productivity which is evident in the form of static crop yields for the last one-decade. One of the reasons behind this poor resource management are the disparities in land ownership and market distortions

99. It has been observed that the sector's traditional sources of growth – improvements in seed and fertilisers, better crop management and incentives -- can play a role in improving crops yields. The growing gap between proven potential crop yields and average farm yields places reducing the ability of the agriculture sector to contribute to the overall economic growth of the nation. . This is borne out by the fact that net resource transfers from agriculture is low. The key to better productivity lies in efficient use of natural resources, principally water and land.

100. Fundamental to the improvement of agriculture in Pakistan is the need to greatly improve water management. The irrigation network of the country needs greater attention towards its maintenance and development. Poor maintenance has resulted in steady deterioration in the canal irrigation system. Delivery efficiency is low and only about half of the water that starts at the head of the canal actually reaches the crops it was intended for. The remaining water is lost to canal seepage, spillage, breaches and watercourse losses. Loss of such a large amount of surface water not only deprives farmers of water for crops, but also contributes to water logging and salinity of precious agricultural lands.

101. Of 175 billion cubic meters of water average entering Indus Basin annually, 130 billion cubic meters are diverted for irrigation purposes at the canal heads. Pakistan currently lacks the necessary storage capacity. The country has regularly experienced critical water shortages resulting in power blackouts and also inadequate supplies of irrigation water for the winter crop-growing season. The shortage / inefficient use of available irrigation water is one of the main factors preventing the nation from attaining its potential agricultural production.

102. Aquifers outside the Indus Basin are being rapidly depleted as extraction exceeds recharge by about 35%. In 2000-2001, there were over 530,000 tube wells with an average increase of 15,000 annually. In Balochistan, water is now being pumped from a depth of over 811ft, more than double the depth required only 20 years earlier. In Mastung the water table is going down 2-3 meters annually due to excessive pumping and little recharge.

103. Watershed management is also critical to farmland water management. However, only 4.43% of the total landmass of Pakistan are under some kind of forest cover. Between 1974 and 1985, timber supplies from state forests declined by 45%, in part because of the reduced forest area. Today, Pakistan imports about 30% of the timber it uses. Large scale, and often illegal, logging, plus extensive wetland conversion have been the primary immediate causes of forest degradation.

104. Over the past 20 years, some important structural changes have taken place in the sector. In particular, livestock production has increased and now constitutes more than one third of agricultural production compared to less than 15% twenty years ago. The livestock industry is more significant any other agriculture activities combined amounting to 9.4% of GDP. Other major crops that significantly contribute to the economy are wheat, cotton, rice and sugarcane. Fisheries and horticulture crops are also main sources of export. Cotton is now as important as wheat, while rice and sugar have declined in their relative importance.

105. The size of the annual cotton crop, the bulk of which is grown in Punjab province, is a crucial barometer of the health of the overall economy. Although Pakistan is one of the world's largest producers of raw cotton, value added in cotton production remains minimal. The economy's narrow production base renders it vulnerable to exogenous shocks, such as adverse weather conditions, pest damage and fluctuating prices. This narrow production base is partly a result of the generous concessions extended by past governments to a handful of production lines, including yarn spinning and sugar refining.

106. Success of cotton has not translated into substantial gains for small farmers and labourers. Benefits have been concentrated around large farms and high capital-intensive industries. It has also crowded out food crops, making availability of food scarce and costly.

107. Pakistan can easily double its food crop yields, but this will not necessarily lead to greater market opportunities for Pakistan in the global economy. Pakistan's major food crop exports are in the form of raw material. Pakistan may not efficiently capture new markets opened as a result of recent WTO agreements as its present infrastructure and storage facilities to store surplus until market conditions are optimal require some improvements. In addition, quality control and packaging of high value products, such as highland and tropical fruits, needs to be strengthened.

108. Total production of food crops has increased markedly since 1960 and productivity per hectare increased initially in the 1970s (during the onset of the Green Revolution), but less steadily thereafter. However, at the same time that GDP and food crop production have been increasing, the percentage of the population that is shown to be below the poverty line on a caloric-based head count is continuing to rise, especially in the rural areas.

109. Over the past 3 years a severe drought gripped the country hitting the agricultural production, especially livestock, and severely affecting rural populations, especially in Balochistan. Many districts

of the country are heavily dependent upon inflows of basic foodstuffs through trade. However, the drought has resulted in a loss of 40% of their livestock and other commodities such that they have very little available resources to use for payment.

110. Agriculture market policies are generally viewed as an underlying cause for the overall availability of food for the poor. This issue is under debate in Pakistan. Recent government measures to reduce its role in pricing, purchasing and storing food crops and reducing the level of input subsidies provided has an affect on the lives of the poor.

111. The view, which is supported by most of the international development organisation, is that the benefits of subsidies and price support generally don't reach the poor farmers. The government involvement in the purchase of agriculture commodities mainly wheat, results in low return for farmers and signals negatively for growth of private markets for these commodities. The free market mechanism attempts to offer a better return for both small and big farmers, to enhance their productivity.

Economic Management

112. Pakistan has relied heavily on official borrowings to finance its current account deficit and otherwise help offset the low level of national savings. The proportion of grant and grant like aid has declined from 80% of total inflows in the late 1950s to around 10% in the late 1990s. The rapid accumulation of foreign loans and steady decline in the value of the rupee in the 1990s against the currencies of Pakistan's main creditors led to a corresponding acceleration of the annual debt-servicing requirement. Public debt as a percentage of GDP and as a percentage of government revenue has shown a marked increase. This debt burden of Pakistan is higher than most of its comparable countries.

113. The fiscal position severely limits the government's ability to support poverty alleviation programmes, sustainable growth, and economic recovery. Pakistan's tax system has historically been characterised by a narrow base, over-reliance on distorting import-related taxes, complex tax laws, multiplicity of taxes and weak tax administration. As a result, while GDP continued to grow, albeit at a slower pace, government revenue as a percentage of GDP declined in the 90s.

114. During the 1990s there was a great emphasis on an increase in direct taxes, reduction in import duties, and compensation of the loss in customs revenue through a substantial increase in sales tax. The combined effect of these moves, however, did not make a dent in the overall tax-to-GDP ratio and the true impact of the shift from import duties to sales tax on the poor is yet to be assessed.⁸ The Government recently announced a program to increase the tax-to-GDP ratio from 14% to 20% by 2006.

115. Poverty reduction is partially a function of employment generation, which is itself a function of growth in investment. Investment trends in Pakistan over the last decade and a half have not been very encouraging. According to official figures, total investment averaged about 17% of GDP a year in the 70s, during the 1990s it fell to around 16%, falling further to 14% in 2000.

