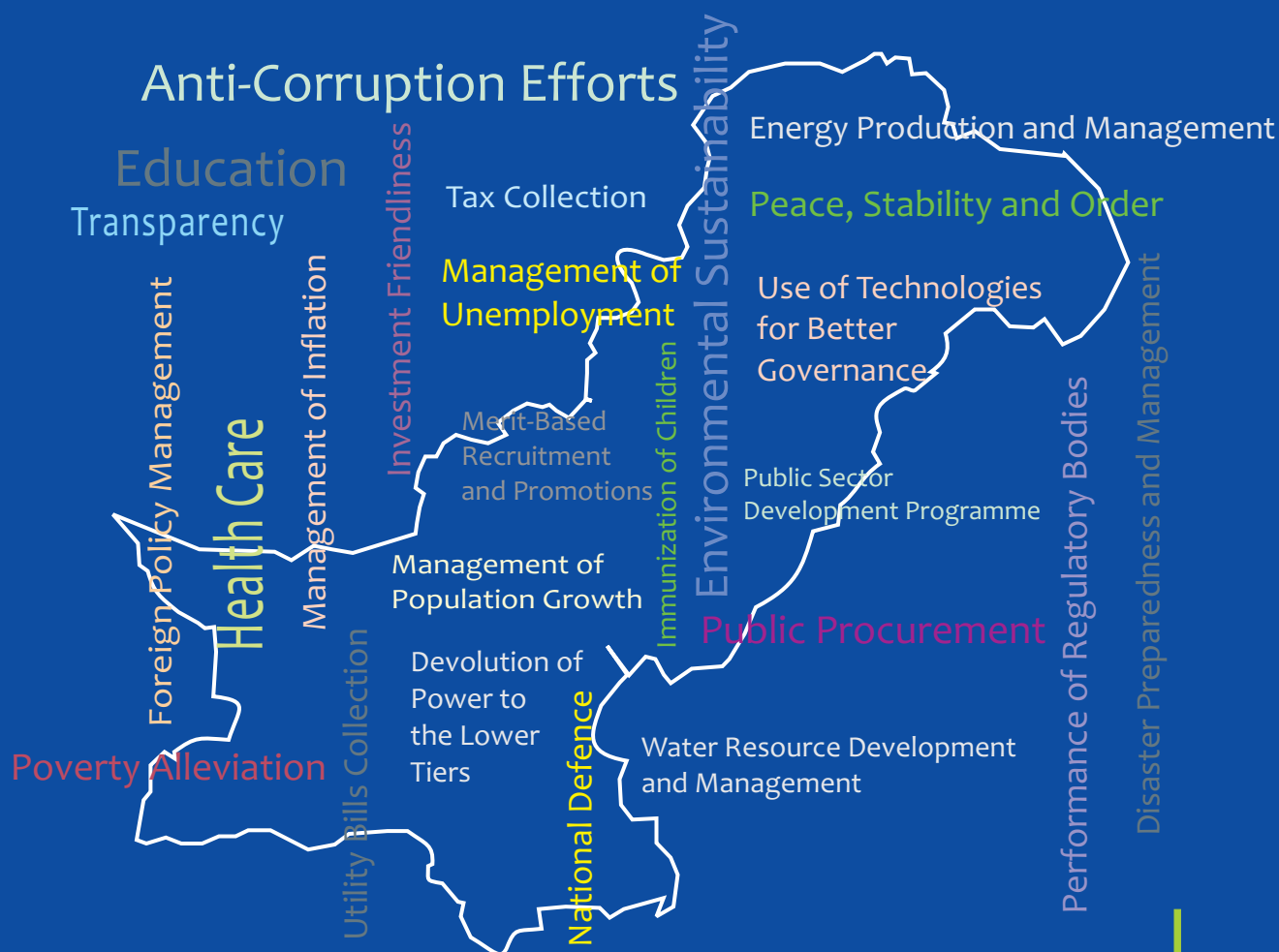


Score Card

Assessment of the Quality of Governance in Pakistan

First Year of the Federal Government

June 5, 2013 – June 4, 2014

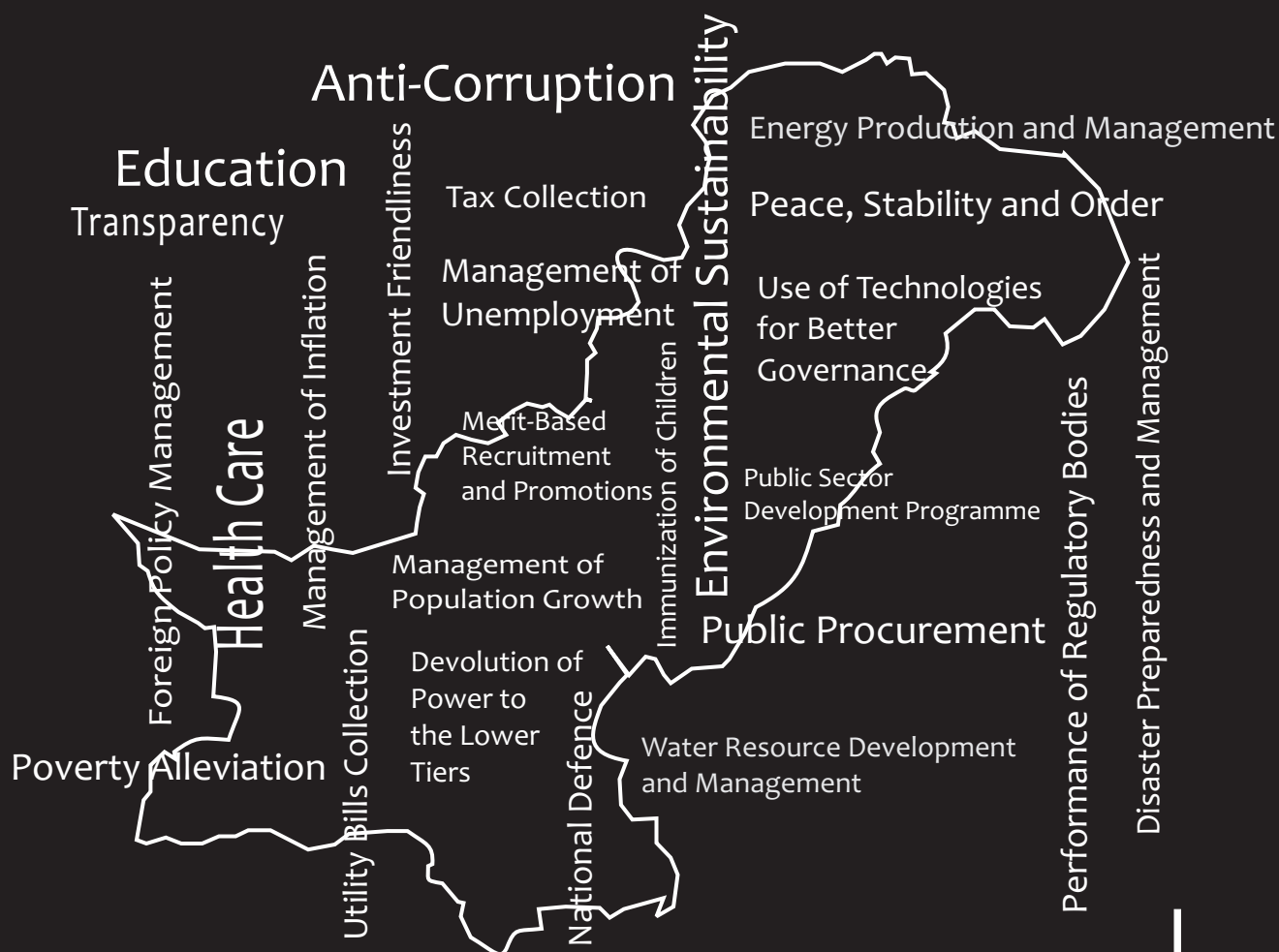


Score Card

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First Year of the Federal Government

June 5, 2013 – June 4, 2014



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PREFACE

PILDAT Score Card on the **Assessment of Quality of Governance in Pakistan: First Year of Federal Government: June 4, 2013 – June 5, 2014** is the first of its kind which assesses the Quality of Governance of the Federal Government of Pakistan upon the completion of its 1st Year in Office since May 2013 General Election.

This Score Card is primarily based on data provided by the Federal Government of Pakistan.

The assessment and Score Card is part of PILDAT's new initiative under its Democracy and Governance Programme. Within this programme, the Assessment of the Quality of Governance in Pakistan Project aims to examine the performance of the Federal and Provincial Governments in 2013-2014 in comparison to 2012-2013. As democracy progresses in Pakistan, PILDAT believes the focus should now be on the *performance* of democracy as distinct from the *process* of democracy. With this report, PILDAT seeks to understand the extent to which the democratic government have delivered to their citizens in terms of providing good governance.

To assess the performance of the Federal and Provincial Governments of Pakistan, PILDAT has developed an indigenous framework to monitor the quality of governance. While greatly benefitting from many international frameworks to assess the Quality of Governance, PILDAT's framework has been prepared with the valuable input a 27 member Governance Assessment Group comprising some of the most eminent experts across four Provinces.

The PILDAT's initiative to assess the Quality of Governance of the Federal Government is by no means an exercise to criticize the performance of the Government. It is, in fact, a collaborative effort to highlight areas of strengths and potential areas requiring improvement in the quality of governance.

Earlier, upon the completion of first year of the Federal and Provincial Governments in office in June 2013, PILDAT had undertaken and published a *Public Opinion Poll on the Quality of Governance in Pakistan: First Year of Federal and Provincial Governments*, released in September 2014. The Performance Assessment Score Card of the Federal Government, as a second part of this exercise, is not a critique but an effort to assist elected political Government at the Centre and Provinces to improve its quality of governance. It is hoped that policymakers, Government officials, and Politicians may benefit from the findings of this Score Card.

Acknowledgements

PILDAT gratefully acknowledges the support and cooperation of all the government and non-government institutions and organizations, which extended their cooperation in compiling this Score Card. We especially wish to acknowledge the cooperation of the Government of Pakistan and its various ministries in providing the data requested by PILDAT. Special thanks are due to the Prime Minister Secretariat and Mr. Fawad Hasan Fawad, Additional Secretary to the Prime Minister, who was the Focal Person for coordinating with all the relevant Ministries and Division to provide data and information required to carry out this assessment. Thereafter Mr. Fawad Hasan Fawad also provided comments on behalf of the Government on the draft Score Card.

PILDAT also acknowledges the support and assistance provided by the members of the Governance Assessment Group consisting of eminent Pakistani on an honorary basis. Appendix A carries the list of members of the Governance Assessment Group.

This Score Card benefits from background research carried out on the parameters by *Ms. Naureen Ahsan*, Senior Projects Manager/Joint Director, *Ms. Reem Hassan*, former Project Manager *Ms. Sara Ali*, *Mehrbano Raja* and *Ms. Neha Ali Gauhar*, Projects Officers and review by *Ms. Aasiya Riaz*, Joint Director under the overall guidance and direction by *Mr. Ahmed Bilal Mehboob*, President of PILDAT.

This Score Card has been prepared by PILDAT as part of the Governance and Democracy Programme, which is supported by the Danish International Development Agency (DANIDA), Government of Denmark. We wish to thank them for their support but reiterate that the views expressed in this Score Card do not necessarily represent the views of DANIDA, Royal Danish Embassy, Islamabad or the Government of Denmark.

Disclaimer

PILDAT has made every effort to ensure the accuracy of data and assessment in this Score Card. Any error or omission therefore is not deliberate.

Islamabad
May 2015

June 5, 2013 – June 4, 2014

Abbreviations and Acronyms

AJK	Azad Jammu Kashmir
BISP	Benazir Income Support Programme
CBMs	Confidence Building Measures
CCI	Council of Common Interests
CCOR	Cabinet Committee on Re-structuring
CCP	Competition Commission of Pakistan
CDWP	Central Development Working Party
CICA	Conference on Interaction and Confidence Building Measures in Asia
CIT's	Combines Investigation Teams
CITIES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CPDI	Centre for Peace and Development Initiatives
CPEC	China-Pakistan Economic Corridor
CPI	Corruption Perception Index
CPI	Consumer Price Index
Cr.PC	Criminal Procedure Code
CSA	Civil Servants Act
DRAP	Drug Regulatory Authority of Pakistan
ECC	Economic Coordination Committee
ECO	Economic Cooperation Organization
EPI	Expanded Program on Immunization
ERRA	Earthquake Reconstruction and Rehabilitation Authority
EU	European Union
FATA	Federally Administered Tribal Areas
FBR	Federal Board of Revenue
FDI	Foreign Direct Investment
FED	Foreign Earnings Deduction
FESCO	Faisalabad Electric Supply Company
FPSC	Federal Public Service Commission
FTA	Free Trade Agreement
GAG	Governance Assessment Group
GDP	Gross Domestic Product
GEPCO	Gujranwala Electric Power Company
GSP	General Scheme of Preference
HDI	Human Development Index
HEC	Higher Education Commission
HESCO	Hyderabad Electric Supply Company
ICT	Islamabad Capital Territory
IESCO	Islamabad Electric Supply Company
ILO	International Labour Organization
IMF	International Monetary Fund
IPPS	Independent Power Producers
IRSA	Indus River System Authority
IT	Information Technology
JWG	Joint Working Group
KP	Khyber Pakhtunkhwa
LESCO	Lahore Electric Supply Company
LGE	Local Government Elections
MDG's	Millennium Development Goals
MDI	Multi Dimensional Poverty Index
MEPCO	Multan Electric Supply Company
MoU	Memorandum of Understanding
MTDF	Medium Term Development Framework
MW	Mega Watts

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NACTA	National Counter terrorism Authority Pakistan
NAB	National Accountability Bureau
NADRA	National Database and Registration Authority
NAVTTTC	National Vocational and Technical Training Commission
NDMA	National Disaster Management Authority
NDMC	National Disaster Management Commission
NEPRA	National Electric Power Regulatory Authority
NEPRA	National Electric Power Regulatory Authority
NFC	National Finance Commission
NHSRC	National Health Services Regulations and Coordination
NID	National Immunization Days
NIDM	National Institute of Disaster Management
NIPS	National Institute of Population Studies
NITB	National Information Technology Board
NPMC	National Price Monitoring Committee
NPS	National Procurement Strategy
NTDC	National Transmission and Dispatch Company Ltd
NWG	National Working Group
OGRA	Oil and Gas Regulatory Authority
OIC	Organization of Islamic Cooperation
PAEC	Pakistan Atomic Energy Commission
PC	Planning Commission
PEMRA	Pakistan Electronic Media Regulatory Authority
PESCO	Peshawar Electric Supply Company
PHEIC	Public Health Emergency of International Concern
PIDE	Pakistan Institute of Development Economics
PILDAT	Pakistan Institute of Legislative Development and Transparency
PML-N	Pakistan Muslim League – Nawaz
PPA	Power Purchase Agreement
PPAF	Pakistan Poverty Alleviation Fund
PPC	Pakistan Penal Code
PPF	Pakistan Press Foundation
PPRA	Public Procurement Regulatory Authority
PRSP	Poverty Reduction Strategy Paper
PSDP	Public Sector Development Programme
PTA	Pakistan Telecommunication Authority
QESCO	Quetta Electric Supply Company
RTI	Right to Information
SAARC	South Asian Association for Regional Cooperation
SBP	State Bank of Pakistan
SCO	Shanghai Cooperation Organization
SECP	Securities and Exchange Commission of Pakistan
SNID	Sub-National Immunization Days
SEPCO	Sukkur Electric Supply Company
SPI	Sensitive Price Index
TESCO	Tribal Areas Electric Supply Company
TFR	Total Fertility Rate
TI	Transparency International
TIFA	Trade and Investment Framework Agreement
TTP	Tehrik-e-Taliban Pakistan
UNDP	United Nations Development Programme
USAID	U.S Agency for International Development
WAPDA	Water and Power Development Authority
WPI	Wholesale Price Index

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Executive Summary

An assessment of the quality of governance of the Federal Government in its first year in office (June 5, 2013 -June 4, 2014) has earned it a score of **44%**.

The Federal Government has scored above 60% on three out of the 25 governance parameters – i.e., Disaster Preparedness and Management, scoring 62%, Merit based Recruitments and Promotions, which scored 61% and Foreign Policy Management scoring 60%. On the other end of the spectrum are the poorest scores on Poverty Alleviation, at 22% and Transparency, 27%.

The Nawaz Sharif Government's Anti-Corruption Efforts, Public Sector Development Programme, Peace, Stability and Order, National Defence and Investment Friendliness have scored at or slightly above the 50% mark.

Interestingly, in the public approval ratings of the Federal Government, based on a PILDAT public opinion poll conducted in July-August 2014, it is the Government's efforts at improving national defence only , which have received approval rating above 60 % (61% to be exact). In contrast, the PILDAT score, based on data provided by the Federal Government, assigned to National Defence is 48%, below the 50% mark. Public Opinion rewards the Government above a 50% approval rating in Immunization of Children and Water Resource Management and Development, both receiving 56% rating whereas in PILDAT score these are rated at 44% and 42% respectively.

PILDAT has undertaken an assessment of the quality of governance of the Federal and 4 Provincial Governments to understand whether democracy has translated into improved governance in the country. The assessment is based on data provided by the Federal Government of Pakistan based on an indigenous framework developed by PILDAT to monitor the quality of governance. The PILDAT framework has been prepared with the help of a 27-member Governance Assessment Group comprising some of the most eminent experts across four Provinces.

The Assessment of the governance at the federal level is based on the scores assigned against a set of performance parameters. The performance under each parameter was gauged by comparing various aspects of the performance during the current year (2013-2014) with the same during the previous year (2012-2013) using the data provided by the Federal Government or collected through other sources where either the Government did not provide the information or the provided information was not complete. The purpose to assess the quality of governance at the federal level is to provide a fact-based, well-researched, non-partisan and easily comprehensible basis of generating a serious discussion on the performance of the Government in the first year in office. When the governance is shown to have done better in a particular parameter or overall, it primarily means that the Government has improved the performance over the previous year. The assessment of the quality of governance in general and the scoring in particular will also provide a benchmark for subsequent years to assess the trend in performance of the Government over the years.

While assessing the quality of governance, PILDAT has looked at both the Policy Formulation and Actual Implementation of Governance Policies. Policy Formulation including legislation and institution building was assigned a 40% weightage whereas the results achieved through implementation were assigned 60% weightage.

Positive Parameters of the Federal Governance

Based on the comparative data mainly provided by the Federal Government on the 25 key governance parameters for 2012-2013 and 2013-2014, the performance of Federal Government seems to have marginally improved. The performance analysis indicates that the focus of the Federal Government was on National Defence, Internal Security and Energy sector.

For the first time a National Internal Security Policy (NISP) 2014-2018 was introduced which established Directorate of Internal Security under the National Counter Terrorism Authority Pakistan (NACTA).

Foreign policy was strengthened to attract foreign investments. The major thrust of all key investments and bilateral agreements has been in the energy sector. Almost 20 bilateral agreements of trade and development have been signed during this period. Total foreign investment reached US \$ 2,979 million as compared to US \$ 1,277 million over the same

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period in the preceding year, showing 133 per cent increase. Local investment increased by 8%, and foreign portfolio investment 3 fold.

The economic outlook showed promise and steady progress. Funds from Saudi Arabia, the International Monetary Fund (IMF) Extended Fund Facility (EFF) programme and two World Bank Development Policy Credits were used to increase foreign exchange reserves, meet debt-service obligations, undertake large energy and infrastructure projects to restructure the energy sector, foster private and financial sector developments, improve social protection and revenue mobilization. Fiscal deficit was contained at around 5.5% of the GDP as compared to 2012-2013, when it was 8.3% of the GDP. Meanwhile the capital market transactions were also completed by selling shares of United Bank Limited and Pakistan Petroleum Limited in June 2014, and auctioned 3G telecoms licenses. The GDP growth rate was 4.1%, the services being the major contributor whereas the manufacturing sectors and agricultural growth remained stagnant. The tax to GDP ratio stood at 8.8% according to the Economic Survey of Pakistan 2013-2014, which was targeted at 9.5%.

There was marginal improvement in socio-economic indicators. Literacy rate increased marginally, from 58% to 60%, while per capita income increased by 3.5%.

Negative Aspects of Federal Governance

Even though official figures for poverty have not been released for recent years, according to **Human Development Report 2014**¹ almost half of the country's population is living below the poverty line. Unemployment rate is just below 6% according to the Economic Survey 2013-2014, however the projected figures are approximately 7%.

In April 2014, Moody's Investors Service assigned a provisional rating of (P)Caa1 to the Government of Pakistan's announced bond offering, terming the outlook as 'negative.'² The reasons given for this assessment was low institutional strength leading to political instability and factious relations between the executive, military and judicial branches of Government impacting on the policy effectiveness.

The Government has shown little progress in achieving Millennium Development Goals (MDGs) and will almost miss all targets for the 8 MDGs. The Federal Government seems to have adequately addressed reducing absolute poverty and improving shared prosperity, which is the first MDG. Unfortunately there have been natural disasters in the form of floods, earthquake and famine, which destroyed valuable lives, livelihood, land, crops, cattle and livestock. This has been a great set back for the country. On the other hand, the relief efforts have not been proportionate to the damage caused, which made a large population vulnerable to poverty. Approximately 23 million people, almost 13% of the total population, live on an amount between US \$ 1.25 and US \$ 1.50 per day, and this can increase the poverty rate. The official figures of poverty are not timely released and those too are only estimates. Therefore change in the extent of poverty cannot be conclusively determined.

In relation to the second MDG of universal primary education, overall literacy rates have improved by 1% and enrolment increased by 3.1% yet the Government has only allocated 7% of the total budget to primary education. This shows decline in real terms as compared to the previous year's budgetary allocations. The focus of the Government is not on primary education in areas under its jurisdiction and so it will not be able to meet the target to achieve MDG of universal primary education by 2015 in the ICT and FATA.

Pakistan lags behind health and nutrition outcomes by average 30% in comparison to other South Asian countries.³ Although the infant mortality and under-five mortality rates have fallen by 3%, the nutritional stunting among children under age five has been 44% since 1965. It appears that the fourth MDG relating to reducing child mortality is not going to be met either. The high fertility rate also reflected the high maternal mortality ratio i.e., 170 deaths per 100,000 births.

