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# **PRSP Mid-Year Progress Report FY2012/13**

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**PRSP Secretariat  
Finance Division  
Government of Pakistan**

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## **Foreword**

This is the mid-year PRSP progress report for FY 2012/13, which highlights that the Poverty Reduction Strategy Papers initiative has resulted in enhancing the effectiveness of strategies designed to alleviate poverty. The PRSP-II adopts an effective approach towards formulating a long-term national economic strategy that aims at reducing poverty mainly through the nine pillars on which it was based.

The Fiscal Responsibility and Debt Limitation Act (2005) makes it mandatory for the Government of Pakistan to keep the poverty and social sector expenditures at not less than 4.5% of the GDP in any Fiscal Year. Accordingly, the Poverty Reduction Strategy Paper (PRSP) Secretariat in Finance Division is mandated to monitor the progress made in the different pro-poor sectors under the PRSPs. The real test of pro-poor public expenditures lies in their impact. Hence, the policies in PRSP-II are linked with the achievement of key economic, social and human development goals. The PRSP Secretariat regularly reports budgetary and non-budgetary expenditures in the pro-poor sectors. It also monitors the output and outcome indicators as defined in its monitoring and evaluation framework. This practice promises to play a key role in improving future policies regarding poverty reduction.

The Finance Division is thankful for the much needed data provided to the PRSP Secretariat by different organizations.

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## Acronyms

<b>AJ&amp;K</b>	Azad Jammu & Kashmir
<b>BHUs</b>	Basic Health Units
<b>BISP</b>	Benazir Income Support Programme
<b>CDA</b>	Capital Development Authority
<b>CAD</b>	Current Account Deficit
<b>CFIs</b>	Commercial Financial Institutions
<b>CPI</b>	Consumer Price Index
<b>CSP</b>	Child Support Program
<b>CSF</b>	Competitive Support Fund
<b>CFY</b>	Current Fiscal Year
<b>EDB</b>	Engineering Development Board
<b>EDT</b>	Enterprise Development Training
<b>EOBI</b>	Employees Old Age Benefit Institution
<b>FANA</b>	Federally Administered Northern Areas
<b>FATA</b>	Federally Administered Tribal Areas
<b>FBR</b>	Federal Bureau of Revenue
<b>FBS</b>	Federal Bureau of Statistics
<b>FED</b>	Federal Excise Duty
<b>FSP</b>	Food Support Programme
<b>FRDLA</b>	Fiscal Responsibility and Debt Limitation Act
<b>FY</b>	Fiscal Year
<b>GDP</b>	Gross Domestic Product
<b>GER</b>	Gross Enrollment Rate
<b>GOP</b>	Government of Pakistan
<b>ICT</b>	Islamabad Capital Territory
<b>IFA</b>	Individual Finance Assistance
<b>IDPs</b>	Internally Displaced People
<b>IMR</b>	Infant Mortality Rate
<b>IR</b>	Institutional Rehabilitation
<b>KP</b>	Kyber Pakhtoon Khawa
<b>LFS</b>	Labour Force Survey
<b>LHWs</b>	Lady Health Workers
<b>LSM</b>	Large Scale Manufacturing
<b>LP</b>	Langer Program
<b>MFBs</b>	Micro Finance Banks
<b>MFIs</b>	Micro Finance Institutions
<b>NAVTEC</b>	National Vocational and Technical Education Commission
<b>NCRCL</b>	National Centre for Rehabilitation of Child Labour
<b>NFNE</b>	Non Food Non Energy
<b>NEMIS</b>	National Educationnel Mangement Information System
<b>NER</b>	Net Enrolment Rate
<b>NGO</b>	Non Government Organizations
<b>NIP</b>	National Internship Programme

<b>NID</b>	National Immunization Day
<b>PBM</b>	Pakistan Bait-ul-Maal
<b>PDL</b>	Petroleum Development Levy
<b>PFY</b>	Previous Fiscal Year
<b>PIFRA</b>	Project for improving financial reporting and auditing
<b>PWP</b>	People Works Program
<b>PRSP</b>	Poverty Reduction Strategy Paper
<b>PSC</b>	Poverty Score Card
<b>PFSP</b>	Punjab Food Support Program
<b>PSRP</b>	Punjab Sasti Roti Program
<b>PMN</b>	Pakistan Micro-Finance Network
<b>PH</b>	Pakistan Homes
<b>PSH</b>	Pakistan Sweet Homes
<b>PSE</b>	Public Sector Enterprises
<b>PWP</b>	Peoples Works Program
<b>RSPs</b>	Rural Support Programs
<b>SMEs</b>	Small and Medium Enterprises
<b>SPI</b>	Sensitive Price Index
<b>SPRSMP</b>	Strengthening Poverty Reduction Monitoring Project
<b>SBP</b>	State Bank of Pakistan
<b>TFR</b>	Total Fertility Rate
<b>TVET</b>	Technical & Vocational Education and Training
<b>TT</b>	Tetanus Toxoid
<b>VTC</b>	Vocational Training Center
<b>WPI</b>	Wholesale Price index
<b>WWF</b>	Workers Welfare Fund
<b>YoY</b>	Year-on-Year

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## Introduction

The Poverty Reduction Strategy Paper–II (PRSP-II) Mid-Year Progress Report for FY2012/13 is the twelfth report in line ever since the inception of PRSP Secretariat at Finance Division.

Under the PRSP-II, 17 pro-poor sectors were identified along with a set of related social sector indicators to evaluate and monitor the progress of Government’s poverty reduction initiatives. These indicators cover macroeconomic targets as well as poverty, education, health, population, water and sanitation, housing, rural development, environment, gender, employment, food support programmes, social welfare funds, and microfinance.

This report is divided into four chapters. Chapter 1 discusses the trends in macroeconomic indicators during FY13. Chapter 2 gives a detailed analysis of expenditures incurred in pro-poor sectors. Chapter 3 focuses on the progress made in Social Safety Net programmes during FY2012/13. Chapter 4 evaluates the PRSP Intermediate (Output) Indicators.

On the macroeconomic front, the year started with continuous problems of power and gas shortages along with other internal and external challenges. According to Pakistan Economic Survey, in FY12 and FY13 the power shortage became so severe that it wiped out 2% from our GDP. Agriculture, Manufacturing as well as Services sector performed below capacity.

A significant growth in expenditures has been observed in all the sub sectors except where certain subsidies were curtailed. Among the five broad categories, Rural Development witnessed a maximum growth of 74.89 percent; followed by 18.96 percent growth in Human Development and 13.51 percent growth in Governance.

The total amount disbursed under different programmes for protecting the poor and the vulnerable during H1 of FY12/13 including budgetary and non-budgetary transfers increased by 154.40 percent, from Rs. 31,811.46 million in H1 of FY11/12 to Rs. 80,931.37 million in H1 of FY12/13. These programmes include Zakat, Pakistan Bait-ul-Mal (PBM), Employees Old Age Benefit Institutions (EOBI), Workers Welfare Fund (WWF), Benazir Income Support Programme (BISP), and Microfinance.



The targeted population for immunization coverage of pregnant women at the national level increased by 1.77 percent from 3,030,987 in H1 of FY11/12 to 3,084,937 in H1 of FY12/13. In H1-FY12/13, total population covered by LHW's was 62,732,668 in Punjab province. After Punjab, the largest population coverage by LHW's was recorded in Sindh i.e. 18,591,241. In Khyber Pakhtunkhwa, the total population covered by LHW's was 11,953,419. Data revealed that the total number of schemes under PWP-I have decreased substantially from 1723 schemes in H1 of FY11-12 to 1430 schemes in H1 of FY12-13, reflecting a decline of 17 percent.

## Chapter 1 Trends in Macroeconomic Indicators

1.1 Macroeconomic developments during the first half i.e. July-December of FY2012/13, have been reported in the following section. The year started with continuous problems of power and gas shortages along with other internal and external challenges. In FY12 and FY13 the power shortage became so severe that it wiped out 2% of GDP<sup>1</sup>. Agriculture, Manufacturing as well as Services sector performed below capacity.

1.2 The mid-year data of FY2012/13 indicates an improvement in macroeconomic activity. Conducive weather conditions have allowed the agriculture sector to enhance its productivity. Services sector has also registered an increase due to growth in trade and profitability of banking sector. A better yield of rice and cotton crops has resulted in a decline in Inflationary pressures. Table 1.1 depicts an improvement in the overall exports with a growth rate of 7.5 percent as compared to 3.9 percent last year.

<b>Table 1.1 Pakistan Selected Economic Indicators</b>		<b>FY12</b>	<b>FY13</b>
		<b>Growth rate (percent)</b>	
LSM	Jul-Dec	0.8	2.1
Exports (fob)	Jul-Dec	3.9	7.5
Imports (cif)	Jul-Dec	18.9	-3.3
Tax revenue (FBR)	Jul-Dec	27.1	5.7
Tax Non Revenue	Jul-Dec	-14.0	-
CPI (period average) <sup>1</sup>	Jul-Dec	10.9	8.3
<b>Billion US dollars</b>			
Total liquid reserves <sup>2</sup>	31st Dec	17.0	13.9
Home remittances	Jul-Dec	6.3	7.1
Net Foreign Investment	Jul-Dec	0.4	0.7
<b>Percent of GDP<sup>3</sup></b>			
Fiscal Deficit	Jul-Dec	2.5	2.6
Trade Deficit	Jul-Dec	3.3	3.0
Current a/c Deficit	Jul-Dec	0.9	0.1
<sup>1</sup> Base year- FY 2007/08			
<sup>2</sup> With SBP & Commercial Banks			
<sup>3</sup> Based on full year GDP in the denominator			
<b>Source: State Bank of Pakistan</b>			

1.3 Although the overall picture of the economy improved, there were still areas of potential concern that might cause an imbalance in macroeconomic indicators. A reduction in financial and capital inflows exerted pressure on SBP's foreign exchange reserves. This also resulted in

<sup>1</sup> Pakistan Economic Survey FY12/13

depreciation of Pakistani Rupee. The industrial activity was continuously plagued with energy shortages.

## 1.1 Real Sector

### 1. Agriculture:

1.4 The Agriculture sector continues to be a vital part of Pakistan's economy. It accounted for 21.4 percent of GDP, 45 percent of employment and 60 percent of exports<sup>2</sup>. During FY13 the sector registered a growth of 3.3 percent as compared to 3.14 percent during FY12. This increase in growth was mainly due to the positive performance of sub-sectors in agriculture.

1.5 The growth rate of major crops was recorded at 3.2 percent against the target of 3.0 percent in FY12. The share of major crops in GDP stood at 6.7 percent. Livestock registered a growth of 3.7 percent during FY13 and its contribution in GDP was 11.6 percent. Minor crops contributed 2.1 percent in GDP and registered a decline of 1.3 percent against the target of 2.0 percent during FY13. During FY 2012-13 Livestock sector exhibited a growth of 3.7 percent, forestry 0.1 percent and Fishery 0.7 percent.

<b>Table 1.2 Growth in Agriculture (in percent)</b>					
	<b>Share in GDP</b>	<b>Target</b>	<b>Achievement</b>	<b>Target for FY13</b>	<b>FY13</b>
<b>Agriculture</b>	21.1	<b>3.4</b>	<b>3.1</b>	<b>4.1</b>	<b>3.3</b>
Major Crops	6.7	3.0	3.2	4.0	-
Minor Crops	2.1	2.0	-1.3	4.5	-
Livestock	11.6	4.0	4.0	4.2	3.7
Fishing	0.4	2.0	1.8	2.0	0.1
Forestry	0.2	1.0	0.9	2.0	0.7
<b>Source: Pakistan Economic Survey, 2012-13</b>					

1.6 Preliminary data suggests that minor crops have performed well during the *Kharif* season primarily due to timely rains in September 2012<sup>3</sup>. In particular, adequate rainfall improved the yield of pulses, bajra, jawar and corn.

<sup>2</sup> Pakistan Economic Survey FY12/13

<sup>3</sup> Pakistan Economic Survey FY12/13

## **2. Industry**

1.7 Manufacturing sector is considered to be the main source of economic growth having forward and backward linkages with the other sectors of the economy. It accounts for 13.2 percent of Gross Domestic Product (GDP) and 13.8 percent of total employed labor force<sup>4</sup>. Large Scale Manufacturing (LSM) at 10.6 percent of GDP dominates the overall sector, accounting for 81 percent of the sectoral share followed by Small Scale Manufacturing, which accounts for 1.6 percent of total GDP. The third component of the sector is Slaughtering and account 0.9 percent of overall GDP. Mining and quarrying, had a share of 3.1 percent in GDP.

1.8 LSM grew by 3.3 percent on a YoY basis during Q2-FY13, mainly on the back of a turnaround in intermediate goods like rubber, POL, steel, fertilizers and paper. These industries witnessed capacity enhancements, as well as greater capacity utilization. Cement production accelerated. LSM growth was contained by the decline in the production of consumer durables, especially automobiles, which fell by 25 percent during H1-FY13. Going forward, LSM growth is likely to pickup in the second half of FY13, as domestic automobile production will increase to make-up for the stricter import policy on used vehicles.

## **3. Services**

1.9 Preliminary data indicates that the services sector will miss the 4.6 percent growth target set by the government for FY13. This assessment is based on the slowdown in agriculture, the decline in import volumes and falling banking spreads.

1.10 In the finance and insurance subsector, the policy rate cuts have reduced banking spreads, which has kept net interest income under pressure. As a result, commercial bank profits, which had grown by over 100 percent in H1-FY12, have declined by 3.1 percent this year.