116. Domestic Savings have shown a steady decline in the mid and late 90s. The low levels of private savings are a result of several factors, including high dependency ratios, financial repression, unpredictable returns on savings, low and fluctuating growth rates of per capita incomes, and a uncondusive investment climate.

117. Pakistan has recently prepared a debt reduction and management strategy that focuses on continuing strong fiscal adjustment to limit public borrowing, boosting exports through structural

⁸ The impact of such taxes depends on the demand elasticity of goods. If the consumers must purchase goods even when prices rise, like in the case of food, energy and drugs, then most of the burden falls on them, but if the products are not essential items then the suppliers must bear most of the tax burden to maintain demand.

reform, seeking new borrowing on concessional terms, and writing off or rescheduling debt. The implementation of the reform process and the increased potential of higher external assistance, debt write-off and increased market access to developed countries, in the short and medium term (post 9/11) should positively affect Pakistan's economic growth pattern.

118. Key structural reform measures include: 1) tax survey and documentation of the economy, 2) imposition of GST across the board, 3) imposition of agricultural income tax, 4) strengthening of tax administration and reform of the income tax law, 5) reforms in the energy sector, 6) banking and capital market reforms, 7) initiating a multi-faceted poverty alleviation programme, 8) linking expenditure with resource mobilisation so as to remain prudent on fiscal management, 9) accelerating the pace of privatisation, 10) improving governance by ensuring transparency in economic policy-making and minimising the level of corruption.

119. Initial results of the incipient structural reform efforts appear on the whole to be positive. However, given the highly destabilizing effects of 9/11 and its aftermath any prediction for the medium term would be speculative at best. In the last fiscal year, the fiscal deficit was contained within its targeted level, inflation was low, current account was in surplus, foreign exchange reserve accumulation was satisfactory and government borrowing from the banking system was within manageable limits. For the first time, Pakistan completed its Standby Arrangement (SBA) with the IMF and established credibility with the international financial institutions. However, restrained expenditures and efforts to increase tax revenues (Tax Survey, Self Assessment Scheme, extension of GST, etc.) lowered purchasing power— the corresponding need to reduce the element of subsidy in utility bills also added to this issue.⁹ And a closer look at the variables contributing to the recent reduction in fiscal deficit reveals a trend towards expenditure restraint, primarily at provincial levels and reduced investments in social and poverty related activities.

Employment

120. Unemployment rate is defined as the percentage of unemployed persons (10 years and above) of the total labour force. According to 1999-2000 labour force survey, the total unemployment rate was 7.8 percent. It was 6.1 percent for male and 17.3 percent for female labour force. Between the 1997-98 and 1999-2000 period the level of overall unemployment increased from 5.9 to 7.8 percent. Unemployment is not evenly distributed among all age groups as it is relatively higher in younger (15-39) as well as in older age groups (50+). Within rural and urban sectors, there are substantial differences in unemployment rate by gender. Inadequate schooling and skills training are important factors contributing to unemployment.

121. Approximately 14 percent of the total employed labour force were underemployed in the late 1990s. The level of under employment among the women was substantially higher than among their male counterparts. In rural areas 43 % of employed women work less than 35 hours per week while only 12% of men are in the same situation.

122. At present (2002) the total labour force is about 41 million. In the next 7 years there will be an increase of 7 million persons entering the labour force. With the current high level of unemployment (7.8%) and underemployment it will be a challenge to absorb all the new entrants in the local labour market. About 43 percent of the total adult population (10 years and above) was in the labour force in 1999-2000. However, if the participation rates in the late 1990s are compared with the rates in the mid-1980s, it becomes clear that male participation declined from 77 percent in 1984-85 to about 70 percent in 1997-98. Female participation in the labour force on the other hand, increased from 8 percent in 1984-85 to 14 percent in 1999-2000.

⁹ Government of Pakistan, State Bank of Pakistan, Annual Report FY 2001-2002.

Manufacturing and Exports

123. Pakistan's exports are highly concentrated in few items. Five categories of goods – cotton yarn, garments and hosiery, cotton cloth, raw cotton and rice – still account for 60% of export earnings. Such a high degree of concentration of exports in few items is a major source of instability in export earnings, but there are many others, including the small proportion of high value added goods in the sales mix, low product quality and poor marketing

124. In Pakistan, SMEs account for about 30% of the country's GDP with 15% share of investment, 80% of employment and make a major contribution to the country's balance of payments. They constitute the second largest manufacturing sector in Pakistan, absorbing a large majority of female workers, generating jobs and contributing to poverty reduction.

125. While SMEs have filled a crucial gap in the social and economic development pattern of Pakistan, they suffer on account of structural and institutional capacity limitations. The performance of Pakistani SMEs continues to be constrained by a number of weaknesses, including regulatory frameworks, the lack of many critical support mechanisms, shortages and lack of access to capital, obsolete technology, lack of change in mindset, low productivity, insufficient quality control, high utility bills, and a lack of management and marketing skills. This gives precedence to low economic and social growth.

Economic Infrastructure

126. The main sources of electricity in the country are renewable hydroelectric power and fuel oil combustion. The hydel generation accounted for 34.3 % of the total electricity generated by the WAPDA in the year 1999-2000. However, the hydel power potential of the country has not been fully exploited, partly due to political opposition to large dam construction and partly to an inappropriate orientation to fuel oil-based power generation through private providers. Substantial commercial coal deposits have been discovered, but await exploitation. Renewable energy sources have not yet been tapped for commercial purposes. Solar energy offers potential for environmentally and economically sound development.

127. The main problem, as far as the road network in Pakistan is concerned, is that of maintenance. Roads in the country are not being properly maintained due to resource constraints. The bulk of investment in the road sector is being made on new construction. The National Highways Authority have tendered out and started execution of a large number of road projects without any corresponding increase in their maintenance programme. As a consequence, over the years, the road network has deteriorated beyond reprieve. In addition, unchecked excessive axle loads have further deteriorated the present road network at an alarming rate. At this point in time, the maintenance grant is only 30 per cent of the requirement. If maintenance funds are not enhanced, the entire road network would require reconstruction at an enormous cost. In order to overcome the problem of deficiency of maintenance funds and clearing the maintenance backlog, the NHA during 1990-96 formulated the 'Resurfacing & Strengthening' and 'Maintenance Backlog Reduction' programmes under the development budget co-financing by the World Bank. During the 1988-98 period, the Government, under the Fourth Highway Project co-financed by the World Bank, agreed to implement an Action Plan for improvement of Highways. The Action Plan was designed to improve the maintenance system of the National Highways System by replacing the yardstick system with a two-tier system based on the demonstrated actual needs of each Highway Section.

