

POVERTY REDUCTION STRATEGY PAPER
ON
BALUCHISTAN

PLANNING AND DEVELOPMENT DEPARTMENT
GOVERNMENT OF BALUCHISAN

November 20, 2003

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ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AIT	Agriculture Income Tax
AWB	Area Water Boards
CBO	Community Based Organization
CCO	Citizen Community Organization
CRPRID	Centre for Research on Poverty Reduction and Income Distribution
CWD	Communications and Works Department
DAC	Departmental Accounts Committee
DAO	District Accounting Officer
DCO	District Coordination Officer
DFID	Department for International Development
EIROP	Essential Institutional Reform Operationalization Project
EMIS	Education Management Information System
EOBI	Employees Old-age Benefits Institution
FBS	Federal Bureau of Statistics
FMC	Fiscal Monitoring Committee
GAVI	Global Alliance for Vaccination and Immunization
GTZ	German Development Corporation
HMIS	Health Management Information System
HR	Human Resource
IM&R	Instructional Materials and Minor Repair
IPRSP	Interim Poverty Reduction Strategy Paper
LHW	Lady Health Worker
M&E	Monitoring and Evaluation
MICS	Multiple Indicators Cluster Survey
MTBF	Medium Term Budget Framework
NAB	National Accountability Bureau
NGO	Non –governmental Organization
NWFP	North West Frontier Province
O&M	Operation & Maintenance
P&D	Planning and Development
PAC	Public Accounts Committee
PFAA	Provincial Financial Accountability Assessment
PIHS	Pakistan Integrated Household Survey
PRP	Poverty Reduction Plan
PRSP	Poverty Reduction Strategy Paper
PSC	Public Service Commission
PTA	Parent-teacher Associations
SBP	State Bank of Pakistan
SDC	Swiss Development Corporation
SME	Small and Medium Enterprise
SPDC	Social Policy Development Center
SWOT	Strengths, Weaknesses, Opportunities and Threats
UNDP	United Nations Development Programme
WAPDA	Water and Power Development Authority

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EXECUTIVE SUMMARY

The statistical database on Balochistan is extremely weak. National surveys, such as, Household Income and Expenditure Surveys (HIES), consistently over-estimate its welfare. In reality, Balochistan is extremely sparsely populated and economically backward. It suffers from severe geographic adversity. Its rugged plateau and mountain areas are fed by scanty rainfall. Most of this water is lost during flash floods, leaving and extremely small proportion under agriculture. The mineral wealth of the province is largely unexploited and the vast coastal areas have remained hitherto unexploited because of lack of infrastructure. Population is largely rural with extremely poor access to social services and alternative economic opportunities. Given the vast areas and the thinly spread rural population poverty reduction presents manifold challenges far in excess of those faced by the other provinces.

The statistical base in Balochistan in its present state does not permit the establishment of consistent benchmarks. However, all indicators suggest that the poverty problem in Balochistan is extremely severe. Not only is the money-metric measure of poverty extremely high but the social indicators are also extremely poor. There is a large gender disparity and a high dependency rate. Population densities are extremely low so that development resources are spread very thinly.

This strategy for poverty reduction is focused on bringing about growth that is inclusive of the poor while simultaneously focusing on improving access to basic education, primary health care, adequate nutrition and safe water and sanitation especially of the most vulnerable in society. Therefore the suggested key pillars of Balochistan's Poverty Reduction Strategy are:

1. Engendering growth.
2. Managing the scarce water resources
3. Governance reforms
4. Increasing the focus on improving human development
5. Addressing vulnerability to shocks

Based on an extensive process of consultation that was undertaken as part of this strategy formulation a number of priority steps for enhancing opportunity were identified. These include:

Agriculture, livestock, fisheries

- increase in the cultivated area through better water management,
- construction of small dams
- relief in electricity charges for agricultural sector
- reclamation of waterlogged and saline area
- improvement in the marketing system of agriculture products through the provision of farm to market roads and better marketing links for local produce.

- establishment of vegetable/grain markets
- cold storages for storage
- production, processing, storage, packing and marketing of dates
- credit facilities for small scale private sector projects

The province of Balochistan is blessed with rich resources of livestock, fisheries and poultry. These sub-sectors need special attention to reduce poverty and through employment and income generation. There is a need to use modern methods in fishing, fish storage, and its processing and marketing. Development of coastal areas and the development of the sea ports at Gwadar and Pasni are important in this regard. Similarly protecting rangelands and increasing health care coverage for livestock are extremely important.

For livestock management the following steps were suggested.

- Rehabilitation of livestock farmers
- Improvement in the breeding activities
- Provision of animal fattening and nutrition programme
- Training to women in backyard poultry development
- Mobile camps to help breeders and veterinary services
- Incentives and awareness regarding dairy and poultry farming needed
- Better marketing network for locally produced products needs attention.
- Improvement of fisheries
- Marketing Links needed to support local produce
- Range lands rehabilitation.

For improved fisheries, the following steps have been suggested:

- Controlling illegal fishing
- Modern fish harbor and market link road.
- Promotion of fish processing industry.
- Promotion of fishing nets making.
- Availability of modern boats and repair of existing boat engines
- Boat making needs to be institutionalized – it is a traditional art
- Additional cold storages needed besides enabling environment for fisheries & related industries

Mining and manufacturing

The promotion of mining activity and small and medium industry is important for the income generation and employment creation in the region. The local processing of minerals and especially precious stones is an important area for poverty reduction. Provision of licenses to qualified firms and availability of small loans is important for this purpose. This would provide substantial resources for economic activity and employment opportunities in the province. In addition, large-scale investment is needed to set up

mineral based industries, such as marble and cement. It was also suggested that Harnai Woolen Mills and the non-functioning cotton industries should be made functional.

Education and training especially for women

In order to address the high levels of illiteracy, especially among females and to enhance their opportunities and empowerment and security there is a great need to increase formal as well as technical education. In order to increase female enrolment, there is a need to increase the number of trained female teachers.

Investment and infrastructure

Improvement in infrastructure is extremely important to the overall development of the Province. Strengthening the road network including farm to market link roads is extremely important for encouraging private sector activity establishing agro-based and mineral based industries.

The provision of adequate food, shelter, access to health facilities and protection are all elements of the strategy to enhance security. The following interventions were suggested at the consultative sessions:

- Optimum utilization of available limited resources.
- Controlling rapid population growth
- Strengthening of law enforcing agencies.
- Maintenance of price control of agriculture crops and assuring adequate returns to farmers
- Strengthening of social security nets. Zakat distribution needs to be properly channelized.
- Law and order should be ensured for any development activity.
- Resolution of local disputes
- Access to rights and justice.
- Shelter to homeless families & minorities.
- Participation of local people in economic development process to be ensured.
- Involvement of Civil Society Organizations in development programmes.
- Awareness raising/social mobilization for all social and economic sectors
- Formation of Village Committees
- Increased private public partnership
- Employment provision to local people in large development activities (like dams, road construction)

The international evidence points increasingly to the need to empower people for effective poverty reduction. The general recommendations of this strategy for empowerment are:

- Creation of job opportunities especially for women

- Involvement of Civil Society Organizations in development programmes.
- Awareness raising/social mobilization for all social and economic sectors
- Formation of Village Committees
- Establishing of information system and networks through institutional development and extensive use of E-commerce especially for marketing, health, sanitation, nutrition and education.

These recommendations provide the general guidelines within which the poverty reduction of the province can take place. Based on these recommendations the overall strategy of poverty reduction for the Province emphasizes pro-poor income generation, managing the scarce water resource and building the human capital especially strengthening the vulnerable – the women and children – through better coverage and quality of health care and education. Within education the emphasis is on building vocational skills that can lead to pro-poor income growth and focus on women and youths. This requires improved governance and assumes the smooth functioning of the devolved system of local Government. The strategy calls for the strengthening of Governance Reforms in line with the national process of Governance reforms. The vulnerability of the poorest segments of society is to be addressed through the ongoing national programme of safety nets. In addition a Balochistan specific informal safety net is also proposed through the local elected Governments so that the destitute can be provided basic food.

The Medium term budgetary framework provides an indication of the resource availability under two scenarios as well as an allocation of the resources to the key sectors. The key targets are identified and the poverty reduction goals are listed and the institutional responsibility and mechanism for monitoring are identified.

The processes for poverty reduction in Balochistan are far more backward and fragile as compared to the other provinces. The need to build sustainable capacity for reform is large. A sustained commitment to poverty reduction is required to ensure progress. This strategy provides the broad guidelines and principles that can help bring about poverty reduction. The detailed plans under each of these elements need to be fully worked out.

CHAPTER 1. INTRODUCTION

1. Poverty in Balochistan results from the interaction of three critical aspects: the social (including political), the economic and the environmental. The social problems are rooted in the scattered pattern of human settlements with relatively sparse population (on average only 19 persons per sq. km.) trying to eke out a living from the harsh topographic and climatic conditions. The social indicators literacy, life expectancy, access to health facilities are amongst the lowest in the world. The economic problems are due to the lack of substantial economic activity, investment and capital accumulation). These severely restrict the prospects of its further development. Poor governance and coordination between government agencies, non-government organizations (NGOs) and donor supported projects adds to these problems. The environmental problems emanate from the rugged topography of its vast area, extreme variation in elevation and temperature, the very arid conditions and the very limited area of fertile land, and useable water – all of which combine to create a harsh and fragile environment for human habitation.

2. And compounding all of these problems is the absence of a tradition of generating and maintaining data. Although things have improved recently the quality and coverage of the data still leaves much to be desired. Indeed available information on Balochistan is extremely sparse and inconsistent (even within the same source). This makes not only planning but also the monitoring and evaluation of implementation extremely difficult.

3. The socio-economic characteristics of Balochistan can be summarized as:

- **A vast diverse terrain:** Balochistan has a total land area of 347,000 sq. km, wherein the climate ranges from semi-arid to arid and temperature regimes vary widely.
- **Sparse population:** Balochistan has an estimated 6.5 million mostly rural inhabitants. Then main ethnic groups are Baloch, Pashtun and Brahvi.
- **Limited land resources:** Of the total land area 34.72 million hectares only about a third, can be considered reasonably productive grazing land.
- **Inadequate water resources:** The major surface water resource is the canal water command area of 320,454 ha. Ten million acre feet (MAF) of run off water, about 14 to 23 cubic metres per second (m^3/s) from groundwater sources is available.
- **Dependence on agriculture:** The Economy of Balochistan is dominated by agriculture, including livestock and fisheries, accounting for 52 percent of the Province's GDP while employing 65 percent of the labour force. Other economic activities include mining, industries and trade.
- **Farming system dominated by livestock farming:** The rearing of small ruminants, is one of the major economic activities on the vast overgrazed and depleted rangelands of Balochistan. Stocking rates are six to seven times the bearing capacity of the range land.

- **Limited irrigated farming:** Of the 1.73 million hectares cultivated area, half is irrigated. Major agriculture commodities are orchards, vegetables, wheat, rice, barley and fodder.
- **Predominantly dryland farming:** The livelihood of the majority of the population and nearly 50% of the total cultivated area in Balochistan is under dryland crop production. The livestock population in the Province, including poultry, is estimated at 32 million heads (1995/96). It has been steadily increasing and maintaining its share in the GDP.
- **Crop production:** Wheat (430,500 ha), and rice (123,000 ha) are the two dominant commodities in the province, occupying 42 percent and 12 percent of the total cropped area, respectively. Fodder crops, rape/mustard, barley and sorghum, are other important crops.
- **Good potential in horticultural crops:** The major fruit crops are apples, dates, almonds and apricots. Other tree fruits grown in the Province are plums, pears, peaches, pomegranates, mango and citrus. The area and production of all fruit crops have increased substantially during the decade of 1985-86 to 1995-96, because of an increase in the availability of irrigation water.
- **Excellent prospects for fisheries development:** Balochistan has a coastline of 770 kilometers with two small fishing harbours at Pasni and Gwadar. Fishing is an important activity along the Mekran coast. Estimated fish output is around 0.120 million tonnes, including shrimps and lobsters valuing 1.4 billion rupees. There is a potential for more than doubling of that catch.
- **Poor industrial base:** Industry contributes only about 10 percent to the Provincial GDP, and together with mining employs 3.4 percent of the labour force. Additionally, a number of cottage industrial units spread all over Balochistan, mainly in the field of handicrafts, embroidery, and wool and leather products.
- **Significant mineral potential:** Minerals are believed to be a significant wealth of Balochistan. However, this resource has not been fully exploited. It contributes only about 3 percent to the GDP.
- **Trade and transport** are believed to be more important than industries in Balochistan. However, reliable data on the size of this sector are not available.
- **Extremely high rates of income poverty:** The available data indicate that nearly 50 percent of the population is below the poverty line.
- **Large gender disparities:** The opportunities for women in economic activities are extremely limited because of prevailing traditional and religious norms. There is limited involvement of women in field and horticultural crop production activities, harvesting and rice transplanting, livestock related activities. Women are also involved in the traditional cottage industries, embroidery and wool product making. In the formal sector, women are employed in the Education Department as teachers and in the Health Department as doctors and paramedics.
- **High proportion of dependent population:** The highest proportion of the population is under the age of 15. This proportion, if added to the proportion of females aged 15 to 45, indicates the large size of the population that is vulnerable and in need of special care. This large segment is the Achilles heel of the province and should be the focus of any strategy to reduce poverty.

- **Poor education:** The overall literacy rate amongst the rural population in Balochistan is estimated at 14 percent as against the national average of 29 percent. Only a little over half a million children are enrolled in primary schools and there is a clear gender disparity.
- **Inadequate health:** Major diseases, like malaria, respiratory urinary tract and gastrointestinal infections and tuberculosis, are still very common in most areas and the health status is generally very poor. The Infant mortality rates are very high (180 per 1000).
- **Limited availability of safe drinking water supplies and inadequate sanitation facilities:** Only 20 percent of the population has access to reasonably safe drinking water. The remaining 80 percent of the population is dependent on unsafe sources, such as open surface wells, rivers, and lakes.
- **Inadequate coverage of electricity supply:** Power supply is concentrated in the urban centers and only 25 percent of the rural population, mostly those residing near urban centers, have access to electricity. Supply is unreliable and often interrupted.
- **Poor communications:** Balochistan has 22,000 km of metalled and shingle roads, 1,034 km of railroad and less than 80,000 telephone connections. The quality of the available communication network is poor and its coverage is sparse.

4. It is within these factors that the population of Balochistan – nearly 50 percent of which can be classified as poor - subsists. This population is largely (47 percent) under the age of 15 years.

The vulnerability of women and children

5. A good start in life – especially in the first few months – is critical to the physical, intellectual and emotional development of every individual. Poverty in early childhood can prove to be a handicap for life. Child development is a succession of events for which there is seldom a second chance. Biological and intellectual growth cannot wait until a family escapes from poverty. When poverty spreads and deepens, the risks of contracting respiratory infections, diarrhoea, measles and other illnesses that commonly kill children or undermine their physical, psychosocial and cognitive capacities increase. Damage suffered due to malnutrition, ill health and inadequate care during childhood impedes future learning and often cannot be repaired later in life.

6. Obstacles that impede the full development of the individual frequently occur at the very beginning in life. They then accumulate to the point of rendering the individual vulnerable to social exclusion and poverty. Hence, early childhood is the most opportune moment for preventing or breaking the poverty cycle. Investment in children is a key determinant of the success of anti-poverty programmes. Poverty is a denial of human rights and human dignity. It means not having a good primary school or health center to go to and not having access to safe drinking water and adequate sanitation. It means insecurity, powerlessness, exposure to violence and discrimination and exclusion from the mainstream of society. It also means not having a voice to influence decision-making, living at the margin of society and being stigmatized.

7. Extensive evidence exists that poor families generally have more children than non-poor families do. This implies that children are disproportionately represented among the poor. No other age group is more likely to live in poverty. Impoverished children become transmitters of poverty, as parents, to the next generation. In a vicious cycle, malnourished girls grow up to become malnourished mothers who give birth to underweight babies; parents lacking access to crucial information are unable to optimally feed and care for their children; and illiterate parents cannot support children in their learning process. These children, then, run the risk of becoming the next generation of poor. In order to transform this vicious cycle into a virtuous cycle, poverty reduction must start with children.

8. Society's youngest members are poverty's most innocent and vulnerable victims. When poverty strikes, it causes irreparable damage to their bodies and minds and children are powerless victims. When impoverished children grow up, they will – as parents – transmit poverty to the next generation. These children therefore need basic capabilities to break this vicious cycle. An integrated package of basic social services of good quality develops those capabilities, and universal access to those services is the most effective and efficient contribution to reducing poverty.

9. Giving children access to an integrated package of basic social services of good quality is one of the most effective and efficient steps in combating poverty. While boosting income is important, it would be economically inefficient and socially unacceptable to make the poor wait for the benefits of economic growth to trickle down. Moreover, ensuring access to basic education, primary health care, adequate nutrition and safe water and sanitation is not only a fulfillment of human rights, it also contributes to renewed economic growth. Investment in children today is the best guarantee of equitable and sustainable development tomorrow.

10. This strategy for poverty reduction is therefore focused on bringing about growth that is inclusive of the poor while simultaneously focusing on improving access to basic education, primary health care, adequate nutrition and safe water and sanitation especially of the most vulnerable in society.

11. Therefore the suggested key pillars of Balochistan's Poverty Reduction Strategy are:

1. Engendering growth.
2. Managing the scarce water resources
3. Governance reforms
4. Improving human development
5. Addressing vulnerability to shocks

12. Given the large gender disparities in Balochistan, mainstreaming gender is an essential element of all strategic interventions proposed here. It is not only important from a rights based perspective but is also the most optimal poverty reduction strategy given that more than fifty percent of the poor can be targeted in this manner.

13. This strategy is based on an extensive process of consultation at the local level. SWOT (Strengths Weaknesses, Opportunities and Threats) analyses were initiated in 26 districts of the Province. The consultations involved the devolved elected local Governments, the District Coordination Officers and other stakeholders in the consultative process. Discussions were also initiated with all the heads of sections within the Planning and Development Department of the Government of the Balochistan and the Chief Planning Officers of the key departments. An effort was made to ensure that the PRSP fully reflects the priorities of the people of Balochistan.

14. The recommendations from the consultative process are remarkably similar to those obtained in the NWFP. It is quite clear that for the poverty reduction to be successful, the following basic measures must be adopted:

- Training and support to enable the local Governments to think along modern lines in order to enable them to function as sustainable entities with proactive planning for the development and promotion of all available resources at the district level
- Specific training for the local Governments to enable them to prepare business plans and advertise the business and tourism possibilities in their districts along modern lines.
- Strengthening of the office of the District Planning Officer with equipment and training to act as a Business Development and Support Units for all the citizens of the districts. This office would be charged with providing essential links to the on-going national level support initiatives such as SMEDA, Qaumi Zarat Bank, Khushali Bank and other initiatives that can be tapped to develop the small and medium industries and the agriculture sector. These offices should act as conduits for business promotion in the districts and for attracting investment and finding markets to assist the local inhabitants. Over time these offices will be in a position to charge a fee for such services.
- Initiating district level studies to assess how best to develop and promote the comparative advantage of the Province
- Setting up Poverty Reduction Associations of concerned well to do citizens with logistical support from the District Governments at the local level to evolve and implement schemes to improve the opportunity, security and empowerment of the vulnerable at the grassroots level. These associations should also be charged with ensuring that all such schemes are environmentally sustainable and biodiversity conserving and provide adequate opportunities to the vulnerable especially women. In addition these associations can serve as the focal mechanism for the supervision and distribution of basic cooked food (*dal* and *roti* at designated *tanoors*) to the destitute in each locality through informal collections from philanthropists in and around the area.