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<sup>4</sup> State Bank of Pakistan Second Quarterly Report for FY12/13

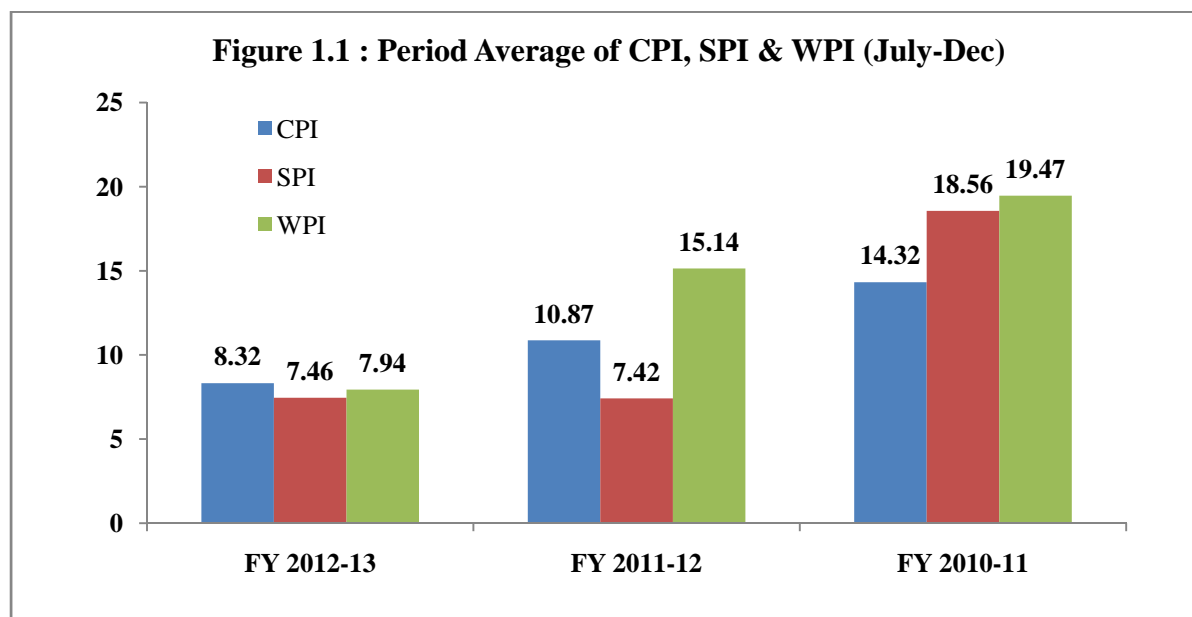
## 1.2 Inflation:

1.11 The decline in inflation during November 2012 can be attributed to the decrease in CNG prices, following Supreme Court’s decision to reconsider the mechanism for setting CNG prices.

Index	FY 2012-13	FY 2011-12	FY 2010-11
CPI	8.32	10.87	14.32
SPI	7.46	7.42	18.56
WPI	7.94	15.14	19.47

Source: Pakistan Bureau of Statistics

1.12 Nevertheless, non-food non-energy (NFNE) inflation also declined to single digits in November, marking the first time in 15 months that NFNE inflation has fallen below 10 percent. The general decline in inflation during H1-FY13 can be attributed to the decrease in administered prices (i.e. prices set by the government); the stability in global food and oil prices; and the relative stability in the Rupee-Dollar parity up until recent months.



## 1.3 Fiscal Balance:

1.15 The summary of consolidated public finances given in table 1.4 reveals that the fiscal deficit increased to 2.6 percent of GDP in during the first half of FY2012/13 against the targeted

4.7 percent of GDP. The deficit was recorded at 2.5 percent of GDP during the same period last year. The total deficit stood at Rs.624.7 billion with an expenditure of Rs. 2086.5 billion and revenue of Rs. 1461.8 billion during first half of FY13. Total tax revenues increased by 12 percent, from Rs. 904.5 billion in H1-FY12 to Rs. 1012.7 billion in H1-FY13.

<b>Table 1.4 : Summary of Public Finance</b>				<b>Rs. Billion</b>
	<b>BE FY13</b>	<b>H1FY12</b>	<b>H1FY13</b>	<b>FY13 Growth (%)</b>
<b>Total revenue</b>	3376	<b>1135.3</b>	1461.8	28.8
Tax revenue	2626	904.6	1012.7	12.0
Non tax receipts	750	230.6	449.1	14.0
o/w SBP profit	--	104.0	--	--
Defense	--	4.6	--	--
<b>Total expenditure</b>	4480	<b>1,667.8</b>	2086.5	25.1
Current	3430	1,399.2	1721.7	23.1
Dev and net lending	1050	231.0	277.8	20.3
Unidentified	--	37.6	87.0	131.3
<b>Overall deficit</b>	1105	<b>532.5</b>	624.7	17.3
External resources	135	34.0	-1.4	
Internal resources	971	498.5	626.1	
Banking system	484	302.0	557.9	
Non-bank	487	196.5	68.1	
<b>As % GDP</b>				
Overall fiscal deficit	4.7	2.5	2.6	
Revenue deficit	0.2	1.3	1.1	
Primary deficit	0.8	1.9	0.3	

**Source: State Bank of Pakistan**

1.16 This increase in deficit can be attributed to following factors<sup>5</sup>: (i) Less than expected collection of PDL, (ii) The PSEs debt, taken over by the federal government, which had remained unaccounted for, (iii) It was clear at the start of the year that provinces will not have the required surplus, and thus the targeted budget deficit was increased to 4.7 percent of GDP (iv) Rising oil prices.

1.17 Expenditures, on the other hand, continued to increase because of debt servicing, the surge in subsidies and transfer payments. In total expenditures a growth of 25.1 percent was observed during the first half of FY 2012/13. Current expenditures grew by 23.1 percent while Development expenditures, exhibited a growth of 20.3 percent from Rs. 231 billion in FY12 to Rs.277.8 billion in FY13, which is good for long-term real growth. The much required increase

<sup>5</sup> State Bank of Pakistan Second Quarterly Report for FY12/13

in development spending will stimulate investments resulting in economic growth.

1.18 The ability of the provinces to show surpluses as envisaged under the seventh NFC Award seems unlikely. Fiscal consolidation requires an effective tax system and restraining unproductive expenses, particularly those related to PSEs and subsidies.

#### 1.4 External Account:

1.19 Pakistan's overall external account balance posted a deficit of US\$ 0.5 billion during H1-FY13 compared to a deficit of US\$ 1.8 billion in the corresponding period last year. This relative improvement in the external account was entirely due to a positive turnaround in the current account, which posted a surplus of US\$ 0.22 billion against a deficit of US\$ 2.4 billion in the corresponding period last year.

<b>Table 1.5 Summary of External Accounts</b>		
	<b>H1-FY12</b>	<b>H1-FY13</b>
	<b>Billion US dollars</b>	
<b><i>A: C/A balance</i></b>	<b>-2.3</b>	<b>0.22</b>
i) Trade balance	-7.8	-7.65
Exports	12.1	12.01
Imports	19.9	19.66
ii) Services account balance	-1.3	0.26
iii) Income account balance	-1.6	-1.7
iv) Current transfers	8.4	9.38
Remittances	6.3	7.12
<b><i>B: Financial/Capital balance</i></b>	<b>0.4</b>	<b>-0.51</b>
i) FDI	0.5	0.56
ii) FPI	-0.1	0.16
iii) Others	0.0	-1.24
<b><i>C: Errors and omissions</i></b>	<b>0.1</b>	<b>-0.25</b>
<b><i>D: Overall balance</i></b>	<b>1.8</b>	<b>-0.54</b>
Foreign reserves (31st Dec)	16.9	13.85
Exchange rate (31st Dec)	89.9	97.13
<b>Source: State Bank of Pakistan</b>		

1.20 The development in current account was due to a combination of factors including Competitive Support Fund (CSF) inflows, steady growth in worker's remittances and a contraction in the trade deficit. Of these, the impact of CSF inflows was the largest. As against the current account, *capital* and *financial* account deteriorated further during the period under review. Specifically, against a surplus of US\$ 0.37 billion in H1-FY12, the financial and capital

accounts recorded a deficit of US\$ 0.5 billion in H1-FY13. Although net foreign investment improved somewhat compared to last year, it was the fall in foreign borrowings that led to the overall deterioration in the financial account.

1.21 Nevertheless, despite the improvement in the overall external account position, the country's liquid foreign reserves declined by US\$ 1.4 billion during H1-FY13, mainly due to the repayments made to the IMF (principal and interest). The adverse impact of this decline was reflected in Rupee Dollar exchange rate, which depreciated PKR rupee by 2.6 percent against the US dollar during H1-FY13.



## Chapter 2 Pro-Poor Budgetary Expenditures

2.1 A significant growth in expenditures has been observed in all the sub sectors except those coming under subsidies. Among the five broad categories, Rural Development' witnessed a maximum growth of 74.89 percent. A growth of 18.96 percent was recorded in Human Development and 13.51 percent growth was recorded in Governance.

<b>Table-2.1 PRSP Sectoral Budgetary Expenditures and Percentage Changes Between Q-2 12FY2011/12 and Q-2 FY 2012/13</b>			
<b>Sector</b>	<b>Expenditure (Rs. millions)</b>		<b>Percentage Change</b>
	<b>H1 FY 2011-12</b>	<b>H1 FY 2012-13</b>	
<b>Market Access and Community Services</b>	<b>43,225</b>	<b>42,932</b>	<b>-0.68</b>
Roads, Highways, & Bridges	31,432	30,793	-2.03
Environment/Water Supply & Sanitation	11,793	12,139	2.93
<b>Human Development</b>	<b>228,319</b>	<b>271,609</b>	<b>18.96</b>
Education	176,164	205,342	16.56
Health	49,908	63,660	27.55
Population Planning	2,247	2,607	16.02
<b>Rural Development</b>	<b>63,691</b>	<b>111,392</b>	<b>74.89</b>
Agriculture	44,227	63,370	43.28
Land Reclamation	1,616	2,175	34.59
Rural Development	12,724	13,070	2.72
People's Works Programme-I	2,222	2,180	-1.89
People's Works Programme-II	2,902	30,597	954.34
<b>Safety Nets</b>	<b>515,675</b>	<b>242,426</b>	<b>-52.99</b>
Subsidies	463,091	192,938	-58.34
Social Security & Welfare	7,324	7,275	-0.67
Benazir Income Support Programme	16,382	27,086	65.34
Pakistan Bait-ul-Maal	1,267	784	-38.12
Natural Calamities & Other Disasters	27,510	14,200	-48.38
Low Cost Housing	101	143	41.58
<b>Governance</b>	<b>94,498</b>	<b>107,261</b>	<b>13.51</b>
Justice Admin	7,151	9,625	34.60
Law and Order	87,347	97,636	11.78
<b>GRAND TOTAL</b>	<b>945,408</b>	<b>775,620</b>	<b>-17.96</b>

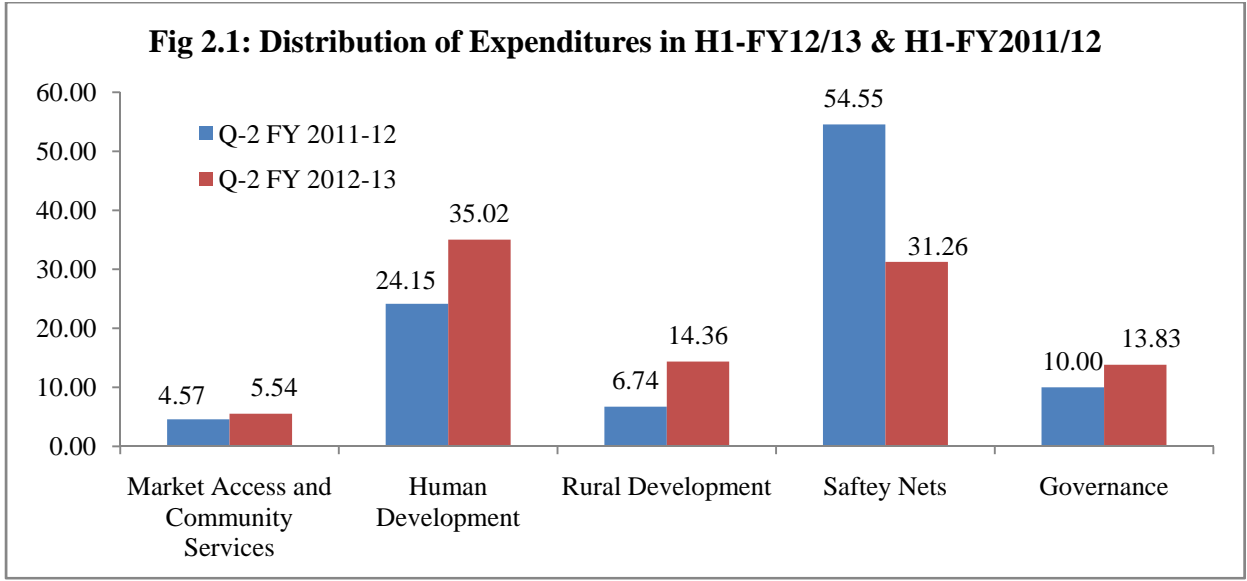
2.2 In Health sector expenditures, growth of 27.5 percent was recorded in Human Development, followed by Education and Population Planning with 16.56 percent and 16.02 percent growth, respectively. Market Access & Community Services observed a slight decline of 0.68 percent. Rural Development reported positive growth in spending during the two quarters under review. The expenditures under PWP-II exhibited a significant increase of 954.34 percent.

2.3 In Safety Nets category, expenditures in three sectors namely; Subsidies, 'Natural Calamities & Other Disasters' and 'Pakistan Bait ul Maal' contracted sharply in H1 of FY

2012/13 when compared with the corresponding period of Previous Fiscal Year (PFY). Low Cost Housing is the only sector in Safety Nets category with positive expenditure growth during the review period.