128. According to the NHA, if maintenance funds on the national network are not enhanced in the next Ten Years Plan, some 60 to 70 per cent of the present National Highways network of 7,200 kms would require reconstruction at the start of the 2012 at an enormous cost. Therefore the Ten-Year Perspective Development Plan 2001-2011 states that "highest priority will be accorded to optimal utilisation of existing road system through proper maintenance, capacity improvement and

rehabilitation". In actual terms, 5800 kms of existing highways will be improved, 1200 kms of new highways and 850 kms of new motorways will be constructed during the plan period.

129. Although the government through the Ministry of Science and Technology has made considerable efforts in improving the technological platform much needs to be done to maximize on the benefits of the IT at the industrial and institutional level to bridge the gap in networking and synergy building, generating income and employment as well as in knowledge management.

III. Health: The right to lead a long and healthy life

130. According to the World Health Report 2000, the Disability-Adjusted Life Years (DALY) in Pakistan is 55.9 years (55.0 for males, 56.8 for females). Health expenditure as percent of GDP in Pakistan has remained low in the range of around 0.7% - 0.8%. The maternal mortality ratio in Pakistan is as high as 350-800 per 100,000 live births and can be attributed mostly to poor antenatal care, insufficient access to essential obstetric services and malnutrition. The relatively high fertility rate of around 5 and a potential improvement in child survival combine to project a substantial increase of the population age group between 15 - 29 years thus exerting pressure on all social services at least for the next two decades with emerging risks to diseases relevant to this age group.

131. About 45% of the deaths in Pakistan are attributable to communicable diseases, which are in turn linked to social and environmental factors such as unsafe drinking water, malnutrition, overcrowding, low vaccine coverage, poverty, and high illiteracy rate that are frequently encountered in most parts of the country. Morbidity and mortality from diarrheal diseases and acute respiratory infections remain at a very high level among children. Children under 5 years of age have between 5 and 12 episodes of diarrhoea annually with about the same number of respiratory infections.

132. Similar to many developing countries, the burden of non-communicable diseases is on the rise, with growing morbidity and mortality attributed to cardiovascular diseases, diabetes, cancer and accidents.

133. There is a high prevalence and incidence of vaccine-preventable diseases, such as Measles, Hepatitis B and Neonatal Tetanus while other communicable diseases such as Tuberculosis, Malaria, Typhoid, Hepatitis C and *Haemophilus Influenzae* meningitis are of significant public health importance. The incidence of tuberculosis is estimated at 177 cases per 100,000 per year while the incidence of Malaria cases ranges between 2 to 5 cases per 1000, 37% of which are of the *Falciparum* type. With regard to the HIV/ AIDS problem, Pakistan is placed in the low prevalence but high-risk category. The first AIDS case in Pakistan was diagnosed in 1986, and till September 2000, a total of 6,103 cases of HIV and 210 cases of full-blown AIDS had been reported to the National AIDS Control Program. Furthermore, the Crimean-Congo Hemorrhagic Fever crops up very rarely but is a major cause for concern especially in the Balochistan province where case fatality rates of between 30% to 70% have been recorded.

134. Malnutrition is a major problem in Pakistan¹⁰. According to the National Health Survey of Pakistan (1998), over 35 percent of children under five years of age are short for their age, over 10 percent are under weight for their height, and over half are anaemic. Additionally more than 1 in 5 adults were found to be either underweight or severely thin, while more than 10 percent of adults overweight or obese.

135. The burden of ill health falls mainly on those who are already poor. Those living in absolute poverty are five times more likely to die before reaching the age of five, and two and half times more likely to die between the ages of 15 and 59, compared to those living in higher-income groups. This variance has also been corroborated in Pakistan through recent surveys, where limitations in access to quality health increase vulnerability to disease with greater morbidity and mortality. There is an established relationship existing between poverty reduction and a healthier life. Although the health sector has sufficient incentives justifying its positive engagement in poverty reduction initiatives, national poverty reduction programmes have not yet fully recognised this potential. The links between health and poverty is also observed in the areas of water and sanitation.

¹⁰ A National Nutrition Survey has recently been carried out with the support of UNICEF and although the data is in the analysis stage, preliminary estimates suggest that 10-14% of mothers and children are severely malnourished

136. An increase in educational achievement is known to positively contribute to the health status of individuals and communities and is often associated with a decline in mortality rates and higher life expectancy. Conversely low literacy rates, particularly amongst women, often contribute to a poor understanding of health and low utilisation of health services.

137. The National Health Policy of the Government of Pakistan -2001 rightly describes investment in the health sector as an integral cornerstone of the government's poverty reduction plan. It directs attention on primary and secondary level health care provision, and places a strong emphasis on sound managerial inputs as a basis for health sector reform. The main priorities areas of the government include the control of communicable diseases, promotion of health awareness, attention to primary health care, improvement of essential drug policy, and developing equitable health systems able to remove professional and managerial deficiencies in the District Health System, bridging basic nutrition gaps in the target populations, regulation of the private medical sector to improve its quality and efficiency and improving the performance of the pharmaceutical sector, provision of reproductive health services through life cycle approach at the facility and community levels. The policy also highlights the need for capacity building for strengthening this health policy, and its subsequent monitoring and analysis.

138. **Health Systems Development and Managerial Support:** A key undertaking in health system development and managerial support in Pakistan is the provision of technical support to the devolution process with a strong emphasis on on maternal and child health, sufficient resource mobilization, capacity building of district health teams and enhancement of public private partnerships. This will enable them to carry out their new tasks in health planning and health service management with a focus on essential interventions and integration strategies. The present weak district teams will also need to be encouraged to take full advantage of the Health Management Information System (HMIS) and Disease Early Warning System (DEWS) that generate credible evidence for decision-making, setting rational policies for human resource development, and introduction of accreditation systems that ensure quality and efficiency.

139. **Promotion of Health Lifestyles:** Activities to address mental health problems including substance abuse, road traffic accidents, tobacco use, and control of non-communicable diseases (NCDs) through promotion of healthy lifestyles constitute priority areas for mutual collaboration. The lack of sufficient public awareness for adoption of healthy lifestyles constitutes one of the most critical gaps to be addressed in order to control these emerging health problems. In this context support to adopt a comprehensive tobacco control policy that includes an advertising ban will help in curbing this epidemic. Recent governmental legislation in this regard can be of immense benefit provided it is implemented properly. Healthier life style interventions will include also measures to improve the nutritional knowledge and practices.