15. The Medium Term Budgetary framework presented here was agreed upon by the Government of the Balochistan in line with the initiatives proposed under the five pillars

of the Poverty Reduction Strategy. The Monitoring and Evaluation Framework contains a clear designation of responsibilities and next steps.

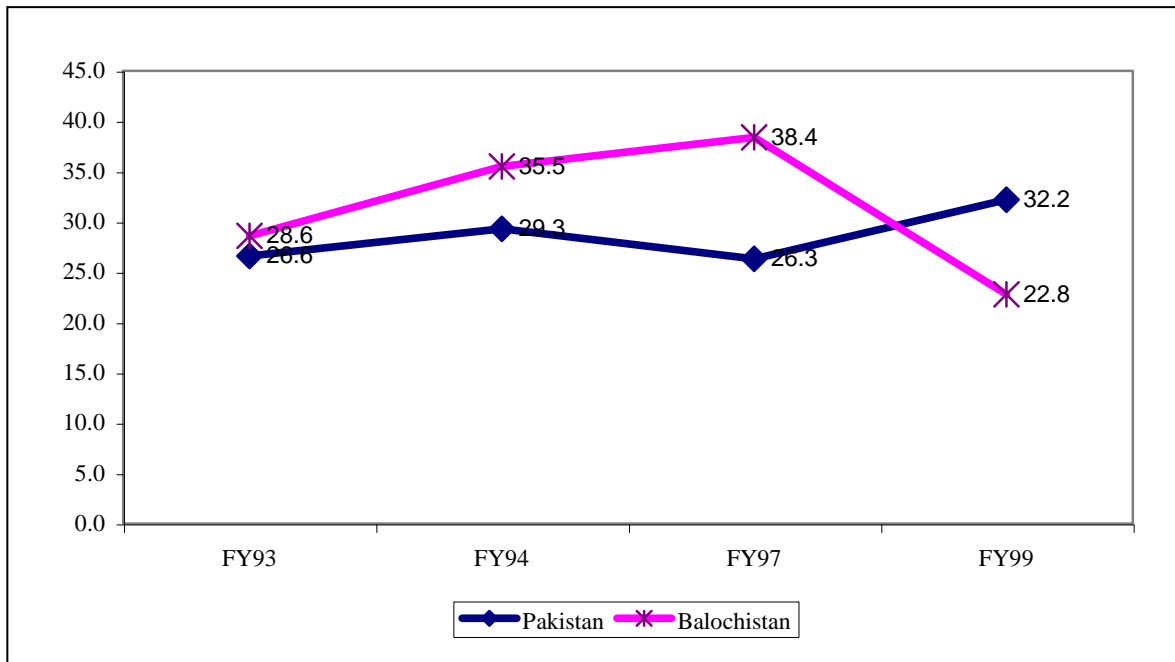
16. There are many risks that could hamper overall success of the strategy. These include, any backsliding on the key fiscal and financial steps; haphazard functioning of the devolved local government; lack of effective consensus building amongst the district level government and elected officials to ensure ownership of the poverty reduction strategy; and lack of momentum in the overall national PRSP efforts

17. This strategy paper is divided into six sections. Following this introduction, the poverty profile of Balochistan is presented in Chapter 2. The consultation process is described in Chapter 3. The fourth Chapter contains the poverty reduction strategy. The Medium term Budgetary Framework is presented in the fifth Chapter. The Monitoring and Evaluation recommended for this strategy is contained in the sixth Chapter.

CHAPTER 2. POVERTY IN BALOCHISTAN

1. The available information on the headcount of poverty based on the Household Income and Expenditure Surveys indicates that poverty in Balochistan was increasing over the 1990s. It increased from 28.6 percent in FY93 to 38.4 percent in FY97. However the headcount estimate for FY99 shows a decline to 22.8 percent based on the HIES for FY98-99¹ (see figure 2.1). This sharp decline over such a short period is not backed by any known upsurge in economic activity and is largely a statistical aberration. This sudden improvement in wellbeing in Balochistan based on the 1998-99 HIES data could have resulted from the small sample size, the widely dispersed population and the use of large “raising factors” in the survey that would multiply any high income respondent picked up incorrectly by the survey.

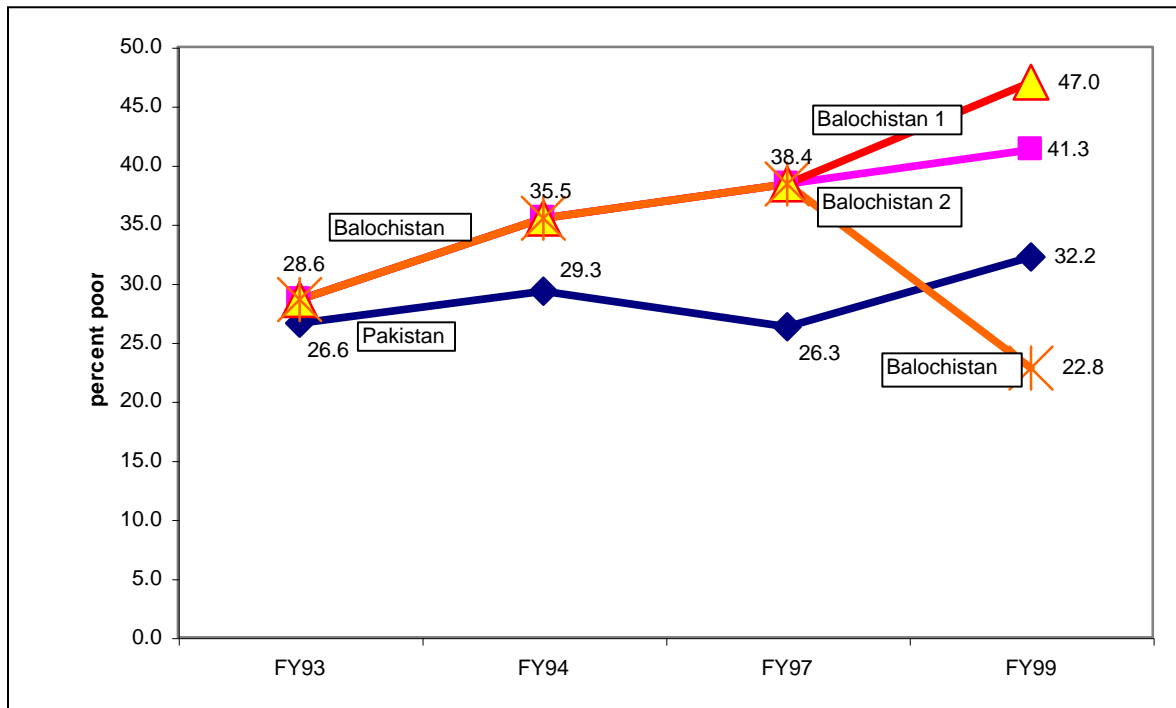
Figure 2.1: Comparison of Poverty Trends: Pakistan and Balochistan



2. In fact if past trends had continued the headcount of poverty would have increased to 41.3 percent (see line Balochistan 2 in figure 2.2). And with the assumption that poverty in Balochistan and Pakistan grew at the same rate during 1997-99, the incidence of poverty in Balochistan would have increased to 47 percent - more than double what the data actually describes. In figure 2.2, line Balochistan 1 represents this trend.

¹ Although government documents are reporting estimates based on the HIES 2001-02, this data set has not been officially released by the government and continues to be source of considerable controversy. Moreover, estimates based on this data reveal the continuation of same biases against Balochistan that have marred the 1998-99 survey.

Figure 2.2: Poverty Trends in Pakistan and Balochistan



3. The sudden decline in the poverty over the two year period shown by the unadjusted HIES data is also not backed by any of the non-income measures of poverty - all of which show a continuing pattern of decline. This can be seen quite clearly from Table 2.1 below which shows the decline from 1995-96 to 1998-99. All the key non-income measures show a marked deterioration.

Table 2.1 Non-income Poverty Indicators: Balochistan (1995-96 to 2000-01)

Indicators	1995-96	1998-99	2000-01
GER at primary level	75	64	62
Girl's enrolment as percentage to total primary enrolment	39	33	32
Percent of children 10-18 years who did not complete primary education	9	12	10
Literacy	30	36	36
GER at middle level	37	29	33
Percent of population with tap water in house	26	20	23
Percent of population with hand-pump	6	2	1
Percent of households with flush in house	13	10	13
Percent of households with no toilet	59	33	48
Percent of households with no drain	73	91	85

Source: PIHS (1995-96,1998-99,2000-01)

4. The gross enrollment rate declined from 75 to 62 between 1995-96 and 2000-01. Girls' enrollment as a percent of total enrollment also declined from 39 to 32 percent. The percent of children 10 to 18 years who left school without completing primary education increased from 9 to 10 percent during this period. Similarly the gross enrollment rate at the middle level declined from 37 percent to 33 percent. And all the water and sanitation indicators deteriorated over this time period.

Population Statistics of Balochistan

5. Nearly 47 percent of the population of Balochistan is under age 15. According to the Population Census (1998), population density is extremely low in Balochistan [see annex table 1]. Population density measures the concentration of population in an area and establishes a relationship between population and resources. It varies from region to region, depends on various factors, such as, climate, rain, land fertility, nature of soil, availability of social services, etc. Balochistan occupies 44 percent of Pakistan's total area but contains only 5 percent of its population. Despite 533 percent increase since 1951, the population density is still lowest in Balochistan. Quetta is the highly population dense district of Balochistan, with 286 people per square kilometer. Jaffarabad and Killa Abdullah are the other two districts with population density higher than 100. It is significant that 10 districts of Balochistan reported inter-censal population growth rates of more than 3 percent per annum.

6. Balochistan is predominantly rural. Gawadar is the highly urbanised district (54% of population is urbanized), followed by Lasbela (32%) and Sibi (32%). There is a high dependency rate of the population. A high dependency ratio not only puts an extra burden on the working age population but also leads to slowing down of the process of economic growth by reducing per capita income. Children under the age of 15 years and persons over the age of 65 years are considered as dependants. One should keep in mind that in the age group 15-64, nearly 50 percent are women, and among them a large proportion is not economically active. This places an additional burden on the small proportion of the economically active population. The high fertility rate in all districts is another feature of the population of Balochistan. This, and the predominantly young population coupled with the low age at marriage, imply that the age distribution will continue to be skewed towards the young. While the young population is an economic burden at the present time, it should also be seen as a vast potential resource which, with proper attention and investment, can serve as an important poverty mitigating resource in the future.

Land Resources in Balochistan:

7. Total land area in Balochistan is 34.719 million hectare. This area can be classified into rangelands, agricultural lands, forests and barren and unproductive areas consisting of mountain slopes. Fifty five percent of the total geographical area is taken as reported area; 5 percent cultivated and 50 percent uncultivated. Forty four percent of the cultivated area is net sown and the remaining is current fallow. The uncultivated area consists of culturable waste (27%), forest (6%) and area not available for cultivation (66%). Khuzdar

is the largest district of Balochistan in terms of area [see annex table 2]. Most of its area is not cultivated. Nearly 37 percent of the total cultivated area is in four districts, Jaffarabad, Mastung, Jhal Magsi, and Nasirabad.

8. In Balochistan, land ownership varies between the two main ethnic groups: Pashtoons and Balochs. Among Pashtoons, land is jointly owned by the tribes whereas among Balochs, Sardars own most of the land. Land ownership by size of farm is highly skewed in Balochistan. According to Agriculture Census (1990), large farmers, who are 10 percent of the total farmers, own 53 percent of the total farm area. Fifteen percent of the farm area is owned by small farmers and rest of the farm area is owned by medium farmers. This census reports that the average farm size in the province is 9.6 hectares. About 82 percent farms are owner operated, 11 percent are cultivated by tenants and the remaining 7-8 percent are operated by owner-cum-tenants. Large farms are mostly fragmented into 2 to 10 plots. A majority of tenants work on small farms (5-12.5 hectares). Tenants with 13 hectares or less land farm have incomes below poverty line.

9. In Balochistan, due to the lack of water availability, half of the cultivated area is irrigated. Nearly half of this area is perennially irrigated while the rest is rain-fed. The primary surface water resource for the province is the canal water. The ground water is used for agricultural purposes through Karezes, dug wells and tube-wells. Water scarcity restricts the amount of land under cultivation. Irrigation in Balochistan is dominated by flood irrigation except Nasirabad where organized canal farming methods are in practice. Irrigated area of Balochistan is 82,5016 hectares. Fifty nine percent of this area is irrigated by canals, 28 percent by tubewells, 10 percent by karezes, and 2 percent by wells. Nasirabad division is highly irrigated; 51 percent of the total irrigated area is in this division. Ground water exploitation has increased. A larger coverage of electricity has facilitated this development. Tubewells are the largest source of irrigation in all the districts except Nasirabad [see annex table 3]. This however has resulted in a negative impact on ground water table. Ground water table in many parts of Quetta, Mastund and Kila Saifullah is going down by over 1.5 meter per year.

10. Main commodities grown under irrigated farming are orchards, vegetables, wheat, rice, barely and fodder. There has been a gradual increase in production of cotton and sugarcane in areas unaffected by salinity and water-logging in Nasirabad division. The rainfed areas depend of dry land farming that follows two patterns namely *Sailaba* and *Khushkaba*. Whereas the *Sailaba* system is based on the diversion of spate water from ephemeral streams into bunded fields, the latter system relies on rainfall or localized runoff.

11. Geographically Balochistan can be divided into four agro-ecological zones: the uplands of Balochistan, the plains, the coastal zone, and the desert zone. The uplands of Balochistan include the area of Quetta division excluding Chagai district, Kalat division excluding Lasbela and Kharan districts, Zhob division, Sibi division including Ziarat, Hernai and Kohlu districts. The irrigated agriculture is based on Karez and springs. The dry temperature climate is ideal for deciduous fruits. The Plains include the area of Nasirabad division and Sibi division excluding Ziarat, Kohlu and Hernai districts. This

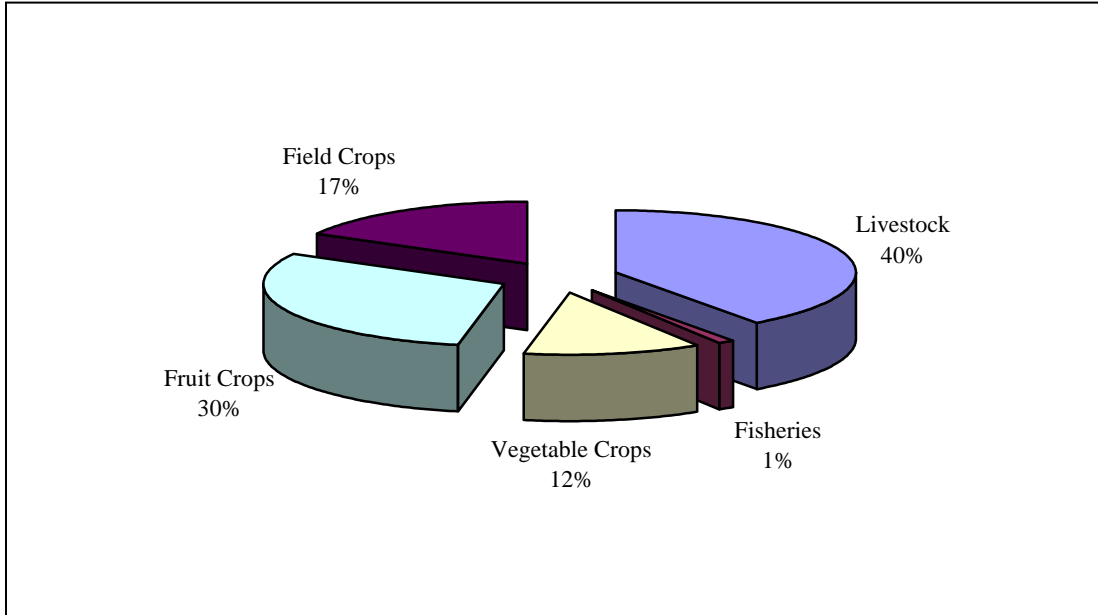
zone is highly irrigated and famous for grains, oil seeds and fodder. The coastal zone includes the area of Makran division, and Lasbela district of Kalat division. The main sources of irrigation are the communally owned canals, karezes, wells and tubewells. The major crops are mainly fruits. The desert zone includes the area of districts Chagi, Kharan and Panjgur. This zone is characterized by cold winters and hot summers with a little or no rain. This area is not important for agriculture but has a potential for livestock.

12. In Balochistan, wheat and rice occupy 41 percent and 13 percent of the total cropped areas, respectively. Fodder crops cover 50,445 hectares. Sorghum covers 61,636 hectares and is used both as a fodder and grain. Pishin, Loralai, Quetta, Qilla Saifullah, Kalat, Mastung and Khuzdar primarily produce fruit, whereas Turbat and Panjgur specialize in date production. Over the years, vegetables have replaced traditional crops with an increase in the availability of irrigation facilities.

Rangelands and Livestock

13. Livestock rearing is the major economic activity in Balochistan. It contributes more than 40 percent in the agriculture sector and rest of 60 percent is contributed by fruit crops, vegetables, field crops and fisheries. Livestock production varies with ecological conditions, social systems and availability of food for livestock owners and feed for their animals. Rangelands in Balochistan provide more than 90 percent of total feed for sheep and goats, 40 percent for horses, donkeys and camels and 5 percent for buffaloes and cattle. Quantity and quality of rangelands forage depends on temperature and rainfall. The northern region of the province constitutes 38 percent of total area and carries 76 percent of total livestock in the province. On the other hand, 62 percent of the rangelands located in the southern part carry only 24 percent of total livestock.

Figure 2.3: Share of Agricultural Sub-Sectors



Source: Government of Balochistan: Area Development Project 2001

14. According to the livestock census 1996, the number of sheep and goat was 20 million. This number far outstrips the actual carrying capacity of rangelands. The pressure on rangelands is 6 to 7 times than their carrying capacity. Rangelands in the province are deteriorating due to mismanaged grazing plans. Overgrazing has resulted in desertification. It is estimated that overall feed supply has declined at least 20 to 25 percent below the need level for existing livestock to produce at their full potential. This results in undernourished animals. Their illness and death causes heavy losses to the owners. Poor nutrition and livestock diseases are the serious problem in livestock production in Balochistan. It is estimated that only 11 percent of Balochistan's livestock have access to veterinary dispensaries.