2.4 In the Governance category, Justice Admin and Law & Order illustrated significant growth in expenditures. Increased expenditures under this category were due to the demanding security situation in the country. Expenditures in Justice Admin and Law & Order observed a growth of 34.60 percent and 11.78 percent respectively.

2.5 Proportional contribution of five broad categories in aggregate expenditures is given in Figure 3.1. Proportional share of Safety Nets decreased from 54.55 percent in FY 2011/12 to 31.26 percent in FY2012/13, this resulted in an increase in the proportional share of other categories in first half of FY 2012/13 as compared to the same period of previous fiscal year.



**2.1. Distribution of Expenditures:**

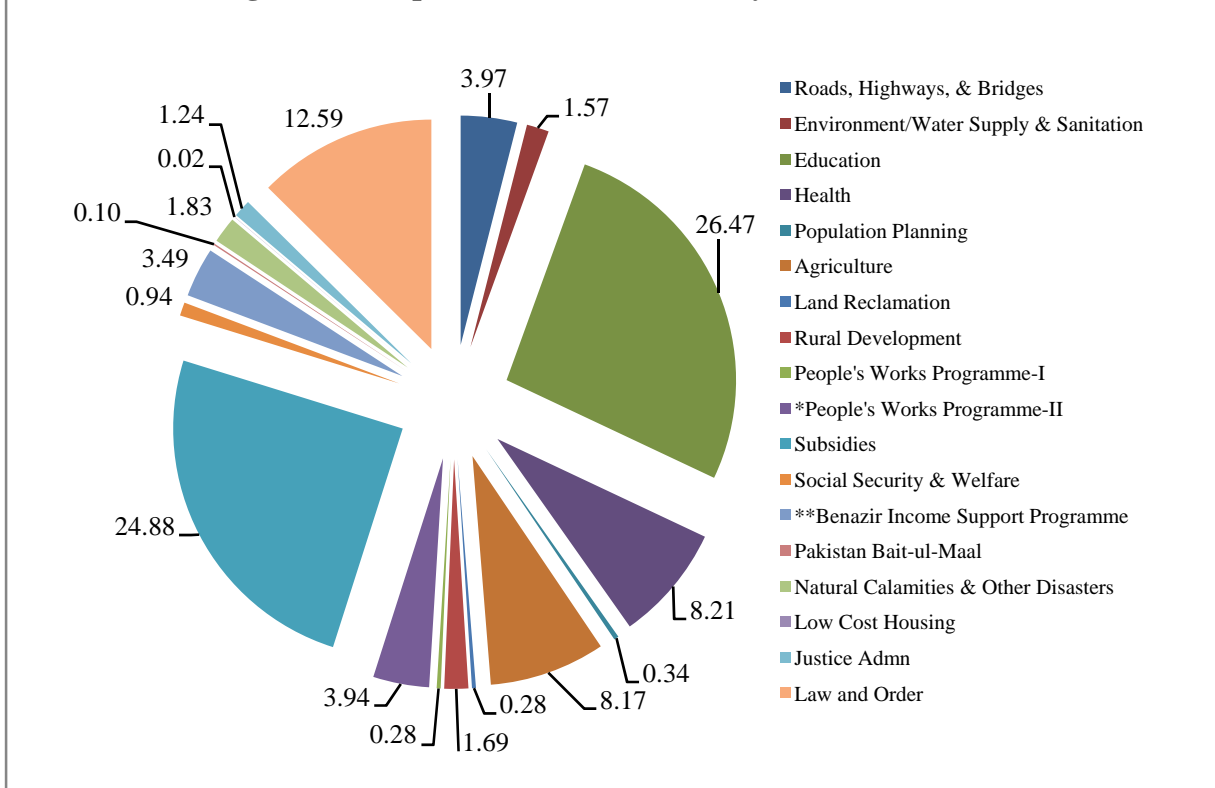
2.6 Proportional distribution of PRSP budgetary expenditures during H1-FY2012/13 in pro-poor sectors is given in Table 2.2. Education held the largest share of 26.47 percent in aggregate expenditures during H1-FY2012/13 as compared to 18.63 percent share held in H1-FY2011/12. Remaining categories of pro-poor sectors including ‘Environment, Water Supply & Sanitation’,

Population Planning, Land Reclamation, Rural Development, PWP-I, Low Cost Housing and Justice Admin held comparatively less share in expenditures during the first half of FY 2012/13.

<b>Table-2.2 Comparison of Proportional Contribution by Sector in PRSP Expenditures Between FY 2011-12 and FY 2012-13</b>				
<b>Sector</b>	<b>H1 FY 2011-12</b>	<b>Percentage Share</b>	<b>H1 FY 2012-13</b>	<b>Percentage Share</b>
Roads, Highways, & Bridges	31,432	<b>3.32</b>	30,793	<b>3.97</b>
Environment/Water Supply & Sanitation	11,793	<b>1.25</b>	12,139	<b>1.57</b>
Education	176,164	<b>18.63</b>	205,342	<b>26.47</b>
Health	49,908	<b>5.28</b>	63,660	<b>8.21</b>
Population Planning	2,247	<b>0.24</b>	2,607	<b>0.34</b>
Agriculture	44,227	<b>4.68</b>	63,370	<b>8.17</b>
Land Reclamation	1,616	<b>0.17</b>	2,175	<b>0.28</b>
Rural Development	12,724	<b>1.35</b>	13,070	<b>1.69</b>
People's Works Programme-I	2,222	<b>0.24</b>	2,180	<b>0.28</b>
People's Works Programme-II	2,902	<b>0.31</b>	30,597	<b>3.94</b>
Subsidies	463,091	<b>48.98</b>	192,938	<b>24.88</b>
Social Security & Welfare	7,324	<b>0.77</b>	7,275	<b>0.94</b>
Benazir Income Support Programme	16,382	<b>1.73</b>	27,086	<b>3.49</b>
Pakistan Bait-ul-Maal	1,267	<b>0.13</b>	784	<b>0.10</b>
Natural Calamities & Other Disasters	27,510	<b>2.91</b>	14,200	<b>1.83</b>
Low Cost Housing	101	<b>0.01</b>	143	<b>0.02</b>
Justice Admn	7,151	<b>0.76</b>	9,625	<b>1.24</b>
Law and Order	87,347	<b>9.24</b>	97,636	<b>12.59</b>
<b>Grand Total</b>	<b>945,408</b>	<b>100.00</b>	<b>775,620</b>	<b>100.00</b>

2.7 Proportional shares of four sectors namely, Education, Health, Agriculture and Law & Order, increased by 7.84, 2.93, 4.15, 3.49 and 3.35 percentage points respectively during H1-FY 2012/13 from H1-FY2011/12. On the other hand, proportional contribution of Subsidies declined by 24 percentage points from 463,091 in H1-FY2011/12 million to 192,938 million in H1-FY2012/13, followed by Natural Calamities & Other Disasters with 1.08 percentage points decline. Population Planning, Land Reclamation, Rural Development, PWP-I & II, Pakistan Bait-ul-Maal, Low Cost Housing, and Justice Admin, recorded marginal change in their proportional contribution to overall expenditures.

**Figure 2.2 Proportional Contribution by Sector for Q2 FY 2012/13**



### 2.1.1 PRSP Budgetary Expenditures by Province and Sectors

2.8 PRSP expenditures in pro-poor sectors at provincial level depicted positive trends in all four provinces. In contrast, federal expenditures declined by 42.7 percent reflecting the shift in resources towards the provinces under the 7<sup>th</sup> NFC Award (see, Table 2.3). Khyber Pakhtunkhwa witnessed maximum increase in expenditures i.e. 42.67 percent; followed by 34.86 percent in Balochistan, 18.73 percent in Punjab and 4.29 percent in Sindh.

2.9 All provinces recorded significant growth in Social security & welfare and in Subsidies, except Balochistan where no change was seen in this category. In Rural Development, the expenditures of Sindh increased substantially from 144 million in FY2011/12 to 439 million in FY2012/13. In Population Planning, there has been a general increase in expenditures at Federal level and in provinces.

**Table-2.3 Percentage Change in PRSP Expenditures by Sector and by Province in Q-2 2011/12 and Q-2 2012/13**

Sector	Federal	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	Pakistan
Roads, Highways, & Bridges	24.01	-20.22	14.20	15.33	22.51	-2.03
Environment/Water Supply & Sanitation	60.42	-17.65	-10.68	19.98	65.06	2.93
Education	2.91	13.67	-6.32	105.42	33.44	16.56
Health	19.70	24.23	29.73	31.93	46.98	27.55
Population Planning	80.00	13.47	12.65	82.76	-21.24	16.02
Agriculture	133.37	12.78	28.58	4.21	23.88	43.28
Land Reclamation	---	-9.38	38.37	---	---	34.59
Rural Development	-91.12	106.33	204.86	-30.59	49.14	2.72
People's Works Programme-I	-1.89	---	---	---	---	-1.89
People's Works Programme-II	954.34	---	---	---	---	954.34
Subsidies	-63.36	180.63	408.98	38.85	---	-58.34
Social Security & Welfare	-93.82	10.05	174.77	31.85	97.71	-0.67
Benazir Income Support Programme	65.34	---	---	---	---	65.34
Pakistan Bait-ul-Maal	-38.12	---	---	---	---	-38.12
Natural Calamities & Other Disasters	-39.38	35.16	-79.17	277.14	1062.71	-48.38
Low Cost Housing	---	46.24	-12.50	---	---	41.58
Justice Admin	16.76	31.24	64.55	23.88	23.85	34.60
Law and Order	8.24	10.43	14.43	13.07	29.50	11.78
<b>Overall</b>	<b>-42.69</b>	<b>18.73</b>	<b>4.29</b>	<b>42.67</b>	<b>34.86</b>	<b>-17.96</b>

## 2.2 PRSP Current and Development Expenditures:

2.10 This section deals with the comparison of aggregate current and development expenditures among provinces during H1-FY2012/13 and H1-FY2011/12 (see, Table 2.4). Data reveals an increase of 24.76 percent in Development expenditures and a decrease of 26.30 percent was recorded in Current expenditures. In spite of this decrease the Current Expenditures still held a 75 percent share in total expenditures as compared to a 25 percent share held by development expenditures.

	Table-2.4 Total PRSP Current and Development expenditures for H1- FY2011/12 and H1-FY2012/13			Percentage Share		
	Current	Development	Total	Current	Development	Total
H1-FY 2011-12	790,917	154,491	945,408	83.66	16.34	100.00
H1-FY 2012-13	582,883	192,737	775,620	75.15	24.85	100.00
Percentage change	-26.30	24.76	-17.96			

2.11 Table 2.5 depicts the trends in PRSP current and development expenditures at provincial and federal levels. Data depicted an increase in both current and development expenditures in all provinces. At the federal level however, current expenditures experienced a 51.82 percent decline and development expenditures showed an 8.73 percent increase, during H1-FY2012/13.

<b>Table-2.5 Percentage Change in PRSP Current and Development Expenditures by Province for Q2 of FY 2011/12 and 2012/13</b>						
<b>Province</b>	<b>H1 FY 2011-12</b>		<b>H1 FY 2012-13</b>		<b>Percentage change</b>	
	<b>Current</b>	<b>Development</b>	<b>Current</b>	<b>Development</b>	<b>Current</b>	<b>Development</b>
<b>Federal</b>	481,168	85,433	231,838	92,892	-51.82	8.73
<b>Punjab</b>	150,814	31,456	173,214	43,200	14.85	37.33
<b>Sindh</b>	101,051	12,494	91,313	27,105	-9.64	116.94
<b>Khyber Pakhtunkhwa</b>	35,989	16,968	58,373	17,166	62.20	1.17
<b>Balochistan</b>	21,895	8,140	28,145	8,474	28.55	4.10
<b>Pakistan</b>	790,917	154,491	582,883	192,737	-26.30	24.76

2.12 Current and development expenditures incurred in seventeen pro poor sectors revealed optimistic growth in H1-FY2012/13 (see, Table 2.6). In current expenditures a huge reduction of 66.56, 64.66, 63.76, 57.90, and 38.12 percent was witnessed in five sectors namely Social security & welfare, Rural development, Natural calamities & other disasters, subsidies and Pakistan Bait-ul- Maal, respectively. In contrast, development expenditure increased due to a substantial increase of 954.34 percent, 473.70 percent, 154.51 percent, 130.77 percent in PWP-II, Natural calamities & other disasters, social security & welfare and low cost housing, respectively.

2.13 In aggregate terms, five sectors namely; Health, Population Planning, Agriculture, Low cost Housing, and Justice Admin depicted an increase in both current and development expenditures.

<b>Table-2.6 Percentage Change in PRSP Current and Development Expenditures by Sector for H1 of FY 2011/12 and 2012/13</b>			
<b>Sector</b>	<b>Current</b>	<b>Development</b>	<b>Total</b>
Roads, Highways, & Bridges	-15.13	1.79	-2.03
Environment/Water Supply & Sanitation	6.20	-0.45	2.93
Education	20.60	-17.58	16.56

Health	23.57	56.33	27.55
Population Planning	24.48	14.54	16.02
Social Security & Welfare	-66.56	154.51	-0.67
Natural Calamities & Other Disasters	-63.76	473.70	-48.38
Agriculture	6.35	108.26	43.28
Land Reclamation	34.59	---	34.59
Rural Development	-64.66	17.37	2.72
Law and Order	12.09	-41.30	11.78
Low Cost Housing	10.67	130.77	41.58
Justice Administration	24.45	81.82	34.60
Subsidies	-57.90	-62.38	-58.34
People's Works Programme-I	-	-1.89	-1.89
People's Works Programme-II	-	954.34	954.34
Benazir Income Support Programme	-	65.34	65.34
Pakistan Bait-ul-Maal	-38.12	-	-38.12
<b>Grand Total</b>	<b>-26.30</b>	<b>24.76</b>	<b>-17.96</b>

### 2.3 Effect of Subsidies on PRSP Budgetary Expenditures:

2.14 Table 2.7 gives the impact of subsidies on PRSP budgetary expenditures for H1-FY2012/13. It is split into three categories namely *1) total expenditures* with and without subsidies, *2) total current expenditures* with and without subsidies, and *3) total development expenditures* with and without subsidies during H1-FY2012/13.