Legislation also remained a weak area during the first year of the Federal Government in office. While 11 bills were

1. Human Development Report 2014. Available at [<http://hdr.undp.org/sites/default/files/hdr14-report-en-1.pdf>] Accessed on April 29, 2015

2. For details please see Moody's assigns (P)Caa1 rating to Pakistan's global bond offering: https://www.moody.com/research/Moodys-assigns-PCaa1-rating-to-Pakistans-global-bond-offering--PR_295911 as accessed on April 28, 2015

3. World Bank Policy Note 10. Online Available at [http://www.wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2013/07/17/000442464_20130717123601/Rendered/PDF/795670BRI0SASE0box0377381B00PUBLIC0.pdf] Accessed on April 29, 2015

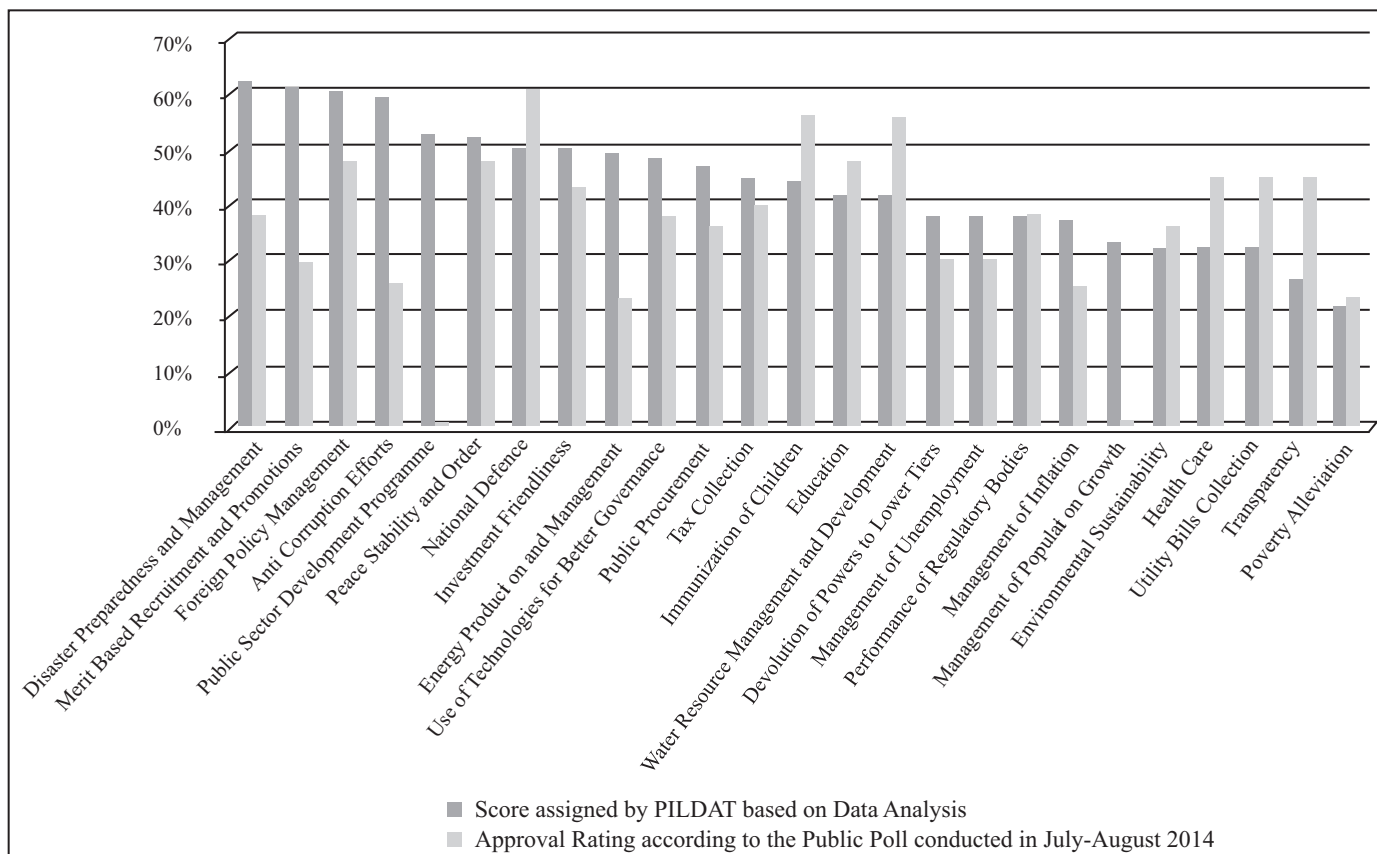
June 5, 2013 – June 4, 2014

**Table 1: Score Card: Assessment of the Quality of Governance
First Year of the Federal Government of Pakistan: June 5, 2013 – June 4, 2014**

No.	Parameters	Score assigned by PILDAT based on Data Analysis	Approval Rating according to the Public Opinion Poll conducted in July-August 2014
1.	Disaster Preparedness and Management	62%	38%
2.	Merit Based Recruitment and Promotions	61%	29%
3.	Foreign Policy Management	60%	48%
4.	Anti Corruption Efforts	59%	26%
5.	Public Sector Development Programme	53%	NA
6.	Peace Stability and Order	52%	48%
7.	National Defence	50%	61%
8.	Investment Friendliness	50%	43%
9.	Energy Production and Management	49%	23%
10.	Use of Technologies for Better Governance	48%	38%
11.	Public Procurement	47%	36%
12.	Tax Collection	45%	40%
13.	Immunization of Children	44%	56%
14.	Education	42%	48%
15.	Water Resource Management and Development	42%	56%
16.	Devolution of Powers to Lower Tiers	38%	30%
17.	Management of Unemployment	38%	31%
18.	Performance of Regulatory Bodies	38%	38%
19.	Management of Inflation	37%	25%
20.	Management of Population Growth	33%	NA
21.	Environmental Sustainability	32%	36%
22.	Health Care	32%	45%
23.	Utility Bills Collection	32%	45%
24.	Transparency	27%	45%
25.	Poverty Alleviation	22%	23%
Overall Quality of Governance based on the average value of above scores		44%	39%

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Figure 1: Comparison of Public Approval Rating and Performance Score Card: Quality of Governance at the Federal Government in 2013-2014



passed by the National Assembly, in addition to the Finance Bill, 2013-2014, only one of these became a law after its passage by the Senate.

According to the PILDAT assessment of the quality of governance in 25 parameters, the Federal Government has shown **improvement in 8** parameters, **marginal improvement in 4** parameters, **no improvement in 7** parameters, and **declining performance in 6** parameters for the reporting year 2013-2014 as compared to 2012-2013.

The Federal Government has shown **improvement** in the following governance parameters:

- i. Disaster Preparedness and Management
- ii. Merit Based Recruitment and Promotions
- iii. Foreign Policy Management
- iv. Anti-Corruption Efforts
- v. Public Sector Development Programmes
- vi. Peace, Stability and Order
- vii. Investment Friendliness
- viii. National Defence

Marginal improvement has been seen in the following governance parameters:

- i. Energy Production and Management
- ii. Use of Technologies for Better Governance.
- iii. Public Procurement

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iv. Tax Collection

Governance has **not improved** and remained the same as in the previous year in the following governance parameters:

- i. Immunization of Children
- ii. Education
- iii. Water Resource Management and Development
- iv. Devolution of Power to the Lower Tiers
- v. Management of Unemployment
- vi. Performance of Regulatory Bodies
- vii. Management of Inflation

The Federal Government's **performance has declined** in the following parameters:

- i. Management of Population Growth
- ii. Environment Sustainability
- iii. Healthcare
- iv. Utility Bills Collection
- v. Transparency
- vi. Poverty Alleviation

Parameters Showing Improvement

Disaster Preparedness and Management

There was a 77% increase in budgetary allocations from Rs. 166.420 million in 2012-2013 to Rs. 180.532 in 2013-2014. In 2013-2014, approximately 20,000 ration packs, 37,000 tents, 50,000 blankets/Quilts, 37,511 plastic mats, 5,000 mosquito nets, 8,500 warm jackets were provided whereas in 2012-2013, 15,000 tents, 200 blankets, 8,000 Mosquito nets were provided. However the relief provided in 2013-2014 is not proportionate to the number of people affected in 4 different kinds of natural calamities in the country during the reporting period, i.e., almost 90,019 persons were present in relief camps in 2014, compared to 4,155 in 2013. The Federal Government has compiled a “Recovery Needs Assessment and Action Framework 2014-2016” and the National Disaster Risk Reduction Policy 2013. A National Monsoon Contingency Plan 2014 has been developed. A National Disaster Management Plan has been developed identifying 10 priorities and 118 specific projects, estimated to cost US \$ 1 billion, for implementation. Preparation of National Flood Protection Plan-IV (2014-2024) has been initiated. The Governments of Japan and Pakistan agreed to implement two projects worth ¥ 3.64 billion (equivalent to approximately US \$ 36 million or Rs. 3.2 billion) for facilitating disaster management through improving the capacity of sewerage and drainage services and the weather forecasting system in Pakistan.

Merit-based Recruitment and Promotions

There has been a 75% increase in the number of Government servants recruited through the Federal Public Service Commission over the past one year, which may be due to lifting of recruitment ban. Two members of the FPSC were appointed. In 2013-2014, the Federal Government issued a recruitment policy for federal services, autonomous bodies and corporations. The ban on recruitment was lifted through an Establishment Division Notification issued during the year. To ensure merit, the policy clearly states that candidates using or attempting to use any extraneous influence at any level shall be liable to be disqualified. Draft advertisements to be published for recruitment may be submitted to the Establishment Division, which will route it to the Ministry of Information. No direct advertisements will be placed by any organization. There was increasing use of the information technology (IT) for efficiency and transparency in the recruitment process. As part of a reinvigorated effort to improve the civil service recruitment system, the FPSC has revised the competitive examination system and syllabus.

Foreign Policy Management

In 2013-2014, Prime Minister Muhammad Nawaz Sharif undertook fifteen official visits abroad, though the Government hosted only six visits from the heads of state or heads of government of five countries. Of the six visits of the Premier, four occurred in 2013 and only two in 2014. The four state visits to Pakistan during 2013 included by the then Afghan President, Mr. Hamid Karzai; Thai Prime Minister, Mr. Yingluck Shinawatra; British Prime Minister, Mr. David

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Cameron and Turkish Prime Minister, Mr. Recep Tayyip Erdogan. In 2014, the newly elected Afghan President, Mr Ashraf Ghani, and Bahrain's King, Sheikh Hamad, visited Pakistan. Agreement has been reached on a US \$ 10 billion road and railway project to develop the China-Pakistan Economic Corridor, which will connect Pakistan's southern Gwadar Port to China's north-western Xinjiang via highways, railways and pipelines to transport oil and gas. Pakistan signed six bilateral and memoranda of understanding (MOUs) with Bahrain. Almost 20 bilateral agreements of trade and development have been signed during this period.

Anti-Corruption Efforts

Mr. Qamar Zaman Chaudhry was appointed as Chairman, National Accountability Bureau (NAB) in October 2013. The position was vacant since May 28, 2013. During the year 2013-2014, the NAB received 19,816 complaints - nearly double the number received in 2012-2013. Inquiries were authorized for 767 of the complaints received. Out of these inquiries 276 investigations were conducted. Of the 276 investigations, 152 translated into references and cases filed in the Accountability Court. There was a 10% increase in filing of references and conviction rate as compared to 2012-2013. The NAB has been able to recover Rs. 21 billion in 2013-2014 as compared to Rs. 6 billion in 2012-2013 showing a 2.5 times increase. This increase was due to increase in the voluntary returns. The global report of Transparency International (TI) for 2014 found Pakistan's score against the Corruption Perception Index (CPI) to have improved from 28 in 2012-2013 to 29 in 2014, while the country's ranking among countries improved from 127th in 2013 to 126 in 2014. In 2012, the country had ranked 138th. It is important to highlight that under the NAB no complaint or reference relates to any high profile case, individual or institution, and unless an example is set where influential persons are also convicted and punished, corruption cannot be fully eradicated from the country.

Public Sector Development Programme

Some 893 on-going projects were allocated Rs. 394 billion (73% of the total PSDP budget) while Rs. 146 billion (27% of the total PSDP budget) was allocated to 236 new projects, including Rs. 115 billion for New Development Initiatives. About 239 projects costing Rs. 410 billion were completed/substantially implemented during fiscal year 2013-2014. For the power projects, funds were allocated for the development of dams, specifically land acquisition for Diamer Bhasha Dam and the Neelum-Jhelum Hydro Power Projects. In the PSDP 2013-2014, population and health sector projects were allocated Rs. 25 billion. There has been a 32% increase in the National Development Outlay 2013-2014 compared to 2012-2013. The budgetary allocations in the National outlay for Federal PSDP shows a 33% increase and for Provincial ADPs shows 19% increase. In 2013-2014, "Vision 2025" was approved by the Federal Government under the Ministry of Planning, Development and Reforms (PD&R). A Five-Year Plan (2013-2018) for Employment and Skill Development was prepared.

Peace, Stability and Order

Overall, the incidence of violent crime under the Federal jurisdiction seems to have declined: reported murders have decreased by 87%; robberies, by 3%; and rape cases, by 100%. However, terrorism-related incidents have increased by 2.66 over 3 times in 2013-2014. The National Assembly enacted the Protection of Pakistan Act 2014 and the Anti-Terrorism (Second Amendment) Act 2014. The PML-N Government also became the first-ever Government to have introduced a National Internal Security Policy (NISP) 2014-2018. The National Internal Security Policy 2014-2018 also envisaged establishment of a Directorate of Internal Security under the National Counter Terrorism Authority (NACTA). A new operational strategy was introduced consisting of a system of joint patrolling by the Rangers and Police to ensure security in the ICT. The Government formed a committee to hold peace talks with the Tehrik-e-Taliban Pakistan in order to bring to an end the internal violence, which however did not succeed. The number of persons employed in law enforcement agencies under the Federal Government in the ICT was 9,748 in 2012-2013, which was reduced by 1% in 2013-2014 to 9,631. The number of murders committed in the ICT decreased from 123 in 2012-2013 to 67 murders in 2013-2014. The number of murders committed in FATA has fallen by 87% in 2013-2014 in comparison to 2012-2013. The number of armed robberies committed marginally decreased: 273-armed robberies were committed in 2012-2013, while 266 were committed in 2013-2014. The number of rape cases reported has fallen from 17 cases in 2012-2013 to zero in 2013-2014. This, however, raises concerns regarding the rape reporting mechanisms of law enforcement agencies. The number of terrorist attacks in the ICT has increased considerably from 3 in 2012-2013 to 11 in 2013-2014. There was one suicide bombing in both 2012-2013 and 2013-2014 in the ICT. Attacks on public and private buildings/facilities within the federal jurisdiction declined from 3 in 2012-2013 and to 1 attack in 2013-2014. There was one attack on place of worship occurring both in 2012-2013 and in 2013-2014. Only 1 suspected terrorist was killed in a terrorism-related incident in 2012-2013, whereas none were killed in 2013-2014. The number of civilian non-combatants killed in terrorist attacks decreased from 3 in 2012-2013 to 1 in 2013-2014. No federal law enforcement

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personnel were martyred in encounters with criminals in 2012-2013 or 2013-2014.

Investment Friendliness

A survey conducted by the Overseas Investors Chamber found that business confidence, both local and foreign, had improved to a score of 1% positive in 2014. The total investment was around 14% of the GDP, showing 0.1% growth as compared to the previous year. Total foreign investment reached US \$ 2,979 million in July 2013-April 2014, compared to US \$ 1,277 million over the same period in the preceding year, showing over 2-fold increase. During fiscal year 2013-2014, foreign portfolio investment in the country's capital market reached US \$ 2,300 million, which was a 23 times increase from the previous year. In 2013-2014 there was an increase in remittance inflows of 13.7% with a total of US \$ 1,289.46 million compared to US \$ 1,156.98 million during the corresponding period last year. The total investment was around 14% of the GDP, showing a marginal growth as compared to previous year. Despite these positive developments, Pakistan's ranking on the World Bank's ease of doing business index deteriorated from 127th in 2013 to 128th in 2014.

National Defence

The PML-N Government reconstituted the Defence Committee of the Cabinet into the Cabinet Committee on National Security (CCNS) on August 22, 2013. The CCNS was once again renamed as the National Security Committee (NSC) on April 17, 2014. A new division of the Government of Pakistan was also created, namely the National Security Division, with the tasks to function as the secretariat of the NSC. A critical review and revision of the National Security Committee's decision-making role (compared to a consultative or a facilitative one) and its membership of the heads of the Armed Forces, both of which are an anomaly compared to other such forums globally, is needed. Moreover, the NSC only held 3 meetings during the period, which does not show best utilization of this institution. The Economic Coordination Committee (ECC), a principal federal institution and consultative forum, endorsed the draft of the Foreign Contributions Act 2014, which is aimed at monitoring organizations that receive foreign grants, in November 2013. In November 2013, upon the retirement of General Kayani, Lt. General Raheel Sharif was appointed as the Chief of Army Staff. The Federal Government began a process of negotiation with the Tehrik-e-Taliban Pakistan (TTP). At the request of the Pakistan Government, the United States temporarily halted drone strikes in FATA during the talks. However, after the talks failed, and following a terrorist attack on the Karachi airport, the United States eventually resumed strategic strikes on alleged militants. The defence budget saw an increase in the reporting period. In 2012-2013, national defence had been allocated Rs. 570 billion; in 2013-2014, the Government increased the budget by 10% to Rs. 627 billion. In 2013-2014, there was a considerable reduction in both strikes as well as the number of civilian casualties. The civilian casualties by drone strikes had been reduced to 0 in 2014 from 4 in 2013. The 2,640-kilometre Pakistan-Afghanistan border is porous and remained weak, with illegal cross-border movements. During the Afghan elections in 2014, in order to prevent unauthorized crossings, thousands of Pakistani troops were deployed in addition to the 158,000 troops that were already stationed at the Durand Line. National defence agencies finalized plans to dig a deep trench along the border. The Pakistan-Iran border also faced disruptions with the kidnapping of Iranian security guards by militant groups. During the Nauroze festivities in Iran in March 2014, the Iranian Government completely closed the border with Pakistan. Notwithstanding a meeting of the Pakistan-India Joint Working Group (JWG) on cross-Line of Control (LoC) Confidence Building Measures (CBMs) in New Delhi in March 2013, LoC violations by India increased in 2013-2014. The Government of Pakistan made a series of fresh acquisitions from China for national security needs. Saudi Crown Prince Salman bin Abdelaziz visited Pakistan to discuss the possibility of collaborating in the area of national defence.

Parameters with Marginal Improvement

Energy Production and Management

According to NEPRA there was a marginal increase of 550 MW in installed capacity for electricity generation in 2013-2014 representing an increase of 2.3%. The level of electricity generation has gone up from 99,147 Giga watts (Gwh) in 2012-2013 to 105,996 Gwh in 2013-2014. The achieved growth rate of 6.9% is the highest in the last five years. 60% of the increase was in thermal generation, 31% in hydel power and 9% in nuclear power. Power load shedding has been reduced from 18 hours to 10-12 hours per day during summer 2014, the peak demand season. Total power generation rose from 11,000 MW in May 2013 to 16,000 MW in May 2014. In June 2013, the circular debt of almost US \$ 5 billion was retired by paying Rs. 161 billion and making non-cash payment to the Water and Power Development Authority (WAPDA) and the National Transmission and Dispatch Company (NTDC). Foreign Investment was Rs. 46,291 million in 2012-2013, which was increased to 59,844 million in 2013-2014. Budget Allocation in 2012-2013 was Rs. 692 million whereas in 2013-2014 it was increased to Rs. 225 billion. In 2012-2013 actual spending was Rs. 792 million and in 2012-

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2014 it was Rs.642 million. The budgetary allocation to the energy sector has increased, although 2013-2014 has seen a decline in the actual expenditure, which might be because the various projects are in the initial, relatively less cost-intensive phases. The Council of Common Interests approved the National Power Policy 2013 with the consensus of all Provinces on July 31, 2013. The Economic Coordination Committee (ECC) of the Federal Cabinet approved the National Tariff and Subsidy Policy Guidelines 2014 on January 28, 2014. The aim is to end subsidies for domestic electricity consumers using above 200 units a month.

Use of Technologies for Better Governance

The Ministry of Information Technology prepared a much-needed Prevention of Electronic Crime Bill 2014. It was still pending approval of the Parliament as of June 2014. A policy directive was issued by the Ministry of Information Technology in October 2013 to initiate the process of auctioning for 3G and 4G licenses. The latest mobile technologies (4G/LTE) were introduced in Pakistan through a transparent auction on April 23, 2014. The Pakistan Telecommunication Authority generated US \$ 1.182 billion from the auction, including US \$ 902.82 million from 3G spectrums, and US \$ 210 million from the 4G Spectrum. The Ministry of Information Technology decided to merge two organizations, the Pakistan Computer Bureau (PCB) and the Electronic Government Directorate (EGD), both responsible for implementing and supporting the Federal Government's e-government initiatives, into a single entity to be named the National Information Technology Board (NITB). Groundwork on the proposal was completed and the restructuring proposal was placed before the Cabinet Committee on Restructuring (CCOR) as of June 2014. The PTA established a dedicated 24/7 Call Centre in October 2013 to receive and process complaints against suspected grey traffic activity from the general public and received a total of 157,000 complaints. However Pakistan's global rank in the use of IT has dropped from 102 in 2012 to 105 in 2013 out of 144 countries, according to the Global Information Technology Report 2014. In the context of use of ICTs, in particular, the country's position has dropped by 18 places. On the Government's Online Service Index out of 144 countries, it ranked 98 in 2013, which again is a drop from 2012's ranking by one place.

Public Procurement

The first-ever National Procurement Strategy (NPS) was finalized and adopted by the Government in September 2013. A workshop to draft an E-Procurement Strategy for Pakistan was held on May 27, 2014. Compliance with the Public Procurement Rules (PPR) increased from 1% in 2012-2013 to 10% in 2013-2014. The number of tenders uploaded increased by 7.36%, from 26,121 in 2012-2013 to 28,046 in 2013-2014. The number of PPR violations indicated a decrease from 5,721 in 2012-2013 to 4,458 in 2013-2014, a decrease by 6% compared to 2012-2013. The PPRA held 13 training sessions for its employees to train them in dealing with the PPR in 2013-2014 compared to 22 in 2012-2013, training a total of 1,129 participants compared to 4,501 in 2012-2013.

Tax Collection

The Federal Government increased the sales tax rate from 16% in 2012-2013 to 17% in 2013-2014, through the Finance Act 2013. Tax revenue collection by the Federal Board of Revenue (FBR) was Rs. 2,260 billion during the fiscal year against the targeted amount of Rs. 2,275 billion. The FBR missed the original tax collection target of Rs. 2,475 billion for the year 2013-2014 and failed to meet its target by Rs. 15 billion. The target was revised twice during the year and reduced to Rs. 2,345 billion and further to Rs. 2,275 billion during the year. In absolute terms, the FBR collected Rs. 319 billion more in 2013-2014 compared to 2012-2013. The volume of direct taxes collected increased to Rs. 884.1 billion, which represents a growth of 19% from 2012-2013. Collection of sales tax grew by 18.5%; customs, by 0.6%; and federal excise duty (FED), by 15%. The share of direct taxes in total federal taxes has increased from 38% in 2012-2013 to 39% in 2013-2014. Similarly, the share of sales tax has also increased from 43% to 44.2%. On the other hand, the share of custom duty has declined from 12% in 2012-2013 to 11% in 2013-2014.