Fisheries and Coastal Development

15. The province of Balochistan is blessed with rich marine resources. It has 770 kilometers long coastline that is 70 percent of the Pakistan's coastline. This coastline is important not only in terms of economic potential but also has strategic importance. Unfortunately this is one of the least developed areas of Pakistan. The marine resources of the province are not fully exploited except for fish. Although contribution of fisheries sub-sector in agricultural sector is extremely low (1%), there is a substantial potential for increasing fish production through scientific research and sustainable use of the living resources. Pakistani offshore fish potential water is estimated to be about 1 million tonnes, however, technology for its harvesting and utilization is yet to be developed on a viable scale. Considering the total production of fish stock in Balochistan waters, the rate of increase in fish production and the present fish catch, there appears to be very good potential and scope for further growth.

16. Fishing is traditionally a major economic activity in the coastal areas of Balochistan. It is estimated that nearly 70 percent of total employed force of coastal districts is associated with fisheries. Despite its low contribution in provincial GDP, fish and related products contribute significantly in the export earning. The proportion of local consumption of fish production remained in the range of 8 to 10 percent during 1990-2001. Remaining production is exportable surplus. The data shows no significant variation in the production or local consumption during the last ten years. There is no fish processing plant in Balochistan. Salted drying is the most common processing of fish. Karachi is the biggest market of Balochistan's fish from where fish is channeled for domestic and to export markets. Turbat is the second biggest market after Karachi.

17. The coastal areas of Balochistan are suffering from acute shortage of fresh water. This shortage is the major constraint in the development of coastal belt. Moreover, a majority of these settlements do not have proper sanitation and garbage disposal facilities. There is an increasing incidence of air and water pollution and hence the exposure to various water and air borne diseases is growing. Poor quality of water also affects several other districts especially Nasirabad and Jaffarabad.

Road Network in Balochistan

18. Balochistan has the poorest road network in the country. Only 8 percent of total Pakistan's road network is in Balochistan. Out of 21,099 kilometers of roads in the province, only 10 percent are paved. The condition of paved roads is also unsatisfactory. Some road links are completely missing between districts and economic centers. This has a negative impact on mobility inter-linkages of rural-urban areas and therefore reduces the prospects for pro-poor economic growth and poverty reduction. The limited road access and poor condition of the road network also affect the poor by preventing or reducing access to markets, education and health facilities, and other social opportunities

19. Because of its geographical location, the province of Balochistan can serve as a hub for sub-regional transport to and from Afghanistan and Central Asian States. Through a better road network, access to Karachi and Gwadar may open many avenues for intra-regional and inter-regional trade. Reconstruction of Afghanistan is expected to result in increased freight transportation from Pakistani ports to Afghanistan. This would place considerable pressure on the existing road network in Balochistan, which is already in poor condition. A developed road network may raise incomes of the rural poor residing along the major transit routes, such as national and provincial highways, and provide better access to economic opportunities as well as education, health, and other social services. All these are the prerequisites for reducing poverty.

Characteristics of the Poor

20. The available data shows that poor people not only have lower levels of income and expenditure but also lag far behind in other human development indicators related to education, health and housing.

Literacy and Education

21. The percentage distribution of population that has attended school is reported in Table 2.2. A notable difference between the lowest and highest expenditure quintile can be seen in rural and urban areas. This table indicates the obvious rural-urban and gender disparities in Balochistan.

**Table 2.2. Population that Ever Attended School – by Expenditure Quintiles
Balochistan: (2001-02)**

Expenditure quintile	Percentage of the population 10 years and older					
	Urban areas			Rural areas		
	Male	Female	Both	Male	Female	Both
1 st Quintile	54	28	41	39	9	25
2 nd Quintile	60	21	42	44	12	30
3 rd Quintile	66	31	49	55	13	35
4 th Quintile	78	38	59	53	12	35
5 th Quintile	90	58	75	61	15	40
Overall	74	39	57	50	12	33

Source: PIHS (2001-02)

Note: Quintiles are based on per capita consumption expenditure of 14679 households. The 1st quintile contains the individuals with the lowest consumption level, whereas 5th quintile contains individuals with highest consumption level.

22. Pakistan's literacy rate in 2001-02 was 48 percent; 60 percent for males and 34 percent for females. Balochistan exhibits lowest literacy rate (36%) as compared to other provinces. In Punjab this rate was 49 percent, 51 percent in Sindh and 40 percent in NWFP. Female literacy rate is extremely low (16%) in Balochistan. Table 2.3 shows literacy rates in Balochistan by expenditure groups. The literacy rate of lowest expenditure quintile is almost half as compared to the highest expenditure group. This gap is considerably wide in urban areas. A significantly higher gender difference can be noted from this table as well.

Table 2.3: Literacy Rate - Population 10 Years and Older - by Expenditure Quintiles, Balochistan: (2001-02)

Expenditure quintile	Urban areas			Rural areas			Overall		
	Male	Female	Both	Male	Female	Both	Male	Female	Both
1 st Quintile	50	24	37	37	7	24	39	10	26
2 nd Quintile	58	19	40	44	10	29	46	11	30
3 rd Quintile	62	27	45	55	12	35	56	14	36
4 th Quintile	77	34	56	52	10	34	57	15	38
5 th Quintile	88	57	74	61	14	39	70	29	51
Overall	71	36	54	49	11	32	53	15	36

Source: PIHS (2001-02)

Note: literacy has been defined as the ability to read a newspaper and to write a simple letter.

23. The high rate of illiteracy is the cause of low school participation and high drop out rates as compared to other provinces. Gender and regional disparities are also wider in Balochistan. Gross enrolment rates at primary, middle, and higher levels show similar trends as found in literacy rates (see table 2.4). Looking across expenditure quintiles, extreme disparities between lowest and highest expenditure groups can be seen at higher level, especially in urban areas. This table shows an exceptionally low enrolment for girls at higher level.

Table 2.4: Gross Enrolment Rates - by Expenditure Quintile, Balochistan: (2001-02)

Expenditure Quintile	Urban areas			Rural areas		
	Male	Female	Both	Male	Female	Both
Gross primary level enrolment rate						
1st Quintile	81	69	76	57	30	45
2nd Quintile	92	58	75	61	32	48
3rd Quintile	101	61	80	87	46	69
4th Quintile	102	73	87	89	43	68
5th Quintile	109	122	113	76	40	58
Middle level enrolment rate						
1st Quintile	43	43	43	31	6	21
2nd Quintile	62	31	46	35	15	27
3rd Quintile	42	43	42	44	6	26
4th Quintile	78	59	70	44	12	32
5th Quintile	111	71	92	63	25	47
Matric level enrolment rate						
1st Quintile	15	4	9	18	12	15
2nd Quintile	49	5	27	25	7	18
3rd Quintile	60	18	34	40	5	23
4th Quintile	84	36	57	61	6	38
5th Quintile	77	68	73	80	22	51

Source: PIHS (2001-02)

[Notes on Table 2.4:

- a) Gross enrolment rate at primary level is calculated as (number of children attending primary level (class 1 to 5) divided by number of children aged 5 to 9 years) multiplied by 100. this excludes Katchi class.
- b) Gross enrolment at middle level is calculated as (number of children attending middle level (class 6 to 8) divided by number of children aged 10 to 12 years) multiplied by 100.
- c) Gross enrolment at matric level is calculated as (number of children attending matric level (class 9 and 10) divided by number of children aged 13 to 14 years) multiplied by 100.]

24. The gender disparity in enrolment is most obvious across districts [see annex table 4]. Gender disparity is more pronounced at high levels of education. Quetta shows high rates of enrolment and lower gender disparity. The highest enrolment rates for both males and females at each level are in Quetta which is the most developed district. Out of total enrolment at primary level, female enrolment is found to be less than 40 percent in 19 districts. At middle and higher level, the situation is even worse, i.e., female enrolment is less than 25 percent in 15 districts at middle level and less than 20 percent in 14 districts at higher level.

Health

25. The health statistics in Balochistan indicate an unsatisfactory situation. Many health services in the province are either non-functional or provide poor quality services. The estimated number of maternal deaths in Balochistan is 891 per year. Immunization coverage based on record is extremely low (only 13 %). This percentage is 24 on the basis of record and recall. The Health Statistics of Balochistan record a high incidence of respiratory and epidemic diseases.

26. Population Census data shows that there were 73 hospitals and 1,438 Basic health Units in Balochistan in 1998 [see annex table 5]. The coverage of immunization is lower than other provinces. Dera Bugti and Kohlu have extremely low coverage.

Water and Sanitation

27. The difficult geographic location and scattered settlement patterns are the major cause of inadequate social sector infrastructure in Balochistan. The main source of drinking water is an important indicator of well-being. Table 2.5 reports the percentage distribution of households by main sources of drinking water in Balochistan in 2001-02. Despite the fact that 23 percent household have tap in houses, dug wells and rivers/canals/streams remain the main sources of drinking water in Balochistan. This table shows a decline in the proportion of household with tap in house and an increase in the dug well during 1995-96 and 1998-99.

Table 2.5: Main Sources of Drinking Water in Balochistan

	1995-96	1996-97	1998-99	2001-02
Tap in house	26	21	20	23
Tap outside house	4	4	5	2
Hand pump/M. pump	11	11	8	12
Dug Well	25	19	38	31
River/Canal/Stream/pond	11	38	27	31
Other	21	7	1	1
Total	100	100	100	100

Source: PIHS (2001-02)

28. Distance to the source of water indicates the accessibility to drinking water. Table 2.6 shows proportions between in-house and outside sources of water. It shows that a substantive portion of households in each category (other tap tater category) covers 0-0.5 kilometer to fetch water.

Table 2.6: Distance to Sources of Water in Balochistan

	Inside house	0-0.5 Km	0.5 - 1 Km	1-2 Km	2-5 Km	Over 5 Km
Tap Water	93	7	0	0	0	0
Hand Pump/M. Pump	36	47	3	1	3	11
Dug Well	53	32	9	2	1	4
River/Canal/Stream/Pond	2	90	4	3	0	0
Total	45	45	4	2	1	3

Source: PIHS (2001-02)

29. Type of toilet used by household indicates the living conditions and is significantly related to health and hygiene of the household members. The PIHS data (2001-02) shows that 48 percent households do not have any toilet facility. The proportion of households with no toilet has increased considerably during 1998-99 and 2001-02 (Table 2.7).

Table 2.7: Percentage Distribution of Households by Type of Toilet

	1995-96	1996-97	1998-99	2001-02
Flush	13	25	10	13
Non-Flush	27	22	57	39
No Toilet	59	53	33	48

Source: PIHS (2001-02)

30. Household characteristics statistics from Population Census (1998) indicate the living condition and social well-being of households [see annex table 6]. Forty three percent households have only one room houses. Twenty five percent households have access to piped water, 47 percent have electricity and 48 percent have a latrine facility. Awaran is the most deprived district. In this districts, 71 percent population lives in one room

houses, 7 percent have piped water, less than 1 percent have electricity and only 27 percent have a latrine facility.

Labour Force Participation and Employment – Wide Gender Disparities

31. Labour Force Surveys reveal that the share of the employed labour force in the population aged 10 years and above fluctuated around 44 percent during the period 1968-69 to 1978-79. Since then, this share is continuously declining and reached 39.4 percent in 1999-00. However, the share of the employed female labour force has increased to 5.5 percent from 3.0 percent in 1968-69. Of total employed persons, proportion of females is only 15 percent. Percentage distribution of civilian labour force by province, region and gender is reported in table 2.8. Proportion of employed labour force is lowest in NWFP (34%) followed by Balochistan (36%). The participation of females in the employed labour force is low in Balochistan.

Table 2.8: Percentage Distribution of Civilian Labour Force by Gender and Province (1999-00)

	Civilian Labour Force			Employed			Unemployed		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
PAKISTAN	42.80	36.12	6.68	39.45	33.93	5.52	3.35	2.19	1.16
Rural	45.13	37.22	7.90	42.00	35.20	6.79	3.13	2.02	1.11
Urban	38.14	33.91	4.23	34.35	31.38	2.98	3.78	2.53	1.25
PUNJAB	45.15	36.89	8.26	41.31	34.30	7.00	3.84	2.58	1.26
Rural	47.09	37.67	9.42	43.84	35.44	8.44	3.25	2.23	1.02
Urban	40.89	35.17	5.72	35.75	31.81	3.94	5.14	3.36	1.78
SINDH	39.07	35.84	3.23	37.83	35.04	2.79	1.25	0.80	0.44
Rural	44.51	39.80	4.71	43.39	39.20	4.19	1.12	0.60	0.52
Urban	33.94	32.11	1.83	32.58	31.10	1.46	1.36	1.00	0.37
NWFP	38.72	32.64	6.08	34.08	30.04	4.53	0.71	2.65	2.06
Rural	39.28	32.69	6.59	34.57	30.04	4.53	4.71	2.65	2.06
Urban	35.99	32.39	3.60	31.69	29.28	2.41	4.29	3.11	1.18
BALUCHISTAN	39.16	36.80	2.36	36.37	35.00	1.36	2.79	1.80	0.99
Rural	40.25	37.88	2.37	37.39	36.07	1.32	2.86	1.82	1.05
Urban	33.95	31.62	1.32	31.49	29.92	1.57	2.46	1.70	0.75

Source: Labour Force Survey (1999-00)

32. Labour force participation of females is extremely low in all the districts of Balochistan [see annex table 7]. A larger proportion of employed labour force is engaged in agricultural activities.

33. The available data shows a larger proportion of population is not economically active (57 percent of total population is not in civilian labour force). This inactive population mostly consists of women and children under the age of 15 years. Table 2.9 indicates that 45 percent of the earners are heads of the household and 55 percent are other than heads of the household. The proportion of earner female who are not heads of the household is 15 percent among the employed persons whereas earner females who are heads of the household are only 0.15 percent of the earners in that category. The share of income from heads of the households is higher than those who are not head of the household. Female's

contribution is only 0.23 percent if she is head of the household and 6.7 percent if she is not head of the household. There is a wide difference between the incomes of head of the households and other members of the household both in rural as well as in urban areas. The share of female income is higher in urban areas.

Table 2.9: Percentage Distribution of Employed Persons, Average Monthly Income and Income Share by Type

	Balochistan			Rural Balochistan			Urban Balochistan		
	Employed Persons (%)	Average Income (Rs/mo)	Share in Income (%)	Employed Persons (%)	Average Income (Rs/mo)	Share in Income (%)	Employed Persons (%)	Average Income (Rs/mo)	Share in Income (%)
Head of Household									
Total	45.4	3,870	68.0	45.7	3,794	68.8	43.0	4,425	61.7
Male	45.2	3,865	67.8	45.6	3,791	68.7	42.4	4,401	60.8
Female	0.2	5	0.2	0.1	3	0.1	0.6	24	0.9
Other than Head of Household									
Total	54.6	2,870	32.0	54.3	2,769	31.2	56.9	3,607	38.7
Male	39.2	2,443	25.3	38.4	2,344	24.3	44.9	3,167	27.2
Female	15.4	427	6.7	15.9	425	6.9	12.0	440	11.5

Source: HIES (1998-99)

34. Table 2.10 shows the employment status of individuals in Balochistan by gender. A large majority of employed persons in Balochistan is working as employees (43%). Second largest category is of unpaid family helpers (25%). The proportion of employees is higher both in urban as well as in rural areas. The proportion of employed females is only 15 percent; 16 percent in rural areas and 13 percent in urban areas. In urban areas, most of them are concentrated in the employees category whereas in rural areas a majority is working as unpaid family helpers.

Table 2.10 Percentage Distribution of Employed Persons by Employment Status and by Gender (Balochistan)

	Balochistan			Rural Balochistan			Urban Balochistan		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
Total	100	84.62	15.38	100	84.22	15.78	100	87.49	12.51
Employer	0.67	0.24	0.42	0.63	0.15	0.48	0.94	0.90	0.04
Self Employed	14.62	11.92	2.71	13.67	11.24	2.41	21.68	16.81	4.87
Unpaid Family Helper	25.22	16.3	8.92	27.39	17.35	10.04	9.42	8.64	0.78
Employee	43.28	40.08	3.2	40.16	37.46	2.7	66.01	59.19	6.82
Owner Cultivator	11.14	11.07	0.07	12.48	12.4	0.09	1.34	1.34	...
Share Cropper	3.55	3.53	0.02	3.96	3.94	0.02	0.56	0.56	...
Contract Cultivator	0.64	0.6	0.04	0.72	0.68	0.05	0.04	0.04	...
Others	0.88	0.88	...	1.00	1.00	...	...	...	...

Source: HIES (1998-99)

35. Balochistan is predominantly rural and agriculture, including livestock, is the main source of livelihood. Trading, handicrafts, trucking, foreign remittances, money lending are the common off-farm sources of income. Tale 2.11 shows that a larger proportion of employed persons is engaged in agricultural activities (47%) and community services (21%) in 1998-99. Females are concentrated in community services and agriculture in rural areas and in manufacturing in urban areas. In rural areas, most of the males are working in agricultural sector and in urban areas they are concentrated in community services and trade, hotel and restaurants.

Table 2.11: Percentage Distribution of Employed Persons by Industry (Balochistan)

	Balochistan			Rural Balochistan			Urban Balochistan		
	Both	Male	Female	Both	Male	Female	Both	Male	Female
Total	100	84.62	15.38	100	84.22	15.78	100	87.49	12.1
Agriculture, Fishing	47.42	38.24	9.18	52.23	41.9	10.34	12.26	11.54	0.72
Mining & Quarrying	1.34	1.34	...	1.29	1.29	...	1.73	1.73	...
Manufacturing	5.02	1.18	3.84	4.25	0.69	3.56	10.62	4.74	5.88
Electricity, Gas, Water	0.78	0.78	...	0.56	0.56	...	2.44	2.44	...
Construction	8.28	8.28	...	8.29	8.29	...	8.18	8.18	...
Trade, Hotels/Restaurant	7.95	7.89	0.06	6.32	6.31	0.01	19.85	19.41	0.44
Transport & Storage	7.37	7.37	...	7.01	7.01	...	9.99	9.99	...
Finance, Real Estate etc.	0.16	0.16	...	0.06	0.06	...	0.93	0.93	...
Community Services etc.	21.36	19.06	2.3	19.75	17.88	1.87	33.15	27.69	5.46
Activities not defined	0.31	0.31	....	0.24	0.24	....	0.85	0.85	...

Source: HIES (1998-99)

36. The tables above indicate wide gender disparities in all social indicators. The report of Area Development Programme Balochistan gives a poor nutritional status and higher mortality rates amongst the women. In poor households, chronic malnutrition is more prevalent among girls as compared to boys. Subordination of women is also reflected in the denial of women rights in matter of property and inheritance. Restricted mobility of women keeps them far behind men in access to health and education facilities. They have limited opportunities to participate in paid employment. A large majority of women of Balochistan are engaged in agricultural activities. They play a significant role in livestock keeping and poultry production. Women devote 20 to 33 percent of their time in livestock related activities. Fetching water is another activity that takes a considerable time. They have to cove long distances and repeated trip to fulfill demand of water for their households.