2.15 Without subsidies expenditures grew by 20.81 percent during H1-FY2012/13. The current expenditures with subsidies decreased by 26.30 percent while the current expenditures without subsidies increased by 18.95 percent. The development expenditures with subsidies revealed an increase of 24.76 percent.

	Total Expenditures (Rs. Million)		Percentage Change
	H1-FY 2011-12	H1-FY2012-13	
Total Expenditures with Subsidies	945,408	775,620	-17.96
<b>Total Expenditures without Subsidies</b>	<b>482,317</b>	<b>582,682</b>	<b>20.81</b>
Total Current Expenditures with subsidies	790,917	582,883	-26.30
<b>Total Current Expenditures without subsidies</b>	<b>327,826</b>	<b>389,945</b>	<b>18.95</b>
<b>Total Development Expenditures with Subsidies</b>	<b>154,491</b>	<b>192,737</b>	<b>24.76</b>
<b>Total Development Expenditures without Subsidies</b>	<b>-308,600</b>	<b>-201</b>	<b>-99.93</b>

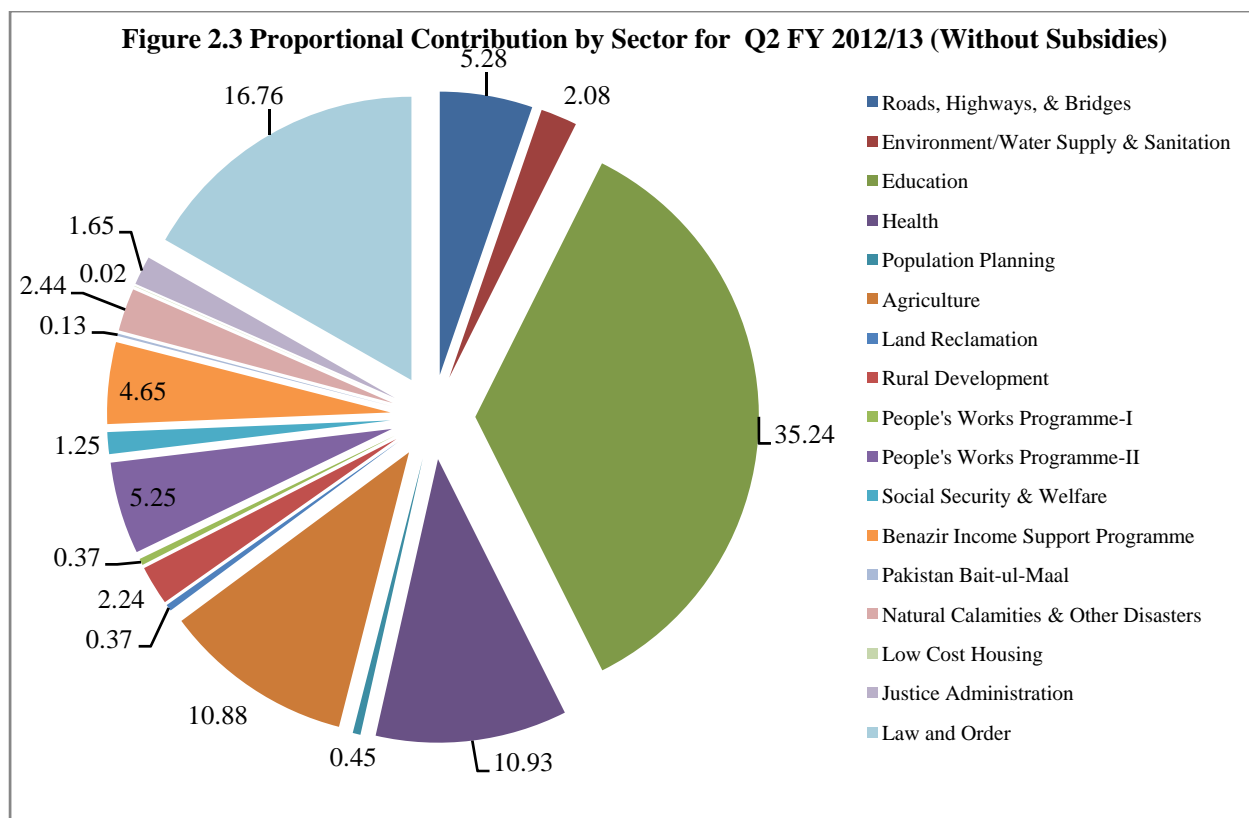
<b>Subsidies</b>	<b>463,091</b>	<b>192,938</b>	<b>-58.34</b>
Source: Civil Accounts provided by Accountant General's office.			

2.16 Table 2.8 & Fig 2.3 show proportional contribution by sector with subsidies and without subsidies in PRSP expenditures during FY2012/13. This table illustrates the impact of subsidies on PRSP budgetary expenditures.

<b>Table 2.8 Comparison of Proportional Contribution by Sector in PRSP Expenditures H1- FY2012/13 (With and Without Subsidies)</b>		
<b>Sector</b>	<b>With Subsidies</b>	<b>Without subsidies</b>
<b>Roads, Highways, &amp; Bridges</b>	3.97	5.28
<b>Environment/Water Supply &amp; Sanitation</b>	1.57	2.08
<b>Education</b>	26.47	35.24
<b>Health</b>	8.21	10.93
<b>Population Planning</b>	0.34	0.45
<b>Agriculture</b>	8.17	10.88
<b>Land Reclamation</b>	0.28	0.37
<b>Rural Development</b>	1.69	2.24
<b>People's Works Programme-I</b>	0.28	0.37
<b>People's Works Programme-II</b>	3.94	5.25
<b>Social Security &amp; Welfare</b>	0.94	1.25
<b>Benazir Income Support Programme</b>	3.49	4.65
<b>Pakistan Bait-ul-Maal</b>	0.10	0.13
<b>Natural Calamities &amp; Other Disasters</b>	1.83	2.44
<b>Low Cost Housing</b>	0.02	0.02
<b>Justice Administration</b>	1.24	1.65
<b>Law and Order</b>	12.59	16.76
Source: Strengthening PRS Monitoring, Finance Division, Islamabad.		

2.17 Maximum change was seen in Education sector where with subsidies share stood at 26.47 percent and without subsidies the share increased to 35.24 percent. No change was seen in the share of Low Cost Housing.





## 2.4. PRSP Expenditures in Education

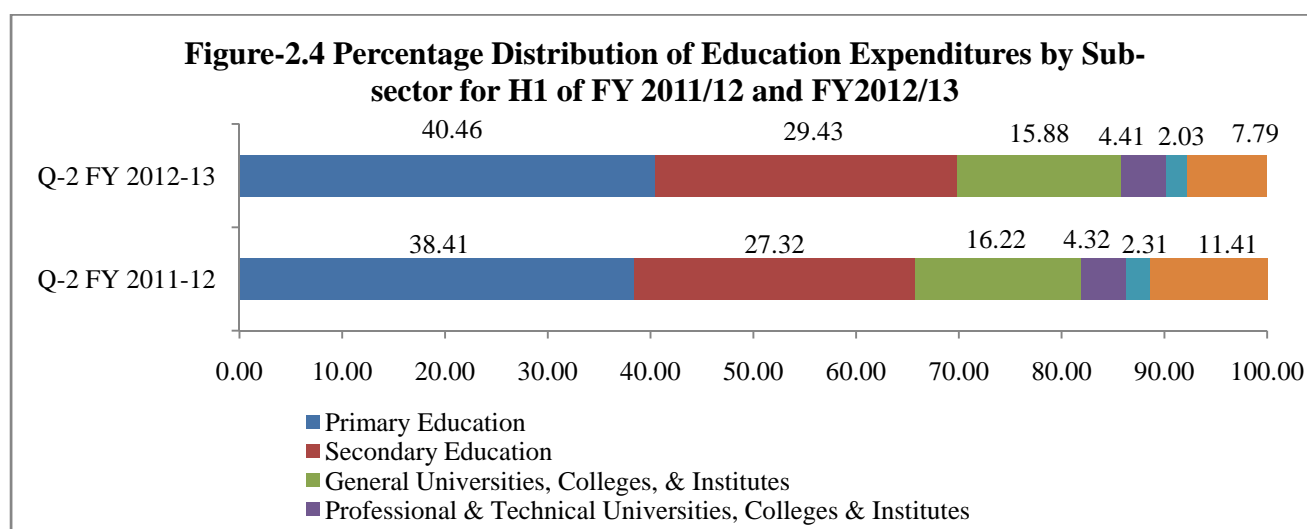
2.18 The following section gives the detailed analysis of expenditure trends observed in Education Sector.

2.19 Aggregate PRSP expenditures in Education sector registered a significant growth of 16.56 percent from Rs. 176,164 million in H1-FY2011/12 to Rs. 205,342 million in H1-FY 2012/13. Expenditure growth at federal level showed an increase of 2.91 percent in overall education sector with minor decrease in expenditure of General Universities, Colleges & Institutions. At provincial level maximum expenditures growth was observed in Khyber Pakhtunkhwa i.e. 105.42 percent; followed by Balochistan and Punjab with 33.44 percent, and 13.67 percent growth, respectively. In Sindh there was a minor decrease of 6.32 percent in total education spending due to a decrease in Secondary education spending (see, Table 2.9).

Table-2.9 Percentage Change in PRSP Education Expenditures for Q2 of FY 2011/12 and 2012/13						
Education sub-sector	Federal	Punjab	Sindh	Khyber Pakhtunkhwa	Balochistan	Total
Primary Education	9.89	24.47	-9.00	132.91	61.08	22.79
Secondary Education	10.80	24.74	-10.01	130.14	61.52	25.57
General Universities, Colleges, & Institutes	-2.81	17.28	42.14	99.47	9.43	14.14
Professional & Technical Universities, Colleges & Institutes	21.32	13.65	-3.65	134.83	56.50	18.83
Teacher & Vocational Training	691.67	-11.94	10.56	---	205.92	2.14
Others	9.12	-11.85	-48.13	-38.49	-41.50	-20.45
<b>Overall</b>	<b>2.91</b>	<b>13.67</b>	<b>-6.32</b>	<b>105.42</b>	<b>33.44</b>	<b>16.56</b>

2.20 All the subsectors of education sector emerged with significant growth in expenditures with Secondary education' experiencing maximum growth of 25.57 percent, followed by 22.79 percent growth in Primary education. Khyber Pakhtunkhwa held the largest share for Primary education, Secondary education and 'Professional Universities'. In Teacher & Vocational training, the Federal level expenditures lead with 691.67 percent increase followed by Balochistan with 205.92 percent growth.

2.21 Percentage share of Primary and Secondary Education stood at 40.46 percent and 29.43 percent share, respectively in H-1 FY2012/13. Teacher & Vocational Training held the least share in the first half of both years under review (Figure-2.4 & Table-2.10).



2.22 The percentage distribution of overall expenditures reveals almost similar trends in provinces and federal unit. At provincial level, Sindh exhibited the highest share of 51.55 percent in Primary education. Balochistan recorded the largest share in secondary education and others with a share of 41 percent.

2.23 At the Federal level, priority was given to two subsectors of Higher education namely General and Professional universities, holding a 55.40 percent share and 12.97 percent share respectively, in H1-FY2012/13.

<b>Table-2.10 Percentage Distribution of Education Expenditures for Q2 of FY 2011/12 and 2012/13</b>						
	<b>Federal</b>	<b>Punjab</b>	<b>Sindh</b>	<b>Khyber Pakhtunkhwa</b>	<b>Balochistan</b>	<b>Total</b>
<b>Q-2 FY 2011-12</b>						
<b>Primary Education</b>	8.74	42.46	53.07	35.08	27.72	38.41
<b>Secondary Education</b>	12.11	29.91	28.01	34.78	34.96	27.32
<b>General Universities, Colleges, &amp; Institutes</b>	58.66	8.00	6.72	12.32	10.49	16.22
<b>Professional &amp; Technical Universities, Colleges &amp; Institutes</b>	11.00	0.99	2.73	12.47	5.01	4.32
<b>Teacher &amp; Vocational Training</b>	0.09	4.83	0.35	0.00	1.88	2.31
<b>Others</b>	9.40	13.82	9.11	5.35	19.94	11.41
<b>Overall</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Q-2 FY 2012-13</b>						
<b>Primary Education</b>	9.34	46.49	51.55	39.77	33.46	40.46
<b>Secondary Education</b>	11.66	29.90	28.81	39.76	41.00	29.43
<b>General Universities, Colleges, &amp; Institutes</b>	55.40	8.25	10.19	11.97	8.60	15.88
<b>Professional &amp; Technical Universities, Colleges &amp; Institutes</b>	12.97	0.90	3.98	6.89	3.89	4.41
<b>Teacher &amp; Vocational Training</b>	0.66	3.74	0.42	0.00	4.30	2.03
<b>Others</b>	9.97	10.72	5.04	1.60	8.74	7.79
<b>Overall</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