Parameters with No Improvement

Immunization of Children

The Federal Government restored the operations of the Prime Minister's Polio Monitoring and Coordination Cell, with the Prime Minister as its Chairperson. The National Task Force on Polio Eradication headed by the Prime Minister as Chairperson hosted the first meeting of the National Task Force on Polio Eradication since its reconstitution in 2011. Polio vaccination certificates were made mandatory for all people travelling abroad from June 1, 2014. Under the Expanded Programme on Immunization (EPI), the Federal Government directed the Provincial Governments to

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effectively run awareness campaigns to educate parents to administer oral polio vaccine (OPV) drops to their children during every national drive. Polio was declared a Public Health Emergency of International Concern (PHEIC) in May 2014 under the International Health Regulations. 4 National Immunization Days (NIDs), 4 Sub-national Immunization Days (SNIDs) were held, covering 60% of the under-five population, as well as localized supplementary immunization activities, case responses, and mop-up campaigns. A total of 33,320,524 children were given OPV across the country in 2014, against a target of 34,175,758 children. The number of polio cases increased from 93 in 2013 to 260 in 2014. This represents an increase of 180% compared to 2013, and a tripling of cases reported since 2012. Of the 260 reported cases of polio, 63% were reported in FATA, where the Government has not been able to run a complete polio campaign or vaccinate children since 2011. FATA has a total under-five population of 1.1 million but authorities can only administer OPV to about 0.8 million; the remaining 250,000 children live in the North and South Waziristan agencies where Taliban have banned vaccination, leaving them vulnerable to the virus. The number of environmental samples testing positive for wild poliovirus increased from 19% in 2013 to 35% in 2014. The number of polio cases among children who were not vaccinated against polio as part of the routine immunization process in 2014 increased a little over 3 times for those who missed doses at 0-3 years of age and by 36% for those who missed doses at 4-5 years compared to 2013. The number of polio paralysis cases in children has increased five-fold in Pakistan while across the rest of the world it has been reduced to one-seventh. In 2014, 85% of all polio cases reported in the world were from Pakistan. At the same time, compared to 2013, more people have started refusing polio vaccination for their children. In September 2013, 65,947 families in the country refused to have their children vaccinated, while during a similar campaign in September 2012, 45,122 families had refused. Thus, the percentage of family refusal has increased by 46%.

Education

The enrolment of children in the ICT has increased by 3.1%. Not only has there been an increase in overall enrolment, female enrolment has also improved: 5,993 additional girls enrolled in the ICT schools in 2013-2014, which translated into a 5.6% improvement in female child enrolment. However, although enrolment has improved compared to 2012-2013, there has been a greater increase in the dropout rate in the ICT region. Compared to 2012-2013, when 3,398 children dropped out of schools, 2013-2014 has seen 5,112 children leaving school indicating a 50% increase in the overall dropout rate. The student-teacher ratio has deteriorated at primary level in the ICT, reflecting that the number of primary school teachers has not increased in proportion to the increase in new enrolments. At the secondary level the enrolment has gone up while the number of teachers remained stagnant. There is a slight increase in the number of new primary and Higher Secondary schools as well as middle schools. The number of intermediate and degree colleges, technical and vocational institutes, and universities remained static. The number of teachers in 2013-2014 marginally increased by 3.1% at middle level; 3.27% at high school level; 18.5% at degree colleges; 1.8% at vocational institutes; and 11% at universities as compared to 2012-2013. In 2013-2014 the educational budget was Rs.18.4 billion as compared to Rs. 15.8 billion in 2012-2013 which represents an increase of 16.4%. In FATA the literacy rate has improved in 2013-2014 by 7.5% among girls and by 7% among boys since 2012-2013. A budget of Rs. 3.68 billion was allocated for education in FATA in 2013-2014, which was about 25% of the total Annual Development Plan (ADP) for the region. Specifically in regard to FATA, even though there has been an increase in the literacy rate among girls over the past year, the literacy in the regions stands at a modest 10.5% compared to 36.7% for boys. However, it should be noted that the militancy in the tribal belt has destroyed many educational institutions or forced families to migrate. The Federal Government developed a National Plan of Action to accelerate performance towards the education-related Millennium Development Goals (MDGs) in 2013-2016.

Water Resource Management and Development

A National Water Policy document was prepared but it has still not been formally passed or approved by the CCI. In order to conserve water through dams, the Government has been developing the Gomal Zam Dam, which has a capacity of 1.14 million acre-feet (MAF), and Satpara Dam with a capacity of 0.02-MAF. There was an increase in the loss of water to the sea through system inflows by approximately 13% in 2013-14 in comparison to the previous year. The proportion of the allocation to this sector in the federal PSDP declined from 14% in 2012-2013 to 11% in 2013-2014. Moreover, the Government spent only 56% of the allocated budget, compared to 67% in the previous fiscal year.

Devolution of Power to the Lower Tiers

The Islamabad Capital Territory Local Government Bill 2013 was tabled before the National Assembly however it has not been passed during the period. The proposed law on Local Governments in the Cantonments has been tabled in the National Assembly but there has been no further progress during the period. Two meetings of the Council of Common Interest were held, on July 31, 2013 and February 10, 2014. In its manifesto, the PML-N pledged to hold Local

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Government Elections (LGE) in the country within six months of coming to power. Whereas During 2013-2014, the Federal Government has repeatedly requested the Supreme Court to extend its deadline for the elections and failed to hold LGE in the ICT and FATA areas. Under the National Finance Commission (NFC), the Provincial Governments are ensured their financial independence, which is critical to devolution of powers to the local tiers. The 8th NFC Award was due in June 2014, as the 7th NFC award was valid for 5 years and has expired. No progress was witnessed towards the formation and activation of the NFC for the 8th award.

Management of Unemployment

A nationwide employment scheme for the youth has been initiated with a total allocation of Rs. 12.5 billion approximately. Unemployment rates have increased from 6% in 2012-2013 to 7% in 2013-2014. Rural unemployment is at twice the level of urban unemployment. According to a global report of the International Labour Organization (ILO), as of 2013, On the other hand the Pakistan's labour force is expected to grow by 4% in coming years. However, with only 25% of the youth employed in the formal sector, unemployment will continue to be a problem. Of the 100,000 loans announced under the Prime Minister's Small Business Loan Scheme in December 2013, only 5,414 were availed by youth across the country as of May 2014. NAVTTC has trained 6,677 individuals collectively under the President's *Fanni Maharat* Programme and the Prime Minister's *Hunnermand* Pakistan Programme. However, the schemes have yet to show a significant impact as projected unemployment figures of the Pakistan Bureau of Statistics showed a marginal rise in 2014. In some of the schemes, such as the Small Business Loan Scheme, students cannot enter loan agreements directly but have to do so through a guarantor. Finding guarantors willing to contract loans on their behalf is difficult for youth and limits the loans' accessibility to them.

Performance of Regulatory Bodies

The Government made three new appointments to regulatory bodies during the period: Chief Executive Officer for the Drug Regulatory Authority (DRAP), Governor, State Bank of Pakistan, Chairman for the National Electric Power Regulatory Authority (NEPRA). The President removed Chairman of the PEMRA from his office. In 2013-2014 five important entities—the PTA, PEMRA, SECP and CCP—are under the charge of acting chairmen, as the Government has not been able to appoint permanent chairmen. In the case of the Public Procurement Regulatory Authority (PPRA), the Secretary of the Finance Division was appointed the Chairman during 2012-2013. As this compromised the independence and transparency of the PPRA, the current Government challenged the appointment. The Government also challenged the fairness and transparency of the appointment of the Chairman of the Oil and Gas Authority (OGRA) in the previous fiscal year.

Management of Inflation

Inflation stood at 5% at the beginning of June 2013. Fiscal year 2013-2014 started with single-digit inflation, 8%, in July 2013. This trend was maintained until October 2013 because of lower international market prices, a domestically balanced supply position, and appropriate monitoring of prices. Inflation peaked in November 2013 to 11% on account of adjustment of electricity prices and a short-term shortage of commodities' supply. This automatically resulted in an increase in food inflation to 13%, and raised the Sensitive Price Index (SPI) to 14.1%, and the Wholesale Price Index (WPI) to 10.1%. Inflation decreased in December 2013, with the Consumer Price Index (CPI) declining to 8% in January 2014. However, in March and April 2014, inflation rates surged again to 8.5% and 9%, respectively. The main reason was the increase in food price inflation, which caused overall inflation to be driven upwards. Over 2013-14, the CPI witnessed an increase of 2% as inflation stood at 8% in June 2014, compared to 5.9% in June 2013. Food inflation, on average basis, stood at 7.4% as of June 2014 compared to 7.9% in June 2013, reflecting an overall decrease of 0.5%. Core inflation (non-food, non-energy) stood at 9% as of June 2014 compared to 8% in June 2013, reflecting an increase of 0.9% over the fiscal year. The SPI stood as 6% in June 2014 compared to 5% in June 2013, reflecting a decrease of 2 percentage points over the fiscal year. The WPI stood at 8% in June 2014 compared to 5% in June 2013, reflecting an increase of 3 percentage points over the fiscal year. Food and non-food items for which wholesale prices decreased in fiscal year 2013-2014 compared to the previous year included spices, pulses, vegetable ghee, other oil seed, furnace oil, synthetic carpets, radio and television related items.

Parameters with Declining Performance

Management of Population Growth

The data depict a general improvement in the management of population growth in the country. Although the total

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population is increasing, the total fertility rate (TFR), crude birth rate, and population growth rate are decreasing. However, the death rate is also decreasing, counterbalancing the reduction in the birth rate in Pakistan. Notably, the figures represent the national situation and not just conditions in territories under the Federal Government's purview. According to a survey conducted in 2012-2013 by the National Institute of Population Studies (NIPS), the ICT has the lowest TFR in the country, i.e., 3.0. Contraceptive prevalence rates show prevalence of both modern and traditional methods of contraception is highest in the ICT. In particular, the Population Census has not been held since 1998 and therefore the bulk of information being used by Provincial Governments to development policies and strategies is severely out-dated or based on the calculations of external organizations.

Environmental Sustainability

The Framework for Implementation of Climate Change Policy (2014-2030) was issued in November 2013. To fulfil international commitments under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Bio-safety Rules have been formulated. The Environmental Protection Tribunal fined a total of 21 entities, including 2 steel mills, 2 brick kilns and 17 housing societies, in the Islamabad Capital Territory area.

Healthcare

Overall, the number of patients suffering from tuberculosis in the federal region increased in 2013-2014 from 0.23% to 0.27%. The number of patients suffering from various types of hepatitis remained the same as in the previous year. Although the number of doctors employed in the public sector by the Federal Government has remained the same since 2012-2013, the number of patients treated at Federal Government hospitals and clinics has decreased. Health facilities under the Federal Government treated 27% fewer patients in 2013-2014 than in 2012-2013. This could either mean that the health conditions of the people improved, or access to healthcare decreased, or the efficiency of doctors decreased. Furthermore, the number of hospitals established under the Federal Government remained the same in 2013-2014 as the previous year, although the number of hospital beds increased from 5,658 to 5,794. The total budgetary allocation for healthcare under the Federal Government increased from Rs. 60 billion in 2012-2013 to Rs. 70 billion in 2013-2014. The Drug Regulatory Authority of Pakistan (Amendment) Bill 2013 was passed in the National Assembly, but remained under discussion in the Senate during the period. Furthermore, the Ministry of National Health Services and Regulation has decided to amend the Drug Act 1976 to introduce stricter penalties for those found guilty of trading spurious medicines.

Utility Bills Collection

In 2013-2014, an amendment bill was introduced in the National Assembly to amend the Electricity Act, 1910. The bill proposes a minimum penalty of one-year imprisonment and a fine of Rs. 1 million for consumers involved in power theft. The maximum penalty is seven-year imprisonment and a fine of Rs. 10 million. With regard to the offences and penalties relating to electricity, amendments in the Pakistan Penal Code (PPC) and Code of Criminal Procedure (Cr. PC) have been proposed. There was no outstanding amount of gas bills at the end of 2012-2013, whereas by the end of 2013-2014, a sum of Rs. 3,592.704 million remained to be collected. Collection of payments against electricity bills until May 2014 was Rs. 86 billion, against estimated collection by June 2014 of Rs. 800 billion. Among power distribution companies, the Multan Electric Power Company (MEPCO) came out as a clear winner, with 107% collection against bills and an increase of 30% from the previous year. There was an improvement in collection by the Lahore Electric Supply Company (LESCO), which increased its collection by 20% and Hyderabad Electric Supply Company (HESCO), which increased collection by 11%. In Islamabad Electric Supply Company (IESCO), the Peshawar Electric Supply Company (PESCO) and the Sialkot Electric Supply Company (SEPCO), however, collection increased only by 1%. There was no increase in the proportion of payments collected against electricity bills by TESCO and FESCO.

Transparency

46 information requests were submitted to federal public bodies under the Freedom of Information Ordinance 2002 and responses were provided for only 2. During 2013-2014, 9 complaints were received under the Freedom of Information Act, 2002; there were 2 interventions by the appellate body; and no information was received in either case on the intervention of the appellate body. 9 requests were sent to the Interior Ministry under the Freedom of Information Ordinance, 2002. In comparison, in 2012-2013, 70 information requests were submitted at all tiers of government, and only 6 public bodies provided the requested information within a reasonable timeframe of 21 days as mentioned in the Freedom of Information Ordinance 2002. The number of complaints lodged with the Ombudsman by the Federal Public Bodies remained the same, i.e., 8, in both 2012-2013 and 2013-2014. The total number of requests for information made under Freedom of Information Ordinance was 10 in 2012-2013 and 70 in 2013-2014.

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Poverty Alleviation

The Federal Government has increased the monthly cash grant of the Benazir Income Support Programme (BISP) from Rs. 1,000 to Rs. 1,200 to each deserving household. The number of beneficiaries also rose by 9.38% compared to 2012-2013. Yearly cash grants under the BISP witnessed an increase of 12.39% from Rs. 42.87 million in 2012-2013 to Rs. 48.18 million in 2013-2014. A comparison of allocation to pro-poor sectors shows that, as a percentage of the GDP, such allocations increased from 10.4% in 2012-2013 to 12% in 2013-2014..Development expenditure through both the BISP and the Pakistan Poverty Alleviation Fund (PPAF) has increased in 2013-2014 compared to the previous fiscal year. While the amount allocated under the BISP has increased by 21.17%, it has decreased by 6.29% against the budgeted estimates for 2013-2014. Likewise, development expenditure under the PPAF has increased by 3.24%. However, compared to the budgeted estimates for 2013-2014, it has in fact decreased by 3.26%. The Federal Government has continued to allocate a minimum of 4.5 per cent of the GDP to social and poverty-related expenditures. According to the United Nations Human Development Report, Pakistan's ranking on the Human Development Index (HDI) remained unchanged at 146th among 187 countries in 2013 and 2014. While Pakistan adopts a one-dimensional consumption-based approach to measure poverty, according to the multidimensional poverty index (MPI) of the United Nations Development Programme (UNDP), 46% of the population of Pakistan live below the poverty line.

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Introduction

Background and Rationale

As a basic principle and assumption, democracy must translate into improved governance in a country. In order to assess whether democratic governments have been able to deliver improved governance in Pakistan, their performance has to be assessed on certain parameters. PIDAT has undertaken this exercise by first forming a Governance Assessment Group (GAG) comprising leading experts from all four provinces. With the valuable input from the members of the GAG, an indigenous PILDAT Governance Assessment Framework has been developed by PILDAT, which formed the basic guideline to carry out an assessment of the quality of governance in the Federal and Provincial Governments.

Methodology

The PILDAT Governance Assessment Framework has been used to collect data from the government sources, which has been further substantiated through other reliable and official sources. A detailed comparative analysis has been carried out between the preceding and current financial years. A matrix has been developed based on the Governance Assessment Framework. Statistical analysis has been carried out which indicates whether performance on governance has improved, marginally improved, remained static or deteriorated in comparison to the previous year. This methodology guarantees a fact-based and impartial assessment of government performance.

In addition to PILDAT's assessment of quality of governance based on data analysis provided by respective Governments, PILDAT also conducted a Public Opinion Poll to ascertain public perception in key governance areas of both Federal and 4 Provincial Governments. The rationale behind the exercise is to provide both public approval ratings on governance indicators as well as governance scores assigned based on analysis of the data provided by Governments.

The draft Score Cards and assessment based on the analysis of the Government data are shared with each Government to receive official input before publication and public dissemination. This is to ensure that stakeholders and Government take ownership of the assessment.

Both the Score Card based on analysis of the Government data as well as Public Approval Ratings on governance parameters through public opinion polls are planned to be conducted annually by PILDAT to

The rationale behind the exercise is to provide both public approval ratings on governance indicators as well as governance scores assigned based on analysis of the data provided by Governments

keep a track of the trend of performance on governance.

The findings emanating from the assessment are to be presented to relevant Government and its Ministries/Departments as the objective behind the exercise to assess quality of governance across Federal and Provincial Governments is to improve governance across Pakistan.

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Scheme of this Score Card

PILDAT has undertaken to compile this Score Card, which assesses the performance of the Federal Government in the financial year 2013-2014 in 25 parameters. Each parameter has sub parameters that address 3 to 8 questions in order to get specific information on that particular area of working of the Government ministry/division/body. The data is collected, organized and analysed according to these sub parameters within each parameter.

In each parameter there is a discussion on:

- How many legislative and policy interventions have the Government introduced and got passed?
- How many new institutions, bodies and/or committees have been created or restructured to design, execute and oversee the implementation?
- What key steps have been taken to implement and execute laws and policies?
- What has been the budgetary allocation and actual spending in the parameter?
- How has the Government performed compared to the previous year? (In this case year 2013-2014 as compared to the year 2012-2013). Specific questions were devised and answered relating to each parameter to understand and assess the performance on implementation.

Use of Government Data

Not only this is the first Score Card of its kind prepared indigenously in Pakistan to assess quality of governance based on a specific framework, the strength of this assessment is that it is based primarily on official performance data provided by the Government of Pakistan. PILDAT sought official data on governance performance by providing data sheets to Government so that relevant data is organized in a systematic format. These data sets have been further substantiated through open source and other official sources.

At places, however, the analysis is based partly or solely on open source material due to unavailability of sufficient/ related data from the Government especially under the parameters of National Defence, Foreign Policy Management, Devolution of Powers to Lower Tiers, and Management of Unemployment.

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Overview of the Quality of Governance: Assessment of the Federal Government

The Federal Government assumed office through the election of the Prime Minister on June 4, 2013.

This assessment shows that the focus of the Government was on energy sector, National Defence and Internal Security. The foreign policy was also focused on to bring in foreign investments.

Power shortages have impacted the economy and growth. The subsidies and circular debt are a major drag on the budgetary allocations on social and development sector. Besides the issues of private power producers, inefficient power generation and unfavourable fuel mix, it is also a case of lack of good governance. There are losses at every stage of the entire value chain from generation, transmission, distribution and collection. If these management and governance issues are addressed, 30 to 40% of the problems relating to the energy sector could be solved.

Another major issue is the devolution of powers at the provincial level, which has not taken place in the real sense. Rather than devolving the line departments and divisions under the devolved ministries to the provinces and reducing the size of Federal Government, many departments and divisions have been attached either under the Cabinet Secretariat or under some ministry. The budget is assigned to them as it was assigned earlier and no effort has been made to do away with these department/divisions.

Legislative Development

The legal and policy initiatives remained bare minimum. While 11 bills were passed by the National Assembly, in addition to the Finance Bill, 2013-2014, only one of these became a law after its passage by the Senate.

The Government has introduced the Islamabad Capital Territory Local Government Bill in the National Assembly whereas the amendments to the Cantonment Laws have also been tabled in the National Assembly. No significant progress has been seen with this regard and therefore conducting Local Government Elections in the ICT, Cantonments and FATA could not materialize during the reporting period even though the Supreme Court has time and again announced deadlines to conduct local government elections. This reflects on the Government's intentions and sincerity in conducting local government elections in areas under Federal jurisdiction.

Economic and Infrastructure Development

The economic outlook showed promise and steady progress. Funds from Saudi Arabia, the International Monetary Fund (IMF) Extended Fund Facility (EFF) programme and two World Bank Development Policy Credits are used to increase foreign exchange reserves, meet debt-service obligations, undertake large energy and infrastructure projects to restructure the energy sector, foster private and financial sector developments, improve social protection and revenue mobilization. Fiscal deficit was contained at around 5.5% of the GDP as compared to 2012-2013, which was 8.3% of the GDP. Meanwhile the capital market transactions were also completed by selling shares of United Bank Limited and Pakistan Petroleum Limited in June 2014, and auctioned 3G telecoms licenses. The GDP growth rate was 4.1%, primarily driven by the services and manufacturing sectors as agricultural growth remained stagnant. Whereas all the economic targets have not been achieved. The tax to GDP ratio stood at 8.8% according to the Economic Survey of Pakistan 2013-2014, which was targeted at 9.5%. However the Finance Minister presented an optimistic view by stating that 70 to 80% of the targets have been met and as the targets were increased from 2012-2013 therefore the economy has shown improvement and an upward trend.

Social Development and Progress to Millennium Development Goals (MDG)

There was improvement in the socio-economic indicators. Literacy rate increased only marginally, from 58% to 60%, while per capita income increased by 3.5%. While the official figures for poverty have not been released for some years, almost half of the country's population is believed to be living below the poverty line. Unemployment rate is just below 6% according to the Economic Survey 2013-2014, the unemployment in real terms is 6.2%.

The Government has shown little progress in achieving MDGs and will almost miss all targets for the 8 MDGs. Federal Government seems to have adequately addressed reducing absolute poverty and improving shared prosperity, which is the first goal under MDG. Unfortunately there have been natural disasters in the form of floods, earthquake and famine, which destroyed valuable lives, livelihood, land and crops, cattle and livestock. This has been a great set back for the country. The relief efforts have not been proportionate to the damage caused, which made a large population vulnerable to poverty. Approximately 23 million people almost 13% of the total population live on an amount between US \$1.25 and US \$1.50 per

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day, and this can increase the poverty rate.⁴ However the official figures of poverty are not timely released and those too are only estimates. Therefore change in the extent of poverty cannot be conclusively determined.

In relation to the second MDG of universal primary education, overall literacy rates have improved slightly; enrolment has also increased marginally, yet the Government has only allocated 7% of the total budget to primary education. This on the other hand show decline in real terms as compared to the last year's budgetary allocations. As there was no budgetary increase for primary education therefore no new primary schools have been opened during this period, which means no serious efforts are made in this regard.⁵ The focus of Government is not on primary education and so it will not be able to meet the target to achieve MDG of universal primary education by 2015.

Health and nutrition outcomes in Pakistan lag behind those in other South Asian countries. While the infant mortality and under-five mortality rates have fallen, the decline is far slower than in other South Asian countries. High fertility puts an enormous burden on women's health, as reflected in the high maternal mortality ratio (170 deaths per 100,000 births). The prevalence of nutritional stunting among children under age five (43.7%) has remained virtually unchanged since 1965. So in regard to the forth MDG reducing child mortality is the not going to be met either. The analysis of the top few ones highlight that there is going to be a similar progress regarding the rest of MDGs.

Financial Policies: Budgetary Allocations and Spending

The financial issues in the budget were the fiscal deficit, debt, and balance of payments problems amongst others. This year too the expenditure exceeded the revenue under the budget of 2013-2014. The budget deficit target was agreed upon with the International Monetary Fund (IMF) and balance of payment was maintained through the IMF Extended Fund Facility and the US \$ 1.5 billion grant from Saudi Arabia including the remittances of US \$ 13 billion. Whereas the Current Account Deficit was US \$ 2.1 billion as compared to US \$ 1.5 billion last year. The Government was able to auction 3G and 4G spectrums and entered

The budget deficit target was agreed upon with the International Monetary Fund (IMF) and balance of payment was maintained through the IMF Extended Fund Facility and the US \$ 1.5 billion grant from Saudi Arabia including the remittances of US \$13 billion

into the Europe bond market which relieved debt burden.