Sources of Income and Expenditure

37. As a larger proportion of employed persons is in employees category, wages and salaries are the main sources of income for the households of Balochistan. Income from

farming is another major source of income. Proportion of remittance income is very low in Balochistan. Table 2.12 shows a considerable difference in the average monthly household incomes of urban and rural areas. Share of income through self employment is highest in rural areas, whereas in urban areas wages and salaries are a main source of income. The proportion of remittances is also higher in rural areas.

Table 2.12: Sources of Income (Balochistan)

	Balochistan	Rural	Urban
Average Monthly Income	8064	7854	9599
Wages & Salaries	35.05	33.03	47.13
Self Employment			
Farming Crop Prod	21.59	24.85	2.01
Livestock Farming	2.99	3.37	0.70
Other Activities	17.95	16.24	28.21
Property (Owner occupied House Excluded)	1.08	1.0	1.58
Owner Occupied Houses	10.36	10.04	12.30
Insurance Benefits (Including Pension)	6.65	7.14	3.71
Gifts and Assistance			
Gift Assistance	0.95	0.94	1.01
Foreign Remittances	1.29	1.45	0.35
Domestic Remittances	-0.08	-0.09	...
Other Sources	2.17	2.03	3.01

Source: HIES (1998-99)

38. The reported patterns of expenditure in Balochistan indicate extreme poverty. Table 2.13 shows that 55 percent of the total expenditure is on food and 13 percent on house rent. This means that households are left with a small proportion to spend on health, education, etc.

Table 2.13: Sources of Consumption Expenditure (Balochistan)

	Balochistan	Balochistan Rural
Average Monthly Consumption Expenditure (Rupees)	7,442	7,282
Total	100	100
Food, Beverage & Tobacco	55.47	56.51
Apparel, Textile & Footwear	6.95	7.01
Transport & Communication	4.26	4.39
Cleaning, Laundry & Personal Appearance	3.53	3.47
Recreation & Entertainment	0.07	0.05
Education	1.89	1.57
House Rent	12.52	11.67
Fuel & Lightning	7	7.14
Miscellaneous	8.31	8.2

Source: HIES (1998-99)

District Ranking

39. District rankings by deprivation level within province and at national level are presented in table 2.14. Twenty four districts out of 26 are in high deprivation category. Musakhel, Kharan, Kohlu and Awaran are the most deprived districts not only within the province but also fall at bottom end of national ranking. In terms of national ranking, 22 districts of Balochistan are ranked higher than 60. Eight districts of Balochistan fall in the bottom 10s at national level.

Table 2.14: Deprivation Ranking – Balochistan

Districts	Provincial Rank Order	National Rank Order	Deprivation scale
	1 = Least Deprived 26 = Most Deprived	1 = Least Deprived 100 = Most Deprived	[1 – 100]
Low Deprivation			
Quetta	1	7	1.0
Medium Deprivation			
Ziarat	2	26	32.0
High Deprivation			
Pishin	3	48	44.5
Sibi	4	58	49.2
Gwadar	5	60	50.6
Kech	6	70	54.5
Kalat	7	71	56.9
Loralai	8	74	57.5
Jafarabad	9	75	58.9
Lasbela	10	77	59.5
Chagai	11	79	62.2
Mastung	12	80	63.8
Bolan	13	83	67.4
Kila Abdullah	14	85	69.9
Kila Saifullah	15	86	70.1
Nasirabad	16	87	71.2
Barkhan	17	88	71.3
Dera Bugti	18	89	73.7
Khuzdar	19	92	76.5
Panjkur	20	93	77.1
Jhal Magsi	21	94	77.2
Zhob	22	95	77.3
Awaran	23	96	80.0
Kohlu	24	97	82.6
Kharan	25	98	85.7
Musakhel	26	100	100.0

Source: SPDC (2001). Annual Review

40. Looking at the district ranking in terms of employment, education, housing quality and housing services, Musakhel, Kohlu, Panjkur, and Nasirabad are at bottom ranking [see table 2.15]. In terms of employment Kalat is number 1, and in terms of education, housing quality and housing services Quetta is better off relative to any other district of Balochistan.

Table 2.15: Deprivation Ranking Balochistan (All Areas) [1=Least Deprived; 26=Most Deprived]

District	Employment	Education	Housing Quality	Housing Services
Awaran	12	21	18	25
Barkhan	11	17	20	18
Bolan	17	15	16	11
Chagai	16	7	15	12
Dera Bugti	2	24	24	21
Gwadar	15	6	4	7
Jafarabad	4	14	23	8
Jhal Magsi	10	25	21	19
Kalat	1	16	13	14
Kech	13	4	12	13
Kharan	3	19	19	22
Khuzdar	20	13	17	20
Kila Abdullah	25	18	3	3
Kila Saifullah	19	12	11	15
Kohlu	6	26	25	23
Lasbela	5	10	10	17
Loralai	14	11	9	9
Mastung	24	8	8	4
Musakhel	26	22	22	24
Nasirabad	9	23	26	10
Panjgur	21	3	7	26
Pishin	18	5	2	2
Quetta	8	1	1	1
Sibi	7	9	14	5
Zhob	22	20	5	16
Ziarat	3	2	6	6

Source: SPDC (2001)

41. Following are the prominent features of poverty in Balochistan:

- Balochistan faces difficult challenges due to its geography, history, location and tribal system.
- Balochistan has the poorest districts in deprivation ranking of districts of all Pakistan.
- Balochistan has poor social indicators and significant gender disparity.
- Gender gaps are visible and wide for all socio-economic indicators in Balochistan
- Gender gaps tend to be wider in rural areas than in urban areas of Balochistan.
- A large proportion of the wage employees, especially in the urban sector of Balochistan are engaged in community services.
- The poor have relatively low *access to education, safe drinking water, proper toilet, and sanitation facilities.*
- Balochistan has an extremely limited resource base.

- Province's own revenues are low and its fiscal position has deteriorated during 1990s.
- Province's financial management has remained weak.
- Much of province's economic potential is still unexploited – while this is at present a major weakness it also offers a major opportunity in the future.

Participatory Poverty Assessment in Balochistan

42. In order to include poor people's views in poverty analysis and formulation of policies, a participatory poverty assessment (PPA) was conducted in Pakistan and all four provinces. The PPA involves participatory discussions, activities and analysis in two contrasting sub-sites in each of 54 urban and rural research sites throughout Pakistan, 15 in Punjab, 12 in Sindh, 9 in NWFP and 9 in Balochistan. The selection process covers three levels: province, district and union council. Each level covers the participation of major stakeholders and key informants, including representatives at the district and union council levels, government officials, local NGOs and citizens. In each province, districts reflecting the agro-ecological diversity and ethnic composition were selected. Within each selected district, poorest union councils were selected and from these union councils, a poorest and a better off sub-site were selected. In each site, the views of local people, especially who are marginalized, were recorded. The range of these people includes very poor people, women, children, minority ethnic groups and very old people. In each sub-site, local poverty issues were analyzed by involving local people and using Participatory Reflection and Action (PRA) methodologies.

43. The participatory analysis is based on three basic research questions:

- Who are the poor and who are the better off?
- What have been the principal changes affecting the area/group over different periods of time, and what factors have influenced these processes?
- What resources, socioeconomic and gender relationships, organizations and institutions are relevant to the area/group?

The findings from these three questions were used to answer a fourth question.

- What scope is there for improvement in public policies, institutions and regulatory frameworks, and what other changes would increase the opportunities open to poor people?

44. PPA notes that people of Balochistan perceive poverty as multi-dimensional. Poverty varies across gender, age, tribe/caste, religion, family structure and local conditions. In other words poverty is lack of resources, lack of support, lack of dignity and lack of power. Common characteristics of poor people in Balochistan are: widowhood, few or no male child, landlessness, no livestock, no earner in household, working for daily wages, unemployment, unable to afford food, shelter, clothing and shoes, and medical care. In addition, there is powerlessness, lack of influence in decision-making process, lack of

access to justice. PPA describes four categories of well-being as: well-off, better-off, poor and very poor. Well-off people consist of men, and tribal leader, educated people, etc. Young men, those who are able to pay their utility bills, households who have more male children fall in better-off category. The category 'poor' includes women, those who cannot afford bride price, households without any women, large household size, few or no male children in household, few or no earner, etc. Very poor is the most vulnerable category. PPA observes that young women, second wife, widow without any support, low case people, people with some stigma, disabled, addicts, orphans, etc usually fall in this category.

Social Characteristics of Wellbeing – Balochistan

Well-off	Better-off	Poor	Very Poor
<ul style="list-style-type: none"> • Men • Religious leader • Tribal leader • Powerful • Influential • Educated • Respected • Sardar • Seth • Zikri clan (Gawadar District) 	<ul style="list-style-type: none"> • Young men/men • Able to pay electricity bills • Children study in Government school • More male children in household. 	<ul style="list-style-type: none"> • Women • Cannot feed guests • Cannot afford 'bride price' (in Pushtoon communities) • No women in the household so men do household work • Large family size' • Few or no male children • One income earner in household • Cannot afford utility bills 	<ul style="list-style-type: none"> • Young women • Second wife • Low caste (Darzada) • Widows with no support • Stigmatised • Not respected • Helpless/unhappy Female Children • Disabled • Orphans • Drug addicts • Mentally ill • In severe debt

45. PPA finds a very low status of women in Balochistan. They have lesser access to assets and other productive resources, low access to justice and have low influence. Young women suffer from lower access to good food, clothing and health and education as compared to young men. They are burden with heavy load of work. It is also observed that women of very poor families are involved in some income generating activities such as mat weaving and embroidery. Widows with no supports are the most vulnerable. According to the perception of local women, the tradition of bride price is an important factor causing their low status. This tradition sometimes results in selling land, livestock, and/or other assets, or in some extreme cases young daughters. A high incidence of domestic violence against women in Balochistan is found in PPA.

46. PPA notes varying asset characteristics with respect to well-being categories. Well-off people have large landholdings, have good access to all facilities, own property and vehicles, etc. Better-off people also own livestock, land, house, have access to education and medical care. Poor people are found landless, no livestock, no house, limited access to health and education. Very poor people do not have access to health, education and natural resources, they are landless and sometimes shelterless, in some extreme cases, they do not have proper clothing according to the harsh weather.

Assets Characteristics of Wellbeing - Balochistan

Well-off	Better-off	Poor	Very Poor
<ul style="list-style-type: none"> • Large landholdings • Has good access to medical care • Vehicles • Has property • Well maintained house • Children study in private schools • Good education 	<ul style="list-style-type: none"> • Small job • Landholdings • Livestock • Can afford education and healthcare services • Good housing • Some skills and education • Fishing boat (in Gawadar) 	<ul style="list-style-type: none"> • One room house • Landless • No livestock • No television (in urban areas) • No electricity or gas • Limited access to natural resources • Land but no irrigation or tractor (in Loralai) 	<ul style="list-style-type: none"> • No access to healthcare • Lack decent shoes and clothes • Poor or no house • No access to education • No access to natural resources

47. The unjust delivery of their right, especially by the government is stated as the strongest reason of poverty by the local poor people in Balochistan. In this regard low caste people and women suffer the most. This suffering is observed both at demand as well as at supply side.

48. The PPA observed a declining trend in cultivated land, crops, orchard production, forests, water availability, livestock and fish stock. Persistent drought and deforestation adversely affect the livelihood of poor people. Despite this deteriorating trend, this report found a high dependency, especially of poor people on natural resources. However, a limited access to common property land by the poor people is noted. This trend compelled the poor people to look for alternative sources of survival. Male oriented migration to urban centers has been noticed during PPA period.

49. Because of the lack of proper protection strategies, seasonal changes and sudden shocks have serious impacts on the livelihood of poor people. The livelihood strategies of poor and very poor people are extremely pathetic than those of well-off and better-off people. Well-off and better-off people have business, access to formal credit, government jobs, derive livelihood from agriculture and livestock, and in some cases overseas migration takes place. Very poor people rely on begging, depend on charity, rely on community support, shift in eating habits takes place, take loan from informal sources

and work as bonded labour. The PPA observes a varying impact of these shocks on different groups of people.

Coping and Livelihood Strategy Characteristics of Wellbeing – Balochistan

Well-off	Better-off	Poor	Very Poor
<ul style="list-style-type: none"> • Business • 2-3 government workers in household • Family member works in foreign country • Good business • Credit from banks 	<ul style="list-style-type: none"> • Small shop • Business • Overseas migration • Agriculture • Livestock 	<ul style="list-style-type: none"> • Daily wage labour • Hawker • Selling firewood • Women work to supplement household income • Migration to urban areas • Eat less than two meals per day • Credit from shopkeepers • Unemployed 	<ul style="list-style-type: none"> • Begging • Dependent on charity • Reliant on community support • Eat chillies with water to mask hunger • Take loans from landlords and work as bonded labour • Women engage in income earning.

50. According to the perception of people, the publicly provided social mechanisms, i.e., Zakat and Bait-ul-Mal are ineffective and not administer in a transparent manner. Most of the poor people could not benefit properly from them. Resultantly poor people mostly rely on the informal safety nets, i.e., support from well-off people, help from friends and relatives, or borrowing from informal sources that has a high price, such as selling daughters to pay back loans, or working as bonded labour until loan is repaid, or to vote according to the wishes of powerful well-off people.

51. The lack of political capital of the poor and the poorest is evident in Balochistan. They have no participation in the decision-making processes that have negative impact on their livelihood strategies, options and choices. Jirga is the most significant decision-making institution in Balochistan. However women have no representation and have no access to justice and their rights. PPA observes adverse impacts of inability to obtain justice that pushes even better-off people into poverty.

Political and Social Capital Characteristics of Wellbeing – Balochistan

Well-off	Better-off	Poor	Very Poor
<ul style="list-style-type: none"> • Influential in decision-making processes and institutions • Access to rights • Access to formal justice institutions • Can influence/instruct votes of poor 	<ul style="list-style-type: none"> • Has access to formal and informal justice • Representation in decision-making processes 	<ul style="list-style-type: none"> • Limited access to informal justice institutions (jirga) • Access to community based institutions (in some sites) 	<ul style="list-style-type: none"> • No voice • No power • No access to justice • No access to government institutions • Excluded from social events and institutions • Gender-based discrimination.

52. The PPA presents the following policy recommendations:

- Increase access to, quality of, and control over resources and assets.
- Reduce vulnerability and provide adequate social protection.
- Eliminate discrimination based on gender, ethnicity or caste.
- Ensure equal access to justice regardless of gender or social status.

53. The use of the Participatory Poverty Assessment has helped highlight and analyze the gender issues for the social sectors. However, this focus is entirely missing for the productive sectors where there is a continued reliance only on traditional surveys such as the labour force surveys and agricultural census. These do not take into account these issues in their design and do not reflect women’s work in the informal sectors or the household. Such assessments should also be carried out in the productive sectors.

CHAPTER 3. PRSP DIALOGUE

1. The PPA and the findings of the RSPN provide a partial insight into the perceptions of poverty in Balochistan. However, for the purposes of this strategy, a detailed process of dialogue from the grassroots upward was specifically initiated. This process had its roots at the local level. SWOT (Strengths Weaknesses, Opportunities and Threats) analyses were initiated in 26 districts of the Province. Starting on February 21, 2003, the consultations proceeded on two levels. Templates and guidelines were sent to all DCOs to involve the devolved elected local Government and elected officials and other stakeholders in the consultative process. Discussions were also initiated with all the heads of sections within the Planning and Development Department of the Government of the Balchistan and the Chief Planning Officers of the key departments in order for them to initiate discussions at the sectoral levels with all key stakeholders. The intention was to initiate dialogue with the new district governments and all levels of civil society to ensure that the detailed sectoral strategies and investment programmemes contained in the PRSP fully reflect the district government priorities. This was extremely essential to engender ownership of the reform objectives.

2. As part of this initiation programmeme, presentations on the determinants and dynamics of poverty in Balochistan were presented to the representatives of key Balochistan Government Departments on March 5, 2003. A meeting with the ACS and Secretaries of key Departments was held on March 6, 2003. All the DCOs and elected Nazims and other officials of the local Governments were invited to Quetta for discussion on March 15, 2003.

3. The response was significant. All the participants welcomed the process and stressed the need to define their own strategies of poverty reduction based on their own perceptions of poverty. Based on this response, there is even more reason for the consultative process to be made an on-going process for monitoring and evaluation and be given the highest priority to ensure effective ownership and sustainability of the poverty reduction strategy.

4. As already stated the consultative process for the PRSP was initiated in late February 2003. Detailed guidance notes as well as an instrument based on the SWOT (strengths, weaknesses, opportunities, threats) framework was circulated to all heads of sections and Chief Planning Officers of line ministries in the provincial capital. These guidance notes as well the SWOT instrument were also sent to every DCO in the province requesting that similar consultative workshops for stakeholders be organized in each district. The objective was to bring stakeholders from all segments of civil society into the PRSP formulation discussions in order to determine the strengths, weaknesses, opportunities and threats facing the districts as well as to suggest key interventions to increase opportunity, security and empowerment of the people. These latter three aspects are, based on international experience, considered to be essential for any effective poverty reduction strategy.

5. The DCO led consultations with the elected officials and the representatives of civil society were held in every district. And following the meeting held in Quetta to which all the DCOs in the Province as well as the District Nazims were invited, it was decided to conduct a series of larger stakeholder consultations in the selected districts to be facilitated by the PRSP consultant team of experts. These consultative workshops were held in eleven districts namely, Barkan, Musakhel, Loralai, Bolan, Jhal Magsi, Sibi, Naseerabad, Jaffarabad, Kech, Panjgur and Gawadar during March 17 to March 22, 2003. Keeping in view the extremely low participation of females in the development process, a gender consultation with women NGOs and key stakeholders was also held on March 15, 2003.

6. The consultative process in chronological order is summarized in table 3.1.

Table 3.1: Time Table of the Consultative Process for the PRSP - Balochistan

Event/Meeting	Date
SWOT Analysis initiated in the 26 Districts	February 21, 2003
Meeting with Representatives of Key Balochistan Government Departments	March 5, 2003
Meetings with the ACS and Secretaries of Key Departments	March 6, 2003
District Nazims and DCOs workshop in Quetta	March 15, 2003
Gender consultations with Women NGOs and Key Stakeholders	March 15, 2003
Wide ranging stakeholder consultations in Eleven Districtst	March 17-22, 2003
• Barkan, Musakhel and Loralai	March 17, 2003
• Bolan, Jhal Magsi and Sibi	March 18, 2003
• Naseerabad, Jaffarabad	March 19, 2003
• Kech, Panjgur and Gawadar	March 22, 2003

7. The completed SWOT instruments from the consultations in all the Districts, as well as the results from the extended district-level workshops and gender consultation meeting were analyzed and integrated into the PRSP.