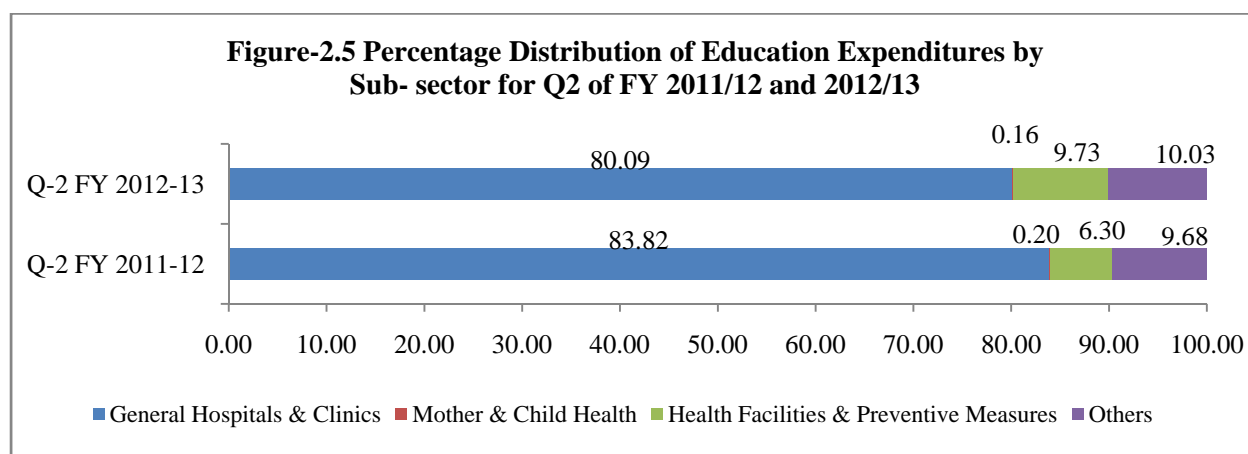
## **2.5 PRSP Expenditures in Health:**

2.24 This section show the details of health expenditures incurred in PRSP pro-poor sectors at Federal and Provincial level. Overall expenditure in health sector increased from Rs. 49,908 million in H1-FY2011/12 to Rs. 63,660 million in H1-FY2012/13, exhibiting a growth of 27.55 percent in aggregate health sector expenditures. At the Provincial level, all four provinces showed a positive trend. The largest health related PRSP expenditures were observed in Balochistan at 46.98 percent followed by Khyber Pakhtunkhwa at 31.93 percent and Sindh with

29.73 percent during H1-FY2012/13. Federation also registered a positive growth of 19.70 percent in health expenditures. However, Punjab and Sindh witnessed the largest percentage change in PRSP expenditures in Health facilities and Preventive measures. In sub sectors of Health, 'Health Facilities & Preventive Measures' showed a significant growth of 97.04 in expenditures.

<b>Table-2.11 Percentage Change in PRSP Health Expenditures from H1- FY2011/12 to H1-FY2012/13</b>						
<b>Health sub-sector</b>	<b>Federal</b>	<b>Punjab</b>	<b>Sindh</b>	<b>Khyber Pakhtunkhwa</b>	<b>Balochistan</b>	<b>TOTAL</b>
General Hospitals & Clinics	14.33	24.62	11.94	29.54	35.71	21.88
Mother & Child Health	-100.00	-9.78	---	100.00	---	-0.98
Health Facilities & Preventive Measures	76.35	355.67	104.54	34.42	59.57	97.04
Others	16.54	-2.83	78.67	63.48	94.00	32.11
<b>Total</b>	<b>19.70</b>	<b>24.23</b>	<b>29.73</b>	<b>31.93</b>	<b>46.98</b>	<b>27.55</b>

2.25 Proportional shares of sub-sectors of health reflect the largest share in both quarters under review for general hospital and clinics (Fig 2.5, Table 2.12).



2.26 At the provincial level, General hospitals and clinics held the highest share of aggregate health expenditures in both years in almost all the four provinces with the largest share of 88 percent in Punjab followed by 81 percent in Khyber Pakhtunkhwa. In Sindh, share of health facilities improved from 11 percent to 19 percent. Balochistan captured the maximum share of 18.43 percent in H1-FY 2012/13. At the federal level, the proportional distribution exhibited a positive growth in General Hospitals & Clinics with 83.62 percent share and Health Facilities & Preventive measure with 12.63 percent share.

<b>Table-2.12 Percentage Distribution of Health Expenditures for Q2 of FY 2011/12 and 2012/13</b>						
<b>Health sub-sector</b>	<b>Federal</b>	<b>Punjab</b>	<b>Sindh</b>	<b>Khyber Pakhtunkhwa</b>	<b>Balochistan</b>	<b>Pakistan</b>
<b>Q-2 FY 2011-12</b>						
General Hospitals & Clinics	87.54	87.97	77.94	82.58	72.91	83.82
Mother & Child Health	0.03	0.37	0.00	0.16	0.00	0.20
Health Facilities & Preventive Measures	8.57	0.82	11.90	12.32	13.12	6.30
Others	3.85	10.84	10.16	4.94	13.96	9.68
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Q-2 FY 2012-13</b>						
General Hospitals & Clinics	83.62	88.24	67.25	81.08	67.32	80.09
Mother & Child Health	0.00	0.27	0.00	0.24	0.00	0.16
Health Facilities & Preventive Measures	12.63	3.01	18.76	12.55	14.25	9.73
Others	3.75	8.48	14.00	6.12	18.43	10.03
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## Chapter 3 Protecting the Poor and the Vulnerable

3.1 Social Safety Nets in the form of direct cash transfers, both budgetary and non budgetary include Zakat, Pakistan Bait-ul-Mal (PBM), Employees Old Age Benefit Institutions (EOBI), Workers Welfare Fund (WWF), Benazir Income Support Programme (BISP) and Microfinance. Expenditures on PBM, BISP and Social Security & Social Welfare have been included in the budgetary part of pro-poor expenditures. Expenditures on Zakat, EOBI and WWF constitute the non-budgetary part of pro-poor expenditures. The performance of safety nets and other programmes in H1-FY2011/12 and H1-FY2012/13 has been discussed in the following sections.

3.2 Disbursement and beneficiaries of all programmes including micro-credit are reported in Table 3.1. Overall transfers in protecting the poor and vulnerable programmes registered a mixed trend. During H1 of FY12-13 the total amount disbursed under different programmes including budgetary and non-budgetary transfers increased by 154.40 percent from Rs. 31,811.46 million in H1 of FY11-12 to Rs. 80,931.37 million in H1 of FY12-13.

3.3 Under aggregate EOBI programmes, a significant increase of 24.98 percent was recorded in disbursements that increased from Rs. 5,283 million in H1 of FY11-12 to Rs. 6,603 million during H1 of FY12-13. A growth of 17.12 percent from 343,935 in H1 of FY11-12 to 402,816 in H1 of FY12-13 was recorded in the total number of beneficiaries of EOBI programmes. In terms of Micro-credit the disbursements witnessed a maximum growth of 30.89 percent from Rs. 12,848 million during H1 of FY11-12 to Rs. 16,817 million during H1 of FY12-13. The number of loans disbursed to the poor also depicted a positive trend as it increased from 608,080 in H1 of FY11-12 to 696,884 in H1 of FY12-13 depicting a significant growth of 14.60 percent.

3.4 The BISP cash grant programme depicted an encouraging growth in disbursements. The total amount disbursed depicted a substantial increase of 65.34 percent from Rs. 16,382 million in H1 of FY11-12 to Rs. 27,086 million in H1 of FY12-13. An increase of 10.69 percent was

recorded in the disbursements of Worker Welfare Funds (WWF) programmes. The total number of beneficiaries under all WWF programmes registered an optimistic growth of 16.51 percent from Rs 25,180 million in H1 of FY11-12 to 29,337 in H1 of FY12-13.

3.5 The Pakistan Bait-ul-Mal (PBM), pro-poor programmes declined by 38.09 percent from Rs. 1,266.83 million during H1 of FY2011/12 to Rs. 784.19 million in H1 of FY2012-13. Similarly the number of beneficiaries exhibited a decline of 8.52 percent from 400,762 in H1 of FY11-12 to 366,611 in H1 of FY12-13. Under Zakat programme an amount of Rs. 37,461 million was disbursed among 701,00 beneficiaries during H1 of FY12-13, while Rs. 7,275 million were spent under Social Security & social welfare.

<b>Table 3.1: Direct Transfers and Beneficiaries</b>			
<b>Programme</b>	<b>Disbursement / Beneficiaries</b>	<b>H1-FY 11-12</b>	<b>H1-FY12-13</b>
<b>Budgetary Transfers</b>			
<b>Pakistan Bait-UI-Mal</b>	Amount disbursed (Rs. Millions)	1,266.83	784.19
	Total No of beneficiaries	400,762	366,611
<b>BISP</b>	Amount disbursed (Rs. millions)	16,382	27,086
	Total No of beneficiaries	3,400,000	--
<b>Social Security &amp; Social Welfare</b>	Amount disbursed (Rs. millions)	7,324	7,275
<b>1. Sub Total: Budgetary Transfers</b>	<b>Amount disbursed (Rs. millions)</b>	<b>24,972.83</b>	<b>35,145</b>
	<b>Total No of beneficiaries</b>	<b>3,800,762</b>	<b>366,611</b>
<b>Non-Budgetary Transfers</b>			
<b>Zakat</b>	Amount disbursed (Rs. millions)	-	37,461
	Total No of beneficiaries	-	701,001
<b>EOBI</b>	Amount disbursed (Rs. millions)	5,283.28	6,603.49
	Total No of beneficiaries	343,935	402,816
<b>Workers Welfare Fund (WWF)</b>	Amount disbursed (Rs. millions)	1555.35	1,721.69
	Total No of beneficiaries	25,180	29,337
<b>2. Sub Total: Non budgetary transfers</b>	<b>Amount disbursed (Rs. millions)</b>	<b>6,838.63</b>	<b>45,786.18</b>
	<b>Total No of beneficiaries</b>	<b>369,115</b>	<b>1,133,154</b>
<b>Total: 1+2</b>	<b>Amount disbursed (Rs. millions)</b>	<b>31,811.46</b>	<b>80,931.37</b>
	<b>Total no of beneficiaries</b>	<b>4,169,877</b>	<b>1,499,764.50</b>
<b>Micro Finance</b>	Credit Amount disbursed (Rs. millions)	<b>12,848</b>	<b>16,817</b>
	Total Loans	<b>608,080</b>	<b>696,884</b>

Source:PBM,EOBI,Zakat, WWF, BISP,PMF

### 3.1 Programmes of Pakistan Bait-ul-Mal (PBM)<sup>6</sup>

3.6 The programmes under Pakistan Bait-ul-Mal (PBM) in terms of disbursements and beneficiaries during H1 of FY2011/12 and H1 of FY2012/13 are given in table 3.2. The total amount disbursed under the Pakistan Bait-ul-Mal pro-poor programmes registered a relatively negative growth of 38.09 percent from Rs. 1,267 million in H1 of FY2011-12 to Rs. 784 million in H1 of FY2012-13. Similarly the number of beneficiaries during the comparison period also exhibited a downward trend of 8.52 percent, from 400,762 in H1 of FY2011-12 to 366,611 in H1 of FY2012-13.

Grant Nature	H1, FY 2011-12		H1, FY2012-13	
	Beneficiaries	Disbursement	Beneficiaries	Disbursement (Rs. millions)
		(Rs. millions)		
Child Support Programme	19,716	40.057	3,650	7.461
Individual Financial Assistance	16,168	877.683	11,495	408.062
Civil Society Wing (NGOs)	9,507	14.317	3,554	7.107
National Centre for Rehabilitation of Child Labour	249,220	170.141	239,198	183
Vocational / Dastkarichools/ Centres	101,371	66.638	103,344	93.321
Pakistan Sweet Homes (Orphanages)	4,780	97.989	5,370	85.402
<b>Total</b>	<b>400,762</b>	<b>1,266.83</b>	<b>366,611</b>	<b>784.19</b>

Source: Pakistan Bait-ul- Mal

3.7 *Vocational/Diversified Vocational Dastkari Schools (V/DVDS)*: A significant growth of 40 percent from Rs. 66.638 million in H1 of FY11-12 to Rs. 93.321 million in H1 of FY12-13 was recorded in disbursement. A slight increase of 1.94 percent was recorded in the number of beneficiaries.

3.8 *National Centers for Rehabilitation of Child Labor (NCsRCL)*: In disbursement an increase of 7.46 percent from Rs. 170 million in H1 of FY11-12 to Rs. 183 million in H1 of

<sup>6</sup>Pakistan Bait-ul-Mal (PBM) is an autonomous body set up under the 1991 Act. It has made significant contributions towards poverty reduction through its various poorest of the poor initiatives such as providing assistance to the destitute, widows, orphans, invalid, infirm and other needy persons. The PBM provides its services irrespective of gender, caste, creed and religion as per eligibly criteria approved by the Bait-ul-Mal board.



FY12-13 was observed. A decline of 4 percent was, however, recorded in number of beneficiaries.

3.9 ***Pakistan Sweet Homes (PSHs)***: The figures depicted a downfall of 12.84 percent in disbursements during the review period while the number of beneficiaries showed a significant growth of 12.34 percent from 4,780 in H1 of FY11-12 to 5,370 in H1 of FY12-13.

3.10 ***Individual Financial Assistance (IFA)***: Under this head PBM provided a financial assistance of Rs. 877.683 million in H1 of FY2011/12 and 408.062 million in H1 of FY2012/13 (-53.5 % decrease) due to shortage of funds. The number of beneficiaries also declined by 28.9 percent, from 16,168 in H1 of FY11-12 to 11,495 in H1 of FY12-13.

3.11 ***Civil Society Wing NGOs***: PBM disbursed an amount of Rs. 14.317 million in H1 of FY2011-12 while in H1 of FY2012-13 Rs. 7.107 million were disbursed (50% decrease). The total number of beneficiaries also depicted a downfall of 62.6 percent.

3.12 ***Child Support Programme (CSP)***: The total amount disbursed under Child Support programme during H1 of FY11-12 was Rs.40.057 million while it was Rs. 7.461 million in H1 of FY12-13, thus a sizable decrease of 81.37 percent was registered. Similarly a negative trend of 81.48 percent was recorded in the number of beneficiaries during the comparison period.