The overall estimated expenditure during 2013-2014 was Rs 3,985 billion, out of which the current expenditure was Rs. 3,196 billion and development expenditure was Rs. 789 billion. The Public Sector Development Programme (PSDP) for 2013-2014 was Rs. 1,155 billion of which Rs. 615 billion was allocated to Provinces. Rs. 975 billion was to be borrowed from the banks, which is almost twice the original budget estimates for 2012-2013, i.e., Rs. 483 billion. There were no incentives for agriculture and industry. There was no provision for the improved tax collection. Major reliance of the budget was on withholding tax, which indicated that the Government was unable to depend on FBR to expand the tax net.

The budget deficit was curtailed at 5.1 per cent of the GDP as agreed with the IMF. The budget did not provided for strengthening the economy and much of the projects were politically motivated ignoring real issues like health and education. At the same time the budgetary spending also decreased under many parameters, which shows inefficient financial decision making with in the Government.

4. Pakistan Country Snapshot, the World Bank Group, October 2014 Available at [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2014/10/20/000333037_20141020120039/Rendered/PDF/916290WP0Pakis0L0Box385333B00PUBLC0.pdf] Accessed on February 16, 2015

5. Id

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Assessment of the Quality of Governance by the Federal Government under Individual Parameters⁶

Anti-Corruption Efforts

Legislative and Policy Interventions

None

Key Steps Taken

The President of Pakistan appointed Mr. Qamar Zaman Chaudhry as Chairman, National Accountability Bureau (NAB) in October 2013. The position had been vacant since May 28, 2013.⁷ Subject to the Supreme Court's decision to pursue an inquiry against him, Mr. Qamar Zaman Chaudhry proceeded on leave soon after his appointment. However, after the inquiry was completed, he resumed as Chairman, NAB in December 2013.⁸

The concept of Combined Investigation Teams (CITs) has been strengthened in NAB to minimize the discretion of the legal consultant, the case officer and experts from the relevant field. This will help boost teamwork and leaves no room for individual discretion

in the investigation process.⁹

Analysis

During the year 2013-2014, NAB received 19,816 complaints—nearly double the number received in 2012-2013 (Table 2).¹⁰ Inquiries were authorized for 767 of the complaints received. Investigations were launched following 276 of the inquiries conducted.¹¹ Of the 276 investigations, 152 translated into references and cases were filed in the Accountability Court. The current conviction rate increased by 10% compared to the previous year.¹²

The global report of Transparency International (TI) for 2014 found Pakistan's score against the Corruption Perception Index (CPI) to have improved from 28 to 29, while the country's ranking among countries improved from 127 in 2013 to 126—its best ranking against the CPI in 20 years.¹³ (In 2012, the country had ranked 138th).

The NAB has been able to recover Rs. 21 billion in 2013-2014 as compared to Rs. 6 billion in 2012-2013 showing 2.5 times increase. This steep increase was due to increase in the voluntary returns.¹⁴

Table 2: Comparative Performance of the NAB

	2012-2013	2013-2014
Complaints received	10,414	19,816
Inquiries conducted	873	767
Investigations conducted	84	276
Cases filed	138	152
Conviction rate	65%	75%
Status of Corruption Perception Index		
Score	28/100	29/100
Ranking	127/175	126/175

Source: *The News*, NAB presents its performance for 2013-2014.¹⁵

6. Given in alphabetical order.

7. Dawn: SC orders appointment of NAB Chairman in one week available at [<http://www.dawn.com/news/1040773>] accessed on January 20, 2015.

8. Dawn: Zaman Chaudhry reinstated as NAB Chairman available at [<http://www.dawn.com/news/1076515>] accessed on January 20, 2015

9. The News: NAB presents its performance for the last one year available at [<http://www.thenews.com.pk/Todays-News-6-289272-NAB-presents-its-performance-for-the-last-one-year>] accessed on January 20, 2015

10. The News : NAB presents its performance for the last one year available at [<http://www.thenews.com.pk/Todays-News-6-289272-NAB-presents-its-performance-for-the-last-one-year>] accessed on January 20 ,2015

11. *id*

12. The News : NAB presents its performance for the last one year available at [<http://www.thenews.com.pk/Todays-News-6-289272-NAB-presents-its-performance-for-the-last-one-year>] accessed on January 20 ,2015

13. (Abbassi, 2014)The News: Pakistan gets best corruption index rating in 20 years available at [<http://www.thenews.com.pk/Todays-News-13-34466-Pakistan-gets-best-corruption-index-rating-in-20-years>] accessed on January 20, 2015

14. NAB Annual Report 2013-2014 available online at [<http://www.nab.gov.pk/Downloads/Annual-Report-2014.pdf>] accessed on April 9, 2015

15. The News : NAB presents its performance for the last one year available at [<http://www.thenews.com.pk/Todays-News-6-289272-NAB-presents-its-performance-for-the-last-one-year>] accessed on January 20 ,2015

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Devolution of Power to the Lower Tiers

Legislative and Policy Interventions

The Islamabad Capital Territory Local Government Bill 2013 was tabled in the National Assembly. However, it has not been passed during the reporting period.¹⁶

Key Steps Taken

The Election Commission of Pakistan (ECP) and the Ministry of Defence reached an agreement to hold Local Government Elections in 53 Cantonment Boards on November 3, 2013.¹⁷ There was a need to amend the Cantonment Laws. Therefore a 12-member Committee was formed to consider the draft Cantonment (Amendment) Ordinance 2013.¹⁸ The proposed law on local governments in the Cantonments has been tabled in the National Assembly but there has been no further progress.

Two meetings of the Council of Common Interest have been held, on July 31, 2013 and February 10, 2014.¹⁹ The Prime Minister chaired both these meetings.

Analysis

The Islamabad Capital Territory (ICT): In its manifesto, Pakistan Muslim League-Nawaz (PML-N) pledged to hold local government elections (LGE) in the country within six months of coming to power. During 2013-2014, the Federal Government has repeatedly requested the Supreme Court to extend its deadline for the elections and failed to hold LGE in the ICT. Not much progress has been made in this regard.

Federally Administrative Tribal Areas: (FATA) While a law has been introduced for holding Local Government Elections in the ICT, it is still unclear whether LGE will be held in FATA at all. The All Parties Conference on FATA has repeatedly asked the Government to hold LGE in the tribal agencies. It is recommended that a timeframe for the local government election in FATA be given, as the problems of the area can be better resolved through a local government system.

Cantonments: LGE could not be held during the reported period in the Cantonments since prior

The 8th National Finance Commission (NFC) Award was due in June 2014, as the 7th NFC, valid for 5 years, has expired. However, the 8th Award was not agreed in time as the commission has not been formed and activated in time by the Federal Government

promulgation of the Cantonment (Amendment) Ordinance was necessary. The proposed law has been tabled in the National Assembly but no further progress has been achieved.

The limited progress achieved may reflect a lack of commitment on the part of the Federal Government to hold LGE.

Under the National Finance Commission (NFC), the Provincial Governments are ensured their financial autonomy, which is critical to devolution of powers to the local tiers. The 8th National Finance Commission (NFC) Award was due in June 2014, as the 7th NFC, valid for 5 years, has expired. However, the 8th Award was not agreed in time as the commission has not been formed and activated in time by the Federal Government.

16. The News: Govt. introduces Islamabad local government bill in NA available online at [<http://www.thenews.com.pk/Todays-News-13-27193-Govt-introduces-Islamabad-local-government-bill-in-NA>] accessed on January 27, 2015

17. Dawn : LB polls in cantonment boards on Nov 3 available online at [<http://www.dawn.com/news/1042050/lb-polls-in-cantonment-boards-on-nov-3>] Accessed on January 27, 2015

18. *id*

19. Council of Common Interests available online at [<http://www.ipc.gov.pk/gop/index.php?q=aHR0cDovLzE5Mi4xNjguNzAuMTM2L2lwYy91c2VyZmlsZXMxL2ZpbGUvSVBBDL0NPVU5DSUwIMjBvZiUyMENPTU1PTiUyMEIOVEVSRVNUUyUyMF9DQ0lfLnBkZg%3D%3D>] accessed on January 20, 2015

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Disaster Preparedness and Management

Legislative and Policy Interventions

In the wake of the floods of 2014, the Federal Government has compiled a “Recovery Needs Assessment and Action Framework 2014-2016.” The document identifies and estimates the cost of steps required to bridge the gap between relief and rehabilitation, specifying interim, transitional and immediate actions to assist the affected population.

The National Disaster Risk Reduction Policy 2013 has been formulated to promote priority measures to ameliorate existing vulnerabilities and ensure that future development initiatives add resilience.

A National Monsoon Contingency Plan 2014 has been developed to guide the national response in Monsoon-related disaster risk situations that are beyond provincial/regional response capacities.

A National Disaster Management Plan has been developed to improve preparedness against disasters and minimize damage caused by them.

Key Steps Taken

The National Disaster Management Authority (NDMA) held a two-day “Media Workshop on Disaster Reporting” at the National Institute of Disaster Management (NIDM), Islamabad to raise the awareness of journalists regarding the role they can and should play in disaster situations.

The NDMA and World Bank organized a series of

The earthquake left 386 people dead in Awaran, several more injured, and thousands of houses damaged (Table 3). According to data available from the NDMA, the government contributed to relief efforts by providing a significant proportion of ration packs, tents, blankets, and other necessary relief goods

trainings for members of the National Working Group (NWG) on Vulnerability and Risk Assessment from July 1-12, 2013.

The NDMA has also formulated a National Disaster Management Plan identifying 10 priorities and 118 specific projects, estimated to cost US \$1 billion, to be implemented over the next ten years.

Preparation of National Flood Protection Plan-IV (2014-2024) has been initiated.

The Governments of Japan and Pakistan agreed to implement two projects worth ¥ 3.64 billion (equivalent to approximately US \$ 36 million or Rs. 3.2 billion) for facilitating disaster management through improving the capacity of sewerage and drainage services and the weather forecasting system in Pakistan.²⁰

Analysis

During 2013-2014, the Government faced two floods in the country as well as an earthquake in Awaran and drought in Tharparker.

The earthquake left 386 people dead in Awaran, several more injured, and thousands of houses damaged (Table 3). According to data available from the NDMA, the government contributed to relief efforts by providing a significant proportion of ration packs, tents, blankets, and other necessary relief goods. Table 4 shows the proportion of the government's contribution in the overall coordinated relief support provided by other stakeholders, including the United Nations (UN), and local and international non governmental organizations (NGOs).

Table 5 reflects that the damages inflicted by the flood in 2014 were far greater than those caused by the 2013 flood. For example, at the peak of the disaster, 90,019 persons were present in relief camps in 2014, compared to 4,155 in 2013, and overall, the 2014 flood affected 2,530,000 people while the 2013 flood affected 1,489,063.

Consequently, many more people were in need of relief support in 2014 compared to 2013. Tables 6 and 7 list the relief goods provided by the NDMA in response to the floods of 2013 and 2014 respectively.

The NDMA's coordinated efforts to respond to the disasters and careful reporting of damages as well as

20. The Nation: Disaster management projects deal signed available online at [<http://nation.com.pk/business/14-Nov-2014/disaster->

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Table 3: Summary of Losses/Damages – Awaran Earthquake 2013

Areas	Deaths	Injured	Houses Damaged	
			Completely Damaged	Partially Damaged
Total	386	816	32,638	14,118

Source: National Disaster Management Authority Earthquake Awaran, <http://www.ndma.gov.pk/new/>

Table 4: Relief Provided after Awaran Earthquake 2013

Relief	Total	NDMA Contribution
Ration packs	254,224	20,000
Tents	48,272	12,570
Blankets/Quilts	94,152	26,899
Plastic mats	52,101	37,511
Mosquito nets	23,200	5,000
Mineral water	43,201	-
Non-food items (NFI)	5,815	6
Warm jackets	8,500	8,500

Source: National Disaster Management Authority, "Earthquake Awaran," <http://www.ndma.gov.pk/new/>.

Table 5: Summary of Losses/Damages – Flood 2013 and Flood 2014

	Deaths	Injured	People Affected	Crops Affected (Acres)	Houses Damaged		Villages Affected	Relief Camps Established (Peak Season)	Persons in Relief Camps	Cattle Head Perished
					Partially	Fully				
Flood 2013	333	173	1,489,063	1,107,260	46,180	33,763	8,297	618	4,155	13,504
Flood 2014	367	673	2,530,000	2,412,000	107,102	-	-	527	90,019	-

Source: National Disaster Management Authority, "Flood 2013" and "Flood 2014," available at [<http://www.ndma.gov.pk/new/>]. Data is based on the reports provided by respective PDMAs.

Table 6: Relief Provided for Flood 2013

Relief	Total	NDMA Contribution
Tents	57,884	15,000
Food packs	126,550	200
Blankets	17,187	0
Food Items	95,044	0
Mosquito nets	31,250	8,000
Dewatering pumps	63	25

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the relief effort is commendable given the negligible information generally available for other governance parameters. The data available indicate an improvement in the readiness of the NDMA in 2013-2014 to respond to future flood disasters. Policy interventions as well as the key steps taken in capacity building imply a strategic and administrative focus on preparedness paralleling relief efforts.

This focus is also reflected in budgetary allocations. The actual expenditure on disaster preparedness and response had increased from Rs. 93.854 million in 2011-2012 to Rs. 166.420 million in 2012-2013. The

NDMA data shows a further increase in budgetary allocations from Rs. 166.420 million in 2012-2013 to Rs. 180.532 in 2013-2014 (Table 8).

However, room for improvement remains, as evidenced by gaps between planned and delivered relief for people affected by the Tharparkar drought. Table 9 shows that, out of the planned relief of 267.75 tons of rice, only 141 tons reached the destitute; similarly, of the planned 474.95 tons of miscellaneous food items, only 232.8 tons reached the affected area. These leakages must be investigated and avoided in the future.

Table 7: Relief Provided for Flood 2014

Relief	Total	NDMA Contribution
Tents	95,395	23,475
Food packs	198,463	-
Blankets	27,290	24,000
Mosquito nets	23,900	-
Dewatering pumps	18	10

Source: National Disaster Management Authority Flood 2014 Available at [<http://www.ndma.gov.pk/new/>] Accessed on March 15, 2015.

Table 8: Budgetary Allocation to NDMA, Rs. millions

Actual Expenditure		Budget		Forecasts	
2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
93.854	166.420	180.532	169.417	177.752	186.533

Source: Data provided by the National Disaster Management Authority, Government of Pakistan

Table 9: Planned and Delivered Relief for Tharparkar Drought 2014

Relief	NDMA		Total	
	Planned	Reached	Planned	Reached
Wheat bags	-	-	13,172.1 tons	12,679 tons
Food packs	5,000	5,000 bags	9,754.055	9,780.965
Rice	-	-	267.75 tons	141 tons
Miscellaneous food items	-	-	474.95 tons	232.8 tons
Mineral water	-	-	171,632	171,632
Biscuits, baby cereal, oral rehydration salts, milk, juice	-	-	134,811 packs	134,811 packs
Fodder (40-kilogram bags)	-	-	68,930	68,930

Source: National Disaster Management Authority, "Drought Tharparkar," Available at [<http://www.ndma.gov.pk/new/>] Accessed on March 15, 2015.

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Education

Legislative and Policy Interventions

None

Key Steps Taken

The Federal Government developed a National Plan of Action to accelerate performance towards the education-related Millennium Development Goals (MDGs) in 2013-2016. The Plan aims to maximize the number of children enrolling and completing their primary education.²¹

Analysis

The number of new higher educational institutions created by the Federal Government to ensure quality higher education has decreased over the last year. In the year 2012-2013, a total of 10 of universities/higher education institutions were set up, whereas in 2013-2014, the Federal Government could only establish 2 universities/institutions.

The enrolment of children in the ICT has increased by 3%. Not only has there been an increase in overall enrolment, but female enrolment has also improved: 5,993 additional girls enrolled in ICT schools in 2013-2014, which translated into a 5.6% improvement in female child enrolment.

However, although enrolment has improved compared to 2012-2013, there has been a greater increase in the dropout rate in the ICT region (Table 11). Compared to 2012-2013, when 3,398 children dropped out of schools, 2013-2014 has seen 5,112 children leaving school prematurely, indicating a worrying 50% increase in the overall dropout rate (Table 11).

As Table 12 shows, the student-teacher ratio has risen at primary level in the ICT, reflecting that the number of primary school teachers has not increased in proportion to the increase in new enrolments. The scenario at the secondary level is similar: enrolment has gone up while the number of teachers remains stagnant. This reflects positively on the rate of enrolment but negatively on the student-teacher ratio.

According to the statistics presented in Table 13, enrolment across different education levels has gone up in 2013-2014 compared to the previous year, except for primary education. While primary level enrolment has declined by 0.02%, pre-primary enrolment has increased by 1.9%; middle level enrolment by 4.13%; and high school enrolment by 6.69%, indicating improvement is greatest at this level. Enrolment at degree levels has also improved by 21.9% to 773,100.

Table 13 also indicates that there has been a slight

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increase in the number of new primary and Higher Secondary schools as well as middle school. The number of intermediate and degree colleges, technical and vocational institutes, and universities remained static.

Except at the primary level, the number of teachers has slightly increased at all levels of education compared to 2012-2013. The figures in Table 13 indicate a marginal increase in the number of teachers by 3.1% at middle level; 3.27% at high school level; 18.5% at degree colleges; 1.8% at vocational institutes; and 11.3% at universities.

FATA has seen a significant improvement in literacy in the reporting year. As shown in Table 14, the literacy rate has improved by 7.5% among girls and by 7.15% among boys since 2012-2013.

According to the Federal Minister for State and Frontier Regions Abdul Qadir Baloch, 1,029 educational institutions in FATA were non-functional in December 2013. In the absence of a functioning public education sector, private schools or madrasas are filling the gap, both in FATA and in parts of KP. In FATA's Khyber Agency, militants have destroyed 85 schools since 2005, disrupting the education of 50,000 children. Over 56% of six to sixteen-year-olds attended private schools or madrasas in 2013. Table 15 shows the sectoral distribution of schools in FATA, while Table 16 indicates the number and proportion of students enrolled in institutions in each sector.

The education of hundreds of thousands of children has been disrupted after their families fled militant violence and military operations or abandoned flooded homes.

The total budgetary allocation for education in 2013-2014 was Rs. 86.4 billion. The largest share of the

21. National Plan of Action 2013-16: Achieving Universal Primary Education in Pakistan available online at [http://educationenvoy.org/wp-content/uploads/2013/07/National-Plan-of-Action_Pakistan1.pdf]

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education budget for 2013-2014 has been reserved for higher education, i.e., which is about 73% of the total education budget and 20% higher than the 2012-2013 allocation;²³ 9.38% of the education budget for Capital Administrative and Development Division; 5.1% of the budget for Ministry of Training of Education and

Training and 4.2% for educational institutions working in Cantonment areas.

A budget of Rs. 3.68 billion was allocated for education in FATA in 2013-2014, which was about 25% of the total Annual Development Plan (ADP) for the region.

Table 10: Children Enrolled in Schools in the ICT

	2012-2013	2013-2014
Total children enrolled	200,322	206,703
Female children enrolled	105,471	111,464

Source: Data provided by the Federal Government

Table 11: Overall Student Dropout Rate in Schools in the ICT

	2012-2013	2013-2014
Total dropouts	3,398	5,112

Source: Data provided by the Federal Government

Table 12: Student-Teacher Ratio in the ICT

	2012-2013	2013-2014
At primary level	17:1	20:1
At secondary level	20:1	24:1

Source: Data provided by the Federal Government

Table 13: Enrolment, Institutions and Teachers, in thousands

	Enrolment		Institutions		Teachers	
	2012-2013	2013-2014	2013-2014	2013-2014	2013-2014	2013-2014
Pre-primary	9,284.3	9,468.6	-	-	-	-
Primary	18,760.1	18,756.3	158.6	159.0	427.7	423.1
Middle	6,188.0	6,444.1	42.1	42.4	362.6	373.9
High	2,898.1	3,015.7	29.8	31.9	489.6	505.1
Higher secondary/ Intermediate	1,400.0	1,493.7	4.9	5.6	130.1	159.8
Degree colleges	634.8	773.1	1.5	1.5	47.9	56.8
Technical/ Vocational institutions	302.2	313.2	3.3	3.3	16.1	16.4
Universities	1,594.6	1,969.1	0.139	0.141	77.6	86.4

Source: Economic Survey 2013-2014

23. Ikram Junaidi, 'Education budget decreased despite promises'. The Dawn, June 05, 2014 Available online [<http://www.dawn.com/news/1110706>] Accessed on January 20, 2015

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Table 14: Literacy Rates in the FATA

	2012-2013	2013-2014
Girls	3%	10.5%
Boys	29.51%	36.66%

Source: Data provided by the Federal Government of Pakistan

Table 15: Sectoral Distribution of Institutions in FATA,2013-2014

	Number	Percentage
Government	5,686	88
Private	369	5.7
Deeni Madaris	408	6.3
Total	6,463	100

Table 16: Sectoral Distribution of Enrolment in FATA,2013-2014

	Number	Percentage
Government	600,967	74.7
Private	154,067	19.1
Deeni Madaris	49,672	6.2
Total	804,706	100

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Energy Production and Management

Legislative and Policy Interventions

The Council of Common Interests approved the National Power Policy 2013 with the consensus of all Provinces on July 31, 2013.²⁴ This policy aims to build a power generation capacity that can meet Pakistan's energy needs in a sustainable manner. The policy aims to put an end to load-shedding by 2017 and to ensure surplus electricity by 2018.²⁵ Moreover, it envisages import of 2,600 megawatts (MW) of electricity from Iran, India and the Central Asian States and the setting up of power projects through public-private partnerships.²⁶

The Economic Coordination Committee (ECC) of the Federal Cabinet approved the National Tariff and Subsidy Policy Guidelines 2014 on January 28, 2014. The aim is to end subsidies for domestic electricity consumers using above 200 units a month. The Guidelines set out the short-, medium-, and long-term goals on subsidies and tariffs, and the principles of reform in designing new guidelines for the National Electric Power Regulatory Authority (NEPRA).²⁷

Key Steps Taken

Conversion of existing power units to coal, and development of further hydropower projects as well as wind and solar power parks is under way.²⁸ In its first year in office, the Federal Government succeeded in reducing power load shedding from 18 hours to 10-12 hours per day during summer, the peak demand season.²⁹ According to NEPRA there was a marginal increase of 550 MW in installed capacity for electricity generation in 2013-2014 representing an increase of 2.3%. The level of electricity generation has gone up from 99147 Gigawatts (Gwh) in 2012-2013 to 105996

Gwh in 2013-2014.³⁰ The achieved growth rate of 6.9% is the highest in the last five years. 60% of the increase is in thermal generation, 31% in hydel power and 9% in nuclear power.