8. The main results of the assessment of the Strengths Weaknesses Opportunities and Threats (SWOT) from these consultations are:

Strengths

1. Mining, marble and cement industries:
2. Fisheries, livestock and poultry
3. Agriculture, especially orchard
4. Coastal area
5. Hardworking women and youth

Weaknesses

1. Dispersed population
2. Poor physical infrastructure
3. Wastage of resources due to poor capacity, lack of information and poor infrastructure, especially road network
4. Inadequate resources given size of poverty problem
5. Gender disparity
6. Poor governance:

Opportunities

1. Revival of sick industrial units as well as promotion of local cottage industries
2. Promoting Agro-based, mineral-based and cottage industries
3. Increasing education and training facilities
4. Provision of credit facilities
5. Development through community
6. Improvement in infrastructure
7. Governance and institutional reforms
8. Improving access to information

Threats

1. Drought
2. Scarce and depleting water resources
3. Increasing unemployment
4. Tribal clashes
5. Built-in gender bias in cultural values
6. high population growth rate
7. Law and order situation
8. Poor planning and implementation
9. Poor district-province and province-center coordination

Results of SWOT from the Gender Specific Consultation

9. The SWOT analysis was also carried out at a specially held meeting on Gender. Four lady members of the provincial assembly as well as several lady councillors and representatives of the NGO community participated. The exercise yielded the following results:

Strengths

1. Women population who are hardworking, motivated and committed to their work
2. Skills in handicraft
3. Active role in major economic activities such as, livestock, and agriculture

Weaknesses

1. Lack of Knowledge and awareness among females
2. Low levels of literacy among female
3. Lack of access to education, information, and other facilities
4. Lesser control over natural and human resources
5. Lack of awareness about their legal, constitutional and Islamic rights
6. Cultural and social constraints
7. Low participation in income generation activities that caused low status and no say in household decision making
8. Women's work related to own agriculture and livestock is not considered as productive work
9. Lack of proper planning, implementation and monitoring of policies related to women welfare

Opportunities

1. Higher representation of women in district assembly (Provincial & National)
2. Income generation projects for females
3. Better access to schools and training institutions
4. Provision of handicraft, food processing and other home-base industries
5. Increased female participation in medical care, judiciary, training, etc
6. Suitable marketing facilities of products prepared by females
7. Prime Minister from Baluchistan

Threats

1. Male chauvinism
2. Cultural constraints and customs are stronger than the rights that are mentioned in law, shariyat and constitution of Pakistan
3. Built-in gender biased in the policies
4. Persistent drought is the main threat on women's lives
5. Women are more vulnerable to face natural disaster
6. Weak implementation of legislation for the rights of women

Suggestions and Recommendations

10. The district level consultations generated a number of suggestions for improving opportunity, security and empowerment - the three main pillars for sustainable poverty reduction.

Interventions to improve opportunities

Agriculture, livestock, fisheries

11. For the promotion of agricultural sector various suggestions came up. For example, the need to increase the cultivated area through better water management, construction of small dams, and relief in electricity charges for agricultural sector was highlighted. Reclamation of waterlogged and saline area was also pointed out. Improvement in the marketing system of agriculture products was highlighted through the provision of farm to market roads. In addition, marketing links were needed to support the local produce. Establishment of vegetable/grain markets and cold storages are important not only for storage purposes but also for creating employment. In addition, the districts Kech and Panjgur are abundant in date production. Therefore there is a need to promote its production, processing, storage, packing and marketing in domestic as well as international markets. It was also suggested that the Agriculture Department should hold awareness seminars and training workshops for farmers and growers to promote new technologies and innovative ways to enhance productivity in all areas of agriculture. The participants of the district consultations from Sibi, Jhal Magsi and Bolan all unanimously agreed on the importance of constructing Kachhi canal to reduce poverty in the near future by bring agriculture development in focus in the region. The need for credit facilities was greatly emphasized in the consultation meetings. It was felt that this is the most important factor for any business. The need of Agriculture Development Groups (ADGs) was also highlighted.

12. The province of Balochistan is blessed by rich resources of livestock, fisheries and poultry. All these sub-sectors need special attention to reduce poverty through employment and income generation. There is a need to use modern methods in fishing, fish storage, and its processing and marketing. Development of coastal areas and the development of the sea ports at Gwadar and Pasni was suggested by each district. Similarly protecting rangelands and increasing health care coverage for livestock was strongly suggested by the stakeholders in the consultative meetings.

Mining and manufacturing

13. The promotion of mining activity and small and medium industry is important for this region. Provision of licenses to qualified firms and availability of small loans is important for this purpose. This would provide substantial resources for economic activity and employment opportunities in the province. In addition, large-scale investment is needed to set up mineral based industries, such as marble and cement. It was also suggested that Harnai Woolen Mills and the non-functioning cotton industries should be made functional.

Education and training

14. In order to address the high levels of illiteracy, especially among females the need to increase formal as well as technical education was stressed. In this regard, the launching

of incentive schemes, such as scholarships especially for females, was suggested. In order to increase female enrolment, there is a need to increase the number of trained female teachers. The importance of technical training and setting up such institutes is greatly emphasized in these consultative meetings.

Investment and infrastructure

15. Improvement in infrastructure was stressed in all the consultative meetings. In this regard, strengthening the road network including farm to market link roads, encouraging private sector, establishing agro-based and mineral based industries, provision of electricity and gas were suggested.

Interventions to improve security

16. The provision of adequate food, shelter, access to health facilities and protection were highlighted as the important interventions to improve security. In addition, the following interventions were suggested:

- Optimum utilization of available limited resources.
- Controlling rapid population growth
- Strengthening of law enforcing agencies.
- Maintenance of price control of agriculture crops and assuring adequate returns to farmers
- Strengthening of social security nets. Zakat distribution needs to be properly channelized.
- Law and order should be ensured for any development activity.
- Resolution of local disputes
- Access to rights and justice.
- Shelter to homeless families & minorities.
- Participation of local people in economic development process ensured.
- Involvement of Civil Society Organizations in development programmes.
- Awareness raising/social mobilization for all social and economic sectors
- Formation of Village Committees
- Increase private public partnership
- Employment provision to local people in large development activities (like dams, road construction)

Interventions to increase empowerment

17. For livestock management the following steps were suggested.

- Rehabilitation of livestock farmers
- Improvement in the breeding activities
- Provision of animal fattening and nutrition programme
- Training to women in backyard poultry development

- Mobile camps to help breeders and veterinary services
- Incentives and awareness regarding dairy and poultry farming needed
- Better marketing network for locally produced products needs attention.
- Improvement of fisheries
- Marketing Links needed to support local produce
- Range lands rehabilitation.

18. For improved fisheries, the following steps have been suggested:

- Controlling illegal fishing
- Modern fish harbor and market link road.
- Promotion of fish processing industry.
- Promotion of fishing nets making.
- Availability of modern boats and repair of existing boat engines
- Boat making needs to be institutionalized – it is a traditional art
- Additional cold storages needed besides enabling environment for fisheries & related industries

19. General recommendations for empowerment were:

- Creation of job opportunities
- Promotion of small industries/business through interest free loans, especially to young unemployed educated persons
- Provision of small scale interest free loans, especially to small farmers.
- Establishment of Food Processing Small Scale Industries in the District
- Establishing marketing information system and networks through institutional development and extensive use of E-commerce
- Introduction of modern techniques in agriculture, livestock, fisheries, mining, and conserving bio resources.
- Provision of local markets to sell commodities/products
- Support to local produce (like dates), rather than importing them from Iran, which depresses local products and poor farmers remain deprived off.
- Tribal enmity was asserted to be a major threat that impedes development and a cause of social disruption across the region. District Councils should play an active role and be objective in addressing such matters that has contributed to increase poverty in our districts.

CHAPTER 4. THE POVERTY REDUCTION STRATEGY (PRS)

1. The extremely high level of deprivation in Balochistan was highlighted in Chapter 2. This deprivation results from the sparse population density and the geographical diversity with most of the Province being composed of inhospitable terrain. Geographically the province can be divided into five agro-ecological zones with temperatures ranging from hot and arid, to cool and temperate. Due to this ecological diversity a wide variety of crops can be grown in the province in one or the other region. However, development remains absent in many parts of the province due to climatic conditions, hostile terrain and inadequate infrastructure. Water is a scarce and threatened resource in the Province and the lynch pin not only for its economic development but also for reducing the morbidity and malnutrition associated with its poor quality. The social indicators for the Province are amongst the worst in the country. There are extreme gender disparities that exclude the majority of the population from the process of growth and from the access to basic social services. Moreover, nearly 47 percent of the population is under the age of 15 years. This adds further vulnerability to the socio-economic conditions. On the physical level the lack of infrastructure is coupled with poor governance.

2. Based on this background and the extensive consultations the suggested key pillars of Balochistan's Poverty Reduction Strategy are:

1. Engendering growth:

- Sustainable agriculture towards a strategy for rural development.
- Managing rangelands and livestock
- Developing coastal and marine resources
- Mineral resources with special attention on oil and gas exploration
- Industrial development with special emphasis on Small and Medium Enterprise
- Promoting tourism
- Infrastructure development, especially extending and improving the road network
- Harnessing the IT revolution for remote access

2. Managing the scarce water resources:

- Surface Water
- Ground Water

3. Governance reforms

- Priority improvement in the statistical system to enable planning, monitoring and evaluation
- Devolution of power
- Civil service reforms

- Access to justice
- Fiscal and financial transparency

4. Improving human development

- Education, with special emphasis on technical and vocational education and training especially of girls
- Provision of safe drinking water
- Health and Nutrition—addressing vulnerable groups i.e., women and children
- Housing, sanitation and solid waste management
- Harnessing the IT revolution for dissemination on health, nutrition, sanitation and education

5. Addressing vulnerability to shocks

From the ongoing National PRSP

- Zakat rehabilitation grants
- Food Support programme
- Other programmes (Balochistan Specific Informal Safety Nets)

3. There is a need to promote economic growth through the revival of productive sectors, such as, agriculture, livestock, fisheries, mining, construction, and both large and small scale manufacturing industries. Persistent drought has had bad impact on forests, rangelands and livestock. The underground water table declined drastically. This is not only affecting agriculture and livestock but the lives of people as their accessibility to safe drinking water has declined substantially. Conservation of water resources should be the main part of any poverty reduction strategy. Development of physical infrastructure is crucial for marketing of agriculture produce, industrial development and mobility and accessibility of people to banks, markets, courts, and health and education facilities. Thus the provision of road network for market accessibility, exploration of natural resources and minerals, availability of agro-base industries, promoting fishing and fish processing activities should be on high priority agenda in any development strategy. The available data shows the adverse picture of all social indicators in Balochistan as compared to other provinces. High gender disparity is observed. The development of human resources and reducing gender differences are crucial for the efficient and effective use of available limited resources. In addition, improved governance is important for the transparent implementation of policies for the uplift of Balochistan.

1. Engendering Growth

4. Prudent economic policies and overall management and monitoring and evaluation are the prerequisites to achieve a higher rate of economic growth. Looking at Balochistan's potentials, addressing the key sectors, such as, agriculture, livestock, coastal and marine resources, mineral resources, industrial development with a special emphasis on small

and medium enterprises (SMEs), infrastructure, energy, oil and gas, would help in increasing the pace of growth in the province.

Sustainable Agriculture towards a strategy for rural development

5. In Balochistan agriculture production can increase with an improvement in the production technologies. By bridging certain technological gaps such as the non-availability of appropriate technology, ignorance, lack of resources and indifference of farmers, further increase in productivity can be attained. The constraints to crop production in Balochistan pertain to resource base depletion, inefficiency in production management, lack of institutional support, and improper post harvest management.

6. Livestock rearing is the major economic activity in Balochistan. However, very few farmers have adequate knowledge about the pedigree of their animals due to which there is no specific breeding system in the community. There is a dire need to familiarize the farmers with the genetic potential of mating animals in order to increase the number of purebred animals. Animals are marketed in livestock markets called Pirri. These markets have very limited basic facilities. Government control of prices is minimal due to which the process is highly exploitative for the producers with middlemen accruing most of the profits. Epidemic diseases and parasitosis poses another challenge to the sustainability of livestock production in the province. 58% of the farmers rely purely on government resources for vaccination and treatment. Women play a very important role in livestock rearing. Feeding of animals as well as cleaning the barn is at times solely the responsibility of the women. In a few cases they may even bring fodder for their stocks. The major constraints faced by livestock production are the scarcity of feed resources, diseases, lack of farmer education and inefficient marketing system. By strengthening health services, improving feeding resources, creating awareness about breeding patterns and a systematic rehabilitation of rangelands the livestock production in Balochistan can exhibit much brighter results.

7. Agriculture is the mainstay of Balochistan's economy, accounts for 60 percent of province's GDP and employs 60 percent of the labour force. The overall average farm size is 23.8 acres and average cultivated area per farm size is 11 acres. Yield per acre is low but its importance cannot be ignored in the subsistence economy. However, orchards in the upland valleys produce higher returns. The production of orchards per unit of land fetches three to four times the income of grain or vegetable crops.

8. Approximately 60 percent of the total cultivated area is under dry land agriculture production system. Irrigated agriculture faces many problems. The full quantity of water is not available. Influential landlords divert excess water depriving smaller and tail-end farmers of their due share. Excessive use of irrigation water, especially on rice farms, is causing water logging and salinity in many areas. The areas affected by severe water logging include Nasirabad area irrigated by Pat Feeder, Kirther Canal, and Hub Canal. At intermediate elevations (500–1,500 meters) where perennial water and marketing infrastructure is available, farmers can produce off-season vegetable crops that command a premium price in major urban areas. In valleys above 1,500 meters, farmers can obtain

significant returns from fruit production if irrigation water is available. There has been a tremendous increase in land brought under irrigation since 1985. This has been made possible through the increase in the number of tube wells and additional surface water from the Indus. Investment in groundwater abstraction is high and orchards have proliferated. Provincial revenues have increased by over Rs. 12 billion since 1985 from orchards, grain crops and vegetables.

9. However, there are many issues of concern in the agricultural sector. The most pressing is related to excessive and inefficient use of water and extensive use of agrochemicals. There are more than 21,000 tube wells in operation, contributing to the rapid decline in groundwater reserves. Irrigation systems operate at 45% efficiency due to poor maintenance of channels, field losses, and over irrigation. A few water reservoirs have been constructed for irrigation and water storage dams are in pipeline. However these dams generally silt-up very fast. De-silting is very expensive. Therefore, this is not likely to be a sustainable and cost effective mean for developing agriculture.

10. All aspects of agrochemical use, including handling, storage, use, and disposal, are cause for concern. The strategy for agriculture includes measures to improve water management practices, efficient use of agricultural inputs, marketing, provision of research and extension services, and reorienting and improving service delivery at the community level.

11. The distribution of State owned land to landless and/or small farmers can help in addressing the issue of rural poverty in Balochistan. According to the report of Federal Land Commission, total land allotted between 01-07-2001 and 31-03-2002 was 43405 acres; 29 percent in Punjab, 19 percent in Sindh, 40 percent in NWFP and 12 percent in Balochistan. This report indicates that 2.7 million acres are still available to distribute; 2 percent in Punjab, 27 percent in Sindh, 19 percent in NWFP and 52 percent in Balochistan.

Table 4.1: Distribution of State-Owned Land

Province	Total land allotted between July 2001 and March 2002 (Acres)	Beneficiaries (#)	Land available for allotment As of March.2002 (Acres)
Punjab	12,663	958	55,609
Sindh	8,075	972	7,40,598
NWFP	17,578	N/A	5,26,930
Balochistan	5,089	157	14,16,761
Total	43,405	2,087	27,39,898

Source: Federal Land Commission

12. The distribution of land distribution, provision of adequate infrastructure, timely availability of inputs including water and credit would help in reducing poverty in rural Balochistan. Following are the major issues in agricultural sector:

- Limited supply of irrigation water
- Inefficient use of available water
- Land degradation due t water logging and salinity
- Quality of agricultural inputs
- Loss of biodiversity
- Lack of knowledge about the appropriate and timely usage of agricultural inputs
- Lack of trained farm labour in modern technologies
- Lack of proper infrastructure for storage and marketing of agricultural produce

13. Despite resource constraints the Government of Balochistan has tried to devise some strategies to reduce poverty in the coming years with the assistance and support of the Federal Government. The Federal Government has already moved some good investments in the Province in shape of Mega Projects. It is hoped that this strategy would improve the social indices of the province and will lead to increasing women's access to ownership, control and management of productive assets.

14. Range-based livestock production systems are one of the major sources of livelihood for people in rural areas. Rangelands constitute 79% of the total area of the province. There may be more than 20 million sheep and goats – six times the estimated carrying capacity. Animals are low in productivity and prone to a variety of diseases. The uplands of Balochistan are characterized by flocks of sheep and goats and the seasonal movements of the people who tend them. Following are the major issues related to rangeland management and livestock production:

- Lack of awareness about managing the natural resources
- Conservation/breeding of local breeds of livestock
- Ecological conservation
- Lack of other means of livelihood
- Need for proper grazing management
- Animal health
- Marketing

15. Keeping in view this alarming situation, the Government of Balochistan has initiated certain steps for the revival of the economy. Drought resistant fast growing trees/bushes have been plated on 15000 acres. Similarly, new initiatives for introduction of olive plantation in the province have been started which is going to generate a lot of activities in the province. Moreover, a plan under Drought Emergency Relief Assistance (DERA) have been devised by the Government of Balochistan that includes the following :-

Table 4.2: Schemes under DERA Programmeme

Schemes	Cost (Rs. in Millions)	Completion Year
60 development schemes of water sector (These schemes include implementation /rehabilitate of 250 Karezes, delay action dams, check dams, lining of channels and supply of	483.00	2002-2003

diesel engines in drought affected districts).		
60 Water Supply Schemes	157.00	2002-2003
3 Road Schemes	640.00	2002-2003
Installation of 3000 Tube-wells	2,300.00	2002-2003

15. Likewise, the schemes for livestock and forest have also been included under DERA plan 2002-2003. Initiative has been taken to improve the quality of hide/skin wool and meat. Besides, a plan to use proposed Gwadar sea-port for export of livestock is also in hand which is hopefully going to bring an economic change in the life pattern of the inhabitants of the Balochistan. The financier of the Gawadar deep sea ports is the Federal Government. The Mirani Dam Project, situated in District Kech (Turbat) will bring 37,600 acres of lands under cultivation and the Kacchi Canal Project which will be completed in a span of 7 years will irrigate about 570,000 acres of lands which must bring a change in the overall economy of the province. Both the above two projects are federally funded. The maximum efforts have been planned to push into these sectors provided the financial out lay is improved.