140. **Access to Essential Health Services and Quality Care:** One of the main areas requiring the attention of the UN - Government joint collaborative efforts is the need to improve the access of the people to quality essential health care services in order to reduce mortality, morbidity and disability from communicable diseases, with special emphasis on maternal and childhood illnesses. This will result in providing basic health services and addressing the health needs particularly of the poorer and marginalized segments of society residing in the rural areas. The assessment aims to outline areas for potential cooperation through UN Development Assistance Framework and certain critical issues are discussed below.

Water and Sanitation: A Critical Influence

141. The findings of the NRB Survey showed that only 26% of the households had taps for safe drinking water.

142. Urban sanitation has improved significantly in the 1990s, while, still 68% of rural households do not have access to drains for wastewater and 63% of households lack a garbage collection system. The PIHS of 2001 showed that 43% of households did not have a latrine. Certain features of the recently implemented devolution policy have the potential to rectify this situation. The empowerment of the sub-district or the tehsil to fully manage all municipal functions, such as water distribution, sanitation and garbage disposal will afford a rare opportunity for enhanced development in this vital area.

Key Indicators, Manifestations and Influences

143. The latest IMR figure for the country is cited as 85 per 1000 live births. It is crucial, however, to recognize the major disparity between rural and urban areas in the rates; those in the rural areas being much higher. Many causes of neonatal deaths, including neonatal tetanus, can be prevented. The ongoing acceleration of TT vaccination for 10 million women of childbearing age in 61 high-risk districts is a strategy in the right direction that is likely to have great salutary effects. Another intervention is promoting deliveries by skilled birth assistants.

144. It is also pertinent to note that 40% of children under-five years of age suffer from protein energy malnutrition. Two thirds of the mortality in young children can be attributed to acute respiratory infections (ARI), diarrhoea, vaccine preventable diseases and/or malnutrition. In 2001 the under-5 mortality rate was 103 per 1000 live births with an estimate of 600,000 deaths annually in the country¹¹. The prevention and control of these diseases coupled with an improvement in nutritional status can have a significant effect on IMR and under 5 mortality rates. It is important to realize that all these factors are strongly influenced by family cultural practices and the role of the mother in childcare is usually of the greatest significance at the household level. This fact merits attention of all the policymakers and implementers so that it can lead to gender mainstreaming both within the health services' system as well as in the national development process

145. The education of women is seen as one of the major factors leading to healthy, well-developed children¹².

Immunisation

146. The average rate of fully immunized children and child bearing age (CBA) women throughout Pakistan remains at the below 50% mark. The recurring shortfall of resources available for EPI is being reversed by the recent government efforts that have enabled the country to access programme funds from the Global Alliance of Vaccines and Immunization (GAVI). Pakistan is one of the first countries in the region to have successfully received grants from the GAVI funds for introduction of new vaccines, by virtue of which vaccination against Hepatitis B virus infection has been introduced for the first time as an integral antigen of the national Expanded Programme on Immunization. GAVI will also support the strengthening of the EPI infrastructure and encourage the demand for the purchase of auto-destructible syringes.

147. **Polio Eradication Initiative:** In Pakistan the progress during 2001 and 2002 has been quite rapid and encouraging due to the concerted efforts of the Government and a host of other partners including UN Agencies, other international agencies, donor organisations, non-governmental organisations and the community representatives. This collaboration has brought about a significant

¹¹ Planning Division, Government of Pakistan

¹² The UNICEF Bond of Care studies identified strong links between a mother's education level and the care she can give to her child.

improvement in some of the key determinants of the programme success namely disease surveillance, focusing on high-risk districts and effective social mobilisation. The poliovirus appears now to be limited to a few reservoir districts, which has allowed for fewer targeted campaigns to be carried out. To date the number of confirmed polio cases in 2002 stand at 69 and the number of “infected” districts has also declined significantly to only 30 (less than 25% of the country’s 130 districts)¹³. This gives cause for optimism indicating that Pakistan could attain the target of polio eradication by early 2003.

148. Globally **Measles** remains the leading cause of vaccine preventable child mortality and it is estimated that 30 million cases and 0.875 million deaths occur every year due to this disease worldwide. In Pakistan, despite a significant under reporting of deaths due to measles, it is correctly perceived as one of the major causes of mortality (estimated at 8%) in children under the age of 5 years. Concerted efforts are required to address this preventable mortality in children. This is the single most important rationale for strengthening routine EPI activities, which can be brought about by capitalizing on the growing awareness gained about Polio amongst policy makers and the community.

149. Prevalence of protein energy malnutrition and micronutrient deficiency is high and has been stable during the past two decades. Localized studies indicate that in poor families, 25-30% of babies are born with birth weight below 2.5 kg while in better off families the rate is only 10%, indicating the association between LBW and socio-economic factors such as poor education, nutritional status of mothers, access to essential health care and poverty. Over 58% of women of childbearing age are anaemic, a condition that can be easily detected and treated during the pre-natal care period. Iron deficiency and anaemia is a major public health problem for children and women in childbearing age. The LHW’s programme has created a close-to-client opportunity for providing iron supplementation to pregnant and lactating mothers along with the provision of IEC materials on the subject.

150. Similarly, Iodine deficiency continues to remain a critical public health issue all over the country particularly in the northern areas, with nearly 40% of the population at risk of Iodine deficiency disorders. Iodine deficiency causes a wide variety of serious health problems including loss of energy, goiter, mental retardation and hypothyroidism. While knowledge of the benefits of iodized salt has exceeded 80%, only one fourth of the population is presently consuming iodized salt, indicating the magnitude of the task and the relevance of forging effective partnerships to improve coverage and utilisation.

151. Vitamin–A deficiency is a major cause of child mortality and morbidity. The clinical features of Vitamin A are seen only in 10% of children while sub-clinical deficiency is a major public health problem. Consuming a diet rich in Vit-A is an appropriate strategy, alternatively food fortification or supplementation with Vit-A capsules is a viable option. The government has linked Vitamin A supplementation with vaccinations, resulting in coverage of almost 98 percent.

152. Breast-feeding is a well-established strategy to protect and promote the health of infants and young children and also has definite benefits for mothers. In Pakistan, a majority of the mothers do breast-feed, but only a small percentage of mothers are familiar with the exclusive breast-feeding and optimal feeding practices. The government has recently enacted legislation to produce a child friendly code of marketing breast milk substitutes, which is a highly positive development.

153. About 45% of all deaths in Pakistan are attributable to communicable diseases, most of these deaths are preventable. Unsafe drinking water, malnutrition, over-crowded cities, low vaccine coverage, poverty and high illiteracy rate exacerbate the spread of communicable diseases. Morbidity and mortality from diarrhoeal diseases and ARI remain at a very high level among children. Children under 5 years average have between 5 and 12 episodes of diarrhoea annually and about the same

¹³ Surveillance Data, Government of Pakistan

number of respiratory infections.¹⁴ The national programme of Lady Health Workers has made a significant positive contribution by enhancing maternal and child care services at the grass root level. This initiative is to be strengthened along with the first level care facilities where the integrated management of childhood illnesses is a prevailing intervention.