The Federal Government, in June 2013, declared the retirement of the circular debt a priority. As of July 2013, the circular debt had accumulated to almost US \$ 5 billion and was being cited as a key factor impeding the efficacious operation of independent power producers (IPPs). The debt was retired by paying Rs.161 billion in cash to IPPs, and making non-cash payment to the Water and Power Development Authority (WAPDA) and the National Transmission and Dispatch Company (NTDC).³¹ In September 2013, in a statement in the National Assembly, the treasury admitted that circular debt of Rs. 1 billion had once again accumulated in the power sector. However the debt has increased to Rs. 3 billion during 2013-2014.³²

The Federal Government issued a tariff notification on October 1, 2013, announcing a 30% increase, but the Supreme Court took *suo moto* action and declared that tariff notification was the business of the regulator, NEPRA, and not the Federal Government.³³ Just a few days after issuing the notification, the government withdrew it and acknowledged the court's stance.³⁴

NEPRA then issued an identical notification regarding tariffs. The Supreme Court subsequently called for an explanation as to the calculation of tariffs by NEPRA along with raising questions about its independence.

A study for development of a Master Plan for the envisaged 6,600-MW Pakistan Power Project at Gaddani, Balochistan (PC-II), was approved in August 2013.³⁵

24. CCI approves National Power Policy 2013. Available at [<http://www.dawn.com/news/1033228>] Accessed on February 23, 2015

25. Sohail Iqbal Bhatti: Dawn, 'Ambitious' national energy policy formulated available at [<http://www.dawn.com/news/1031108>] accessed on January 21, 2015

26. App: PML-N government's initiatives reduces load shedding to 8 hours available at [<http://app.com.pk/video/preview.php?id=78697>] accessed on January, 2015

27. Asian Development Bank Report and Recommendation of the President to the Board of Directors, Proposed Programmatic Approach and Policy-Based Loan for Subprogram 1 Islamic Republic of Pakistan: Sustainable Energy Sector Reform Program available at [<http://adb.org/sites/default/files/projdocs/2014/47015-001-rrp.pdf>] accessed on January 21, 2015.

28. Data provided by the Ministry of Water and Power, Government of Pakistan

29. Associated Press of Pakistan, Video Preview: PML-N government initiatives reduces load shedding to 8 hours available at [<http://app.com.pk/video/preview.php?id=78697>] accessed on January, 2015

30. State of the Power Sector, Institute for Policy Reforms, IPR Fact Sheet, February 2015, [online] Available at [<http://ipr.org.pk/wp-content/uploads/2015/02/state-of-the-power-sector-fact-sheet.pdf>] Accessed on April 27, 2015

31. Aftab Safiya, NOREF: Pakistan's energy crisis: causes, consequences and possible remedies available at [http://www.peacebuilding.no/var/ezflow_site/storage/original/application/ade59fba5daf67a11a1c217434abf440.pdf] accessed on January 22, 2015

32. Dawn, Editorial: Circular Debt available at [<http://www.dawn.com/news/1115542>] accessed on January 22, 2015.

33. id

34. id

35. All the projects mentioned below have been taken from the following: Ministry of Water and Power, Government of Pakistan, Power Projects Approved available at [<http://www.mowp.gov.pk/gop/index.php?q=aHR0cDovLzE5Mi4xNjguNzAuMTM2L21vd3AvZnJtRGV0YVlscy5hc3B4P29wdD1wc2RwchJvamVjdHMmaWQ9MzU%3D>] accessed on January 21, 2015

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In August 2013, concepts papers were approved for the following projects:

- i. Central Asia-South Asia Electricity Transmission Interconnection (CASA-1000) Project;
- ii. Conversion of boilers of the 450-MW Units 1 and 2 of Thermal Power Station, Jamshoro from furnace oil/gas to coal;
- iii. Conversion of boilers of the 1,350-MW Units 1-6 of Thermal Power Station, Muzaffargarh from furnace oil/gas to coal;
- iv. Installation of two new 660-MW coal-fired power plants in Jamshoro
- v. Refurbishment and up-gradation of generating units of Mangla Power Station, with funding from the United States Agency for International Development (USAID); and
- vi. Dasu Hydropower Project.

Also in August 2013, approval was granted by the Government to all the power distribution companies (DISCOs) for construction of new substations and conversion of existing substations with associated transmission lines extension and augmentation.

Analysis

Tables 17-20 show that installed capacity for electric power generation has increased by 8.69% 2013-2014 as compared to 2012-2013. However, actual power generation has increased by 4.8% in comparison to the same period.

Overall budgetary allocation to the energy sector has increased, whereas expenditure in the energy sector has declined.

Table 17: Installed Electricity Generation Capacity (Public and Private)

Year	Capacity (MW)
2012-2013	20,766
2013-2014	22,572

Source: Data provided by the Ministry of Water and Power, Government of Pakistan.

Table 18: Actual Electric Power Generated and Fed into System

Year	Amount Generated (MW)
2012-2013	10,028.19
2013-2014	10,512.235 ^a

Source: Data provided by the Ministry of Water and Power, Government of Pakistan. As on June 20, 2014.

Table 19: Budgetary Allocation and Expenditure on Energy Sector (Rs. in million)

	2012-2013	2013-2014
Budget Allocation	692 ^a	225 ^b
Expenditure ^c	792	642

a Federal Budget 2012-2013 available at [http://www.finance.gov.pk/budget/Budget_in_Brief_2012_13.pdf]

b Federal Budget 2013-2014: Salient Features available at [<http://www.thenews.com.pk/article-104913-Federal-Budget-2013-14:-Salient-features>]

c Federal Budget: Annual Budget Statement 2013-2014.

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Table 20: New Power Generation Projects

	2012-2013	2013-2014
Projects Initiated	<p>Allaikhwar Hydropower Project, 121 MW, March 2013</p> <p>Dubair Khwar Hydropower Projects, 130 MW, December 2013</p> <p>Neelum Jhelum, Hydropower Project, 969 MW, November 2016</p> <p>Tarbela 4th Extension, Hydropower Project, 1,410 MW, 2018</p>	<p>Gomal Zam Dam Hydropower Project, 17.4 MW, April 2014</p> <p>Golen Gol Hydropower Project, 106 MW, November 2015</p>
Total Installed Capacity	20,766 MW	22,572 MW
Foreign Investment	46,291 million	59,844.0 million
Government Funding	692 million	225 billion

Source: Financial Allocation Utilization-Energy Sector (PSDP) available at [<http://pc.gov.pk/annual%20plans/2013-14/10-Energy.pdf>] accessed on January 22, 2015.

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Environmental Sustainability

The subject of environment was devolved to the provinces under the 18th Constitutional Amendment on June 30, 2011. Currently, the Climate Change Division operates under the Cabinet Secretariat with five different wings, including Administration, Development, Environment, Forestry, and International Cooperation. The Pakistan Environment Protection Agency and Pakistan Environment Protection Council are departments within the Climate Change Division. The responsibility of the Federal Government is to enforce the relevant laws and policies in the ICT and FATA territories.

Legislative and Policy Interventions

The Framework for Implementation of Climate Change Policy (2014-2030) was issued in November 2013. The Framework follows from the National Climate Change Policy 2012 and has been developed to facilitate the latter's implementation in the current scenario and in response to anticipated environmental threats in the coming years. It identifies priority intervention areas for the short, medium and long term.³⁶

To fulfil international commitments under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), Bio-safety Rules have been formulated.³⁷

Key Steps Taken

The Environmental Protection Tribunal fined a total of 21 entities, including 2 steel mills, 2 brick kilns and 17 housing societies, in the Islamabad Capital Territory area. However, no arrests were made.

As climate change is a transnational issue and solutions

require an element of regional cooperation, the Government organized a South Asian Association for Regional Cooperation (SAARC) workshop on “Bio-invasion and Ballast Water Management” in Karachi.

Analysis

Table 21 shows a drastic reduction in the Federal budgetary allocation to environmental protection and sustainability in the reporting year compared to 2012-2013, which was due to the fact that the subject has been devolved to the Provincial Government

Table 21: Comparison of Budgetary Allocation and Expenditure on Environmental Protection and Sustainability in 2012-2013 and 2013-2014 (Rs. in millions)

Year	Budgetary Allocation	Expenditure
2012-2013	4,438.638	3,149.326
2013-2014	489.115	387.639

36. Framework for Implementation of Climate Change Policy, Climate Change Division available at [http://www.mocc.gov.pk/gop/index.php?q=aHR0cDovLzE5Mi4xNjguNzAuMTM2L21vY2xjL3VzZXJmaWxlczEvZmlsZS9GcmFtZXdcvmslMjBmb3IlMjBjXBsZW1lbnRhdGlvbUyMG9mJTlwQ0MlMjBQb2xpY3klMjAoMSkucGRm] Accessed on January 20, 2015

37. Data provided by Climate Change Division, Government of Pakistan

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Foreign Policy Management

Legislative and Policy Interventions

The Federal Government outlined a Strategic Foreign Policy and the following positions were taken on relations with strategic countries:³⁸

Afghanistan: Pursuit of an Afghan-led, Afghan-owned process of peace and reconciliation

India: Progressive pursuit of normalcy in bilateral relations, with active search for solutions to all outstanding issues, including the dispute over the Jammu & Kashmir region

United States: “Both the countries will build on convergence and, wherever there is divergence, the countries will work to try to minimize and remove such divergence.”

China: Strengthening of the valuable and much appreciated strategic relationship

Europe: Continued engagement as Pakistan's largest trading partner and an important global player, both bilaterally with individual countries as well as multilaterally with the European Union (EU).

Key Steps Taken

In 2013-2014, Prime Minister Nawaz Sharif undertook

Agreement has been reached worth US \$ 10 billion to be invested on a road and railway project to develop the China-Pakistan Economic Corridor, which will connect Pakistan's southern Gwadar Port to China's northwestern Xinjiang province via highways, railways and pipelines to transport oil and gas

fifteen official visits abroad.

However, the Government hosted only six visits from the heads of State or head of government of five countries. Of these six visits, four occurred in 2013 and only two in 2014. The four state visits to Pakistan during 2013 were conducted by the then Afghan president Mr. Hamid Karzai, Thai Prime Minister, Ms. Yingluck Shinawatra, British Prime Minister, Mr. David Cameron, and Turkish Prime Minister, Mr. Recep Tayyip Erdogan. In 2014, the newly elected Afghan president, Mr. Ashraf Ghani, and Bahrain's King Sheikh Hamad visited Pakistan.

The President of Pakistan has made two trips each to China and Afghanistan, in addition to visiting Nigeria, Turkey and South Africa.

Agreement has been reached worth US \$ 10 billion³⁹ to be invested on a road and railway project to develop the China-Pakistan Economic Corridor, which will connect Pakistan's southern Gwadar Port to China's northwestern Xinjiang province via highways, railways and pipelines to transport oil and gas.⁴⁰

The Ministry of Commerce completed preliminary consultations for development of a proposal for initiation of negotiations with Nigeria on a Free Trade Agreement (FTA) to boost bilateral trade.⁴¹

Pakistan signed six bilateral and memoranda of understanding (MOUs) with Bahrain for cooperation in diverse fields.⁴²

Analysis

Relations with China

The Prime Minister made his first foreign visit to China on May 23, 2013, which was followed by a visit by President Mamnoon Husain in February 2014. The focus of Prime Minister, Muhammad Nawaz Sharif's Government has been economic collaboration, key highlights being plans for the Pak-China Economic Corridor, and consolidation of a free trade agreement as well as a currency swap agreement.⁴³

Pakistan is the first South Asian country to do so.

38. Prime Minister's Guidance on Foreign Policy was announced. Available at [<http://www.mofa.gov.pk/content.php?pageID=PMG>]

39. China commits \$45.6 bln for economic corridor with Pakistan Available at [<http://www.reuters.com/article/2014/11/21/pakistan-china-idUSL3N0TB44K20141121>] Accessed on April 15, 2015

40. Bids invited for multi-billion dollar China-Pakistan economic corridor project Available at [http://articles.economicstimes.indiatimes.com/2014-12-24/news/57376386_1_corridor-project-gwadar-port-china-pakistan] Accessed on February 27, 2015

41. Pakistan and Nigeria to Boost Cooperation on Counter-terrorism. Available at [<http://tribune.com.pk/story/719958/pakistan-nigeria-agree-to-boost-counter-terrorism-cooperation/>] Accessed on February 27, 2015

42. Pakistan & Bahrain ties reaffirmed', Available at [<http://www.thenews.com.pk/Todays-News-6-296080-Pakistan-&-Bahrain-ties-reaffirmed>] Accessed on February 26, 2015

43. According to the Financial Dictionary it, 'means a swap that involves the exchange of the principal and interest in one currency for the principal and interest in another currency; it is considered a foreign exchange transaction and is not required by law to be shown on the balance sheet.' Available at [<http://financial-dictionary.thefreedictionary.com/Currency+Swap>] Accessed on February 26, 2015

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The initiation of the China-Pakistan Economic Corridor (CPEC) is a monumental achievement. The CPEC is considered to be a “game changer” in terms of trade, investment, connectivity and regional economic integration. China is to offer investments and loans to the tune of US \$35 billion for energy and other infrastructure projects over the next 8-10 years.⁴⁴

Counter-terrorism cooperation continues to strengthen, while Pakistan's support to China's core interests of Tibet and Taiwan remains unwavering. Mutual collaboration in regional forums like the Shanghai Cooperation Organization (SCO), Conference for Interaction and Confidence-Building Measures in Asia (CICA), and Heart of Asia has stepped up.⁴⁵

Relations with Afghanistan

The key principles enunciated by the Prime Minister include mutual respect for sovereignty and territorial integrity, non-interference, and “no favourites”.⁴⁶

The Prime Minister had four meetings with the Afghan President in the past one year, which focused on political dialogue, measures to prevent use of territory against each other, support for the Afghan peace and reconciliation process, streamlining of transit trade issues, up-scaling of bilateral assistance, enhanced border management, refugee return, counter-narcotics efforts, and intensification of dialogue at regional and international level.⁴⁷

According to a statement on the strategic vision underlying Pakistan's foreign policy delivered by the Adviser to the Prime Minister on National Security and Foreign Affairs in the Senate of Pakistan on June 25, 2014, Pakistan played a positive role in Afghan elections by helping with border security and maintaining strong neutrality.⁴⁸

Relations with the United States

Senior representatives of the Governments of the United States and Pakistan met in May 2014 as the US-Pakistan Trade and Investment Council, which has

During the Prime Minister's visit to Washington in October 2013, the emphasis was on enhanced market access, US investments in energy and other projects, defence and security cooperation, counter-terrorism, and people-to-people exchanges

been established under the United States-Pakistan Trade and Investment Framework Agreement (TIFA). Agreement was reached in Washington on a Joint Action Plan to expand bilateral trade and investment flows over the next five years, and a memorandum of understanding (MoU) was signed on women's economic empowerment.⁴⁹

During the Prime Minister's visit to Washington in October 2013, the emphasis was on enhanced market access, US investments in energy and other projects, defence and security cooperation, counter-terrorism, and people-to-people exchanges.⁵⁰

The visit was followed by a resumption of the strategic dialogue at the ministerial level. The work of several joint-working groups was reviewed and a new group created on education.⁵¹

There was also an agreement to strengthen dialogue and cooperation on regional issues, particularly for peace and stability in post-2014 Afghanistan.⁵²

Relations with India

The main emphasis was on an approach of cooperation rather than confrontation. The Prime Minister's

44. Bids invited for multi-billion dollar China-Pakistan economic corridor project Available at [http://articles.economictimes.indiatimes.com/2014-12-24/news/57376386_1_corridor-project-gwadar-port-china-pakistan] Accessed on February 27, 2015

45. Text of the Statement delivered by Adviser to the Prime Minister on National Security and Foreign Affairs in the Senate of Pakistan on 25 June 2014 on Strategic Vision of Pakistan's Foreign Policy. <http://www.mofa.gov.pk/pr-details.php?prID=2060> accessed on January 22, 2015.

46. Id

47. Id

48. Id

49. United States and Pakistan Sign MOU on Women's Economic Empowerment and Announce Joint Action Plan on Improving Bilateral Trade and Investment Flows available at [<http://www.ustr.gov/about-us/press-office/press-releases/2014/May/US-Pakistan-Sign-MOU-Women-Economic-Empowerment-Announce-Joint-Action-Plan-Trade>] accessed on January 23, 2015

50. Text of the Statement delivered by Adviser to the Prime Minister on National Security and Foreign Affairs in the Senate of Pakistan on 25 June 2014 on Strategic Vision of Pakistan's Foreign Policy. <http://www.mofa.gov.pk/pr-details.php?prID=2060> accessed on January 22, 2015.

51. Id

52. Id

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participation in the swearing-in ceremony of Prime Minister, Mr. Narendra Modi in New Delhi reflected his sincere commitment to turning a new page in the relationship.⁵³

The Prime Minister's initiative has been widely commended at the international level. The Government continues to seek sustained and result-oriented dialogue; meaningful progress towards resolution of outstanding issues, including Kashmir; and enhanced cooperation on economic issues.⁵⁴ The two countries' foreign secretaries will be meeting shortly to develop a roadmap for such a dialogue.⁵⁵

Relations with the EU

A ministerial-level strategic dialogue was held in March 2014 and the next EU-Pakistan Summit planned.⁵⁶

A major achievement for the Government was the grant of the "GSP+" status to Pakistan in December 2013.⁵⁷ In order to maintain GSP+, Pakistan needs to ratify and effectively implement 27 core international conventions on human and labour rights, environmental protection and good governance, with its performance in this regard closely monitored by the European Commission. Since no major steps have been taken in this direction, the economic benefits of this achievement, in terms of a rise in exports, have yet to be seen.⁵⁸

Relations with Turkey

The relationship with Turkey has been translated into a concrete political and economic partnership. As a result, economic cooperation with Turkey crossed a new threshold in the past 12 months. Many Turkish companies are making important investments in several key subsectors.⁵⁹

Relations with Iran

53. Id.

54. Text of the Statement delivered by Adviser to the Prime Minister on National Security and Foreign Affairs in the Senate of Pakistan on 25 June 2014 on Strategic Vision of Pakistan's Foreign Policy. <http://www.mofa.gov.pk/pr-details.php?prID=2060> accessed on January 22, 2015.

55. Id.

56. Id.

57. The EU's Generalised Scheme of Preferences (GSP) offers special reductions or complete waivers on tariffs to developing country exporters. GSP+ enhanced preferences imply full removal of tariffs.

58. Id.

59. Id.

60. Pakistan, Iran narrowly salvage friendship Wednesday, 14 May 2014 <http://english.alarabiya.net/en/views/news/world/2014/05/14/Pakistan-Iran-narrowly-salvage-friendship.html>

61. <http://www.criticalthreats.org/iran-news-round-december-10-2014>

62. Text of the Statement delivered by Adviser to the Prime Minister on National Security and Foreign Affairs in the Senate of Pakistan on 25 June 2014 on Strategic Vision of Pakistan's Foreign Policy. <http://www.mofa.gov.pk/pr-details.php?prID=2060> accessed on January 22, 2015.

63. Id.

The Government was successful in convincing the Iranian government to waive a condition in the Pakistan-Iran Gas Pipeline agreement that binds Islamabad to pay a penalty of US \$ 200 million per month in case of delay in gas pipeline construction beyond the deadline of December 31, 2014.⁶⁰

Following an official visit by the Speaker of the Parliament of Iran Ali Larijani, five bilateral agreements have been signed to strengthen cooperation in various sectors, underscoring a concerted effort by the two neighbouring countries to strengthen diplomatic relations.⁶¹

Regional Cooperation

Pakistan's close engagement with the Economic Cooperation Organization (ECO), South Asian Association for Regional Cooperation (SAARC), and the Organisation of Islamic Cooperation (OIC) remains crucially important. In the face of changing global and regional contexts, Pakistan's balanced approach of avoiding interference in internal and intra-regional affairs that are not of its direct concern has been widely appreciated.⁶²

The revival of the Pakistan economy over the past one-year, as clearly highlighted by some positive economic indicators, coupled with decisive steps to attract foreign investment in energy and some other sectors, has significantly expanded prospects for deeper economic cooperation with other countries.⁶³

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Healthcare

Legislative and Policy Interventions

The Drug Regulatory Authority of Pakistan (Amendment) Bill 2013 was introduced in the National Assembly.

The Minister of State for National Health Services, Regulations and Coordination (NHSRC) highlighted the need for the government to establish an extensive regulatory body to monitor drugs manufacturing, pricing and other aspects.

Furthermore, the NHSRC ministry has decided to amend the Drug Act 1976 to introduce stricter penalties for those found guilty of trading spurious medicines.⁶⁴

Analysis

Overall, the number of patients suffering from tuberculosis in the federal region increased in 2013-2014 from 0.23% to 0.27% (Table 22). On the other

hand, the number of patients suffering from various types of hepatitis remained the same as in the previous year.

Although the number of doctors employed in the public sector by the Federal Government has remained the same since 2012-2013, the number of patients treated at Federal Government hospitals and clinics has decreased. Table 23 shows that health facilities under the Federal Government treated 27.37% fewer patients in 2013-2014 than in 2012-2013. Furthermore, the number of hospitals established under the Federal Government remained the same in 2013-2014 as the previous year, although the number of hospital beds increased from 5,658 to 5,794.

The total budgetary allocation for healthcare under the Federal Government increased from Rs. 60 billion in 2012-2013 to Rs. 70 billion in 2013-2014. Actual spending of this budgeted amount on healthcare increased simultaneously from 2.3% to 2.7% (Table 24).

Table 22: Tuberculosis and Hepatitis Patients in Federal Areas

	2012-2013	2013-2014
Number of patients suffering from tuberculosis in federal areas	0.23 %	0.27%
Number of patients suffering from various types of hepatitis in federal areas	6%	6%

Source: Data provided by Ministry of National Health Services, Regulations and Coordination, Government of Pakistan.

Table 23: Overview of Hospitals under the Federal Government

	2012-2013	2013-2014
Number of doctors employed	995	995
Number of patients treated	1,638,250	1,189,900
Number of hospitals	8	8
Number of hospital beds	5,658	5,794

Source: Data provided by Ministry of National Health Services, Regulations and Coordination, Government of Pakistan

Table 24: Budgetary Allocation and Actual Spending for Healthcare under the Federal Government

	2012-2013	2013-2014
Total budget allocated	Rs. 60 billion	Rs. 70 billion

Source: Data provided by Ministry of National Health Services, Regulations and Coordination, Government of Pakistan

64. The Nation: Amendments to Drug Act on the Card [<http://nation.com.pk/islamabad/04-Apr-2014/amendment-to-drug-act-on-the-cards>] accessed at 22 January 2015

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Immunization of Children

Legislative and Policy Interventions

None

Key Steps Taken

The Federal Government restored the operations of the Prime Minister's Polio Monitoring and Coordination Cell, with the Prime Minister as its Chairperson.⁶⁵

The National Task Force on Polio Eradication headed by the Prime Minister as Chairperson⁶⁶ hosted the first meeting of the National Task Force on Polio Eradication since its reconstitution in 2011.