Developing coastal and marine resources

16. Balochistan has a coastline about 770 Km long with two small fishing harbours at Pasni and Gawadar. It is estimated that an additional fish catch potential of 1,30,000 tonnes is available per year in the coastal waters of Balochistan. The federal and provincial governments have responded with a comprehensive development plan. Elements of this plan include:

- a deep sea port at Gwadar;
- a coastal highway and national highways including the one to central Asian countries;
- upgraded airports;
- coastal shipping and ferry services;
- new power plants;
- a bulk liquid terminal at Mauza Damb;
- dams on all rivers and streams for drinking water and irrigation;
- a desalination plant at Gadani;
- modern fishing equipment and infrastructure;
- tree plantations;
- introduction of goats and poultry; and
- new beach resorts.

It is expected that significant gains will ensue from the construction of the coastal highway and the full functioning of the port of Gwadar. While it is difficult to estimate the full extent of such gains, it is expected that the backward linkages from the import and export activity at Gwadar and the multiplier effects from the opening up of the coastal highway will be catalytic not only in promoting trade and commerce but also in the development of agriculture, small and medium enterprises and coastal and marine resources.

17. Priority is given to a special development zone for Greater Gwadar City, the deep-sea port, and the coastal road. Private activities under way include offshore exploration for oil and gas, planning for a petrochemical complex in Sonmiani Bay, and a major new residential development and resort near Gwadar.

18. Asian Development Bank's Project on Balochistan Fisheries Development, which was completed in 1992, exhibits sizeable socioeconomic impact in the Pasni area. This Project aimed to assist the development of marine Fisheries in Balochistan and to improve the socioeconomic conditions and the nutritional intake of Fishing communities through (i) construction of a fisheries harbor complex at Pasni; (ii) provision of Credit lines to the private sector for the construction of marketing, processing, and transportation facilities and to fishermen for the purchase of marine engines and modern fishing gear; (iii) training Programmes for fishermen, extension officers, and staff of the Pasni Fisheries Harbor Authority (PFHA); and (iv) consulting services to assist in the design and implementation of the Project. The population of Pasni town has grown from around 8,000 at appraisal, to about 35,000, and the number of retail shops increased from about 20 to over 200. Over the same period, the annual real incomes of Pasni fishermen have more than doubled and total employment. However, the increase in population has created a garbage disposal problem and is straining social services in the area. This appraisal report of this projects recommends that the coastal development programmes must have the components of basic service provision, such as, education, health, waste disposal and sewerage systems.

Mineral resources with special attention on oil and gas exploration

19. Minerals are the most prominent resource of Baluchistan but this is yet another resource that has not been exploited to the maximum. Minerals contribute 3% of the GDP and employ a small percentage of the labor force. The annual production of minerals is 3.4 billion rupees out of which 3.1 billion rupees is attributable to natural gas alone. Other important minerals are coal, marble, baryte, chromite and flourite. The major mines relate to coal and natural gas and a total of 228 leased out mines employ a large chunk of the labor force in the province.

20. The province has various exploitable mineral resources which not only can become a source of revenue for the provincial government and but can also provide an opportunity for private enterprise development in the mining sector. Factors adversely affecting mineral exploration and development are numerous. Among them are out-of-date mining methods, practices, and techniques, low recovery and inefficiency. At present the investment climate is not attractive to international mining interests. In order to expand the extracting capability in the province, there is a need to attract small and medium level investors through credit facilities, developed road network, security arrangements and proper survey of the area.

21. Balochistan has large reserves of natural gas and coal, and accounts for 40% of the primary energy production of Pakistan. Ironically, 80% of the energy needs of the

province are met through the use of biomass energy – firewood and dung cakes. An estimated 2 million tonnes of wood are burned each year. Gas consumption is low due to a limited supply of piped natural gas and liquid petroleum gas. Balochistan produces about 2 million tones of coal, most of which is exported to the Punjab. About half of the villages in Balochistan are electrified, but they, along with other consumers, suffer from frequent interruptions in service. There have been many experiments with other forms of energy e.g. solar, wind geothermal, biogas, but these have not amounted to anything so far.

22. The provision of infrastructure for the supply of electricity and gas is not cost-effective in remote rural areas of the province. With the exception of coal, all the primary energy sources, including petroleum, gas and electricity, are within federal jurisdiction, and the provincial government has not been involved in planning and policy-making. One reason for the slow growth of the industrial sector has been the lack of an adequate and dependable electricity supply. Private sector power projects supply electricity to the national grid but most of it is not available to Balochistan. The grid suffers from high transmission and distribution losses. In response to the total demand of 460 megawatts, only 285 megawatts are being supplied to Balochistan. The deficit is resolved through unscheduled load shedding and power shutdowns. This causes losses to businesses and damage to machinery. Another issue is the smuggling of petroleum products from Iran. While cheaper than local products, the quality is poor, resulting in air pollution and damage to vehicle engines.

23. Un-tapped oil and gas reserves in Kohlu, Dera Bugti, and Khuzdar districts can bring a change in socio-economic activities in these areas which will result in creation of thousands of job opportunities. For this purpose:

- The Government of Balochistan has created 1000 levies jobs to guard the proposed oil and gas exploration activities.
- Around two thousand families of Marri Tribesmen who migrated out side the Province of Balochistan are being brought back in their own area where they will be benefited from the economic activities expected to be generated as a result of oil exploration programmeme.

24. In order to develop the mining sector, following steps are proposed:

- In order to assess the nature and extent of existing and potential effects, an environmental review should be conducted for all mining activities in the province
- Environmental impact assessments should be done for all proposed mining operations, including the Saindak mine. Assessments should include socioeconomic aspects of mine development.
- Mitigation measures should be developed, implemented, and monitored.

Industrial development with special emphasis on Small and Medium Enterprise

25. The industrial sector is still in the rudimentary stages in Balochistan. It contributes 10.43% to the GDP and 3.4% of the labor force is employed in industry and mining activities. Most of the skilled and unskilled workers for the medium and small industrial units in Hub come from Karachi. Very few small units exist in Quetta and Nasirabad. Moreover, cottage industries such as handicrafts, embroidery and wool and leather products spread all over the province and serve as a supplementary source of income for the province, especially for women. Due to the lack of government support, non-availability of credit, lack of infrastructure and inadequate training facilities, Balochistan is lagging behind in the industrial sector. Despite a great potential to promote industrial growth, the provincial government allocates a mere amount for the development of this sector. To promote this sector, there is a need for public-private partnership Strengthening physical infrastructure, supporting financial institutions and ensuring investor security can further boost industrial growth.

26. Due to the lack of industrial activities in Balochistan, a majority of population derive their livelihood either from agriculture or livestock. Major industry of the province is mining which is scattered all over the province. Most of the other industries are unregistered micro and small scale units which are not included in official statistics. In the manufacturing sector, the province has 110 small and medium size units; of which 23 are producing textile, apparel and leather goods, 27 are producing chemicals, rubber and plastic goods and other 27 are producing metal products and machinery. The province has two industrial estates, one each at Lasbela and Quetta. In addition, many people are engaged in the fields of handicrafts, livestock products, minerals, lumber, engineering, leather products, poultry farming and construction. In the absence of training facilities to develop skills and entrepreneurial ability and non-availability of credit facilities, the province of Balochistan is far behind the other provinces in the development of a strong industrial base. Some of the obstacles to be overcome include the current investment climate and the availability of credit, lack of infrastructure, an assured supply of water, inadequate supply of qualified and trained human resources, the need for access to appropriate technology, low productivity, and heavy losses in key sectors such as agriculture, livestock, and fisheries.

27. During the last decade, some attention has been given to the development of small scale enterprises in Balochistan. For example Directorate of Small Industries is working for the development of micro and small industries. Directorate of Labour and Manpower is helping the enterprises through HRD and financial assistance for the establishment of micro-enterprises in the private sector by providing necessary credit and on the job training. Social Welfare Department assists female entrepreneurs through imparting technical training in various trades.

28. For sustainable industrial development in the province, there is a need for the formulation of implementable effective policy. Such policy should be based on lessons learned from previous efforts and should focus on:

- Establishment of industrial estates and training centres with stronger links to the sources of raw material and local entrepreneurial skills. Establishment of linkages with local, provincial, national and export markets.
- Emphasizing province's competitive advantages over other provinces
- Export units should be encouraged to meet ISO 9000 and 14000 standards.
- Industrialization must face the resource realities of the province. In Quetta, for example, the already overpopulated, polluted and water-starved valley cannot afford any further burden on its limited resources.

Promoting tourism

29. From an economic development perspective, the past and present cultures of Balochistan are potential attractions for tourists from around the world. In addition, Balochistan has many natural attractions, ranging from a largely unspoiled seacoast to the high mountain ranges in the central and northern parts of the province. But tourism in recent years has not fared well. The province has seen a great deal of turbulence in its short history, and most international tourists transit through the area, stopping for a day or two in Quetta. Travel throughout the province requires prior government approval, which many tourists are not prepared to deal with. Attractions are not well known, and in any event have few of the services and facilities that all but the most serious travelers demand.

30. A tourism development strategy based on the cultural, ecological, and scenic riches of the province is proposed. This would help in increasing income earning opportunities and thus reducing poverty. Implementing the strategy requires the concerted efforts of the government, private sector, and communities in order to publicize tourism opportunities and provide tour packages at a standard that the modern traveler demands.

Infrastructure development, especially extending and improving the road network

31. Long distances, inadequate infrastructure and lack of raw material are the main causes of low industrial and commercial activities in the province. A large amount of high quality fruits and fisheries destroy not only because of lack of suitable markets within province or lesser agro-based industries but also because of lack of suitable infrastructure and proper mechanisms to preserve, store and market them outside province/country. A large majority of Balochistan population rely on agriculture and livestock breeding. Increasing burden on scarce water resources led to unplanned installation of tubewells. This resulted in the fast depletion of water resources and substantial decline in vegetation. Increasing burden of Afghan refugees is putting additional pressure on the fragile economy of the province resulted in the further depletion of available economic opportunities.

32. Provision of adequate road network is crucial for market accessibility, tapping the alternate natural resources like mining & minerals, industries, agro based industries, fishing and fish processing activity.

33. The position of Road Network (Shingle & Black topped) is not satisfactory in the province. During 1970-71 only 1517 KM blacktopped and 933 KM shingle roads were available in the province. The Government of Balochistan has however taken remarkable initiatives for improving the road network. During 1980-89 the average road construction activity was 20 to 25 KM blacktopped road in a year. This number has increased to 100 KMs during 1990-98 and almost 1000 KMs in 1998-99. This figure of 4508 KMs during the next 2 years is proposed.

34. Pakistan has a coastal belt of about 800-km from Karachi to the international border with Iran. The portion from Hub near Karachi up to Jiwani is called Makran Coast. There are small ports of Ormara, Pasni, Gwadar and Jiwani along the coast. Before 2000, the only link between Karachi and the coastal cities of Balochistan was a difficult dirt track. The whole coastal area is extremely hot and arid. This area is suffering from acute shortage of potable water. Population density in this area is extremely low; 7 persons per square kilometer. Most of the population is involved in fishing. Harsh weather and unavailability of water are the major constraint for undertaking any development project in this area. In 2000, the project of Makran Coastal Highway has been started that will link Karachi with Ormara, Pasni, Gwadar, Jiwani and will terminate at Gadd near Pakistan-Iran border. With the construction of this highway, many new avenues of economic activities will be open that will eventually lead to prosperity in this remote region by raising the standard of living of the local people. Besides, The Makran Coastal Highway project will help in establishing better commerce and trade relations with the neighbouring countries of Pakistan, particularly, the central Asian republics, besides, raising the living standard of the local people. The regional economy of this area is largely based on fishing. The construction of fish harbour at various locations and deep-sea port of Pakistan at Gwadar will increase the employment opportunities for local people. The construction of water storage dam on the Hingol River would also result in an increase in agricultural output in the area. Construction of Makran Coastal Highway would also boost tourism in the province.

35. In addition, Asian Development Bank is providing technical assistance to the government to prepare an integrated road development project, comprising a policy and investment programme for Balochistan that supports sustainable pro-poor growth, reduces poverty, and promotes sub-regional cooperation.

36. The PRSP proposes eventually connecting at least all the tehsil headquarters with blacktop road.

Harnessing the IT revolution for remote access

37. The IT revolution provides the most viable mean for bridging the remoteness of the province. It is possible to use solar powered digital receivers at IT nodes to receive information on markets and prices as well as on basic preventative health, sanitation and nutrition. It is also possible to use this medium for remote learning so that education can be brought more effectively into the remote regions of Balochistan.

Rehabilitation of host communities bordering Afghanistan.

38. During the first phase of Afghan war, Balochistan hosted almost one million Afghan Refugees. The districts where Afghan Refugees camped brought a lot of pressure on the local population/resources and caused numerous economic, political and social problems. The districts affected with the refugee influx were Pashin, Quetta, Mastung, Qilla Abdullah , Qilla Saifullah, Loralai, Noshki, and Zhob. After the tragic events of September, 11 2001, the Government of Pakistan in-collaboration with various United Nations development organizations have come up with a plan to help out the host communities in these districts.

2. Managing the Scarce Water Resources

39. This section is based on the Balochistan Conservation Strategy (BCS). In Balochistan like in other parts of Pakistan, agriculture is the major and most important user of water. Almost 75 percent of the people are dependent on agriculture and livestock and this sector employs about 65% of the total work force. The natural drainage system of the province is typical and developed according to local conditions of extreme aridity, geology and physiographic structure of the area with the major streams developing along the faults on synclinal axis of the valleys they drain. Due to topographic conditions, flow in all streams follows a north-south direction except the Hub river in the north. The lack of sufficient water on perennial and assured basis is the main cause behind the non-or under-developed status of the sustained agriculture in the province. Nasirabad Division is the only area with sustained water supply which it receives from the Indus river basin system. Most of the perennial streams and springs in the province are of small capacity with wide temporal variations in their discharges. The flow is generally sustained by the ground water outflows intercepted by geological barriers. The ephemeral streams draining different catchments of the province remain dry for a major part of the year but carry flash floods with appreciable quantities of water during rains. Large scale development of surface water resources which are many times more than the ground water resources is problematic on account of high variability, lack of sufficient and reliable data, huge development costs, high rates of evaporation, and large quantities of silt loads brought in by the streams. The more reliable and popular source of water for irrigation is groundwater which is developed through natural springs that emanate from the limestone mountain ranges, open-dug wells, tubewells, and man-made karazes and infiltration galleries that were built in the permeable river gravels of the streams many decades ago. Many of these wells and karazes have since gone dry particularly in the Pashin-Lora basic where over-exploitation of groundwater has resulted in depletion of water table at alarmingly high rates exceeding three meters per year in many places. There have been grave concerns among the planners and engineers about the serious problems with groundwater in Balochistan.

40. The Irrigation and Power Department is mainly responsible for the planning, investigation, design and implementation of various irrigation and water development projects in the Province. The different cells of the department are handicapped, as they lack well-qualified, trained and experienced personnel. The existing staff, some of them

well trained, is mostly busy in the operation and maintenance of the ongoing schemes finding little time to conduct technical surveys, and plan and design new projects in the water sector. The department still relies heavily with outdated and run of the mill equipment to carry out various tasks. Library facilities and computerized access to data and information are non-existent; the situation has somewhat improved with the establishment of the Bureau of Water Resources. Similarly, there are non-laboratory facilities to enable sample analysis so vital for the planning of any water development or irrigation project. The Bureau of Water Resources is also deficient in adequately trained manpower and latest equipment to monitor and collect hydrological data. The Bureau needs to be strengthened and equipped to generate high quality data. The same is true for the Research and Development institution in water i.e. the Water Resource Research Centre. In the absence of strong institutions for data collection, project planning and execution, project monitoring, and research and extension in water, an efficient water development activity in the Province cannot be visualized.

41. Balochistan Community Irrigation and Agriculture Project by the World Bank is an example of how grassroots organizations, supported and guided by government agencies, can apply technology to improve the lives of the people of poor communities. Village Gazg, that is situated in 280 km southwest of Quetta, is the project area. This village was suffering from not only acute water shortage but also lack of other utilities such as electricity, gas and telephone. After the completion of this project (in 2002), this village has Perennial Irrigation Scheme supplies with 7.5 cusecs of water and 20 kilowatt of electricity annually. The project comprised four components: community development and support, the construction or rehabilitation of 30 perennial irrigation schemes and four pilot flood irrigation schemes, institutional strengthening, and project management. This project redefined the role of government from provider of facilities to an enabler of asset creation, established grassroots institutions to manage local issues, and introduced simple technologies that permit better resource use and increase income and employment. This project encouraged initiatives to empower women traditional male-dominated community. Women were provided training on health hygiene, and safe water usage. This has resulted in decline in water-related morbidity and a decline in the incidence of malaria.

Water Pollution

42. There is a growing fear that the Provinces water resources, both surface and ground may be becoming increasingly polluted particularly in areas where agricultural activity is being intensively pursued. The indiscriminate use of chemical fertilizers and pesticides on fruit farms and irrigated areas is likely to pollute the groundwater aquifers in the long run. Similarly, there is no water treatment plant and sewerage is generally discharged into open water bodies or streams. The Balochistan Environmental Protection Agency (BEPA) is in the process of formulating policies and legislation to control water pollution problems due to agricultural and domestic uses. In many villages, because of non-availability of proper resource, people are constrained to use polluted supplies of surface water.

Lack of reliable data

43. The Pakistan Meteorological Department maintains a network of stations collecting temperature, rainfall and, in some cases, wind speed data at various locations in Balochistan. This network is thinly spread and does not meet the World Meteorological Organization (WMO) standards of network density. The data generated is, therefore, scanty, and has to be often extrapolated in the design of projects. Similarly, the stream gauging stations set up by the Surface Water Hydrology Project of WAPDA and now taken over the Bureau of Water Research also do not cover all the streams and critical locations in the Province. The lack of information and accurate data, therefore, is one of the major constraints in scientific planning and sustainable development of water resources of the Province.

Socio-political set-up that inhibits effective planning and implementation

44. The unique and inherent socio-political set up of the Province characterized by the tribal system, low literacy rate, and extreme poverty often creates problems in the identification and implementation of various projects. Under the age-old practices in vogue, generally the powerful local Malik/Sardar or influential person of the area is always consulted before starting a project. He has his own personal priorities and interests related to the project. Thus the development Project, instead of being based on technical, socio-economic, environmental, basinal or physiographic considerations, is designed to suit only a single person or his interests. The interests of the community at large in the area are thus ignored.

Lack of Project Monitoring and Evaluation

45. As has been pointed out at numerous places in this report, the Province does not have an effective and organized mechanism or infrastructure for the monitoring and evaluation of the performance of completed or ongoing projects. Such a mechanism is of utmost importance to help identify the problems and assess the success level of the projects in hand or completed. Without such monitoring, lessons from mistakes in the past cannot be learnt and remedied in the future planning of Research and Development Projects.

Lack of Coordination between Water and Agriculture Sector

46. Though agriculture is the main user of water in the Province and the Province's economy is largely agriculture oriented, the subjects are being looked after in isolation respectively by the Agriculture and Irrigation Departments at the provincial level. At the Federal level too, there is little and almost non-existent coordination between the Agriculture and Water Ministries. This leads to inefficiency in the planning, execution, operation and maintenance of viable projects in irrigated and agriculture in country where both these sectors are of vital importance to economy and are inter-dependent.