154. **Tuberculosis (TB)** has an estimated incidence of 177 cases per 100,000 population per year and is responsible for 5.1% of total national disease burden in Pakistan. Thus the control of tuberculosis in the country is of significant importance both nationally, regionally and globally. Recognising this fact, TB was declared a national emergency for Pakistan on 24 March 2001. It is heartening to note that over the past two years the Directly Observed Treatment Short course (DOTS) coverage has risen from 4% to 40% in the country and 40 districts have been covered so far. By July 2003 Balochistan, Sindh, AJK and Northern Areas will be covered while the provinces of NWFP and Punjab will achieve the target of universal coverage in 2004 and 2005, respectively.

155. **Malaria:** Currently the incidence of malaria is estimated at less than one case per thousand population, which varies on an annual basis. About half a million (540,000) cases of malaria are expected to occur annually. Overall 37% of cases are falciparum malaria. Incidence of malaria varies, ranging between 2 to 5 cases per 1000 population during the endemic years. Among the four provinces, Balochistan and Sindh have the highest incidence of malaria. The recent government focus on the Roll Back Malaria (RBM) strategy for control provides an extensive avenue for reducing the burden of this growing public health problem.

Reproductive Health Issues

156. The sex ratio amongst young children had been re-balancing between 1951 and 1981, but the 1998 census shows a steep reversal of progress amongst children under five, with boys again significantly outnumbering girls. Indications of neglect against young girls are reinforced by childhood mortality figures that are 12% higher for girls than for boys.

157. The Contraceptive Prevalence Rate (CPR) stands at 30 as compared to 24 in 1996/97 despite the fact that 95% of currently married women are aware of at least one method of contraception. Although fertility transition has set in Pakistan, the fertility rate at 4.6% is far above the national target of 4 by the year 2004. 17% of women still get married before reaching the age of twenty. Population growth rate at 2.2% coupled with almost 23.4% of the country's population within the age group of 10-19 pose a great challenge to the socio-economic stability of the country.

158. There are several figures reported on the maternal mortality ratio (MMR) in Pakistan. Ranging from 350-600 deaths per 100,000 live births. Among the factors contributing to MMR are the limited access to or low utilization of services, the nutritional status of pregnant women and complications around labour.

159. In spite of the fast growing epidemic of HIV/AIDS in the world, Pakistan still remains a country with low endemicity. Less than 1,800 cases were reported in September 2002 but estimates are at 80,000¹⁵. Of the reported cases in Pakistan, only 4% were aged 19. The highest reported incidence is of those in their thirties. Considerable efforts are needed to prevent the spread of this infection in the population transmitted through sexual relations, tourism, individuals or groups vulnerable to HIV/AIDS due to their social status and particular behavioural patterns, migrant labour, unsafe blood transfusion and sharing needles and syringes by intravenous substance users. Key initiatives to combat the spread of this infection include promotion of safe blood transfusion, use of sterilized syringes and needles and health promotion and education including responsible behaviour.

¹⁴ Survey of Pakistan Medical Research Council, 1998

¹⁵ UNAIDS, Report of the global HIV/AIDS epidemic, July 2002

160. The province with the greatest percentage of both HIV and AIDS cases is Sindh, being not only the largest city of Pakistan but also a major airport and seaport. However, the reliability of the available data is somewhat restricted and it is generally believed that the actual numbers of HIV/AIDS patients are far in excess of the actually registered or reported cases.

161. The Government of Pakistan is channelling its response to HIV/AIDS through the National AIDS Control Programme (NACP), which is an umbrella project coordinated through a federal cell which lays down the policy guidelines for implementation through provincial AIDS Control Programmes. At least 75 NGOs are currently involved. This multi-sectoral national strategic framework as espoused by the NACP focuses mainly on prevention taking adolescents and youth as target group and change agents. Other measures taken to date include the recent ordinance on safe blood transfusion services whereby any health worker transfusing blood or blood products will ensure that the blood is healthy and free from HIV and opportunistic infections.

162.

IV. Education For All (especially girls): The right to acquire useful knowledge

Key Historical MDG Trend in Primary Education

Net School Enrolment Ratio	Pakistan	Urban	Rural	Male	Female	Balochistan	NWFP	Punjab	Sindh
1972	41			56	23				
1991	46	59	41	53	39				
1996-97	42	55	37	46	37	36	37	42	45
1998-99	42	57	37	47	37	36	39	44	41

See Tables in Annex for references

163. Basic education is a fundamental human right and given its benefits to society as a whole, it is important that free, compulsory, education of good quality is accessible to all. Despite a variety of policy measures, literacy rates in Pakistan continue to be very low. According to the Population Census, 1998, the overall national literacy rate in 1998 was 45% with wide variations across location and gender. Two-thirds of the districts of Pakistan are classed as low or very low literacy districts. Although the literacy rate has increased, the absolute number of illiterates has also risen and the female-male literacy gap has increased from 19% in 1981 to 24% in 1998. As described below, the Government is now beginning to focus on a sector wide approach to education and it is estimated that by 2003, the overall literacy rate will increase to 53% and to 66 % by 2008.¹⁶

164. Efforts aimed exclusively at promoting girls education will have only limited value if their parents, notably their mothers, are not offered relevant adult education opportunities that would enhance their ability to care for their children, especially the girl child.

165. A complex web of factors – socio-cultural, political and economic continue to undermine efforts aimed at realizing the goal of education for all in Pakistan. There is evidence that parental resistance to girls' education has somewhat diminished over the past two decades. Parents are now increasingly willing to allow their daughters to go to school. What is needed is to create an environment in which all relevant stakeholders could build creative synergies and effect partnerships to tackle the challenges confronting Pakistan in the field of education.

Governance of education: Major changes are underway

166. The resource base for education remained narrow and it has been well below the recommended minimum level of 4% of GDP. The share of education expenditures as a percentage of GDP has fallen from 2.4% in 1998/99 to 2.06% in 2000/02. Almost 90% of the education budget is recurrent expenditure, mostly spent on salaries of staff, leaving only 10% for development activities. Serious concerns are also voiced regarding the low absorption capacity of the sector and, as noted below, it is not just an issue of increasing expenditure rates, but also reducing wastage of resources.