Under the Expanded Programme on Immunization (EPI), the Federal Government directed the Provincial Governments to effectively run awareness campaigns to educate parents to administer oral polio vaccine (OPV) drops to their children during every national drive.⁶⁷

Polio was declared a Public Health Emergency of International Concern (PHEIC) in May 2014 under the International Health Regulations.⁶⁸

Analysis

Pakistan held intense immunization activities during 2013-2014, with at least 4 National Immunization Days (NIDs), 4 Sub-national Immunization Days (SNIDs), a sub-national campaign covering 60% of the under-five population, as well as localized supplementary immunization activities, case responses, and mop-up

campaigns.

Polio vaccination certificates were made mandatory for all people travelling abroad from June 1, 2014.

A total of 33,320,524 children were given OPV across the country in 2014, against a target of 34,175,758 children.⁶⁹

The number of polio cases increased from 93 in 2013 to 260 in 2014. This represents almost 4 times fold increase compared to 2013, and a tripling of cases reported since 2012.⁷⁰

Of the 260 reported cases of polio, 63% were reported in FATA, where the Government has not been able to run a complete polio campaign or vaccinate children since 2011. FATA has a total under-five population of 1.1 million but authorities can only administer OPV to about 0.8 million; the remaining 250,000 children live in the North and South Waziristan agencies where Taliban have banned vaccination, leaving them vulnerable to the virus.⁷¹

The number of environmental samples testing positive for wild poliovirus increased from 19.4% in 2013 to 35% in 2014.

The number of polio cases among children who were not vaccinated against polio as part of the routine immunization process in 2014 increased 2.35 times for those who missed doses at 0-3 years of age and by 36% for those who missed doses at 4-5 years compared to 2013 (Table 25).

Table 25: Incidence of Polio among Children not Vaccinated Against Polio as Part of Routine Immunization

	2012	2013	2014
Number of cases in which doses for age 0-3 years were missed	44	67	225
Number of cases in which doses for age 4+ years were missed	14	26	35
Total reported cases	58	93	260

65. Polio Programme infrastructure to be used to strengthen routine immunization! The News June 27, 2013 Available at [<http://www.thenews.com.pk/Todays-News-2-186212-Polio-programme-infrastructure-to-be-used-to-strengthen-routine-immunisation>] Accessed on January 25, 2015

66. 'PM to chair polio task force meeting'. The New. September 16, 2013 Available at [<http://www.thenews.com.pk/Todays-News-6-202395-PM-to-chair-polio-task-force-meeting>] Accessed on January 25, 2015

67. 'Provinces asked to run polio awareness drives effectively'. The News. July 10, 2013 Available at [<http://www.thenews.com.pk/Todays-News-6-189007-Provinces-asked-to-run-polio-awareness-drives-effectively>] Accessed on January 25, 2015

68. 'Polio Eradication Efforts Gear Up in Pakistan'. *Polio Global Eradication Initiative*, December 2014. Available at [<http://www.polioeradication.org/mediaroom/newsstories/Polio-Eradication-Efforts-Gear-Up-in-Pakistan/tabid/526/news/1185/Default.aspx>] Accessed on January 25, 2015

69. 'More people refusing polio vaccines'. *The Dawn*. October 22, 2013. Available at [<http://www.dawn.com/news/1050975/more-people-refusing-polio-vaccines>] Accessed on January 25, 2015

70. Polio: Pakistan. Available at [<http://www.endpolio.com.pk/polio-in-pakistan>] Accessed on January 25, 2015

71. 'UAE to finance anti-polio efforts in KP, tribal areas'. *The Dawn*. June 10, 2013. Available at [<http://www.dawn.com/news/1017246/uae-to-finance-anti-polio-efforts-in-kp-tribal-areas>] Accessed on January 25, 2015

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Investment Friendliness

Legislative and Policy Interventions

None

Analysis

A survey conducted by the Overseas Investors Chamber found that business confidence, both local and foreign, had improved to a score of 1% positive in 2014.⁷²

The total investment was around 13.99% of the GDP, showing a .1 %growth as compared to the previous year. Total foreign investment reached US \$2,979 million in July 2013-April 2014, compared to US \$ 1,277 million over the same period in the preceding year, showing 21/2 times increase as compared to previous year. (Table 26).⁷³

During fiscal year 2013-2014, foreign portfolio investment in the country's capital market reached US \$2,300 million, which was a 2 times increase from the previous year.

In 2013-2014 (Table 27) there was 13.7% increase of remittance inflows as compared to remittance received

in 2012-2013.⁷⁴ In July-April 2013-2014 the remittance stood at US \$ 1,289.46 million compared to US \$ 1,156.98 million during the corresponding period last year.

Despite these positive developments, Pakistan's ranking on the World Bank's ease of doing business index deteriorated from 127th in 2013 to 128th in 2014.

Table 26: Local and Foreign Investment in Pakistan, (US \$ millions)

	2012-2013	2013-2014
Local investment	2,917	3,147.2
Foreign investment	1,277	2,979
Foreign portfolio investment	100	2,300

Table 27: Remittance Inflows in Pakistan, (US \$ millions)

	2012-2013	2013-2014	Per Cent Change
Remittance inflows	1,156.98	1,289.46	10%

Source: Economic Survey of Pakistan: 2013-2014

72. Business Confidence Index: Bittersweet results from OICCI survey Available at [<http://tribune.com.pk/story/786386/business-confidence-index-bittersweet-results-from-oicci-survey/>]

73. Economic Survey 2013-14: Overview of the Economy Available at [<http://www.brecorder.com/business-and-economy/189:pakistan/1188930:economic-survey-2013-14-overview-of-the-economy/>] Accessed on March 02, 2015

74. 2013-14: Remittances clock in at \$15.8 billion Available at [<http://tribune.com.pk/story/733847/2013-14-remittances-clock-in-at-15-8-billion/>] Accessed on March 02, 2015

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Management of Inflation

Legislative and Policy Interventions

The State Bank of Pakistan (SBP) made a policy shift to support the depreciating Pak rupee; to reduce the inflationary pressure on the economy; and to eliminate borrowings from SBP.⁷⁵

Key Steps Taken

The National Price Monitoring Committee (NPMC), headed by the Federal Finance Minister, continued to monitor the prices of essential commodities in consultation with Provincial Governments and concerned federal ministries/divisions to take necessary measures to contain inflation rates.

Analysis

Inflation stood at 5.3% at the beginning of June 2013, when the PML-N Government came to power.⁷⁶ Fiscal year 2013-2014 started with single-digit inflation, 8.3%, in July 2013. This trend was maintained until October 2013 because of lower international market prices, a domestically balanced supply position, and appropriate monitoring of prices.

Inflation peaked in November 2013 to 10.9% on account of adjustment of electricity prices and a short-term shortage of commodities' supply. This automatically resulted in an increase in food inflation to 13%, and raised the Sensitive Price Index (SPI) to 14.1%, and the Wholesale Price Index (WPI) to 10.1%. Inflation dampened in December 2013, with the Consumer Price Index (CPI) declining to 7.9% in

January 2014. However, in March and April 2014, inflation rates surged again to 8.5% and 9.2%, respectively. The main reason was the increase in food price inflation, which caused overall inflation to be driven upwards.

Over 2013-2014, the CPI witnessed an increase of 2.3% as inflation stood at 8.3% in June 2014, compared to 5.9% in June 2013 (Table 29). A month-by-month comparison of CPI in 2012-2013 and 2013-2014 is presented in Table 28.

Food inflation, on average basis, stood at 7.4% as of June 2014 compared to 7.9% in June 2013, reflecting an overall decrease of 0.5%.

Core inflation (non-food, non-energy) stood at 8.7% as of June 2014 compared to 7.8% in June 2013, reflecting an increase of 0.9 percentage points over the fiscal year.⁷⁷

The SPI stood as 6.2% in June 2014 compared to 4.6% in June 2013, reflecting a decrease of 1.6 percentage points over the fiscal year.

The WPI stood at 7.7% in June 2014 compared to 4.6% in June 2013, reflecting an increase of 3.1 percentage points over the fiscal year. Food and non-food items for which wholesale prices decreased in fiscal year 2013-2014 compared to the previous year included spices, pulses, vegetable ghee, other oil seed, furnace oil, synthetic carpets, radio and television related items.

Table 28: Month-to-Month Comparison of General CPI in 2012-2013 and 2013-2014

	2012-2013	2013-2014	Increase/Decrease
June	-	5.9	-
July	9.6	8.3	-1.3
August	9.1	8.5	-0.6
September	8.8	7.4	-1.4
October	7.7	9.1	1.4
November	6.9	10.9	4
December	7.9	9.2	1.3
January	8.1	7.9	-1.3
February	7.4	7.9	0.5
March	6.6	8.5	1.9
April	5.8	9.2	3.4
May	5.1	8.3	3.2
June	5.9	8.2	2.3

Source: SBP, Inflation Monitor

75. State Bank of Pakistan, Annual Performance Review 2013-2014 [online] Available at: [http://www.sbp.org.pk/reports/annual/arFY14/Vol1/APR-FY14 \(complete\).pdf](http://www.sbp.org.pk/reports/annual/arFY14/Vol1/APR-FY14%20(complete).pdf) [Accessed 10 Dec. 2014].

76. Id.

77. Core inflation is defined as the persistent component of measured inflation that excludes volatile and controlled prices. It reflects the normal supply and demand conditions in the economy.

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Management of Population Growth

Legislative Interventions

None

Key Steps Taken

None

Analysis

Since the devolution of the Ministry of Population Welfare in 2002, responsibility for management of population growth and welfare has largely been shifted to Provincial Governments. However, the Federal Government retains this role in territories within its jurisdiction, such as the Islamabad Capital Territory and Federally Administered Tribal Areas.

Table 29 provides key indicators of population size, growth and welfare for Pakistan.

The figures depict a general improvement in the

management of population growth in the country. Although the total population is increasing, the total fertility rate (TFR), crude birth rate, and population growth rate are decreasing. However, the death rate is also decreasing, counterbalancing the reduction in the birth rate in Pakistan. Notably, the figures represent the national situation and not just conditions in territories under the Federal Government's purview.⁷⁸

According to a survey conducted in 2012-2013 by the National Institute of Population Studies (NIPS), ICT has the lowest TFR in the country, i.e., 3.0.⁷⁹ In comparison, the TFR is 3.8 in Punjab, 3.9 in Sindh and Khyber Pakhtunkhwa, and 4.2 in Balochistan.⁸⁰

Table 30 depicts contraceptive prevalence rates in the country, which are a key indicator of the extent to which population growth is being managed.⁸¹ As the table shows, prevalence of both modern and traditional methods of contraception is highest in ICT.

Table 29: Key Population Indicators

	2012	2013	2014
Total population (millions)	180.71	184.35	188.02
Urban population (millions)	67.55	69.87	72.5
Rural population (millions)	113.16	114.48	115.52
Total fertility rate (TFR)	3.4	3.3	3.2
Crude birth rate (per thousand)	27.2	26.8	26.4
Crude death rate (per thousand)	7.2	7	6.9
Population growth rate (%)	2	1.97	1.95
Life expectancy for females (years)	66.1	66.5	66.9
Life expectancy for males (years)	64.3	64.6	64.9

Table 30: Contraceptive Prevalence

	Modern Methods (%)	Traditional Methods (%)
Punjab	40.7	11.7
Sindh	29.5	5.0
Khyber Pakhtunkhwa	28.1	8.6
Balochistan	19.5	3.1
ICT	59.4	15.4

78. Population, Labour Force and Employment. (2014). 1st ed. [pdf] Pakistan Economic Survey 2013-14. Available at: http://finance.gov.pk/survey/chapters_14/12_Population.pdf

79. TFR refers to the average number of children born to each woman during her reproductive life.

80. Pakistan Demographic and Health Survey. (2013). 1st ed. [pdf] Available at: http://www.nips.org.pk/abstract_files/PDHS%20Final%20Report%20as%20of%20Jan%202022-2014.pdf

81. Ibid. The contraceptive prevalence rate refers to the percentage of women of reproductive age who are using, or whose partners are using, a method of birth control.

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Management of Unemployment

Legislative and Policy Interventions

None

Key Steps Taken

A nationwide Interest-Free Loan Scheme has been initiated for which a sum of Rs. 3.5 billion was to be distributed from the Pakistan Poverty Alleviation Fund (PPAF) in the form of interest-free loans to rural and urban youth. Each student can apply for a loan of up to Rs. 50,000 for study purposes.

A Small Business Loan Scheme has been introduced which targets individuals aged 21-45 years and is aimed at addressing the issue of unemployment amongst youth. During the reporting year, loans of Rs. 500,000-2,000,000 were given at a subsidized rate of 8% interest to 100,000 beneficiaries through the National Bank of Pakistan and the First Woman Bank Limited. A 50% quota was reserved for women. The average loan size was Rs. 1.25 million. The debt-equity ratio for this scheme is 90:10 and the tenure is seven years. It is available across the country in Balochistan, Khyber Pakhtunkhwa, Punjab, Sindh, Azad Jammu and Kashmir (AJK), Gilgit-Baltistan and FATA.

Under the Youth Training Scheme, 50,000 students who had completed 16 years of education from universities recognized by the Higher Education Commission (HEC) were given training for 12 months and a monthly stipend of Rs. 10,000 to help them secure jobs in the future. A sum of Rs. 4 billion was allocated for this scheme.

A Youth Skill Development Scheme worth Rs. 800 million was introduced to provide technical and vocational training to 25,000 students through the National Vocational and Technical Training Commission (NAVTTTC) for 6 months. Each student will receive a scholarship of Rs. 5,000 per month.

The Reimbursement Scheme for Students was introduced to reimburse tuition fees for higher studies paid by students from less developed areas. The government planned to pay, on average, annual fees worth Rs. 40,000 for each of 30,000 students for MA, MSc and higher education. A sum of Rs. 1.2 billion was

allocated for this scheme.

The Prime Minister's Laptop Scheme was initiated with the announcement that laptops would be provided to 100,000 students in all four provinces at a cost of Rs.4 billion.

Analysis

Unemployment rate has been rising in Pakistan since 2008-2009 and, between 2012-2013 and 2013-2014, increased further from 6.0% to 6.92% (Table 31). Rural unemployment is at twice the level of urban unemployment.

The employment-to-population ratio for youth in Pakistan stands at 39.0% as of 2012-2013.⁸²

According to the International Monetary Fund (IMF), Pakistan's labour force is expected to grow by 3.5% in coming years.⁸³ However, with only 25% of the youth employed in the formal sector, unemployment will continue to be a problem.⁸⁴

Of the 100,000 loans announced under the Prime Minister's Small Business Loan Scheme in December 2013, only 5,414 were availed by youth across the country as of May 2014.⁸⁵ The recipients included 348 youth from Sindh, 76 from Balochistan, 4,128 from Punjab, 675 from Khyber Pakhtunkhwa, only 7 from Gilgit-Baltistan, 75 from AJK, and 105 from the federal capital.

Under the Youth Skill Development Scheme, NAVTTC has trained 6,677 individuals collectively under the President's *Fanni Maharat* Programme and the Prime Minister's *Hunnermand* Pakistan Programme.⁸⁶

82. Pakistan Labor Force Survey 2012-2013

83. 'The unemployment challenge'. *The Dawn*. September 30, 2013. Available at [<http://www.dawn.com/news/1046361>] Accessed on February 23, 2015

84. Id.

85. 'Tough conditions keep youth from PM's loan scheme.', *The Dawn*. May 14, 2014. Available at [<http://www.dawn.com/news/1108438>] Accessed on February 23, 2015

86. Figures as of March 2014 from Pakistan Economic Survey 2013-2014

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Table 31: Comparison of Unemployment in 2012-2013 and 2013-2014

	2012-2013	2013-2014 (Projected Rates)
Unemployment Rate	6.0%	6.92%
Rural Unemployment Rate	5.1%	-
Urban Unemployment Rate	8.8%	-

Source: Pakistan Employment Trends 2013, PBS, Labour Force Survey 2012-2013.

Note: Official figures for the Labour Force Survey 2013-2014 have not yet been released. Projected rates for 2013-2014 have been calculated based on employment elasticity of output by Dr. Hafiz A. Pasha.

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Merit-based Recruitment and Promotions

Legislative and Policy Interventions

In 2013-2014, the Federal Government issued its first ever recruitment policy for federal services, autonomous bodies and corporations. The Government declared that the previous ban on recruitment against federal jobs had been due to the fact that they were being given out on a political basis, and the recruitment policy was being passed to prevent this practice and ensure open employment opportunities. The ban on recruitment was lifted through an Establishment Division Notification issued during the year.⁸⁷

According to the Policy, recruitment to posts in Basic Pay Scale (BPS) 16 and above shall continue to be made through the Federal Public Service Commission (FPSC). Initial appointments to the post are required to be made on an all-Pakistan basis, and shall be made under Rule 14 of the Civil Service (Appointment, Promotions and Transfer) Rules, 1973. To ensure merit, the policy clearly states that candidates using or attempting to use any extraneous influence at any level shall be liable to be disqualified. Draft advertisements to be published for recruitment may be submitted to the Establishment Division, which will route it to the Ministry of Information. No direct advertisements will be placed by any organization.⁸⁸

Due to a Supreme Court judgment in 2013 whereby the promotion of 80 civil servants was declared null and void, the Government undertook an exercise to outline objective criteria for promotions to make civil servants' appointments merit-based.⁸⁹ In the judgment, the Chief Justice had suggested to the Government that it amend civil service laws to obtain services of independent persons with knowledge, ability and freedom from any pressure for the purpose of assisting the executive in discharging its functions as well as in maintaining rule of law. The Government was asked to undertake promotion of officers strictly in accordance with law and merit under Section 9 of the Civil Servants Act (CSA) 1973, read with rules 7, 7A and 8 of the Civil Servants (Appointments, Promotions and Transfers) Rules 1973 as well as related promotion policies.

Key Steps Taken

The following appointments were made in the FPSC

87. Govt issues first 'merit-based' federal recruitment policy. The Dawn. Available at [<http://www.dawn.com/news/1141819>] Accessed on February 23, 2015
88. Pakistan Today: Govt issues first 'merit-based' federal recruitment policy available at [govt-issues-first-merit-based-federal-recruitment-policy] Accessed on February 23, 2015
89. The News : SC declares promotion of 80 civil servants void available at [<http://www.thenews.com.pk/Todays-News-13-25844-SC-declares-promotion-of-80-civil-servants-void>] Accessed on February 23, 2015
90. Federal public Service Commission available at [<http://www.fpsc.gov.pk/icms/user/pulications.php>] Accessed on February 23, 2015

Due to a Supreme Court's judgment in 2013 whereby the promotion of 80 civil servants was declared null and void, the Government undertook an exercise to outline objective criteria for promotions to make civil servants' appointments merit-based

between July and September 2013 to strengthen the institution:⁹⁰

- Mr. Amjad Nazir joined FPSC as Member
- Mr. Amir Ahmad Chaudhary repatriated to FPSC, joining as Director General.

There was increasing use of information technology (IT) for efficiency and transparency in the recruitment process:

- The FPSC's IT Wing processed the 5,738 applications received during July-September 2013 in response to consolidated advertisements No. 7, 8 and 9 of 2013.
- The IT Wing also generated data for re-examination of 347 candidates including admission certificates, attendance sheets, attendance lists, and other reports relating to Civil Superior Services (CSS) 2013.
- The online application system was improved further in connection with updated rules and regulations for the CSS Competitive Examination 2014.

To improve the syllabi for the CSS Competitive Examination:

- In collaboration with Higher Education Commission, FPSC arranged a meeting of experts in different disciplines on December 16, 2013 at

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the HEC Regional Centre, Lahore, to review the syllabi and suggested readings for optional subjects.

- The Chairman FPSC also reconstituted a committee to study the existing system and submit a report on reforming the CSS Competitive Examination and its syllabi. The committee drafted the revised syllabi on the basis of inputs received from subject specialists, who were generally heads of departments from various universities in Pakistan.
- The Curriculum & Research Wing finalized test Schemes and Syllabi for 43 recruitment cases against 132 posts during the year 2013. After approval of the Commission, these were placed on

the FPSC website for advance information of the candidates.

Analysis

Table 32 shows that there has been a 75% increase in the number of government servants recruited through the Federal Public Service Commission over the past one year.⁹¹

Appeals can be made against decisions of the FPSC in cases pertaining to recruitment, examination, and other human resource matters. In the reporting year, there was no change in the number of appeals against the decisions of the Commission compared to the previous year.⁹²

Table 32: Comparison of Recruitments through FPSC in 2012-2013 and 2013-2014

Department	Grade	2012-2013	2013-14
Establishment Division and Its Organizations	16	0	1
	17	55	99
	18	2	0
	19	0	0
	20	0	0
	Total	57	100

91. Data Provided by the Establishment Divison, Government of Pakistan.

92. Federal Public Service Commission Newsletter available at [<http://www.fpsc.gov.pk/icms/user/pulications.php>]

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National Defence

Legislative and Policy Interventions

Key Steps Taken

In November 2013, an important transition took place with the retirement of General Kayani and the appointment of Lt. General Raheel Sharif as the Chief of Army Staff by Prime Minister Nawaz Sharif.

The Federal Government began a process of negotiation with the Tehrik-e-Taliban Pakistan (TTP). At the request of the Pakistan Government, the United States temporarily halted drone strikes in FATA during the talks. However, after the talks failed, and following a terrorist attack on the Karachi airport, the United States eventually resumed strategic strikes on alleged militants.⁹³

The PML-N Government reconstituted the Defence Committee of the Cabinet into the Cabinet Committee on National Security (CCNS) on August 22, 2013. The CCNS was once again renamed as the National Security Committee (NSC) on April 17, 2014. A new division of the Government of Pakistan was also created, namely the National Security Division, with the tasks to function as the secretariat of the NSC. Moreover, the NSC only held 3 meetings during the period, which does not show best utilization of this

The Federal Government began a process of negotiation with the Tehrik-e-Taliban Pakistan (TTP). At the request of the Pakistan Government, the United States temporarily halted drone strikes in FATA during the talks

institution.

The Economic Coordination Committee (ECC), a principal federal institution and consultative forum, endorsed the draft of the Foreign Contributions Act 2014, which is aimed at monitoring organizations that receive foreign grants, in November 2013.

Analysis

The defence budget saw an increase in the reporting period. In 2012-2013, national defence had been allocated Rs.570 billion; in 2013-2014, the Government increased the budget by 10% to Rs.627 billion.⁹⁴

In the past, the United States and Pakistan had been at loggerheads regarding drone strikes and the civilian casualties that often resulted. The previous and current Governments of Pakistan continued to condemn drone strikes and, in 2013-2014, there was a considerable reduction in both strikes as well as the number of civilian casualties.

The Bureau of Investigative Journalism reported that 27 drone strikes took place in 2013 as compared to the 391 that had taken place since 2007.⁹⁵ The Bureau's report also found that civilian casualties by drone strikes had been reduced to 0 to 4 in 2013.