Poor Project Operation and Maintenance

47. Because of financial crunches and constraints, the Operations and Maintenance of completed projects in the water sector is generally poor resulting in a temporal deterioration of project benefits. The poor and low level of cost recoveries from the project beneficiaries after project completion, due to political and social reasons, is one of the root causes of this state of affairs.

Lack of Integrated Approach to Project Development

48. While an integrated approach is very necessary in any project development, water development projects in Balochistan have followed a pattern of undertaking small isolated schemes to develop surface and groundwater resources. It is vital that integrated approach should be followed in all projects. The main sectors in which integration would be necessary are the Water, Forestry, Livestock, Public Health, Environment, and Agriculture Sectors.

Policies and Strategies in Water Development

49. The major issues that must be tackled are ground water mining and the inefficient use of the resource. The strategy will be to manage ground water on a sustainable use basis. If properly managed, the resource will be available in the long term. Shifting from the present practice of ground water mining to sustainable use requires a great deal of planning. It also means evaluating some current practices, such as the use of delay action dams, to ensure that human and financial resources are efficiently and effectively deployed. Agriculture places the heaviest demand on the resource. The strategy recommends that all stake holders work together to develop a clear vision for the future of irrigated agriculture in the province for the next 5–25 years. A round table will be established for the purpose. The development of a sense of vision is urgently needed at a time when some orchard owners are cutting down their trees due to lack of economic viability or lack of water, while others are busy installing new wells and planting more fruit trees .

50. A sovereign Balochistan Water Board will be established initially for Pishin Lora Basin by expanding the mandate of the recently established Provincial Water Management Authority and restructuring or linking the existing water related bodies to improve water management. The jurisdiction of this Board will be expanded to other river basins. Ideally, there should be one Board for each of the 14 river basins in Balochistan. The Board will have sweeping powers to deal with what is a major crisis. It will be supported by a Technical Committee, and a lead agency e.g. Irrigation and Power Department will be designated to collect, maintain, and distribute information on supply, demand, and quality of water. The Board will develop and implement management plans; decide on the issuance of water licenses; monitor enforcement of laws; recommend comprehensive water policy and enabling legislation; oversee research, and monitoring and evaluation programmes; and ensure that environmental impact assessments are carried out for all major water projects. The Board will focus on addressing the issue of

groundwater depletion in upland districts, promoting irrigation efficiency, harnessing surface runoff and sustainable water development.

51. There is a rich tradition of water rights and local water resource management in Balochistan. Local people can provide considerable insights into what to this point has largely been the subject of mathematical models. The Water Board will consult widely with local people in developing management plans and will take advantage of effective and efficient water management practices where they exist or can be reintroduced. Watershed rehabilitation and management will be given priority attention. The specific needs will be assessed on a basin-by-basin basis, at the valley level. The major task for the Water Board will be to work with local people to reach consensus on the nature of the problem, and to get their assistance in solving it.

52. Implementation measures have been developed in consultation with stakeholders. They include:

1. raising of public awareness;
2. improvement in governance and effectiveness of institutions;
3. institutionalization of environmental education arresting depletion and pollution of groundwater and increasing irrigation efficiency;
4. ensuring sustainability of agriculture;
5. managing rangelands and enhancing productivity of livestock;
6. developing coastal and marine resources sustainably;
7. sustainable planning and management of urban areas;
8. creating and sustaining environment-friendly development;
9. conserving, rehabilitating, developing and using forests sustainably;
10. conserving and using biodiversity and wetlands wisely;
11. conserving cultural heritage and developing tourism; and
12. collecting authentic data and managing information.

53. The principal mechanisms to be used in implementing each of the core programs described above are:

- institutional strengthening (including roundtables, focal points in departments, restructuring public sector institutions, improved co-ordination and capacity building);
- awareness raising and environmental education;
- policy and legal reform together with the use of economic tools; and
- mobilizing human and financial resources through improved efficiency and re-profiling; and
- identification of new sources of funding. It is important to note that the BCS is not about fundraising or developing a portfolio of projects to be funded. The strategy does not require huge additional investments to achieve its objectives. Rather, the emphasis is placed on more efficient, participatory and transparent institutions, and the implementation of improved and co-ordinated policies.

54. The key institutions to lead implementation of the BCS are:

- the Steering Committee, with a renewed and revised mandate;
- a strengthened Environment Section, P&D Department (for co-ordination, catalytic action, and support);
- an effective enhanced monitoring and evaluation section;
- a revitalized Bureau of Statistics in the P&D Department;
- a strengthened Environmental Protection Agency;
- sectoral roundtables; and
- an external technical support mechanism at provincial and district levels.

55. New water sector initiatives and programmemes, such as, through Kacchi Canal and several small dams have the possibility of providing some relief to the water scarcity of this province. However, it is too early to quantify such impact. There is some concern that the proposed routing of the Kacchi canal adds an extra three hundred kilometers through the Punjab. The additional cost in terms of money (12 billion Rupees) and time (from 5 to 7 years) as well as the additional length will reduce the potential water available from this source for Balochistan. The following policies and strategies have been proposed for the development of the other segments of the water sector in Balochistan:

Policies

56. Surface Water Development

- a) The implementation and later O&M of all large schemes for harnessing flood waters of inland and coastal streams involving large capital outlays and major engineering works should remain with the Public Sector. For smaller schemes, however, the private sector should be encouraged to participate and contribute in constructing and later managing the same. The role of the Public Sector should be that of a facilitator.

57. Cost Recovery and Subsidies

- a) For Public Sector development projects, the beneficiaries should pay for the cost of services in relation to the benefits derived by them and within their repayment capacity.
- b) Subsidies should be given only to remove disparities or foster development. Care should be taken to ensure that they are not misappropriated.

58. Regional Water Development

- a) The spread of development of scattered water resources should be oriented to removing regional disparities in the economic conditions.

59. Flood Protection and Drainage

- a) The Public Sector should be responsible for undertaking all measures to protect agricultural lands and settlements against floods and also to provide drainage of agricultural lands and the harvesting of flood waters for agricultural use.

Strategies

60. The following strategies have been devised under the Balochistan Conservation Strategy to develop the water resources sector:

- a) Mobilising self-help of beneficiaries for improving water distribution systems and silt cleaning of channels at the tertiary level and for land leveling to improve irrigation efficiency through annual provincial campaigns supported by politicians.
- b) Giving priority to rehabilitation and improvement of existing schemes;
- c) Demonstrating the efficacy and financial viability of modern high efficiency irrigation systems with the use of tubewell water for growing high value crops and orchards through subsidies.
- d) Providing incentives in the form of electrification and subsidies to install tubewells where potential for groundwater exploitation still exists.
- e) Reverting to metered electricity charges for tubewells instead of flat rates and enhancement of power tariffs in areas where there is over exploitation of groundwater.
- f) Disallowing installation of tubewells in areas already being over exploited.
- g) Giving priority to groundwater recharge measures and projects in over exploited areas.
- h) Providing technical assistance and subsidies for improvement of operational karazes.
- i) Applying strict technical and socioeconomic criteria in the selection of schemes and projects for implementation to ensure high rates of returns.
- j) Introducing coercive measures for the recovery of water charges from defaulters.
- k) Introducing monitoring and evaluation as a continuing activity to serve as a feedback for continued improvement.

61. Because of lack of an effective monitoring and evaluation mechanism in the Province, no study has been undertaken to find out how far the above policies have been implemented and what has been the impact of policy implementation on the water resources development and management. It is necessary that a study should be undertaken to determine the impact of the policies delineate their weaknesses and strong points and come up with alternate solutions if possible.

62. The water strategy does not advocate a huge additional investment of funds to achieve its goals. Rather, the emphasis is placed on more efficient, participatory, and

transparent institutions that adopt context - specific approaches to deal with problems of environmental degradation and human deprivation. A four-pronged approach will be adopted for efficient utilization of existing resources and raising additional funds. Effective monitoring and assessment systems will be put in place to enable the province to review its progress and make adjustments to achieve the objectives of the strategy and optimize the use of scarce resources. The requirement for M&E will be based in legislation, with annual reports detailing the progress the province is making towards sustainability. M&E will be a participatory process involving all stake holders through mechanisms such as the round tables. It is also important to assess not only whether the actions outlined in the BCS are being implemented, but also the impact the BCS is making in achieving sustainable development.

63. IUCN has developed a process – the Well-being Assessment Method – that will be used to gauge both human well-being and ecosystem well-being. The results can be demonstrated graphically on the Barometer of Sustainability. Stake holders can then see at a glance where Balochistan stands in terms of human and ecosystem well-being, what progress is being made towards achieving sustainability, and what needs to be done in social, economic, and resource sectors to make improvements. The Steering Committee will have the responsibility of overseeing the monitoring and evaluation and Well-being Assessment processes and procedures, and producing a report to the provincial Assembly every three years. Finally, an independent, external review of the BCS will be commissioned five years from the start of implementation.

3. Governance Reforms

64. In Pakistan’s perspective, the incidence of rising poverty is not only an out come of economic mismanagement but also result of mis-governance over the past decades. This has resulted in excessive staff, poor compensation (especially at higher levels), declining quality of civil servants, over-centralization of decision-making, complaints of widespread corruption and malfeasance, poor management systems, and cumbersome and costly procedures. It is recognized nationally that these are complex issues that would take a long time to address. Several governance reforms initiated at the national level are in full swing in the province. These include fiscal devolution, women’s participation in political process , activities of NAB, and access to justice programmeme. The Government of Balochistan has also drawn up a phased and realistic programme to achieve its objectives in this area. It has taken the following steps to improve governance in government institutions:

- Reduction in number of Administrative department
- Reduction of PSDP throw forward from 25 billion to 5-6 billion.
- Check on corruption
- Reduction in debt burden
- Less dependence on foreign assistance
- Provincial bridge financing
- Restructuring levies and police force

- Initiatives for gender sensitive planning.

Priority improvement in the statistical system to enable planning, monitoring and evaluation

65. No effective planning and monitoring can take place without adequate data. Available survey data in Balochistan is extremely inconsistent and unreliable. Moreover the province does not have a tradition of record keeping and discipline is required in all aspects of management. In this regard the strategy proposes the setting up of a reliable data collection system. In this regard the Multiple Indicator Cluster Survey being initiated with UNICEF support is an important step in the right direction.

66. The strategy also proposes the assignment of the highest priority to the setting up of effective expenditure tracking mechanisms so that pro-poor expenditures can be tracked and results evaluated. This is an essential requirement of the poverty reduction strategy.

Devolution of power

67. Decentralization is meant to make service delivery more efficient and effective. To reduce supply inefficiency, the state devolves downward to providers powers of planning and management of services, in order to improve transparency and accountability. In a sense, this is a supply-side reform. Participation, on the other hand, means enhancing demand-side influences on programmes, so that users have greater say in delivery.

68. Participation means how users of services share the autonomy granted to the provider. Participation may correspondingly have four increasing dimensions: (1) community consultation for sequencing of rights and prioritizing demand, (2) vesting implementation controls (procurement and disbursement) in communities, (3) vesting some staffing controls in communities, and (4) creating a quasi-market for services. These principles form the basis of the social sector strategy proposed below.

Civil service reforms

69. In line with the reforms at the national level and those being undertaken in other Provinces the objectives of the devolution and civil service reforms are to increase the efficiency of government operations, make them more accountable to users, effective in delivering public services, and raise the level of competence and integrity of government officials. Government strategy to achieve these objectives is to fully implement the devolution of power, decentralize functions and operations, reduce staff at the provincial level, tighten the system of accountability, reorganize functions and departments at the provincial level, improve recruitment and make promotions more performance based, simplify procedures, and computerize business process.

70. Recent steps to reinforce this process include:

- The appointment of 100 professionals for planners and Accounts group. In line with the devolution plan, they would work at District level, hence strengthening the District Government in planning and Accounts fields.
- Availability of gender disaggregated data for Human Resource planning.
- 100 Graduate from Balochistan have completed post graduate diploma in IT from Islamabad. They are expected to strengthen the IT base in the province.
- Quotas for women in jobs and its implementation.
- The IT Department Balochistan has planned to establish a Human Resource Development Centre at Quetta. This centre would prepare training modules for Officers/officials of various Government Departments and would impart a phase wise training.

71. Further steps will be taken along these lines to improve the quality of governance.

Improving Law and Order situation

72. Improvement in Law and Order situation is essential for encouraging people to invest and enhance economic activity. Poor law and order conditions, unsafe road travel, strikes, and theft discourage private investors. Keeping all these in view, the Government of Balochistan has chalked out a massive programme which includes:

- Improvement of training facilities for law enforcing officers,
- Improving of weaponry, transport communication and investigation material.
- The conditions of judiciary, police and levies buildings are being improved.
- Separate prosecution and investigation services are being established sparing the normal police and levies to pay attention to watch and ward duty only.
- For effective crime control and making our highways safe for travelling, the Government of Balochistan has planned to organise the levies force that will control 96% of the province. In this regard a full fledged levies directorate has been established with a Director General and Six Directors of levies. The directorate of levies will work towards reforming and training of levies force so that the force could emerge as an organized law enforcing agency.
- Besides, some 300 single cabin pick-ups have been distributed among 22 districts for patrolling purposes.
- Shelters to provide security to women in distress will also be set.

4. Improving Human Development

Social Asset Creation:

73. Impoverished communities usually do not have access to basic social services. They need the support of the government to be able to raise their children in a healthy and productive environment. Today's children are parents to the next generation; thus, if they are not properly supported through social assets such as health facilities and primary schools, they become transmitters of poverty. In a vicious cycle, malnourished girls grow

up to become malnourished mothers who give birth to underweight babies, parents lacking access to crucial information are unable to optimally feed and care for their children; and illiterate parents cannot support children in their learning process. Children are often hardest hit by poverty. It causes lifelong damage to their minds and bodies. They are therefore likely to pass poverty on to their children thus perpetuating the poverty cycle.

74. The provincial government strategy like that in the other provinces with respect to social asset creation for the poor includes support to establishment of primary schools, primary health facilities, safe water points, communal latrines and capacity building of established entities that work with the communities, such as the Lady Health Workers (LHW). Special attention will be given to the welfare and access of poor children within this strategy. Nutritional needs of the population will be addressed. One of the major strategies of the government is to break this cycle of poverty through creating social assets that are accessible to the poorest of the poor, the vulnerable groups, women and children.

75. Investments in children today will help lay a solid foundation for sustained and equitable economic growth in the future. Attainment of sustained rapid economic growth is not possible with high levels of illiteracy, malnutrition and morbidity. Therefore, social asset creation for the poor and economic and social reforms go hand in hand to ensure a strategy that will alleviate poverty for the population successfully and in a sustainable manner.

76. A major thrust of the Government's reform effort is to improve the delivery of human development services to turn around the current situation and have a lasting impact on productivity, equity, poverty, and social support system. These efforts are in tandem and complementary to the overall reforms that would have a positive impact on improved delivery of various government services, through increased resources, efficiency, and responsiveness of the system. Several national level programmes, such as, the federal vertical programmes in health, education and population sectors and activities of NGOs such as the National Commission on Human Development (NCHD) are also working simultaneously in the key areas of generating social capital in the province. The important reforms in the delivery of social services and delivery of community infrastructure services are discussed below.

Education, with special emphasis on technical and vocational education and training especially of girls

77. The education indicators in the province are very poor. The main reasons for this is inadequate financial resources; physical inaccessibility of many areas; poorly trained and ill-paid teachers; general decay in educational standards in the country; inadequate supply of instructional materials in schools; poor physical facilities in schools; weak accountability, institutional capacity and management of the educational system; and lack of community involvement in school affairs. This strategy identifies the following key priority focus areas:

1. improve primary education (both enrollment and quality of instruction);
2. reduce gender and rural-urban disparities.

These objectives are assumed to be met through:

- Strengthening of teacher training programmes
- Encouraging Public-private partnerships and community involvement
- Setting up a monitoring and supervisory mechanisms
- Increasing the allocation for education
- Reducing gender disparity through .increased budgetary support for enhanced facilities in girls' schools

78. Several steps are already being taken. These include:

- increasing enrolment and decreasing drop out rates through improved education management.
- Addressing Teachers absenteeism and shortage through incentives, trainings and institutional based appointments
- Rationalizing non-salary expenditures

79. In addition to this detailed plans for developing vocational education and training that would ensure sustainable livelihoods will be drawn up. These plans will emphasize the training of girls so that they can be brought into the mainstream thus reducing their vulnerability and poverty.

Provision of safe drinking water

80. The provision of safe drinking water is one of the biggest problems facing the province today. Indeed this problem is of disastrous magnitudes in Balochistan. This strategy proposes the highest priority to the provision of safe drinking water.

81. Only twenty five percent of the population of the Province has access to tap water. More than thirty two percent still drink out of canals, ponds and rivers. Water borne disease affects the nutritional status of the children and high levels of morbidity associated with this poor water quality leads to serious losses of productivity. Lack of access to safe water, inadequate sanitation and poor hygiene practices are some of the underlying causes of malnutrition, disease and death in children. The lack of access to safe sanitation is one of the major reasons for prevalence of sicknesses such as diarrhea in children and adults. Ensuring access to safe water and adequate sanitation can have a major impact on raising the long-term GDP levels of the province.

82. Under the devolution plan, rural water has been increasingly decentralized to the district and sub-district level including the allocation of funds to the different social sectors. Provincial governments are now releasing block allocations to districts. The

funds earmarked for the sector are included in overall provincial budgets (e.g the Public Health and Engineering Departments and Local Government).

83. Within the existing fiscal space there is a need to ensure that budgets for rural water and sanitation are earmarked within the block allocations to districts and included in the Khushal Pakistan Programmeme. Rural water and sanitation projects can also be funded from the special funds allocated to each MNAs and MPAs.

84. It will be imperative to allocate funds to rural areas for water and sanitation in all provinces as traditionally, the focus has been on large infrastructure urban projects with high Operation & Management costs and little community involvement, affecting the sustainability of these projects.

85. Low cost solutions for rural water and sanitation have proved effective and have been insitutionalised within the local government. With the redefinition of the roles and redistribution of functions of the local government, resources and information on low cost technological options need to be provided at district and sub-district levels.

86. As in the case of the other provinces the following strategies is proposed for the rural areas:

- Policy shift focusing on low cost technology and sustainable models;
- Capacity building of district and sub-district functionaries vis-à-vis their new roles and responsibilities;
- Replication of successful low cost interventions with community involvement.

87. Balochistan needs to start the development of an integrated and participatory strategic plan at a city district level, which is likely to provide a model for a comprehensive development framework for the newly formed district governments. This model is being developed in the NWFP.