## **3.2 Zakat and Ushar**

3.13 Zakat plays an important role in poverty alleviation. Zakat funds are utilized for assistance to the needy, poor, orphans, widows, handicapped and disabled for their subsistence or rehabilitation. These poor segments of society are provided Zakat funds either directly through respective local Zakat Committee or indirectly through institutions i.e. educational, vocational, social institutions and hospitals, etc. As a consequence of the 18th constitutional amendment, the subject of Zakat has been devolved to the provinces.

### **3.2.1 Zakat programmes in Punjab Province**

3.14 During H1 of FY2011/12 a slight decline of 1.77 percent was observed in disbursements. However, number of beneficiaries registered a substantial increase of 77.91 percent from 309,502 in H1 of FY2011/12 to 550,641 in H1 of FY2012/13. Of the total Zakat disbursements,

57.19 percent were disbursed under Other Zakat Programmes, 36.38 percent were disbursed under Regular Zakat Programmes and 6.42 percent were disbursed under provincial Level Schemes.

3.15 Under Regular Zakat Programmes, in Guzara allowance a decline of 20.06 percent was recorded in disbursements, however, in terms of number of beneficiaries, a positive trend of 57.34 percent was recorded during H1 of FY12-13.

3.16 Under Other Zakat Programmes, Rs. 200 million was allocated for Eid Grants among 265,601 beneficiaries. In the case of Leprosy patients Rs. 1 million was disbursed during H1 of FY12-13 among 113 beneficiaries. Under Education Stipend (tech.) programme 387 million was disbursed among 18,056 beneficiaries. Under the programme of Provincial Level Health Institutions about Rs. 66 million were disbursed among 43,361 beneficiaries (see, table 3.3).

<b>Table no 3.3, Comparison of Zakat Programmes H1, (1<sup>st</sup> July - 31<sup>st</sup> Dec) FY 2011/12 to FY 2012/13</b>				
<b>Programmes</b>	<b>H1, FY 2011/12</b>		<b>H1, FY 2012/13</b>	
	<b>Amount Utilized (Rs. Million)</b>	<b>No. of Beneficiaries</b>	<b>Amount Utilized Rs. Million)</b>	<b>No. of Beneficiaries</b>
<b>Regular Zakat Programmes</b>				
Guzara Allowance	414	138,132	331	217,338
Education stipends	124	62,968	-	-
Stipends to students of DeeniMadrassahs	55	10,833	-	-
Health care	41	27,626	28	4,782
Social welfare / Rehabilitation	-	-	-	-
Marriage assistance to unmarried women	55	5,525	14	1,390
<b>Sub Total</b>	<b>691</b>	<b>245,084</b>	<b>374</b>	<b>223,510</b>
<b>Other Zakat Programmes</b>				
Eid Grants	-	-	200	265,601
Leprosy Patients	1	123	1	113
Permanent rehabilitation scheme of Zakat	232.127	15,475	-	-
Educational Stipend (tech)	-	-	387	18,056
<b>Sub Total</b>	<b>233</b>	<b>15,598</b>	<b>588</b>	<b>283,770</b>
<b>Provincial level Schemes</b>				
Provincial level health institutions	122.05	48,820	66	43,361
Model DeeniMadrassahs	-	-	-	-
Natural Calamities/Flood Affectees/IDPs	-	-	-	-
Hepatitis –C	-	-	-	-
<b>Subtotal</b>	<b>122.05</b>	<b>48,820</b>	<b>66</b>	<b>43,361</b>
<b>Total</b>	<b>1,046</b>	<b>309,502</b>	<b>1,028</b>	<b>550,641</b>

### 3.2.2 Zakat programmes in Sindh Province

3.20 Table 3.4 provides disbursement and beneficiaries' detail of Zakat Programmes of Sindh. The overall Zakat disbursement stood at Rs. 349.135 million and number of beneficiaries was recorded at 84,875, in H1 of FY2012/13. Disbursements through Regular Zakat Programme were Rs. 149 million, whereas Rs. 161 million was channeled through National Level Schemes and Rs. 39 million were disbursed through Other Zakat Programmes, during H1 of FY2012/13.

3.21 Under Regular Zakat programmes, disbursements were recorded at Rs 149 million and the number of beneficiaries stood at 29,656, in H1 of FY12-13. Under "Other" Zakat Programmes an amount of Rs. 39.179 million was disbursed to 17,950 beneficiaries. In Educational Stipend (tech) Rs. 24.481 million were disbursed among 2,701 beneficiaries, while Rs. 14.698 million were disbursed to 15,249 beneficiaries under the programme of Eid grants. An amount of Rs. 161.257 million were disbursed under national level schemes among 37,270 beneficiaries. Under the programme of Natural Calamities/Flood Affectees/IDPs Rs. 11 million were disbursed to 1,286 beneficiaries while an amount of Rs. 150.207 million was disbursed among 35,984 beneficiaries, under provincial level health institution.

<b>Table no 3.4 Comparison of Zakat Programmes H1, (1<sup>st</sup> July - 31<sup>st</sup> Dec) FY 2011/12 to FY 2012/13</b>		
<b>Programmes</b>	<b>H1, FY 2012/13</b>	
	<b>Amount Utilized (Rs. Million)</b>	<b>No. of Beneficiaries</b>
<b>Regular Zakat Programmes</b>		
Guzara Allowance	49.423	9800
Education stipends	37.153	8,512
Stipends to students of DeeniMadrassahs	17.218	4,854
Health care	18.686	4,497
Social welfare / Rehabilitation	12.769	1,322
Marriage assistance to unmarried women	13.45	673
<b>Sub Total</b>	<b>149</b>	<b>29,656</b>
<b>Other Zakat Programmes</b>		
Eid Grants	14.698	15,249
Leprosy Patients	-	-
Permanent rehabilitation scheme of Zakat	-	-

Educational Stipend (tech)	24.481	2,701
<b>Sub Total</b>	<b>39.179</b>	<b>17950</b>
<b>Provincial level Schemes</b>		
Provincial level health institutions	150.207	35,984
Model DeeniMadrassahs	-	-
Natural Calamities/Flood Affectees/IDPs	11.05	1,286
Hepatitis –C	-	-
<b>Subtotal</b>	<b>161.257</b>	<b>37270</b>
<b>Grand Total</b>	<b>349.135</b>	<b>84,875</b>
<b>Source: Ministry of Religious Affairs, Zakat &amp;Ushar</b>		

### 3.2.3 Zakat programmes in Khyber Pakhtunkhwa Province

3.20 Table 3.5 gives the disbursements and beneficiaries' detail of Zakat Programmes in Khyber Pakhtunkhwa province. The overall Zakat disbursement was recorded at Rs. 109 million and the number of beneficiaries stood at 54,017 in H1 of FY12-13. A total of Rs. 87 million were disbursed through Regular Zakat Programme among 48,054 beneficiaries, whereas Rs. 16 million were disbursed under Other Zakat Programmes to 4,727 beneficiaries, Rs. 6 million were channeled through Provincial Level Schemes among 1,236 beneficiaries.

3.21 Under Regular Zakat Programmes including Guzara allowance a large amount of Rs. 56 million was disbursed among 37,092 beneficiaries. Disbursement in Education stipends stood at Rs. 17 million and the number of beneficiaries was recorded at 7,418. An amount of Rs. 7 million was recorded in stipends to students of Deeni Madrassahs distributed among 3,297 beneficiaries. Around Rs. 7 million were disbursed among 247 numbers of beneficiaries, under marriage assistance to unmarried women programme.

3.22 Under other Zakat programmes sub-category of Educational Stipend (tech) Rs. 16 million were disbursed among 4,727 numbers of beneficiaries during H1 of FY12-13. Under the category of provincial level hospitals, Rs. 6 million were disbursed among 1,236 numbers of beneficiaries.

<b>Table: 3.5 Comparison of Zakat Programmes in Khyber Pakhtunkhwa</b>		
<b>Programmes</b>	<b>H1, FY 2012/13</b>	
	<b>Amount Utilized (Rs. Million)</b>	<b>No. of Beneficiaries</b>
<b>Regular Zakat Programmes</b>		
Guzara Allowance	56	37,092
Education stipends	17	7,418
Stipends to students of DeeniMadrassahs	7	3,297
Health care	-	-
Marriage assistance to unmarried women	7	247
<b>Sub Total</b>	<b>87</b>	<b>48,054</b>
<b>Other Zakat Programmes</b>		
Eid Grants		
Permanent rehabilitation scheme of Zakat		
Educational Stipend (tech)	16	4,727
<b>Sub Total</b>	<b>16</b>	<b>4,727</b>
<b>Provincial level Schemes</b>		
Provincial level Hospitals	6	1,236
Model DeeniMadrassahs		
Natural Calamities/Flood Affectees/IDPs		
<b>Subtotal</b>	<b>6</b>	<b>1,236</b>
<b>Grand Total</b>	<b>109</b>	<b>54,017</b>

### 3.2.4 Zakat programmes in Baluchistan Province

3.23 Disbursements made under Provincial level health institutions stood at Rs. 35.975 million, distributed among 11,468 beneficiaries in H1 of FY12-13. This disbursement was only recorded during 1<sup>st</sup> quarter (July- Sept) of FY2012-13.

### 3.3 Employees' Old Age Benefit Institution (EOBI)<sup>7</sup>

3.25 Disbursements and beneficiaries under different programmes of EOBI during H1 of FY 2012-13 and FY2011-12 are given in Table 3.6. Under aggregate EOBI programmes, a noteworthy increase of 24.98percent was found in disbursements that increased from Rs. 5,283.28million in H1of FY FY2011/12 to Rs. 6,603.49 million in H1 of FY2012/13. The beneficiaries also increased by 17.11 percent.

<b>Table no 3.6, Programmes of Employees' Old Age Benefit Institution,</b>				
<b>H1, (1st July - 31st Dec) FY 2011/12 to FY 2012/13</b>				
<b>Programmes</b>	<b>H1 FY 2011/12</b>		<b>H1 FY 2012/13</b>	
	<b>No. of Beneficiaries</b>	<b>Disbursement (Rs. Millions)</b>	<b>No. of Beneficiaries</b>	<b>Disbursement (Rs. Millions)</b>
Old Age Pension	217,755	3,362.57	233,999.5	4,184.52
Invalidity Pension	5,411	82.726	6053	107.151
Survivors Pension	120,254	1811.733	162,178.5	2,283.30
Old-age Grants	515	26.25	584.5	28.524
<b>Total</b>	<b>343,935</b>	<b>5,283.28</b>	<b>402,815.5</b>	<b>6,603.49</b>

Source: Employees' Old Age Benefits Institution

3.26 Disbursement under the Invalidity Pension depicted a gigantic increase of 29.52 percent from Rs, 82.726 million in H1 of FY2011/12 to Rs. 107.151 million inH1 of FY2012/13. Survivors Pension Programme of EOBI recorded a significant growth of 26 percent in disbursements that increased from Rs. 1811.733 million to Rs. 2,283.30 million. A 24.44 percent increase was observed in the provision of Old Age Pension Programme that increased from Rs. 3,362.57 million to Rs. 4,184.52 million. Disbursements in Old Age Grants, observed a modest increase of 8.66 percent from Rs. 26.25 million inH1 of FY 11-12 to Rs. 28.524 million in H1 of FY12-13.

3.27 Beneficiaries under all programmes of EOBI showed an optimistic trend of 17.11 percent in all programmes. In Survivors Pension programme a growth of 34.86 percent was registered in the number of beneficiaries from 120,254 in H1 of FY2011/12 to 162,178.5 in H1of FY12-13.

<sup>7</sup>EOBI Act 1976 was enforced to achieve the objectives of Article 38 (C) of the Constitution, by providing for compulsory social insurance. It extends Old-Age Benefits to insured persons or their survivors. Under EOBI Scheme, insured persons were entitled to avail benefits like, Old-Age Pension, Invalidity Pension, Old-Age Grant and Survivor's Pension. EOBI does not receive any financial assistance from the government for carrying out its operations. A contribution equal to 5% of minimum wages has to be paid by the employers of all the industrial and commercial organizations where EOBI act is applicable. Contributions equal to 1% of the minimum wages by the employees of said organizations has to be made.

Beneficiaries of Old Age grants also observed an increase of 13.49 percent from 515 in H1 of FY2011/12 to 584.5 in H1 of FY2012/13. A positive trend of 11.86 percent was recorded in the number of beneficiaries under the Invalidity programme. An increase of 7.46 percent was recorded in Old-age Pension Programme.

### 3.4 Workers Welfare Fund (WWF)<sup>8</sup>

3.28 Workers Welfare Fund (WWF) disbursements and beneficiaries during H1 of FY2011/12 and H1 of FY2012/13 are given in Table 3.7. A sufficient increase of 10.69 percent was recorded in the disbursements made under aggregate WWF programmes from Rs. 1,555 million in H1 of FY11-12 to Rs. 1,722 million in H1 of FY12-13. The number of beneficiaries of all WWF programmes also registered a sufficient increase of 16.51 percent from 25,180 in H1 of FY11-12 to 29,337 in H1 of FY12-13.