In 2013-2014, there was growing tension on three of Pakistan's four borders:

- I. The 2,640-kilometre Pak-Afghan border is porous and remained weak, with illegal cross-border movements increasing and linkages between banned militant groups on both sides getting stronger.⁹⁶ During the Afghan elections in 2014, in order to prevent unauthorized crossings, thousands of troops were sent in addition to the 158,000 troops already stationed at the Durand Line.
- ii. Furthermore, national defence agencies finalized plans to dig a deep trench along the Pak-Afghan border to prevent illegal crossing and trade. Meanwhile, cross-border movement along the Chaman border with Afghanistan is being strictly

93. DAWN, (2013). Pakistan raises annual defence budget by 10 per cent. [online] Available at: <http://www.dawn.com/news/1017785>

94. The News, (2014). Only 27 drone attacks in 2013. [online] Available at: <http://www.thenews.com.pk/Todays-News-2-223973-Only-27-drone-attacks-in-2013>

95. Nation, (2014). Cross-border Taliban alliance growing stronger. [online] Available at: <http://nation.com.pk/international/10-Apr-2014/cross-border-taliban-alliance-growing-stronger>

96. The News, (2014). Illegal entrance through Pak-Afghan border banned. [online] Available at: <http://www.thenews.com.pk/Todays-News-13-29209-Illegal-entrance-through-Pak-Afghan-border-banned>

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- regulated.⁹⁷ The effectiveness of these plans will manifest in coming years.⁹⁸
- iii. The Pakistan-Iran border also faced disruptions with the kidnapping of Iranian security guards by militant groups from Pakistan. The Iranian government increased its own security along the Pak-Afghan border. During the Nauroze festivities in Iran in March 2014, the Iranian government completely closed the border with Pakistan.⁹⁹
 - iv. Notwithstanding a meeting of the Pakistan-India Joint Working Group (JWG) on cross-Line of Control (LoC) Confidence Building Measures (CBMs) in New Delhi in March 2013,¹⁰⁰ LoC violations by India increased in 2013-2014.

The Government of Pakistan has continued its ongoing defence agreements with the United States. In addition, Prime Minister Nawaz Sharif met with his UK counterpart, David Cameron, and the two sides agreed to continue counterterrorism training and support, in particular, by cooperating in aviation security, increasing security cooperation at customs, and exploring potential for building on the existing counter-IED (improvised explosives devices) programme.¹⁰¹

The Government of Pakistan made a series of fresh acquisitions from China for national security needs.

Saudi Crown Prince Salman bin Abdelaziz visited Pakistan to discuss the possibility of collaborating in the area of national defence, specifically, through the selling of Pakistani fighter planes to Saudi Arabia.¹⁰²

97. The News, (2014). Pakistan to dig trench for securing Afghan border. [online] Available at: <http://www.thenews.com.pk/Todays-News-13-30621-Pakistan-to-dig-trench-for-securing-Afghan-border>
98. The News, (2014). Illegal entrance through Pak-Afghan border banned. [online] Available at: <http://www.thenews.com.pk/Todays-News-13-29209-Illegal-entrance-through-Pak-Afghan-border-banned>
99. The News, (2014). FO announces Pak-India meeting on LoC issue. [online] Available at: <http://www.thenews.com.pk/Todays-News-2-236204-FO-announces-Pak-India-meeting-on-LoC-issue>
100. DAWN, (2014). Pakistan, UK vow to expand defence, economic ties. [online] Available at: <http://www.dawn.com/news/1103461/pakistan-uk-vow-to-expand-defence-economic-ties>
101. DAWN, (2014). Pakistan sheds light on defence talks with China, S. Arabia. [online] Available at: <http://www.dawn.com/news/1091555/pakistan-sheds-light-on-defence-talks-with-china-s-arabia>
102. DAWN, (2014). Pakistan sheds light on defence talks with China, S. Arabia. [online] Available at: <http://www.dawn.com/news/1091555/pakistan-sheds-light-on-defence-talks-with-china-s-arabia>

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Peace, Stability and Order

Legislative and Policy Interventions

For the first time in Pakistan, an internal security policy was devised to systematically address threats. The National Internal Security Policy 2014-2018 consists of three key elements to counter internal security threats: dialogue with stakeholders; isolation of terrorists from their support system; and capacity building of security organizations, including the criminal justice system, police and civil armed forces. The National Internal Security Policy 2014-2018 also envisages establishment of a Directorate of Internal Security under the National Counter Terrorism Authority Pakistan (NACTA) to guide civil and military bodies in effectively protecting the nation against terrorist activities.¹⁰³

Key Steps Taken

In May 2014, the Federal Minister for Interior and Narcotics, Chaudhry Nisar Ali Khan, signed an agreement on biometrics-based SIM issuance between the National Database and Registration Authority (NADRA) and telecom operators to improve the state of security in Pakistan.¹⁰⁴

The Federal Minister introduced a new operational strategy that consists of a system of joint patrolling by the Rangers and Police to ensure security in the federal capital.¹⁰⁵

Pakistan hosted the 5th Pakistan-Russia meeting of the Joint Working Group on Counter Terrorism, which aimed to build mutual cooperation between the two countries in the battle against terrorism and transnational crime.¹⁰⁶

The Government formed a committee led by Ports and Shipping Secretary Habibullah Khattak to hold peace talks with the Tehrik-e-Taliban Pakistan in order to bring to an end to the internal violence and bloodshed that has spread fear across the country.¹⁰⁷

Analysis

According to the figures provided by the Ministry of Interior, the number of persons employed in law enforcement agencies under the Federal Government in ICT, including the Police, Elite Police and Counter Terrorism Force, was 9,748 in 2012-2013. This was reduced by 1.2% in 2013-2014 to 9,631.

Table 33 compares crime figures for 2012-2013 and 2013-2014 for areas under the Federal Government's authority. It is evident that the number of murders committed in ICT has decreased significantly from 123 murders in 2012-2013 to 67 murders in 2013-2014. The data also shows that the number of murders committed within the jurisdiction of the Federal Government in FATA has fallen by a dramatic 86.73% in 2013-2014 in comparison to 2012-2013.

The number of armed robberies committed under the jurisdiction of the Federal Government remains nearly the same: 273-armed robberies were committed in 2012-2013, while 266 were committed in 2013-2014.

The number of rape cases reported under the jurisdiction of the Federal Government has fallen from 17 cases in 2012-2013 to zero in 2013-2014. This raises concerns regarding the rape reporting mechanisms of law enforcement agencies.

According to the figures provided in Table 34, the number of terrorist attacks in the ICT has increased considerably from 3 in 2012-2013 to 11 in 2013-2014, which shows an increase of almost 4 times.

One suicide bombing was carried out by insurgents against Pakistan in the ICT in both 2012-2013 and 2013-2014.

Despite numerous attacks by insurgent terrorist organizations, no suspected terrorist was killed in encounters with federal agencies in 2012-2013 or 2013-2014. This reflects incompetence and inefficiency on the part of the law enforcement agencies.

103. Source: Government of Pakistan Finance Division, Ministry of Interior

104. NADRA-Cellular Operators sign Agreement on Biometric Based Sim Issuance [<http://www.interior.gov.pk/gop/index.php?q=aHR0cDovLzE5Mi4xNjguNzAuMTM2L21vaS9mcm1EZXRhaWxzLmFzcHg%2FaWQ9MTE2JmFtcDlvcHQ9bmV3c2V2ZW50cw%3D%3D>] accessed 23 January 2015

105. New Operational Strategy to be visible in Islamabad by 15th April [<http://www.interior.gov.pk/gop/index.php?q=aHR0cDovLzE5Mi4xNjguNzAuMTM2L21vaS9mcm1EZXRhaWxzLmFzcHg%2FaWQ9OTImYW1wO29wdD1uZXZlbnRz>] accessed 23 January 2015

106. Pakistan Hosts 5th Meeting of Pakistan -Russia Joint Working Group on Counter-Terrorism [<http://www.interior.gov.pk/gop/index.php?q=aHR0cDovLzE5Mi4xNjguNzAuMTM2L21vaS9mcm1EZXRhaWxzLmFzcHg%2FaWQ9NzUmYW1wO29wdD1uZXZlbnRz>] accessed 23 January 2015

107. Express tribune, Peace talks: Chaudhry Nisar meets Taliban committee [<http://tribune.com.pk/story/683191/peace-talks-chaudhry-nisar-meets-taliban-committee/>] accessed 23 January 2015

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Attacks on public and private buildings/facilities within the federal jurisdiction declined from 3 in 2012-2013 and to 1 attack in 2013-2014.

Terrorists continued to target places of worship, such as mosques, *Imambargahs* and churches within the federal jurisdiction, with one attack occurring both in 2012-2013 and in 2013-2014.

Table 35 depicts the encounters committed against terrorist organizations within the jurisdiction of the Federal Government. According to the data, 1

suspected terrorist was killed in a terrorism-related incident in 2012-2013, whereas none were killed in 2013-2014.

The number of civilian non-combatants killed in terrorist attacks decreased from 3 in 2012-2013 to 1 in 2013-2014.

No federal law enforcement personnel were martyred in encounters with criminals in 2012-2013 or 2013-2014.

Table 33: Crimes Committed within the Jurisdiction of the Federal Government

	2012-2013 (June-December)	2013-2014 (January-June)
Murders in ICT	123	67
Murders in FATA	565	75
Armed robberies	273	266
Rape cases	17	0

Source: Ministry of Interior, Government of Pakistan.

Table 34: Acts of Terrorism Committed within the Jurisdiction of the Federal Government

	2012-2013 (June-December)	2013-2014 (January- June)
Terrorist attacks in ICT	3	11
Suicide bombings in ICT	1	1
Attacks on public or private buildings/facilities	3	1
Attacks on places of worship	1	1

Table 35: Encounters with Terrorists within Federal Government Jurisdiction

	2012-2013 (June-December)	2013-2014 (January-June)
Number of suspected terrorists killed in terrorist attacks	1	0
Number of civilian non-combatants killed in terrorist attacks	3	1
Number of federal law enforcement persons martyred in encounters with criminals	0	0

Source: Ministry of Interior, Government of Pakistan.

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Performance of Regulatory Bodies

Legislative and Policy Interventions

None

Key Steps Taken

The Government appointed a Chief Executive Officer for the Drug Regulatory Authority of Pakistan in July 2013.

In the Pakistan Telecommunication Authority, an Acting Chairman was appointed in October 2013.

The Government dismissed the Chairman of the Pakistan Electronic Media Regulatory Authority (PEMRA) and appointed an Acting Chairman in a decision that was challenged in the High Court in June 2014.

The Acting Governor of the State Bank of Pakistan was promoted to the position of Governor, State Bank of Pakistan.

An Acting Chairman was appointed for the Competition Commission of Pakistan.

The Government challenged the appointment of the Chairman of the Public Procurement Regulatory Authority made by the previous government in 2012-2013 on the grounds that he is also the Secretary of the Finance Division, which may result in conflict of interest.

Analysis

The changes that were made in the leadership of regulatory authorities in 2013-2014 are summarized in Table 36. The Federal Government removed one chairperson of a regulatory body. Mr. Chaudhry Rashid Ahmed, former chairman of the PEMRA, He was

relieved of his duties by President Mamnoon Hussain.

The Government has not been able to appoint a Chairman for the Securities and Exchange Commission of Pakistan (SECP) and Mr. Tahir Mahmood has been its Acting Chairman since his appointment in 2012-2013. Likewise, Dr. Joseph Wilson, a Member of the Competition Commission of Pakistan (CCP), was reappointed as a member and, through a separate notification, given the additional charge of Acting Chairman of the CCP. In the case of State Bank of Pakistan, Mr. Ashraf Mahmood Wathra was promoted from Acting Governor to the position of the Governor, State Bank of Pakistan in April 2014.

The National Electric Power Regulatory Authority (NEPRA) had been operating without a chairperson for some time, and the lack of leadership had caused its performance to suffer. The Government promoted Mr. Tariq Sadozai from the Peshawar Electric Supply Company to the position of Chairman, NEPRA. In July, the Government was also able to appoint the Chairman of the Drug Regulatory Authority of Pakistan (DRAP).

In the case of the Public Procurement Regulatory Authority (PPRA), the Secretary of the Finance Division was appointed as the Chairman during 2012-2013. As this compromised the independence and transparency of the PPRA, the current Government challenged the appointment. The Government also challenged the fairness and transparency of the appointment of the Chairman of the Oil and Gas Regulatory Authority (OGRA) in the previous fiscal year.

Table 36: Appointments and Removals of Chairmen of Regulatory Authorities

Regulatory Body	2012-2013	2013-2014
PEMRA: Pakistan Electronic Media Regulatory Authority		President Mamnoon Hussain dismissed the PEMRA Chairman Chaudhry Rashid Ahmed in April. ¹⁰⁸ Mr. Pervez Rathore was appointed Acting Chairman. The appointment was challenged in the Islamabad High Court in June 2014. ¹⁰⁹

108. Dawn: President sacks Pemra Chairman available at [<http://www.dawn.com/news/1100530>]

109. Dawn: Pemra member challenges chairman's appointment at IHC available at [<http://www.dawn.com/news/1111177>]

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SECP: Securities and Exchange Commission of Pakistan	Commissioner Tahir Mahmood has been the Acting Chairman since April 2013	
SBP: State Bank of Pakistan		Mr. Ashraf Mahmood Wathra has been appointed the Governor, SBP with effect from April 29, 2014 for a period of three years. Mr. Wathra was appointed as Acting Governor, SBP on January 3, 2014 after the resignation of Mr. Yaseen Anwar.
CCP: Competition Commission of Pakistan		The Federal Government has reappointed Dr. Joseph Wilson as Member, the CCP for a term of three years with effect from November 12, 2013, and through a separate notification, appointed him as a Chairman on Acting Charge basis with effect from November 12, 2013 until further orders. ¹¹⁰
NEPRA: National Electric Power Regulatory Authority	Acting Chairman NEPRA, Mr. Habib Ullah Khilji, resigned in March 2013 as a result of a serious controversy within the power regulatory authority.	The NEPRA had no chairman for quite some time and, in late 2014, the Government promoted the Chief Executive of Peshawar Electric Supply Company, Mr. Tariq Sadozai, to the position.
DRA: Drug Regulatory Authority of Pakistan		Mr. Muhammad Arshad Khan has been appointed Director (Legal Affairs) and also Chief Executive Officer of DRAP since July 2013.
PPRA: Public Procurement Regulatory Authority		The Secretary, Finance Division, chairs the Authority.
OGRA: Oil and Gas Regulatory Authority	Mr. Saeed Ahmed Khan was appointed Chairman, OGRA in 2012. In 2013, the National Accountability Bureau (NAB) issued a notice to incumbent him to submit certified copies of the decision taken by the competent authority regarding his appointment as Chairman OGRA, but received no reply.	
PTA: Pakistan Telecommunication Authority		In October 2013, the Acting Chairman, PTA, Dr. Syed Ismail Shah, and Member (Finance), Mr. Tariq Sultan, assumed charge of their respective posts.
PAEC: Pakistan Atomic Energy Commission		No new appointments were made, and Dr. Ansar Parvez continues to serve as Chairman.

110. Competition Commission of Pakistan available at [http://www.cc.gov.pk/index.php?option=com_content&view=article&id=342&Itemid=151]

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Poverty Alleviation

Legislative and Policy Interventions

None

Key Steps Taken

The Federal Government has increased the monthly cash grant for recipients of the Benazir Income Support Programme (BISP) from Rs. 1,000 to Rs. 1,200.

The Federal Government announced the Prime Minister's Interest Free Loan Scheme under which a sum of Rs. 3.5 million has been earmarked for disbursement among youth for livelihood generation through the Pakistan Poverty Alleviation Fund.¹¹¹ (This initiative is also discussed under the parameter of unemployment management)

Analysis

According to the United Nations Human Development Report, Pakistan's ranking on the Human Development Index (HDI) remained unchanged at 146th among 187 countries in 2013 and 2014.¹¹² While Pakistan adopts a one-dimensional consumption-based approach to measure poverty, according to the multidimensional poverty index (MPI) of the United Nations Development Programme (UNDP), 45.6%¹¹³ of the population of Pakistan lives below the poverty line.¹¹⁴

A comparison of PRSP poverty-related expenditure in July-December 2012 and July-December 2013, presented in Table 37, shows that expenditure has actually decreased in the reporting year for most sectors. The largest reduction is observed in the

subsidies sector, 79.37%, followed closely by rural development, 71.96%.

A comparison of PRSP poverty-related expenditure in July-December 2012 and July-December 2013, presented in Table 38, shows that expenditure has actually decreased in the reporting year for most sectors. The largest reduction is observed in the subsidies sector, 79.37%, followed closely by rural development, 71.96%.

The Government continued the provision of cash transfers to eradicate poverty through the Benazir Income Support Programme. Apart from an increase in the amount of the cash grant from Rs. 1,000 to Rs. 1,200 in 2013-2014, the number of beneficiaries also rose by 9% compared to 2012-2013.

Yearly cash grants under the BISP witnessed an increase of 12% from Rs. 42.87 million in 2012-2013 to Rs. 48.18 million in 2013-2014.

Development expenditure through both the BISP and PPAF has increased in 2013-2014 compared to the previous fiscal year.

However, while the amount allocated under the BISP has increased by 21%, it has decreased by 6% against the budgeted estimates for 2013-2014.

Likewise, development expenditure under the PPAF has increased by 3%. However, compared to the budgeted estimates for 2013-2014, it has in fact decreased by 3%.

Table 37: Pakistan Rural Support Programme (PRSP) Poverty-Related Expenditure by Sector (Rs. in millions)

Sector	2012-2013	2013-2014*
Social Security and Welfare**	70,911	29,732
Land Reclamation	4,805	2,088
Rural Development	31,926	3,665
Subsidies	556,113	39,804
People's Works Programme – I	3,346	-
People's Works Programme – II	42,486	-
Low-cost Housing	603	175
Total	1,911,300	588,105

Source: Ministry of Finance, Government of Pakistan.
July-December

** Social Security & Welfare includes the BISP and the Pakistan Bait-ul-Mal (PBM).

111. <http://www.dawn.com/news/1106205>

112. <http://hdr.undp.org/sites/default/files/Country-Profiles/PAK.pdf>

113. The most recent survey data available for estimating MPI figures for Pakistan were collected in 2006/2007: UNDP Human Development Report 2014

114. <http://www.thenews.com.pk/Todays-News-2-273911-Half-of-Pakistan-population-lives-in-poverty-UN-report>

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Table 38: BISP Disbursements

	Number of Beneficiaries (millions)	% Change from Last Year	Yearly Cash Grants (millions)	% change from last year
2012-2013	4.8	32.23	42.87	5
2013-2014*	5.25	9	48.18	12.39

Table 39: Development Expenditure under BISP and PPAF (Rs. in millions)

	2012-2013	2013-2014	% change
Development Expenditure under BISP (Budgeted Estimates)	60,000	75,000	25%
Development Expenditure under BISP (Revised Estimates)	58,000	70,280	21%
Development Expenditure under PPAF (Budgeted Estimates)	12,768	14,995	17%
Development Expenditure under PPAF (Revised Estimates)	14,050	14,505	3%

Source: Federal budgets, Ministry of Finance, Pakistan.

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Public Procurement

Legislative and Policy Interventions

The first-ever National Procurement Strategy (NPS) was finalized and unanimously adopted to strengthen the public procurement system at the Federal and Provincial levels in September 2013.¹¹⁵

Key Steps Taken

The Public Procurement Regulatory Authority hosted the second South Asia Regional Public Procurement Forum in Islamabad on March 25-27, 2014, which was inaugurated by the President of Pakistan, Mr. Mamnoon Hussain. The theme of the forum was “Moving from Compliance to Performance”. The first South Asian Regional Public Procurement Forum was held in 2011 in Kathmandu, Nepal.

President Mamnoon Hussain inaugurated the World Bank South Asian Procurement Services for Pakistan in March 2014, thereby introducing the world's first one-stop online portal to training and knowledge

sharing in the public procurement arena in the country. A workshop to draft an E-Procurement Strategy for Pakistan was held on May 27, 2014.

Analysis

Compliance with the Public Procurement Rules (PPR) increased from 1% in 2012 to 10% in 2014.¹¹⁶

The number of tenders uploaded increased by 7.36%, from 26,121 in 2012-2013 to 28,046 in 2013-2014 (Table 40).

The number of PPR violations indicated has decreased by 22% from 5,721 in 2012-2013 to 4,458 in 2013-2014, while the percentage of violations of PPR has decreased by 6 percentage points compared to 2012-2013 (Table 40).

The PPRA held 13 training sessions for its employees to train them in dealing with the PPR in 2013-2014 compared to 22 in 2012-2013, training a total of 1,129 participants compared to 4,501 in 2012-2013.

Table 40: Comparative Performance of PPRA 2012-2013 to 2013-2014

	2012-2013	2013-2014	% Change from Previous Year
Number of tenders uploaded on line	26,121	28,046	7.36%
Number of violations indicated	5,721	4,458	-22%
Percentage point of violations indicated	21.9%	15.9%	-6%
Number of trainings sessions held	22	13	-41%

Source: Public Procurement Regulatory Authority, Pakistan.

115. <http://www.pakistantoday.com.pk/2013/09/03/business/first-ever-national-procurement-strategy-finalised/>

116. <http://www.brecorder.com/business-and-economy/189:pakistan/1166443:ppra-lacks-powers-to-take-action-on-violation-of-pp-rules:-dg?date=2014-03-27>

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Public Sector Development Programme

The Public Sector Development Programme (PSDP) has been designed to, as stated by the Government, achieve the Medium Term Development Framework (MTDF) objectives of reducing poverty, achieving the Millennium Development Goals (MDGs), ensuring equitable development of regions and social groups, empowering women, and minimizing wastages. Its strategic thrust is to facilitate the development of human capital and the private sector as the engines of economic growth.

Legislative and Policy Interventions

The Federal Government approved, “Vision 2025” in 2013-2014 under the Ministry of Planning, Development and Reforms (PD&R).

Key Steps Taken

A meeting of the Central Development Working Party (CDWP) was conducted to consider eleven projects, of which nine schemes, with an estimated worth of Rs.9,041.30 million, were approved.¹¹⁷

The Ministry of PD&R and UNDP, in collaboration with the Pakistan Institute of Development Economics (PIDE), jointly initiated a process of Provincial consultations (one in each province) with technical experts and policymakers on the proposed dimensions of the Multidimensional Poverty Index (MPI).¹¹⁸ Two such workshops were held in Lahore and Karachi in 2013-2014.

A Five-Year Plan (2013-2018) for Employment and Skill Development was prepared.¹¹⁹

The Federal Government undertook monthly desk monitoring and evaluation of all ongoing water sector development programmes.¹²⁰

Gender mainstreaming courses were conducted to achieve the MDGs.¹²¹

Some 893 ongoing projects were allocated Rs. 394 billion (73% of the total PSDP budget) while Rs. 146 billion (27% of the total PSDP budget) was allocated to 236 new important projects, including Rs. 115 billion for New Development Initiatives. New Development Initiatives. About 239 projects costing Rs. 410 billion

Development of the power sector is high on the agenda of the Federal Government according to the Public Sector Development Plan (2013-2014), and funds were allocated for the development of dams, specifically land acquisition for Diamer Basha Dam and the Neelum-Jhelum Hydro Power Projects

were completed/substantially implemented during fiscal year 2013-2014.