167. In the past two years, some encouraging trends and developments have emerged. Earlier, the educational management practices at the provincial and district levels suffered from an overburden of bureaucracy, misuse of authority, nepotism, political interference and narrow unionism. With the installation of new locally elected governments under the Devolution Plan, the district level authorities are taking more decisions in all areas including education and health, in accordance with community needs and preferences, among others through the Community Citizen Boards. It is hoped that with decision-making brought nearer to the local community and with each district developing and implementing its educational plan in the light of EFA targets, it will eventually lead to improvements in the transparency of educational management, and increase the capacity and accountability of educational personnel. The Ministry of Education held several workshops in all

¹⁶ UNESCO, 2002, *Literacy Trends in Pakistan, Islamabad*.

provinces to work out new structures according to the Local Government Plan and created a special section on decentralisation to review capacity building needs of district based officers. All districts are now undertaking specific planning efforts with more space being created for local initiatives and through promoting public private partnerships. The Parent Teacher Associations (PTAs) and School Management Committees have been formed and activation of these bodies may contribute positively in improving access and quality of education in the schools.

168. The provinces of Punjab, Sindh, and NWFP, and Islamabad Capital Territory (ICT) have promulgated Compulsory Primary Education ordinances. Sindh and ICT have launched a commendable programme of free textbooks to be implemented in a phased manner. Other provinces need to follow this, with steps to also abolish charging of fees at the primary level. The cost of school attendance namely in the form of price of books, school fees and transportation facilities are among the inhibiting factors in bringing all the children into the school.

169. **Education Sector Reforms (2001-2005)** More recently, the Government is reorienting its focus from general education to special emphasis on technical education at secondary level. The ESR is aimed at qualitative and quantitative improvements in all sub-sectors. A sector-wide strategy has been adopted entailing legislative, administrative and financial actions at all levels. The priority areas of ESR include: 1) National Literacy Campaign, 2) Universal primary/elementary education, 3) Mainstreaming the Madaris, 4) Improving the Quality of education through Curriculum reforms, teacher training, examination reforms, and National Education and Assessment System (NEAS), 5) Introduction of a new Technical Stream at secondary level, 6) Strengthening higher education and research, and 7) Public-Private partnership. The recent allocation and release of substantial funding by the Federal Ministry of Education to the provinces under ESR, over and above the regular budget, is a manifestation of commitment of the Government for literacy and educational reforms.

170. The provision of free and compulsory basic education being the constitutional responsibility of the State, the resource gaps are to be addressed through financing by all three levels of government (federal, provincial and district), supplemented by possible contributions from the private sector, NGOs, and international development partners.

171. The Government of Pakistan has displayed a strong commitment towards achieving the Education For All (EFA) goals, and its recent response to the Dakar Framework for Action has been very positive. Besides formulating the Education Sector Reforms, the Government has developed the National Plan of Action (NPA) for Education - a long-term framework (2001-15) designed to achieve three EFA goals: (i) universal primary education; (ii) adult literacy; and (iii) early childhood education, with cross cutting focus on gender equality and special inputs for improving the quality of primary education. Total estimated cost for NPA is Rs 430 billion out of which Rs 253 billion is anticipated as assistance by international development partners.

172. Achieving universal primary education and adult literacy requires fundamental changes in delivery systems. Innovation and diversification of delivery systems must be accorded utmost priority. Of particular importance is to embrace distance education and use of Information Communication Technology (ICT) as an alternative and inclusive approach to teaching and learning, with a view to reaching more children and communities living in remote and isolated areas.

173. Keeping within the MDGs and the Dakar Framework of Action¹⁷, the UN System's inputs are designed to be catalytic and instrumental for educational change in Pakistan and are aimed at making

¹⁷ The Dakar Framework of Action, evolved in the World Education Forum, in April 2000, and supported by the UN System and the World Community set the following six goals to be achieved by the year 2015 including: Comprehensive early childhood care and education, Free and compulsory primary education of good quality for all children by 2015, especially for girls and children in difficult circumstances, Meeting the learning needs of all young people and adults through equitable access to appropriate learning and life skills programmes, Achieving 50 per cent improvement in adult literacy by 2015, especially among women, and access to basic and continuing education for all adults, Eliminating gender disparities in

a difference notably in favour of girls, women, the poor and the under-served. In the coming years, the UN system may strengthen its efforts in advocacy for free and compulsory education for all; capacity building of teachers, and managers of non formal Basic Education programmes; research on factors affecting quality of learning and teaching; and exchange, coordination and liaison among various stakeholders as methods to achieve progress and innovation in education and help Pakistan meet its obligation of providing relevant quality basic education to all.

Current Education Indicators

174. Unfortunately, the net enrolment of children aged 5-9 shows no improvement from 1972 to 1999. It has stayed constant at about 42%¹⁸. In fact, net enrolment for both boys and girls declined slightly during the 90s (the decade of SAP) in the public sector with increase in the private sector. In contrast to the NER, gross enrolment in school has improved from 40-71% between 1970 and 1999. Of course, GER includes many older children remaining in primary school because they could not advance.

175. A close look at aggregate statistics reveals that according to the EFA 2000 Assessment Report¹⁹, non-enrolled, drop outs and those leaving school still illiterate add up to half the children. An accelerated increase in the girls enrolment was observed during 1980s. This process has slowed down and still in 2002, girls, adolescent and young women, form the greater majority group of the out of school population and illiterate lot.

176. Besides low enrolment rates, a major problem is the retention of children once they have enrolled in primary classes. Not more than one-third of all children complete a full five-year cycle of primary education. According to NPA and EFA, the number of out of school young children may reach 14 million by year 2002-2003. What are the major reasons for this dropout rate? The major issues listed by parents for boys were that it was too expensive, they had to help at work, education is not useful and they had to help at home. For girls, the top reasons were that school was too expensive, they had to help at home and parents did not allow them to continue (reasons more often related to issues of honour and harassment than economics). Parents tend to see education as a route to jobs rather than a value in itself. Parents need to see schools imparting a useful education before they are willing to bear the opportunity costs of sending their children to school or keeping them there.

177. Entry age may also contribute to the drop out syndrome and low achievement level. Pakistan is among the three countries where children are enrolled at a formal class (Grade-1) at the age of 5 years, and they complete their primary education within the next 5 years. In 83% of the countries in the world, children start primary education at the age of 6 or above, and the duration of primary education in 71% of the countries is 6 to 8 years, or beyond²⁰. In a situation where young children, without going through the ECCE processes, are directly pushed into the uncomfortable and unfriendly environment of public schools, chances of their retention are jeopardised from the very beginning.