Table no 3.7, Workers Welfare Fund		H1 ( 1 <sup>st</sup> July - 31st Dec) FY 2011/12 - FY 2012/13		
Programmes	H1, FY 2011/12		H1, FY 2012/13	
	No. of Beneficiaries	Disbursement (Rs. Millions)	No. of Beneficiaries	Disbursement (Rs. Millions)
Marriage Grant cases	9,023.00	628.96	5418	356.74
Death grant Cases	1,071.00	338.4	1235	490.35
Education Grant/Scholarship Cases	15,086	587.99	22,684	874.601
<b>Total</b>	<b>25,180</b>	<b>1555.35</b>	<b>29,337</b>	<b>1,721.69</b>

Source: Workers Welfare Funds (WWF), Ministry of human Resource development

3.29 Educational grant/scholarships disbursements illustrated a substantial increase of 48.74 percent from Rs. 587.99 million to Rs.874.601 million. Similarly the number of beneficiaries also recorded a positive growth of 50.36 percent from 15,086 in H1 of FY2011/12 to 22,684 in H1 of FY2012/13. Disbursements under the category of death grant cases depicted a modest increase of 44.90 percent from Rs. 338 million in H1 of FY11-12 to Rs. 490 million in H1 of

<sup>8</sup>Workers Welfare Fund (WWF) was established in 1971 under an Ordinance with a capital of Rs. 100 million provided by the Federal Government. The main objectives of WWF included: 1) Financing of housing projects for the workers. 2) Financing of other welfare measures such as; education, training, re-skilling, apprenticeship, marriage and death grants and post metric scholarships for the welfare of workers. To receive the fund the industrial worker must fulfill the definition given in the Workers Welfare Fund Ordinance 1971. These include:

- The industrial worker under the Industrial Relations Act (IRA), 2009 must fulfill the definition of the laborer,
- The worker must be registered either with EOBI or with Social Security Institution,
- The minimal employment period should not be less than 3 years (in case of death grant, this condition is not applicable).

FY12-13. The beneficiaries also increased by 15.31 percent. Under the Marriage grant programme a decrease of 43.28 percent was recorded in disbursements and a decline of 39.95 percent was recorded in the number of beneficiaries.

### 3.5 Microfinance<sup>9</sup>

3.30 The microfinance industry provides services in three broad categories namely, Micro-credit, Micro-savings and Micro-insurance. The performance of Micro-Finance in terms of disbursements and beneficiaries during H1 of FY2011/12 and H1 of FY2012/13 is given in table 3.8.

Details	Microcredit		Micro-Savings		Micro-Insurance	
	Active Borrowers	Value (PKR Millions)	Active Savers	Value (PKR Million)	Policy Holders	Sum insured (PKR Million)
<b>H1 FY 2011/12</b>	2,071,720	28,831	3,933,496	15,507	2,603,461	30,135
<b>H1 FY 2012/13</b>	2,355,943	38,238	4,682,422	24,974	2,854,194	36,054

Source: Pakistan Microfinance Network (PMN), Islamabad

3.31 The growth in microfinance services observed a substantial rise under the comparison period in micro credit, micro savings services and micro insurance services.

3.32 In active borrowers, a sufficient increase of 13.71 percent was recorded. A modest increase of 32.62 percent was observed in disbursement from Rs. 28,831 million in H1 of FY2011/12 to Rs 38,238 million in H1 of FY2012/13. Active savers also illustrated an increase from 3,933,496 in H1 of FY2011/12 to 4,682,422 in H1 of FY2012/13. Micro-savings grew by 61 percent during the review period.

3.33 Micro-insurance also depicted a positive trend of 9.63 percent from 2,603,461 beneficiaries in H1 of FY2011/12 to 2,854,194 beneficiaries in H1 of FY12-13. An increase of 19.64 percent was recorded in sum ensured.

<sup>9</sup>Microfinance has been widely recognized as an effective strategy to combat poverty by providing financial services especially credit to the poor. The credit programmes offer small loans for employment generation to enhance economic independence of the destitute. Today microfinance encompasses a wide range of financial services such as credit, savings and insurance. Microfinance services help the poor in accumulating assets and building income generating capacities that can provide better access to social services such as health and education, food security, and access to basic necessities of life. In addition, savings help the poor to manage their resources over time and to enable them to plan and finance their investments. Insurance becomes useful in order to mitigate the effects of unexpected shocks such as natural disasters.



<b>Table No.3.9 , Active Borrowers, Active Savers and Active Policy holders</b>				
<b>by Peer Group, H1 (1st July - 31st Dec) FY 2011/12 to FY 2012/13</b>				
<b>Details</b>	<b>Percentage of Peer Groups</b>			
	<b>MFBs</b>	<b>MFI's</b>	<b>RSPs</b>	<b>Others</b>
<b>Active Borrowers H1, FY 2011/12</b>	41	28	23	8
<b>Active Borrowers H1, FY 2012/13</b>	39	30	24	7
<b>Active Savers H1, FY 2011/12</b>	34	0	63	2
<b>Active Savers H1, FY 2012/13</b>	41	0	59	0
<b>Active Policy holders H 1, FY 2011/12</b>	31	25	38	6
<b>Active Policy holders H1, FY 2012/13</b>	27	27	42	4

Source: Pakistan Microfinance Network (PMN), Islamabad

### **Active Borrowers, Active Savers and Active Policy holders by Peer Group**

3.34 The overall performance by all peer groups under microfinance services in terms of their percentage share in H1 of FY2011/12 and in H1-FY2012/13 is given in Table 3.9. Among all the peer groups, Micro-Finance Banks (MFBs) occupied the maximum share in Active Borrowers, while Rural Support Programmes (RSPs) held the maximum share under Active Savers and Active Policy Holders. In terms of peer groups, under category of active borrowers, share of Micro Finance Institutions (MFIs) depicted a positive trend of 2 percentage points from 28 percent in H1 of FY11-12 to 30 percent in H1 of FY12-13. Share in Rural Support Programmes (RSPs) also increased by 1 percentage points from 23 percent to 24 percent. While share of Micro Finance Banks (MFBs) declined by 2 percentage points.

3.38 Under the category of Saving Programme of active savers, Micro Finance Banks (MFB's) increased from 34 percent in H1 of FY2011/12 to 41 percent in H1 of FY2012/13.

3.35 In terms of Active Policy holders, Rural Support Programmes (RSPs) and Micro Finance Institutions (MFI's) illustrated an increase of 4 percentage points and 2 percentage points respectively. A 4 percentage point decrease from 31 percent in H1 of FY2011/12 to 27 percent in H1 of FY2012/13 was recorded in Micro Finance Banks (MFB's).

<b>Table no 3.10, Summary of Microcredit Provision H1 (1st July - 31st Dec) FY 2011/12 to FY 2012/13</b>			
<b>Peer Group</b>		<b>H1-FY 2011/12</b>	<b>H1-FY 2012/13</b>
<b>MFBs</b>	Number of branches/Units	441	454
	Gross Loan Portfolio (Rs. millions)	15,434	21,087

	Average Loan Balance (Rs. millions)	18,223	22,641
	Number of Loans disbursed	295,307	326,208
	Credit Disbursements (Rs. millions)	6,871	9,477
	Average Loan Size (Rs.)	23,268	29,053
<b>MFI</b> s	Number of branches/Units	456	581
	Gross Loan Portfolio (Rs. millions)	6,290	8,216
	Average Loan Balance (Rs.)	10,707	11,621
	Number of Loans disbursed	125,941	172,444
	Credit Disbursements (Rs. millions)	2,620	3,548
	Average Loan Size (Rs.)	20,804	20,575
<b>RSP</b> s	Number of branches/Units	690	727
	Gross Loan Portfolio (Rs. millions)	5,328	7,035
	Average Loan Balance (Rs.)	11,177	12,488
	Number of Loans disbursed	143,695	154,684
	Credit Disbursements (Rs. millions)	2,516	2,878
	Average Loan Size (Rs.)	20,804	18,604
<b>Others</b>	Number of branches/Units	150	156
	Gross Loan Portfolio (Rs. millions)	1,778	1,900
	Average Loan Balance (Rs.)	11,082	12,316
	Number of Loans disbursed	43,137	43,548
	Credit Disbursements (Rs. millions)	841	914
	Average Loan Size (Rs. millions)	19,496	20,980
<b>Total</b>	<b>Number of branches/Units</b>	<b>1,738</b>	<b>1,918</b>
	<b>Gross Loan Portfolio (Rs. millions)</b>	<b>28,831</b>	<b>38,238</b>
	<b>Average Loan Balance (Rs.)</b>	<b>13,917</b>	<b>16,231</b>
	<b>Number of Loans disbursed</b>	<b>608,080</b>	<b>696,884</b>
	<b>Credit Amount Disbursements (Rs. millions)</b>	<b>12,848</b>	<b>16,817</b>
	<b>Average Loan Size (Rs.)</b>	<b>21,130</b>	<b>24,131</b>

Source: Pakistan Microfinance Network (PMN), Islamabad

3.36 The summary of micro-credit indicators for H1 of FY2011/12 and H1 of FY2012/13 is presented in Table 3.10. A nominal decline was observed in the average loan size in Micro Finance Institutions (MFI's) and Rural Support Programmes (RSP's) peer groups. During H1 of FY2012/13 RSPs had the *highest number of branches* i.e. 727, followed by Micro Finance

Institutions (MFI's) 581, Micro Finance Banks (MFBs) 454 and "Others" 156 against the share of 690, 456, 441 and 150 respectively in H1 of FY11-12.

3.37 Total **number of loans** disbursed to the poor recorded a positive trend as it increased from 608,080 in H1 of FY11-12 to 696,884 in H1 of FY12-13 depicting a substantial growth of 14.60 percent. The number of loans for Micro Finance Institutions (MFI's) observed a positive change of 36.92 percent from 125,941 in H1 of FY2011/12 to 172,444 in H1 of FY2012/13. MFB's increased by 10.46 percent from 295,307 in H1 of FY2011/12 to 326,208 in H1 of FY2012/13. In Rural Support Programmes (RSP's) the number of loans increased by 7.64 percent from 143,695 in H1 of FY11-12 to 154,684 in H1 of FY12-13. On the contrary a nominal increase of 1 percent was recorded in the "Others" from 43,137 in H1 of FY11-12 to 43,548 in H1 of FY12-13.

3.38 The overall **credit disbursements** recorded an improvement of 30.89 percent from Rs. 12,848 million in H1 of FY11-12 to Rs. 16,817 million in H1 of FY2012/13. MFBs disbursements increased by 37.92 percent from Rs. 6, 871 million in H1 of FY2011/12 to Rs. 9,477 million in H1 of FY2012/13. Micro Finance Institutions (MFI's) credit disbursements increased by 35.41 percent from Rs. 2,620 million to Rs. 3,548 million. A 14.38 percent increase was recorded in RSPs from Rs. 2,516 million to Rs. 2,878 million. The "Others" depicted a change of 8.68 percent from Rs. 841 million in H1 of FY2011/12 to Rs. 914 million in H1 of FY2012/13.

3.39 **Gross Loan Portfolio (GLP)** dominated the major proportion of total finances and increased by 32.62 percent from Rs.28, 831 million in H1 of FY2011/12 to Rs. 38,232 million in H1 of FY2012/13. GLP in all peer groups including MFBs, RSPs, Micro Finance Institutions (MFI's) and "Others" showed a substantial increase of 36.62 percent from Rs. 15,434 million to Rs. 21,087 million, 32.03 percent from Rs. 5,328 million to Rs. 7, 035 million, 30.62 percent from Rs. 6,290 million to Rs. 8,216 million and 6.86 percent from Rs. 1,778 million to Rs. 1,900 million respectively during H1 of FY2011/12 to in H1 of FY2012/13. **Average loan size** also recorded an increase of 14.20 percent from Rs. 21,130 million in the first half of FY2011/12 to Rs. 24,131 million in the first half of FY2012/13. Micro Finance Banks (MFBs) and "Other" peer groups recorded a significant increase of 24.86 percent and 7.61 percent respectively. However in Micro Finance Institutions (MFI's) and RSPs peer groups depicted a declining trend

of 1.1 percent and 10.57 percent respectively in the average loan size during H1 of FY11-12 to H1 of FY2012/13.

### 3.6 Benazir Income Support Programme (BISP)<sup>10</sup>

3.40 BISP has introduced a number of technological innovations in social assistance payment system by using smart cards and mobile banking. The cash amount is being disbursed through three major modes of payment which include post offices, smart cards and mobile banking.

3.41 **Cash Grant Programme:** Table 3.11 gives the total amount disbursed and the number of beneficiaries during H1 of FY2011/12 and H1 of FY2012/13. The total amount disbursed in H1 of FY2012/13 was 27.1 billion.

<b>Table 3.11: Benazir Income Support Programme (BISP)</b>		
	<b>H1-FY2011/12</b>	<b>H1-FY2012/13</b>
<b>Amount disbursed (Rs. billion)</b>	16.4	27.1
<b>Total number beneficiaries (million)</b>	3.4	-

Source: BISP, Islamabad

<sup>10</sup>The Government of Pakistan initiated the Benazir Income Support Programme (BISP) in 2008. The purpose of this programme was to provide income support to the poor in short term with a long-term objective of establishing the national safety net platform that supports the poor and vulnerable groups. The identification of beneficiaries is being done through Proxy Means Test based targeting instruments. The Poverty Score Card (PSC) has been rolled out through a door to door national census. It is being implemented across Pakistan.

## Chapter 4 Monitoring the PRSP Intermediate (Output) Indicators

4.1 This section of the report discusses the performance of the PRSP-II output (intermediate) indicators during H1 of FY2012/13.