Development of the power sector is high on the agenda of the Federal Government according to the Public Sector Development Plan (2013-2014), and funds were allocated for the development of dams, specifically land acquisition for Diamer Basha Dam and the Neelum-Jhelum Hydro Power Projects.

In the Public Sector Development Plan 2013-2014, stand alone population and health sector projects were allocated Rs. 25 billion to implement a decision of the Council of Common Interests. The main programmes include the National Programme for Family Planning and Primary Health Care (Rs. 11 billion), Population Welfare (Rs. 8 billion), Expanded Programme of Immunization (Rs. 2.8 billion), and National Maternal Neonatal & Child Health Programme (Rs. 2.4 billion).

Analysis

Tables 41 and 42 provide a summary of the National Development Outlay in 2012-2013 and 2013-2014, respectively. The budgetary allocation in the National outlay for Federal PSDP shows a 33% increase and for Provincial ADPs shows 19% increase.

117. Planning Commission: Newsletter available at [<http://www.pc.gov.pk/wp-content/uploads/2014/12/Newsletter-October-2014.pdf>]

118. Id.

119. Id.

120. Id.

121. Id.

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Table 41: National Development Outlay, 2012-2013(Rs. in billions)

Component	Rupee	Foreign Aid	Total
Federal PSDP	261	99	360
Provincial Annual Development Programmes	454	59	513
Total	715	158	873

Table 42: National Development Outlay, 2013-2014 (Rs. in billions)

Component	Rupee	Foreign Aid	Total
Federal PSDP	431	109	540
Provincial ADPs	537	78	615
Total	968	187	1155

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Tax Collection

Legislative and Policy Interventions

The Federal Government increased the sales tax rate from 16% in 2012-2013 to 17% in 2013-2014, through the Finance Act 2013, in order to generate additional resources to meet the shortfall in revenue collection.

Key Steps Taken

The Federal Board of Revenue (FBR) missed the original tax collection target of Rs. 2,475 billion for the year 2013-2014. The target was revised twice during the year and reduced to Rs. 2,345 billion and further to Rs. 2,275 billion during the year.

Tax revenue collection by the FBR nevertheless remained below target levels and a total of Rs. 2,266 billion was collected during the fiscal year.

Analysis

Compared to 2012-2013, revenue collection by the

FBR increased by 16% from Rs. 1,946 billion to Rs. 2,266 billion as provisional collections during the outgoing fiscal year 2013-2014. As a result, the tax-to-GDP ratio increased from 8.5% to 8.9%.

In absolute terms, the FBR collected Rs. 319 billion more in 2013-2014 compared to 2012-2013.

The volume of direct taxes collected increased to Rs. 884.1 billion, which represents a growth of 18.9% from 2012-2013. Collection of sales tax grew by 18.5%; customs, by 0.6%; and federal excise duty (FED), by 15%.

The share of direct taxes in total federal taxes has increased from 38.2% in 2012-2013 to 39% in 2013-2014. Similarly, the share of sales tax has also increased from 43.3% to 44.2%. On the other hand, the share of custom duty has declined from 12.3% in 2012-13 to 10.6% in 2013-2014.

Table 43: Tax Revenue Estimates and Collections by the FBR, Rs. in billions

	2012-2013 (Budgeted Estimates)	2012-2013 (Revised Estimates)	2013-2014 (Budgeted Estimates)	2013-2014 (Revised Estimates)
Total tax revenue estimates	2,381	2,007	2,475	2,275
Total tax collection	-	1,946	-	2,266

Source: FBR, Bi-Annual Reviews, Budgetary Memorandums 2013-2014, 2014-2015.

Table 44: Comparison of Net Revenue Collection under Different Tax Heads (Rs. in billions)

Tax Head	Provisional Collection 2012-2013	Provisional Collection 2013-2014	Absolute Growth	% Change
Direct Taxes	743.4	884.1	140.7	+18.9%
Sales Tax	842.5	1,002.1	159.6	+18.5%
FED	121.0	139.1	18.1	+15.0%
Customs	235.9	241.0	1.5	+0.6%
Total	1,946.4	2,266.3	319.9	+16.4%

Source: FBR Bi-Annual Reviews, Budgetary Memorandums 2013-2014, 2014-2015

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Transparency

Legislative and Policy Interventions

None

Key Steps Taken

The Ministry is providing information to the media to project, publicize and promote the activities and policies of the Government of Pakistan.¹²²

IT infrastructure and training have been provided to public sector and educational institutions.¹²³

Although Provincial Governments in Punjab and Khyber Pakhtunkhwa have enacted more progressive and effective Right to Information laws during the year, the federal government has failed to replace the existing out-dated and ineffective Freedom of Information Ordinance, 2002 with a newer version despite the fact that Federal Government was the first to bring such a law in the entire South Asia and before any province in Pakistan had done so. The inaction of the federal government in this respect is difficult to understand.

Analysis

Out of 1,117 requests for information from the Centre for Peace and Development Initiatives (CPDI), information was provided in only 97 requests, which indicates the low priority public bodies give to responding to information requests. Of these, 46 information requests were submitted to federal public bodies under the Freedom of Information Act, 2002 and information.

In 2013-2014, 46 information requests were received under the Freedom of Information Ordinance, 2002 and responses were provided for 2.¹²⁴ During 2013-2014, 9 complaints were received under the Freedom of Information Act, 2002; there were 2 interventions by the appellate body; and no information was received in either case on the intervention of the appellate body.¹²⁵

Moreover, while 64 complaints were lodged with the Federal Ombudsman and Provincial Ombudsmen, receipt of only 5 complaints was acknowledged, and only 11 out of the 64 public bodies against whom complaints were lodged filed written replies within 21 days of the Ombudsman's intervention and provided the requested information.

The number of complaints lodged with the Ombudsman by the Federal Public Bodies remained the same, i.e., 8, in both 2012-2013 and 2013-2014.

As Table 45 shows, the total number of requests for information made under Freedom of Information Ordinance was 10 in 2012-2013 and 46 in 2013-2014. There has been a 360% or about a five-fold increase in the total number of requests in 2013-2014, which indicates that more people and institutions are exercising their right to information.

Table 45: Information Requests and Responses under Freedom of Information Ordinance, 2002

	Information Requests Received	Responses Given
2012-2013	10	3
2013-2014	46	2

122. *Id*

123. Ministry of Information Technology and Telecommunication available online at [http://finance.gov.pk/budget/mtbf_2014_17.pdf]

124. *Ibid.*

125. *Ibid.*

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Use of Technologies

Legislative and Policy Interventions

The Ministry of Information Technology prepared a draft bill of the Prevention of Electronic Crime. The draft was finalized and forwarded to the Prime Minister through the Ministry of Law and Justice for approval and presentation before the Parliament. It was still pending approval of the Parliament as of June 2014.

Key Steps Taken

A policy directive was issued by the Ministry of Information Technology in October 2013 to initiate the process of auctioning for 3G and 4G licenses. The latest mobile technologies (4G/LTE) were introduced in Pakistan through a transparent auction on April 23, 2014. Zong and Mobilink won 10 Megahertz (MHz) of spectrum each for 3G licenses. Ufone and Telenor were successful in winning 5MHz of spectrum. Zong was able to get an additional license for 4G technology as well. The Pakistan Telecommunication Authority generated US \$ 1.182 billion from the auction, including US \$ 902.82 million from 3G spectrums, and US \$ 210 million from the 4G Spectrum.¹²⁶

The Ministry of Information Technology decided to merge two organizations, Pakistan Computer Bureau (PCB) and Electronic Government Directorate (EGD), both responsible for implementing and supporting the Federal Government's e-government initiatives, into a single entity to be named the National Information Technology Board (NITB). Groundwork on the proposal was completed and the restructuring proposal was placed before the Cabinet Committee on Restructuring (CCOR) as of June 2014.

The Ministry of IT initiated a paradigm shift from small software technology parks (housing just software related firms) to complete fully operational "ICTParks". The Planning Commission of Pakistan approved the concept, and the Ministry of IT started preparing the PC-II in consultation with the World Bank Office in Pakistan. The World Bank has

The latest mobile technologies (4G/LTE) were introduced in Pakistan through a transparent auction on April 23, 2014. Zong and Mobilink won 10 Megahertz (MHz) of spectrum each for 3G licenses

expressed its desire to invest up to US \$ 45 million in this project, although a letter of intent is awaited.¹²⁷

The PTA established a dedicated 24/7 call centre in October 2013 to receive and process complaints against suspected grey traffic activity from the general public.¹²⁸

Analysis

Pakistan's global rank in the use of IT has dropped from 102 in 2012 to 105 in 2013 out of 144 countries, according to the Global Information Technology Report 2014. In the context of use of ICTs, in particular, the country's position has dropped by 18 places (Table 46).

Pakistan ranks poorly on the Government's Online Service Index. Out of a 144 countries, it ranked 98 in 2013, which again is a drop from 2012's ranking by one place. Most importantly, Pakistan's ranking on the E-Participation Index has decreased by 25 places, from 92 in 2012 to 117 in 2013.

The 24/7 call centre established by the PTA to prevent suspected grey traffic activity received a total of 157,000 complaints.

Table 46: Comparative Position of Pakistan in the Global Information Technology Reports, 2012 and 2013

	2012	2013
Global ranking in ICTs	102	105
Government usage of ICTs	110	118
Government's Online Service Index (0-1, best)	97	98
Government's Success in Promotion of ICT	77	91
E-participation Index	92	117

Source: The Global Information Technology Reports 2013-2014.

126. <http://www.moremag.pk/2014/04/23/all-4-telecom-companies-win-a-3g-license-zong-even-got-4g/>

127. Complaints can be lodged by the public at Toll Free Number: 080055055, Telephone: 051 9207 059; Fax: 051 2878 127, E-mail: complaint@pta.gov.pk, or SMS: 8866. <http://www.telecoalert.com/moit-one-year-performance-report/>.

128. http://www.finance.gov.pk/survey/chapters_14/13_Transport_and_coms.pdf

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Utility Bills Collection

Legislative and Policy Interventions

In 2013-2014, a bill was introduced in the National Assembly to further amend the Electricity Act, 1910.¹²⁹

The bill proposes a minimum penalty of one-year imprisonment and a fine of Rs. 1 million for consumers involved in power theft. The maximum penalty is seven-year imprisonment and a fine of Rs. 10 million.

With regard to the offences and penalties relating to electricity, amendments in the Pakistan Penal Code (PPC) and Code of Criminal Procedure (CrPC) have been proposed.¹³⁰

Key Steps Taken

None

Analysis

Performance with regard to the collection of gas bill payments has deteriorated over the last year. There was no outstanding amount at the end of 2012-2013, whereas by the end of 2013-2014, a sum of Rs. 3,592.704 million remained to be collected (Table 47).

Collection of payments against electricity bills until May 2014 was Rs. 86 billion, against estimated collection by June 2014 of Rs. 800 billion. The performance of different power distribution companies varied in this regard.

In the Lahore Electric Supply Company (LESCO), the total percentage of collection against bills had decreased from 77% in July 2012 to 67% in July 2013 but increased to 87% in 2014 (Table 48).

In the Gujranwala Electric Supply Company (GEPCO), collection of bill payments increased from 83% in July 2013 to 91% in July 2014 (Table 49).

The Faisalabad Electric Supply Company (FESCO) maintained the same rate of bill collection in July 2014 as it had in July 2013, i.e., 89% (Table 50).

In the Islamabad Electric Supply Company (IESCO), bill collection improved from 77% in July 2013 to 78% in July 2014 (Table 51).

In the Multan Electric Power Company (MEPCO), collection of bill payments increased from 77% in July 2013 to almost double in July 2014 (Table 52).

In the Peshawar Electric Supply Company (PESCO), bill collection increased from 74% in July 2013 to 75% in July 2014 (Table 53).

In the Tribal Electric Supply Company (TESCO), collection of payments against electricity bills remained unchanged since July 2013 at 5% (Table 54). This is the most problematic area where the collection of bills seems to be a challenge.

In the Hyderabad Electric Supply Company (HESCO), bill collection increased from 51% in July 2013 to 62% in July 2014 (Table 55).

In the Sukkur Electric Power Company (SEPCO), the total bills collected increased from 32% in July 2013 to 33% in July 2014. There was an overall 1percentage point increase over the year.

Data for bill payment collection in 2014 was not available for the Quetta Electric Supply Company (QESCO). Table 57 presents the data for the previous two years. There has been a zero increase in the % of total utility bills collected.

KESE is now K Electric and Federal Government has not authority over the collection of bills.

Table 47: Comparison of Gas Bill Payment Collection in 2012-2013 and 2013-2014 (Rs. in millions)

Year	Gross Gas Bill*	Total Received (Up to June 24, 2014)	Total Outstanding
2012-2013	10,043.408	10,043.408	0
2013-2014	11,133.158	7,540.454	3,592.704

Excluding Gas Infrastructure Development Cess) and Sales Tax.

129. Data provided by the Ministry of Water and Power, Government of Pakistan.

130. Id.

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Table 48: Bill Payment Collection by LESCO(Rs. in millions)

Month	Billing				Collection			
	Govt.	Agri	Pvt.	Total	Govt.	Agri	Pvt.	Total
July 2014	1,832.38		22,089.86	23,922.24	804.80		19,899.39	20,704.19
July 2013	1,755.96		21,916.01	23,671.97	569.98		15,312.59	15,882.57
July 2012	1,522.49		17,848.87	19,371.36	687.40		14,270.88	14,958.28

Note: Agri.=Agricultural consumers, Govt.=Government consumers, Pvt.=Private consumers.

Table 49: Bill Payment Collection by GEPCO (Rs. in millions)

Month	Billing				Collection			
	Govt.	Agri.	Pvt.	Total	Govt.	Agri.	Pvt.	Total
July 2014	534.67		8,696.62	9,231.29	165.96		8,211.18	8,377.14
July 2013	372.09		7,039.61	7,411.70	94.90		6,021.63	6,116.53
July 2012	379.99		6,678.90	7,058.89	162.40		5,686.96	5,849.36

Note: Agri.=Agricultural consumers, Govt.=Government consumers, Pvt.=Private consumers

Table 50: Bill Payment Collection by FESCO (Rs. in millions)

Month	Billing				Collection			
	Govt.	Agri.	Pvt.	Total	Govt.	Agri.	Pvt.	Total
July 2014	734.02		11,599.91	12,333.93	642.39		10,385.07	11,027.46
July 2013	543.20		9,640.27	10,183.47	558.09		8,494.65	9,052.74
July 2012	570.56		9,414.94	9,985.50	468.23		8,066.47	8,534.70

Note: Agri.=Agricultural consumers, Govt.=Government consumers, Pvt.=Private consumers.

Table 51: Bill Payment Collection by IESCO(Rs. in millions)

Month	Billing				Collection			
	Govt.	Agri.	Pvt.	Total	Govt.	Agri.	Pvt.	Total
July 2014	2,822.00		9,288.88	12,110.88	1,234.09		8,224.16	9,458.25
July 2013	1,995.67		8,444.40	10,440.07	1,278.94		6,772.68	8,051.62
July 2012	2,151.81		6,854.81	9,006.62	1,038.39		6,016.64	7,055.03

Note: Agri.=Agricultural consumers, Govt.=Government consumers, Pvt.=Private consumers.

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Table 52: Bill Payment Collection by MEPCO (Rs. in millions)

Month	Billing				Collection			
	Govt.	Agri.	Pvt.	Total	Govt.	Agri.	Pvt.	Total
July 2014	790.07		12,600.89	13,390.96	1,212.14		13,178.09	14,390.23
July 2013	571.52		11,170.99	11,742.51	269.89		8,720.69	8,990.58
July 2012	579.87		10,419.05	10,998.92	375.60		9,063.78	9,439.38

Note: Agri.=Agricultural consumers, Govt.=Government consumers, Pvt.=Private consumers.

Table 53: Bill Payment Collection by PESCO (Rs. in millions)

Month	Billing				Collection			
	Govt.	Agri.	Pvt.	Total	Govt.	Agri.	Pvt.	Total
July 2014	917.17		9,508.83	10,426.00	580.26		7,274.77	7,855.03
July 2013	1,015.22		6,223.76	7,238.98	663.72		4,668.73	5,332.45
July 2012	930.43		5,962.56	6,892.99	575.67		4,325.36	4,901.03

Note: Agri.=Agricultural consumers, Govt.=Government consumers, Pvt.=Private consumers.

Table 54: Bill Payment Collection by TESCO (Rs. in millions)

Month	Billing				Collection			
	Govt.	Agri.	Pvt.	Total	Govt.	Agri.	Pvt.	Total
July 2014	70.30		1,216.14	1,286.44	2.54		66.27	68.81
July 2013	53.05		1,477.49	1,530.54	37.11		43.52	80.63
July 2012	56.79		1,547.84	1,604.63	6.70		37.71	44.41

Note: Agri.=Agricultural consumers, Govt.=Government consumers, Pvt.=Private consumers.

Table 55: Bill Payment Collection by HESCO (Rs. in millions)

Month	Billing				Collection			
	Govt.	Agri.	Pvt.	Total	Govt.	Agri.	Pvt.	Total
July 2014	1,381.75		3,000.70	4,382.45	652.94		2,071.37	2,724.31
July 2013	1,181.72		2,489.35	3,671.07	92.94		1,772.53	1,865.47
July 2012	1,295.49		2,252.94	3,548.43	171.18		1,719.50	1,890.68

Note: Agri.=Agricultural consumers, Govt.=Government consumers, Pvt.=Private consumers.

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Table 56: Bill Payment Collection by SEPCO (Rs. in millions)

Month	Billing				Collection			
	Govt.	Agri.	Pvt.	Total	Govt.	Agri.	Pvt.	Total
July 2014	1,427.41		2,339.11	3,766.52	156.29		1,075.77	1,232.06
July 2013	1,151.16		2,050.73	3,201.89	101.61		919.60	1,021.21
July 2012	1,374.73		2,010.55	3,385.28	142.21		847.12	989.33

Note: Agri.=Agricultural consumers, Govt.=Government consumers, Pvt.=Private consumers.

Table 57: Payment Collection against Bills by QESCO (Rs. in millions)

Month	Billing				Collection			
	Govt.	Agri.	Pvt.	Total	Govt.	Agri.	Pvt.	Total
July 2014	-	-	-	-	-	-	-	-
July 2013	367.03	2052	662.61	3,082.25	56.41	38.	464.57	559.11
July 2012	638.21	2263	595.94	3,497.25	1,142.25	29.	454.18	1,626.35

Note: Agri.=Agricultural consumers, Govt.=Government consumers, Pvt.=Private consumers.

June 5, 2013 – June 4, 2014

Water Resource Management and Development

Legislative and Policy Interventions

The Eighteenth Amendment in the Constitution of Pakistan, in addition to other important subjects, also addressed issues in distribution of water resources and control over reservoirs by enhancing the powers of the Council of Common Interests. The CCI now has policy control over reservoirs in addition to natural resources of water supply. Furthermore, it has been agreed that the Federation will not build new hydroelectric stations in any province without consultation with and the consent of that province.

A National Water Policy document was prepared but it has still not been formally passed or approved by the CCI.

Key Steps Taken

In order to conserve water through dams, the Government has been developing the Gomal Zam

Dam, which has a capacity of 1.14 million acre-feet (MAF), and the 0.02-MAF Satpara Dam.

Analysis

There was an increase in the loss of water to the sea through system inflows by approximately 13% in 2013-2014 in comparison to the previous year. In addition, there was a dramatic increase of 204.16% in the percentage of escape below Kotri in the same period.

Table 59 indicates that the budget amount allocated to water resource management and development in 2013-2014 increased slightly from 2012-2013. However, the proportion of the allocation to this sector in the Federal PSDP budget declined from 14% to 11%.

Compared to 2012-2013, the amount actually spent on water resource management and development declined in 2013-2014. Moreover, as Table 60 shows, the Government spent only 56% of the allocated budget, compared to 66.6% in the previous fiscal year.

Table 58: River Water Loss to the Sea, MAF

Year	System Inflows	Escapages Below Kotri
2012-2013	125.06	6.01
2013-2014	140.81	18.28

Table 59: Budget Allocated to Water Resource Management and Development

Year	Amount (Rs. millions)	% of Federal PSDP Budget
2012-2013	51.184	14%
2013-2014	57.840	11%

Table 60: Actual Spending on Water Resource Management and Development

Year	Amount (Rs. millions)	% of Allocated Budget
2012-2013	34.057	66.6%
2013-2014	32.414	56%

APPENDICES

June 5, 2013 – June 4, 2014

Appendix A

Members PILDAT Governance Assessment Group (GAG)

(List of members from Serial No. 1-25 is sorted in alphabetical order by last name)

No.	Name & Designation
1.	Mr. Ahmed Rafay Alam Lawyer; Vice President Punjab Pakistan Environmental Law Association; Director Lahore Waste Management Co. Lahore
2.	Mr. Abdul Hakeem Baloch Political Analyst/Formers State Minister for Railways Quetta
3.	Mr. Salman Bashir Former Foreign Secretary of Pakistan Islamabad
4.	Mr. Mohammad Feyyaz Peace & Security Expert Lahore
5.	Lt. Gen. (Retd.) Moinuddin Haider Former Governor Sindh; Former Interior Minister Karachi
6.	Mr. Shahid Hamid Senior Advocate, Supreme Court; former Governor of the Punjab & Federal Minister Lahore
7.	Dr. Tariq Hassan Former Chairman SECP, Senior Lawyer Islamabad
8.	Mr. Javed Ashraf Husain Former Chief Secretary Sindh Karachi
9.	Mr. Nohman Ishtiaq Public Finance Management Expert Islamabad
10.	Mr. Arshad Saeed Khan Senior National Specialist (Education), (UNESCO) Islamabad
11.	Dr. Zulfikar Khan Coordinator (Health System), World Health Organization (WHO) Islamabad
12.	Mr. Shamsul Mulk Former Caretaker Chief Minister; Former Chairman WAPDA Peshawar / Islamabad
13.	Dr. Niaz Murtaza Development and Political Economist, Senior Fellow UC Berkley Islamabad

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14.	Dr. Hafiz A. Pasha Former Advisor to the Prime Minister Lahore
15.	Mr. Saeed Ahmed Qureshi Former Chief Secretary Sindh Islamabad
16.	Mr. Salman Akram Raja Advocate, Supreme Court Lahore
17.	Dr. Aziz ur Rehman Faculty Member, International Islamic University Islamabad
18.	Mr. Ghazi Salahuddin Senior Journalist/Analyst Karachi
19.	Mr. Mujibur Rehman Shami Editor in Chief, Daily Pakistan Lahore
20.	Dr. Shoaib Suddle Former Federal Tax Ombudsman / Former I.G. Police Islamabad
21.	Ms. Rabia Sultan Director, Farmer's Association Pakistan Lahore
22.	Ambassador (Retd.) Ayaz Wazir Former Ambassador Islamabad
23.	Mr. Abdullah Yusuf Chairman IPPAC, Former Chairman FBR Islamabad
24.	Syed Ali Zafar Advocate Supreme Court Lahore
25.	Dr. S. Akbar Zaidi Economist Karachi
26.	Mr. Ahmed Bilal Mehboob President, PILDAT Islamabad / Lahore
27.	Ms. Aasiya Riaz Joint Director, PILDAT Islamabad / Lahore



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