178. Limited provisions exist in the public sector for early childhood education with an estimated gross enrolment rate of only 25 %. In fact, according to a recent survey²¹ over 60% of children enrolled in these pre-school classes are aged 6 years or above. In the private sector, however, there has been a mushroom growth of nursery schools and kindergartens, but unfortunately due to high fees and

primary and secondary education by 2005 and achieving gender equality by 2015 – ensuring full and equal access for girls to basic education of good quality, Improving all aspects of the quality of education so that recognised and measurable learning outcomes by all – especially in literacy, numeracy and essential life skills are obtained by all.

¹⁸ The multiple sources of data, few of which offer the basis for longitudinal or time series review, makes it difficult to collate data and arrive at a conclusive estimate on the magnitude of the development challenge.

¹⁹ Govt. of Pakistan, 2000, *EFA 2000 Assessment of Pakistan*, Ministry of Education, Islamabad.

²⁰ UNESCO, 2001, *Learning Achievement in Primary Schools of Pakistan. A Quest for Quality Education*

²¹ *Pakistan Integrated Household Survey (PIHS); 1998/99; Federal Bureau of Statistics; Government of Pakistan.*

their spatial concentration, mostly urban populations and well-to-do families benefit from these facilities.

179. An effective and sustainable early childhood programme, which addresses the health, nutritional and cognitive development needs of children from birth to age 5 years, is widely recognised as critical to improved learning outcomes in primary school. Under the ESR, the MoE is targeting resources to this area, however the benefits will extend to a very small number of mainly urban schools and only focus on the 3-5 year age group. The development of the first national early childhood curriculum is a further positive step. However, government funding is unlikely to sustain widespread access to such programmes and therefore, programming in this area will need to address development of strategies which will facilitate wider access to early childhood, particularly through community-based and largely community-funded interventions, supported by relevant government line ministries through government funded support services, offering technical assistance, supervision and monitoring to assure appropriate standards of care.

180. What are the characteristics of the 30% of children who never get to even start primary school? Most of these out of school children belong to poor families who cannot afford to pay the costs, and girls in localities where a girl's school is not available, or is distantly located, or where co-education is not favoured. The remaining groups of children are nomads, slum-dwellers, religious minorities, refugees, and working children. A suitably developed system of Non-formal Basic Education (NFBE) in Pakistan could cater to the specific needs of out of school and drop out children and youth and help prepare them for possible re-integration into the formal school system. The madrasa system of religious schools, as widespread as it is, has perhaps not filled this critical integration role.

Quality issues

181. The quality of education is low, an outcome of a non-conducive environment, lack of motivation among teachers and students, teacher absenteeism, poor skills of the teacher, low salaries of teachers, lack of teaching materials and other related constraints. A number of independent studies indicate that less than one-third of primary school graduates are able to acquire basic competencies.²²

182. While assessments of student competency upon completion of primary school has generally been poor, it is now clear that teacher competencies are also generally low. A recent Punjab study showed that only 34% of teachers could pass the primary school competency exams. Poor teacher training and teacher education is partly responsible for the low quality of education. There are few linkages among the text book board, the teacher training institutes and the actual schools

183. The process of the revision of the national curriculum is marked by the objectives of providing the learners with skills for continuing education, civilised behaviour and attitudes to become useful and peaceful citizens, as well as the skills for economic development. The content, relevance and orientation of the curriculum needs to be reviewed to enrich and foster tolerance, basic human rights, non-violent conflict resolution, gender equality, and a culture of peace among the new generations of Pakistan.

184. The private sector is playing an increasingly important role in the education sector, with almost 34,000 institutions, mostly urban, providing general education i.e., primary, middle and secondary level schooling, to almost 6 million children of all ages. Several private organisations and NGOs are also involved in the promotion of Technical and Vocational Education, offering training courses in electrical repairs, auto mechanics and computers. The share of private education expenditures is estimated at about 1% of GDP.

²² UNESCO, 2001, *Learning Achievement in Primary Schools of Pakistan. A Quest for Quality Education*

185. According to a recent FBS survey, almost 20% of children enrolled in primary school attend private institutions. The private school participation rate for boys is only marginally higher (22%) than that for girls (18%) with about 42% of children in private schools being girls.

186. Private education is not exclusively an urban phenomenon. One third of all children attending private schools are located in rural areas. However, almost 2/3 children of private school pupils live in the Punjab. While significant at the primary level, only about 9% of children attending middle school and about 5% of children attending high school attend private facilities. Most of the private schools, particularly small-scale commercial enterprises, employ under-qualified, un-trained and under-paid teachers, with inadequate learning space for the children. There has not been any scientific study to compare the quality of private schools with the public sector schools.

187. Why is private education a growing phenomenon? The growth of private schooling can be ascribed to many factors including lack of availability of suitable government schools in the vicinity, rapid population growth, increased urbanisation and its consequent pressure on public sector institutions, and above all the desire of parents to see their progeny climb the socio-economic ladder through the medium of private English Schooling.

188. The network of religious madaris is also a growing part of the private school system. In 1957 there were only 117 religious seminaries in Pakistan. This number had grown to approximately 7000 by the year 2000. About one-third of the madaris are associated with major religious organisations while the rest are essentially independent, mostly unregistered. The instruction in these schools is mainly restricted to obtaining an in depth understanding of Islam. Poor parents often send their children, mostly boys, to madaris because of limited choices, and the benefits received in the form of food, clothing and shelter.

The Status of Teachers and School Management

189. Are public schools a welcoming environment for learning? The nature, extent and quality of physical facilities significantly affect the teaching-learning environment. According to Economic Survey (2001-2002) there are 165700 primary schools with 373700 teachers in Pakistan. Primary schools, mostly in rural areas, lack basic amenities: about 15,000 primary schools are without a building, either functioning in rented buildings with inadequate space or facing exposure to the seasonal weather fluctuations; almost 49% are without a boundary wall; 72% are without electricity; 46% without drinking water; and 64% without toilets.

190. Structural reform of the teaching profession is needed including the status and training of teachers, their recruitment and training, salaries and conditions of employment promotion and supervision, and expectations/provisions for continued professional development. Special measures are also required to assure an improved supply of teachers in areas with deteriorating teacher-student ratios.

191. Partly due to the politicisation of teachers and recruitment of teachers, and partly because of the weakness of the system of accountability, there is a poor distribution of teachers resulting in inappropriately low teacher-student ratio in many schools. It would be beneficial if the teacher associations in Pakistan focus more on building the teachers' own professional capacity and the quality of education imparted to students than on their benefits.

192. With the installation of the new local governments under the Devolution Plan, in August 2001, provincial level management is now working on transferring most of the administrative powers to manage schools to the district level authorities. This delegation includes authority for the appointment, posting and transfers of teachers. Such decentralisation, if judiciously exercised, could bring decision-making nearer the local community and could eventually lead to improving the transparency of educational management, and increased accountability of educational personnel.