### Health Sector

#### 4.1 TT- Immunization Coverage for Pregnant Women Programme<sup>11</sup>

4.2 Coverage of Tetanus Toxoid-1 (TT-1) and Tetanus Toxoid-2+ (TT-2+) immunization for pregnant women in all provinces of Pakistan has been reported in table 4.1 for H1 of FY2011/12 and H1 of FY2012/13. The table clearly reflects that the targeted population for the immunization coverage of pregnant women at the national level increased by 1.77 percent from 3,030,987 in H1 of FY2011/12 to 3,084,937 in H1 of FY2012/13. TT-1 immunization coverage stood at 73 percent, while TT-2 immunization coverage was recorded at 72 percent during H1-FY2012/13

Table no 4.1 TT- Immunization Coverage for Pregnant Women Programme Cumulative						
Provinces	H1,FY 2011/12			H1,FY 2012/13		
	TT-Immunization					
	Target Population	TT-1	TT2+	Target Population	TT-1	TT2+
	(@3.57% Pop)	Cov %	Cov %	(@3.57% Pop)	Cov %	Cov %
Punjab	1,612,484	76	76	1,641,187	80	78
Sindh	688,034	60	60	700,281	66	72
Khyber Pakhtunkhwa	403,121	64	58	410,297	73	68
FATA	66,682	58	70	67,869	67	69
Balochistan	145,488	38	41	148,077	34	35
AJK	63,651	97	98	64,784	92	92
FANA	27,279	52	47	27,765	32	40

<sup>11</sup>The National EPI Programme provides immunization against seven killer diseases namely childhood tuberculosis, poliomyelitis, diphtheria, pertussis, neonatal tetanus, measles and hepatitis B. EPI programme was initiated in 1978. It is an effective public health intervention that has a significant impact on the health of deprived community. By reducing the cost of treating diseases, immunization offers opportunities for poverty reduction. Every year a nationwide National Immunization Day (NID) is carried out to give polio vaccine to all children below 5 years of age. The mass immunization campaign has gained a great deal of acceptance across the country.

<b>ICT</b>	8,313	53	41	8,461	60	48
<b>CDA</b>	15,935	41	16	16,219	62	20
<b>Pakistan</b>	<b>3,030,987</b>	<b>69</b>	<b>68</b>	<b>3,084,937</b>	<b>73</b>	<b>72</b>
Source: Federal EPI Cell, National Institute of Health						

4.3 A positive change of 51.91 percentage point from 41 percent to 62 percent in TT-1 immunization coverage ratio was recorded in CDA followed by FATA that registered a 14.99 percentage point increase from 58 percent to 67 percent. Khyber Pakhtunkhwa recorded a 13.84 percentage point increase from 64 percent to 73 percent. In ICT a 12.54 percentage point increase from 53 percent to 60 percent was recorded. Sindh observed a change of 9.71 percentage points from 60 percent to 66 percent; Punjab recorded a 5.84 percentage point increase from 76 percent to 80 percent. In the rest of the regions including FANA, Baluchistan and AJK a significant decline of 37.55 percentage points, 10.33 percentage points and 5.09 percentage points respectively was, however, recorded in H1-FY2012/13 as compared to H1-FY2011/12.

4.4 In general TT-2 immunization coverage increased by 6.50 percentage points. A substantial improvement of 22.62 percentage points from 16 percent to 20 percent was recorded in CDA. In Sindh 20.29 percentage point increase was recorded from 60 percent to 72 percent. Khyber Pakhtunkhwa recorded a 16.60 percentage point increase from 58 percent to 68 percent, ICT recorded 16.37 percentage points increase from 41 percent to 48 percent, Punjab recorded a 2.16 percentage point increase from 76 percent to 78 percent. Remaining regions, however, demonstrated a negative decline. In FANA 15.82 percentage point decline was recorded from 47 percent to 40 percent. A decline of 14.42 percentage point from 41 percent to 35 percent was recorded in Baluchistan. In AJK a downfall of 5.80 percentage point from 98 percent to 92 percent was recorded. In FATA a decrease of 1.17 percentage point from 70 percent to 69 percent was registered.

## **4.2 Population Covered by Lady Health Workers (LHWs)**

4.5 Table 4.2 gives the detail of population covered by LHW's. During H1 of FY12-13, total population covered by LHW's was 101 million which included 18 million Urban and 81 million rural population. In FY12-13, total population covered by LHW's was 62,732,668 in Punjab

province, 10,890,747 in urban areas and 51,841,921 in rural areas. After Punjab province the largest population coverage by LHW's was recorded in Sindh i.e. 18,591,241. A major portion was covered in rural areas (14,223,292) while coverage of 4,367,949 was documented in urban areas. In Khyber Pakhtunkhwa total population covered by LHW's was 11,953,419 out of which 9,980,172 were in rural areas and 1,973,247 in urban areas.

<b>Table no 4.2: Population Covered by LHW's H1, (1<sup>st</sup> July - 31<sup>st</sup> Dec) FY 2012/13</b>			
	<b>Urban</b>	<b>Rural</b>	<b>Total</b>
<b>Punjab</b>	10,890,747	51,841,921	62,732,668
<b>Sindh</b>	4,367,949	14,223,292	18,591,241
<b>Khyber Pakhtunkhwa</b>	1,973,247	9,980,172	11,953,419
<b>Baluchistan</b>	1,221,220	2,563,779	3,784,998
<b>AJK</b>	267,330	2,213,603	2,480,933
<b>FANA</b>	142,181	598,152	740,333
<b>FATA</b>	-	-	1,073,282
<b>Total</b>	<b>18,862,674</b>	<b>81,420,919</b>	<b>101,356,874</b>

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

4.6 In Balochistan maximum population covered by LHW's was in rural areas i.e 2,563,779. While 1,221,220 were covered in urban areas. The total population coverage stood at 3,785,998 in H1 of FY12-13. In AJK populations covered by LHW's was 2,480,933 out of which 267,330 was in urban areas and 2,213,603 in rural areas. In FATA province total populations covered by LHW' was 1,073,282. In FANA the total population coverage of LHW's was 740,333 out of which 598,152 in rural areas and 142,181 in urban areas, in H1 of FY12-13.

4.7 The total strength of LHWs was recorded at 96,319 in H1 of FY12-13; major strength of LHW deployed in rural was 79,509 and 16,811 in urban areas. In Punjab, the highest i.e. 48,373 followed by Sindh with 22,229. Total strength of LHW in Khyder Pakhtunkhwa was 12,913, 4,704 in Balochistan, 3,071 in AJK , 1,407 in FATA, and 1,385 in FANA during first half of FY 2012-13. (See, table 4.3)

<b>Table no 4.3, Total Strength of LHW's H1, (1<sup>st</sup> July - 31<sup>st</sup> Dec) FY 2012/13</b>			
<b>Provinces</b>	<b>Urban</b>	<b>Rural</b>	<b>Total</b>
<b>Punjab</b>	7,980	40,393	48,373
<b>Sindh</b>	4,653	17,797	22,449

<b>Khyber Pakhtunkhwa</b>	1,759	11,155	12,913
<b>Baluchistan</b>	2,016	4,704	6,720
<b>AJK</b>	178	2,893	3,071
<b>FANA</b>	225	1,160	1,385
<b>FATA</b>	-	1,407	1,407
<b>Total</b>	<b>16,811</b>	<b>79,509</b>	<b>96,319</b>
Source: National Programme for Family Planning and Primary Health Care, Ministry of Health			



### 4.3 People Works Programme-I

4.9 Peoples Works Programme (PWP) I constitutes welfare programmes focusing upon small development schemes for provision of electricity, gas, roads, telephone, education, health, water supply and sanitation facilities to the poor community of rural areas.

<b>Table no 4.4, Number of Schemes approved under each category H1, (1<sup>st</sup> July – 31<sup>st</sup> Dec) FY 2011/12 to FY 2012/13</b>										
<b>H1, (1<sup>st</sup> July - 31<sup>st</sup> Dec) FY 2011/12</b>										
<b>Province</b>	<b>Road</b>	<b>Electrification</b>	<b>Gas</b>	<b>Telephone</b>	<b>Education</b>	<b>Health</b>	<b>Water Supply</b>	<b>Sanitation</b>	<b>Bulldozers hours</b>	<b>Total Schemes</b>
<b>Punjab</b>	507	170	2	-	22	1	71	55	-	828
<b>Sindh</b>	68	61	5	-	3	1	21	6	30	195
<b>Khyber Pakhtunkhwa</b>	158	126	2	-	2	-	91	11	-	390
<b>Balochistan</b>	36	28	-	-	8	1	57	7	-	137
<b>FATA</b>	49	1	-	-	0	-	102	0	-	152
<b>ICT</b>	5	12	1	-	1	-	1	1	-	21
<b>Total</b>	<b>823</b>	<b>398</b>	<b>10</b>	<b>-</b>	<b>36</b>	<b>3</b>	<b>343</b>	<b>80</b>	<b>30</b>	<b>1723</b>
<b>H1, (1<sup>st</sup> July - 31<sup>st</sup> Dec) FY 2012/13</b>										
<b>Province</b>	<b>Road</b>	<b>Electrification</b>	<b>Gas</b>	<b>Telephone</b>	<b>Education</b>	<b>Health</b>	<b>Water Supply</b>	<b>Sanitation</b>	<b>Bulldozers hours</b>	<b>Total Schemes</b>
<b>Punjab</b>	386	185	9	-	12	2	48	36	-	678
<b>Sindh</b>	42	66	7	-	42	2	34	9	-	202
<b>Khyber Pakhtunkhwa</b>	135	119	1	-	1	-	112	1	-	369
<b>Balochistan</b>	18	20	-	-	2	1	54	7	-	102
<b>FATA</b>	19	-	-	-	-	-	48	-	-	67
<b>ICT</b>	4	5	-	-	-	1	1	1	-	12
<b>Total</b>	<b>604</b>	<b>395</b>	<b>17</b>	<b>-</b>	<b>57</b>	<b>6</b>	<b>297</b>	<b>54</b>	<b>-</b>	<b>1430</b>

Source: Ministry of Local Government & Rural development

4.10 It is evident from data given in table 4.4 that the total number of schemes under PWP-I have decreased substantially from 1723 schemes in H1 of FY11-12 to 1430 schemes in H1 of FY12-13, reflecting a decline of 17 percent. In H1 of FY12-13 a total number of 604 schemes were approved for roads, 395 for electrification, 297 for water supply, 57 for Education, 54 for sanitation, 17 for gas and 6 for Health.

4.11 The percentage of schemes approved has gone up in Sindh by 3.58 percent from 195 schemes in H1 of FY11-12 to 202 schemes in H1 of FY12-13. In the remaining provinces a declining trend was recorded. In FATA, a sizeable decline of 55.92 percent from 152 schemes to 67 schemes was recorded. In ICT a decline of 42.85 percent from 21 schemes to 12 schemes was recorded. In Balochistan a decrease of 25.5 percent from 137 schemes to 102 schemes was registered. In Punjab, 18.11 percent decrease from 828 schemes to 678 schemes was noticed. A slight decrease of 5.38 percent was recorded in Khyber Pakhtunkhwa from 390 schemes to 369 schemes.

4.12 In Sindh an increase of 3.58 percent was recorded i.e. 202 schemes were approved including 66 schemes for the provision of electrification, 42 schemes were introduced for each the provision of roads and education, 34 schemes were introduced for the provision of water supply, 9 schemes were introduced for the provision of sanitation, 7 schemes were approved for Gas and 2 schemes for the provision of Health in H1 of FY12-13.

4.13 In total 67 schemes were introduced in FATA which portrays a decrease of 55.9 percent from H1 of FY11-12 to H1 of FY12-13. Schemes were approved under two broad category i.e 48 schemes for provision of water supply and 19 for roads.

4.14 Likewise, ICT approved a total number of 12 schemes in FY12-13 against a total of 21 schemes approved in FY11-12. Four schemes were approved for provision of roads, while 1 scheme each for Health, water supply and sanitation.

4.15 In Baluchistan 137 schemes were approved in H1 of FY11-12 and 102 schemes in H1 of FY12-13. In total 54 schemes were introduced for the provision of water supply, 20 for electricity, 18 for roads, 7 for sanitation, 2 for education and 1 scheme was introduced for the provision of health.

4.16 In Punjab, 386 schemes were introduced for the provision of roads, 185 for electricity, 48 for water supply, 36 for sanitation, 12 for education and 2 schemes were approved for provision of health.

4.17 Khyber Pakhtunkhwa managed to undertake 369 schemes during H1 of FY12-13. Out of total 135 schemes were introduced for the provision of roads, 119 for electrification, 112 for

water supply and 1 scheme was approved each for sanitation, gas and education during H1 of FY12-13.

## Conclusion

The PRSP-II Mid-Year progress report for FY2012/13 analyzes the indicators identified under PRSP-II for the first half of FY2012/13. The report covers the progress made in macroeconomic indicators, pro-poor expenditures and social safety net programmes.

The macroeconomic situation remained challenging. Agriculture, Manufacturing as well as Services sectors performed below their capacity.

Significant growth in expenditures has been observed in all the sub sectors except in subsidies. Among the five broad categories, Rural Development witnessed a maximum growth of 74.89 percent; followed by 18.96 percent growth in Human Development and 13.51 percent growth in Governance.

The total amount disbursed under different programmes including budgetary and non-budgetary transfers increased by 154.40 percent from Rs. 31,811.46 million in H1 of FY2011/12 to Rs. 80,931.37 million in H1 of FY2012/13. These programmes include Zakat, Pakistan Bait-ul-Mal (PBM), Employees Old Age Benefit Institutions (EOBI), Workers Welfare Fund (WWF), Benazir Income Support Programme (BISP), and Microfinance.

The targeted population for the immunization coverage of pregnant women at the national level increased by 1.77 percent from 3,030,987 in H1 of FY2011/12 to 3,084,937 in H1 of FY2012/13. In H1-FY2012/13, total population covered by LHW's was 62,732,668 in Punjab province. After Punjab province the largest population coverage by LHW's was recorded in Sindh i.e. 18,591,241. Data revealed that the total number of schemes under PWP-I have decreased substantially from 1723 schemes in H1 of FY2011/12 to 1430 schemes in H1 of FY2012/13, reflecting a decline of 17 percent.

In closing it must be mentioned that the devolution of social sector related subjects from the federation to the provinces has given rise to transitional issues. Once these issues subside the overall PRSP expenditures will hopefully exhibit an encouraging trend.