193. According to the 1998 census, 70% of the population are under the age of 30 years, with 20% in the age cohort 15 - 24 years. This significant 'youth bulge' represents significant challenges. Unfortunately, adolescents in Pakistan are poorly prepared to take up the challenge of being parents, productive, responsible and caring citizens. While growing up they have been poorly nourished, poorly educated and poorly treated as children themselves.

194. The education potential for adolescents varies tremendously depending upon whether they live in rural or urban areas. 60% of rural girls are reported to have never attended school. For those who have attended school, the dropout rates for urban and rural boys is about equal, while urban girls complete matriculation three times more often than rural girls.

195. The growth of secondary schools needs to be enhanced to meet the demand. Although high priority is accorded to science and technology education, competent and adequately trained science teachers are scarce. Curriculum, textbooks and teaching methods are conventional, with limited linkages with the world of work.

196. Formal vocational training, given a strong emphasis in some developing countries, is not a common practice in Pakistan. Less than 12% of urban boys have ever received training. In rural areas it appears that girls may have more access than boys to some form of skill training. Vocational education facilities in the non-formal sector have mostly originated from federal (donor sponsored) programs. When the project funds dry up, the schools tend to close.

197. The Technical and Vocational Education (TVE) system in Pakistan has been supply-oriented and has not kept pace with the needs of the labour market. Major issues in TVE include inflexibility in terms of duration and trades, inadequate and poorly trained faculty, ill-equipped workshops and lack of co-ordination with the job industry. In addition, outdated and outmoded curricula and absence of standardised education have failed to stimulate creativity or develop entrepreneurship, thereby limiting the use of this training for self-employment. A system of career guidance and counselling would assist young people in finding a meaningful place in society.

198. Although currently only 2.6% of Pakistani children go on to higher education, by 2010, the population in the age group 17-23 years is estimated to be about 25 million, and to develop the higher education facilities for at least 10% of this group, significantly more investment, will be required. A positive policy of the Government towards private sector has given rise to a number of private universities and institutes of higher education in recent years. However, self-financing schemes at public universities have resulted in reduced opportunities for students from poor families.

199. Adolescents have not been a part of the process of identifying developmental programmes nor have they been given the space to voice their own needs and interests. There is a need for a comprehensive, multi-sectoral youth policy that addresses health, education, skill-training, recreational, and information needs of young people, the majority of whom are undereducated and under-employed. In addition, there is still great reluctance in allowing them to take part in decisions, slowing their maturation process. Research studies from throughout the country indicate that adolescents generally do not feel equipped and skilled to handle life situations, nor that they have adequate access to information, and point to the need for development of stronger service provision to more effectively meet these needs.

200. As reiterated throughout the CCA, education, notably basic education and literacy, is a prerequisite for addressing all the major development challenges confronting Pakistan. It is therefore, of utmost urgency to ensure political will at all levels and adequate resources to provide relevant quality education as a powerful tool for the development of the country.

201. Basic education and adult literacy are strongly correlated with the key elements of the Millennium Declaration underlined in the CCA: Peace and security, development and poverty

eradication, human rights, democracy and good governance, gender equality, environment, and protection of the vulnerable. Finding creative and sustainable ways for integrating educational components in all other sectors is an important priority. Education is also inextricably linked with improvement in basic health, which, in turn, leads to enhanced human capabilities in productive capacity and gainful employment. Furthermore, education promotes tolerance and creates an environment in which human beings can learn to live together.

SECTION THREE AREAS OF COOPERATION

202. The Areas of Co-operation between the UN Country Team and the Government of Pakistan should be based on the development priorities as set out in the Ten Year Perspective Development Plan for the period 2001-2011. This Section attempts to highlight these areas of co-operation.

203. There is a national consensus in Pakistan that the problems facing the economy of Pakistan are structural in nature, requiring a long-term view for their systemic resolution. Poverty reduction and growth, the key goals of all efforts in economy and society, have to become ingrained in this process of structural change. The strategy of the Ten-Year Perspective Development Plan 2001-11 responds to this challenge.

204. The economy of Pakistan lost momentum in economic growth during the nineties. While the Sixth Five Year Plan 1983-88 recorded an annual average GDP growth rate of 6.3 per cent, it was 4.8 per cent during the Seventh Plan period 1988-93 and 4.2 per cent in the period of Eighth Plan 1993-98. The international political and economic environment facing Pakistan following the nuclear tests in May 1998 disrupted the medium-term planning process. Since October 1999, efforts have been concentrated on short-term economic stabilisation through a consistent, credible and transparent set of tight fiscal and monetary policies. By 2000-01, prudent management of the economy led to encouraging signs of stability: the rate of inflation under 5 per cent, monetary expansion well within target and the fiscal deficit at 5.3 per cent.

205. The Governments 10 year Perspective Development Plan prioritises the following areas:

- Accelerating GDP growth, reduce unemployment and alleviate poverty
- Financing growth increasingly by Pakistan's own resources
- Improvement of income-expenditure configuration to contain domestic borrowing
- Transformation of a larger proportion of private sector saving into foreign exchange through exports. This is to contain external borrowing.
- Improvement in competitiveness by promoting productivity, efficiency, and quality
- Building human capital base for long term, self reliant growth
- Institutionalising social capital conducive to sustainable development.

206. The impact of recent events and the achievement of human development and poverty reduction objectives will concern all four provinces as well as the Federally Administered Tribal Areas (FATA), the Northern Areas and Azad Jammu & Kashmir. Whilst the intent is to address issues covering the whole country, and the many poverty-stricken communities and district in all provinces towards halving the number of poor in the country, FATA, Balochistan and NWFP warrant special attention. Building on the ongoing initiatives, focus will remain on people who do not have adequate opportunities for development and protection especially children and women.

207. The UN Country Team will be looking at various ways of replicating success achieved through pilot activities including:

- ◆ Spatial expansion to other vulnerable communities, groups and geographical areas
- ◆ Dissemination of methodologies, mechanisms and training packages developed on specific themes
- ◆ Direct sharing of practical experience among the pilot schemes in which various approaches have been developed and tested

208. In order to initiate and sustain such an approach, the responsibilities of the UNCT include both substantive co-ordination and resource mobilisation activities. Specific programming initiatives elaborate the need for strategic partnerships within the UN system, engagement of a wide range of

local partners as well as detailed project portfolio development. However, it is recognised that the success of the activities envisaged will depend above all on the experience of individual agencies and their capacity to engage with a wide range of local partners. However, while community involvement, resourcefulness and ownership are essential for realisation of poverty reduction, the UN system will increasingly focus its efforts to ensure that funds and enabling mechanisms are in place to allow people to assume their primary responsibilities of human development.