Health and Nutrition—addressing vulnerable groups i.e., women and children

88. The objective of this strategy in the health sector is to significantly improve the poor health indicators in the province on a war footing. The Government aims to improve the health management structure, reorganize health facilities, focus on preventive and primary health care, remove obvious gaps in available facilities, increase budgetary allocations and increase reliance on the private sector with adequate regulation. As a follow up to the United Nations General Assembly Special Session on Children held in May 2002, Pakistan is committed to the formulation of a National Plan of Action for Children. The Government of Balochistan remains committed to contribute to this plan. At the provincial level, while the initial intention was to formulate a Provincial Plan of Action for Children, the provincial Planning and Development Department, in a well considered move, decided to mainstream the child specific issues especially related to gender disparity and social service delivery in Balochistan in this strategy. As a part of

the follow up of the PRS, the GoBalochistan now intends to formulate detailed poverty reduction plans which will be children and women focused.

89. The inadequate and uneven availability of primary health facilities, poorly staffed and stocked clinics, unplanned expansion of facilities, inadequate allocations that are heavily skewed towards the tertiary health care, and high incidence of preventable diseases will be addressed.

90. Significant steps taken by the Provincial Government in the health sector include:

- Campaign against Malaria, TB and HIV AIDS.
- Vaccination against other diseases like: Polio, Hepatitis “B” are actively being pursued
- Special campaigns are being arranged to introduce polio, vitamin “A” drops to children below 5 years of age.
- For improving child nutrition, lunch arrangements at schools for the girls of low-income families is being started which will also hopefully further enhance primary enrolments.
- Field medical camps in almost all the districts are being arranged every year.

91. Greater emphasis will be given to expenditures on primary health care and mother and child-care. For this purpose the health expenditures during the MTBF period have been increased considerably.

Housing, sanitation and solid waste management

92. The poor quality of housing and sanitation including solid waste management are responsible for a large proportion of morbidity especially amongst the vulnerable groups. The provision of water supply and sanitation is one of the highest priorities of the Government.

- Participatory development Programmes with community involvement are under active consideration.
- The Government intends to put maximum investments in social sector development from its available resources in the MTBF. For this purpose the Federal Government will also be approached for additional grants internally and foreign donors will also be requested.

Harnessing the IT revolution for dissemination on health, nutrition, sanitation and education

93. This strategy envisages a major thrust in the area of IT development as a tool for bringing information on health, nutrition and sanitation to the people in the remote areas. Solar powered digital receiving units offer bright prospects. This strategy recommends that the options offered by the Information Technology boom be assessed and

implemented in Balochistan on a priority. This offers the best hope of bridging the vast distances and remoteness of the scattered population.

5. Addressing Vulnerability to Shocks

94. Targeting of social safety nets. A holistic approach to poverty reduction can be overwhelming, particularly in low-income countries. Narrowly targeted programmes are increasingly prescribed for reasons of efficiency and flexibility: they claim to minimize leakage to the non-poor and offer rapid anti-poverty intervention. Such programmes may take the form of scholarships and vouchers, waivers or exemption of fees at health centres and schools, and direct cash transfers to eligible households based on specific criteria. However, narrow targeting has important hidden costs that are often overlooked. Five of these major costs are highlighted below.

- First, because poverty is complex and difficult to quantify, it is virtually impossible to identify those most affected, thereby augmenting the risk of mistargeting.
- Second, the non-poor seldom accept ‘missing out’ on special programmes so that narrowly targeted programmes often bypass the poorest.
- Third, narrow targeting requires special eligibility criteria, which means that poor households must incur costs (fees and bus fares) to document their eligibility. Also, the poor are generally less informed about social safety nets but are well aware of the social stigma associated with means testing. This combination easily leads to the exclusion of the poorest of the poor.
- Fourth, programmes that use narrow targeting are at least twice as expensive to administer than untargeted programmes. And because they can create opportunities for mismanagement and petty corruption – particularly in the context of pervasive and endemic poverty – extra outlays for oversight and control add to their cost.
- Last, but not least, the political commitment to sustain narrowly targeted programmes is generally weak. Once the non-poor cease to have a stake in the quality and scope of targeted programmes, the voice of the poor alone is usually too weak to maintain strong political commitment. Proposals for multiple providers of basic social services such as education should therefore be considered with caution because they can reinforce segmentation of service delivery.

95. A discussion on the relative advantages of targeting must include the type of goods and services. The merits of a targeted fertilizer subsidy or microcredit scheme, for instance, are very different from those of a targeted subsidy for primary education. From a human rights perspective, the principle of universality has to take priority over that of

selectivity when it comes to public goods such as basic social services. Evidence suggests that access for the poorest of the poor to basic social services only becomes a reality when these services are universally available. This strategy therefore proposes the availability of basic safety nets to all the vulnerable.

96. The interventions listed in the PRSP for Pakistan to address vulnerability to shocks are also being implemented in the Balochistan. These include amongst others the micro-credit initiatives, housing finance, the Tameer-e-Pakistan Programme and the workers welfare fund. There is concern, however, that the 20 to 25 % mark up being charged by micro credit institutions is not in line with any known profitability levels in this province. As such these high rates are likely to add a further burden to the already poor people of the Province since there is no known economic activity that would give them the returns to repay this high mark up. Some of these other interventions for addressing the vulnerability to shocks are described below:

Zakat Rehabilitation Grants

97. In the national PRSP a key instrument for social rehabilitation and reducing vulnerability to exogenous shocks is the revamped system of Zakat and Ushr. The Zakat and Ushr Ordinance (1980) mandates that 2.5 per cent of the value of all declared, fixed financial assets (i.e. savings accounts/certificates and financial assets for fixed term) for those possessing nisaab (the specified limit) are to be automatically deducted at source at the beginning of the month of Ramadan. The system of collection and disbursement of Zakat, overseen by respective Zakat Committees, has been recently reorganized to improve their efficacy. While the institutional framework for implementation, monitoring, and evaluation of this social intervention is being strengthened, relief to beneficiaries in the form of subsistence grants were raised last year from a monthly transfer of Rs. 300 to Rs. 500. Zakat has thus emerged as the government's central programme or social safety instrument. However, its potential and scope in fighting poverty is yet to be fully realized. Contrary to previous dedicated emphasis on grants and stipends, the revitalized Zakat system will provide funds to Mustahiqeen (beneficiaries) not only to fulfill basic needs but also to permanently rehabilitate them, by assisting them in the establishment of small-scale commercial projects or other means of living suitable to their qualifications, skills profile, and local conditions, thereby allowing them to achieve self reliance

98. Rehabilitation schemes have been prepared which are aimed at about 1.5 million new beneficiaries, who will be provided Rs. 10,000 to Rs. 50,000 each for starting up small businesses/trades. The funds will be allocated with Provincial, District, and Local Zakat and Ushr Committees determining the needs of Mustahiqeen in their respective areas as well as area-wise priorities for allocation of funds, Local Councils will administer the rehabilitation packages. The Mustahiq candidate must submit a written application, on the prescribed form, to the Local Zakat Committee, containing a proposal for grant utilization, as well as indicating need. Local Committees may sanction grants of upto Rs. 10,000; and must forward applications with their own recommendations to District Committees, for approval of Rehabilitation grants greater than Rs. 10,000 and up to Rs.

50,000. On approval of cases, the District Zakat and Ushr Committee may release the grant to the concerned Local Zakat Committee for disbursement.

99. Mustahiq beneficiaries must provide written undertakings to the effect that funds received will be utilized exclusively for the purposes for which they have been granted. A consolidated monitoring and institutional framework is being developed for the rehabilitation scheme to coordinate interaction between the Committees, and ensure accountability of beneficiaries. The District Rehabilitation Monitoring Committees, and their Tehsil and Local counterparts, will be responsible for the effective monitoring of the Schemes at their respective levels. Committees at each level shall undertake field visits and report on the functioning of the Schemes, with responsibility for reporting irregularities to District Committees.

100. Under the national PRSP the Funds allocated by the Central Zakat Council for the Rehabilitation Schemes are to be in addition to the usual 4 percent allocated under this category in the previous system. Disbursement of the existing 4 percent will, therefore, continue in accordance with the Zakat Disbursement Procedures. Funds approved by the Central Zakat Council are to be disbursed by provincial quota, approved by the Council after which, Provincial Councils will remit funds to the district level. Accounts for all transactions and flow of funds under the Rehabilitation Scheme are to be maintained by the Local Zakat Committee and Provincial Zakat Council and audited by the Auditor General of Pakistan.

The Food Support Programmeme

101. The Food Support Programmeme for the poorest sections of the population has also been revitalized and funds for the programme have been set aside. The programmeme is designed to mitigate the impact of increase in wheat prices. Its coverage extends to the poorest households with monthly income of up to Rs. 2000. Cash support of Rs. 2000 is provided to them through biannual installments. The programme was implemented at the district level through the help of district officials. A system of means testing at the local level has been adopted for identification of beneficiaries by linking the programme with the Zakat system where records of Mustahiqeen are developed through extensive participation.

102. In addition to the food support programme, Pakistan Bait ul Maal provided support to destitute people for a number of purposes including medical support, fund for bonded labor, students' stipends, community education and dialysis support.

The Khushal Pakistan Programmeme - (Poverty Alleviation Programme)

103. Due to the transitory nature of poverty the Khushal Pakistan Programme is a social intervention aimed at generating economic activity through public works. A sum of Rs.11.5 billion has been released under the Khushal Pakistan Programme (Poverty Alleviation Programme) to the districts through provincial governments; while the schemes under the programme have been identified and selected at the district level

through active community participation. This programme has created numerous employment opportunities and is providing essential infrastructure in rural and low-income urban areas. The programme has focused on the construction of farm to market roads, water supply schemes, irrigation spurs and repair and operationalization of schools. Under the IT component of the programme, rural based vocational training in computers is being promoted. The Khushal Pakistan Programme depends on the functioning of district governments under the devolution programme for further importance and local ownership.

104. The cost of the schemes selected under Khushal Pakistan Programme has been kept between Rs 0.05 million to Rs 5.00 million per scheme, in rural areas and Rs 0.05 million and Rs 8.00 million in urban areas. The following criteria have been followed while identifying and analyzing projects for the programme:

- The project should be capable of integration with earlier infrastructure, for instance trunk sewers, roads etc.
- The management and implementation of the projects will be in partnership with the communities. In case of rural roads local councils will take over the projects on completion.
- In each district the local District Coordination Officers (DCOs) will select 25 per cent of the projects in marginalized areas. He will identify areas, in consultation with local NGOs and civil society, where there is a lack of sufficient basic infrastructure and majority of inhabitants belong to low-income groups.
- In cases where existing schemes require major expenditures for rehabilitation, work may be undertaken under the programme, provided that the total cost of such rehabilitation work will not be more than 25 per cent of the allocation for a district.
- The projects will not be of a cost of less than Rs 1 million to prevent a thin spread of funds except in the case of rehabilitation of drinking water supply.
- Khushal Pakistan programme will be utilized for productive purposes and will not be provided for administrative expenditures. Communities will continue to identify projects and implement them under a participatory approach in the Khushal Pakistan Programmeme.

Enhanced Role for NGOs and Civil Society

105. NGOs can play an important role in social service delivery, advocacy, and empowerment. In recent years, the NGO sector has risen to meet the growing demand for social services. Interventions have included empowerment through participatory development at the grassroots level towards raising consciousness about rights and responsibilities, capacity building, and poverty reduction. At the provincial and national level, NGO's are also contributors to policy formulation, planning, and research. NGOs feature strongly in the Government's policy to provide social development and assistance to the vulnerable. The Government provides institutionalized support to NGOs through a range of government ministries including the Ministry of Women Development, Social Welfare and Special Education that is the focal point for NGOs. It also provides financial

support through the National Council for Social Welfare and the National Zakat Foundation and similar bodies in Provincial Governments.

106. The NGO sector is constrained by limited resources, especially financial resources commensurate with their commitments. To address issues relating to capacity and acceptance of NGOs, a successful strategy adopted for the involvement of NGOs in alleviating poverty would involve:

- Developing a consortia or forum of NGOs working on a particular issue.
- Pooling resources and using umbrella NGOs to help build capacity of the smaller NGOs
- ensuring better coordination and exchange of ideas, information and expertise (e.g., the UNICEF sponsored WESNET)

Other Social Protection Mechanisms

107. Pakistan's social security system bypasses a large section of the population, especially in terms of provision of pensions and/or old-age benefits. Although, government employees and their dependents are entitled to pension and medical support only a small fraction of private employers provide such support through Employees Old-age Benefits Institution (EOBI) and associated Provincial Social Security Institutions. The federal government regulates and administers EOBI, which along with provincial institutions provides invalidity support, pensions, and medical care.

Informal Safety Nets

108. Besides programmemes already in progress such as the Khushal Pakistan Proqramme, Zakat and Ushr, the Zakat rehabilitation grant, the pension plan and the workers welfare fund, this strategy proposes a Balochistan specific informal safety net. This strategy proposes the setting up Poverty Reduction Associations of concerned well to do citizens with logistical support from the District Governments to evolve and implement schemes to improve the opportunity, security and empowerment of the vulnerable at the grassroots level. These associations should also be charged with ensuring that all such schemes are environmentally sustainable and biodiversity conserving and provide adequate opportunities to the vulnerable especially women. In addition these associations can serve as the focal mechanism for the supervision and distribution of basic cooked food (*dal* and *roti* at designated *tanoors*) to the destitute in each locality through informal collections from philanthropists in and around the area.

CHAPTER 5. THE MEDIUM TERM BUDGET FRAMEWORK

1. Defining the medium term budgetary framework for PRSP is the most significant aspect of the whole exercise. A review of the past trends is presented in the Annex !. These trends indicate the extremely small proportion of revenues from own sources. The bulk of the expenditures are met from Federal transfers and Grants. The data in the annex also shows the declining share of real expenditures on economic services and community services and the almost constant social sector expenditures. It is proposed that in time the indicators developed through the MICS will form part of the basis for the allocations under the Provincial Finance Commission Awards.

2. Based on the published Budget of Balochistan 2002-03 two scenarios are constructed below. The worst case scenario which assumes that All Receipts incl Foreign assistance to grow at 6% p.a. current expenditures are assumed to grow at 9% p.a. except subsidies which will continue based on the actuals reported by the Secretary Finance. It is also assumed that Federal, Provincial and Foreign Assistance Receipts will grow at only 6% p.a. In this scenario development expenditures met from local resources are assumed to grow at 11% p.a. This scenario generates an increasing budgetary deficit.

3. The details under this scenario are presented in Table 5.1 below. The allocation of poverty reducing expenditures based on the resource availability under this scenario are presented in Table 5.2.

4. The best case scenario is presented in Table 5.3 Under this scenario Notes and Assumptions on Best Case Scenario. Receipts are expected to jump up by Rs 6 bln (Rs. 3 bln in Finance award and Rs 3 bln in GDST) in the base year. It is assumed that Federal and Provincial receipts will grow at 12% and Foreign Assistance Receipts and development Expenditures are assumed to grow at 11% p.a. Current Expenditures are assumed to grow at 9% p.a. except subsidies on actual. This scenario generates an increasing surplus. The allocation of expenditures based on this scenario are presented in Table 5.4

Table 5.1 WORST CASE SCENARIO
Medium Term Budgetary Framework
Balochistan

	(Million Rs.)				
	BE	RE	Projections		
	2002/03	2002/03	2003/04	2004/05	2005/06
Receipts	27,796.9	25,304.6	26,667.2	28,344.8	30,123.0
Federal	24,896.2	23,722.9	25,146.3	26,655.1	28,254.4
Provincial	1,538.3	1,338.3	1,418.6	1,503.7	1,593.9
Net from Capital Receipts	-1,292.1	-1,292.1	-1,292.1	-1,292.1	-1,292.1
KPP		220.0			
<i>Foreign Assistance (on-going)</i>	<i>2,654.5</i>	<i>1,315.5</i>	<i>1,394.5</i>	<i>1,478.1</i>	<i>1,566.8</i>
Foreign Grants: DERA/DIMRC		1,304.6			
Special Foreign Grants: Access to Justice		48.0	314.0	314.0	314.0
Expenditures					
Current Expenditures	19,756.8	23,356.8	25,224.9	27,261.2	28,780.7
Running of the Provincial Government	9,150.6	9,150.6	9,974.2	10,871.8	11,850.3
<i>General Administration</i>	<i>1,991.8</i>	<i>1,991.8</i>	<i>2,171.1</i>	<i>2,366.5</i>	<i>2,579.4</i>
<i>Law and Order</i>	<i>2,863.0</i>	<i>2,863.0</i>	<i>3,120.7</i>	<i>3,401.5</i>	<i>3,707.7</i>
<i>Community Services</i>	<i>806.2</i>	<i>806.2</i>	<i>878.8</i>	<i>957.8</i>	<i>1,044.1</i>
<i>Social Services</i>	<i>2,083.3</i>	<i>2,083.3</i>	<i>2,270.8</i>	<i>2,475.2</i>	<i>2,697.9</i>
<i>Economic Services</i>	<i>1,406.3</i>	<i>1,406.3</i>	<i>1,532.9</i>	<i>1,670.8</i>	<i>1,821.2</i>
Subsidies	500.0	2,600.0	2,600.0	2,600.0	1,900.0
Obligatory Expenditure	2,312.0	3,812.0	4,155.1	4,529.0	4,936.7
Provincial Allocable for Districts	7,794.2	7,794.2	8,495.7	9,260.3	10,093.7
Development	10,036.5	6,467.1	6,855.2	7,266.5	77,02.5
Provincial Development Expenditures	8,510.9	5,484.1	5,813.1	6,161.9	6,531.6
Districts Development Expenditures	1,525.6	983.1	1,042.0	1,104.6	1,170.8
To be met from local resources		5,151.6	5,460.7	5,788.3	61,35.63
<i>of which, KPP</i>		<i>220.0</i>			
To be met from foreign assistance		1,315.5	1,394.5	1,478.1	1,566.8
<i>of which, DERA/DIMRC</i>		<i>1,304.6</i>			
<i>of which, Access to Justice</i>		<i>48.0</i>	<i>314.0</i>	<i>314.0</i>	<i>314.0</i>
Balance/Deficit	-1,996.4	-4,519.3	-5,412.8	-6,182.8	-6,360.1

Notes and assumptions on Worst case Scenario:

1. DERA/DIMRC and KPP shown as separate line items on both receipts as well as expenditures.
2. Expenditure on pensions is shown against the Obligatory Expenditure
3. Subsidies include Rs. 2,100 million of repayment to center plus Rs. 500 million on exiting Subsidies
4. Obligatory Expenditure includes Rs 1,500 million on account of additional debt services
5. All receipts, including foreign assistance, to grow at 6% p.a.
6. Current Expenditure assumed to grow at 9% p.a. except subsidies on actual, federal, provincial and foreign assistance receipts to grow at 6% p.a.
7. Development Expenditure met from local resources to grow at 11% p.a..

Table 5.2: Sectoral Allocations Under Worst Case Assumptions**(Million Rs.)**

	PSDP Share			Projections		
	RE 2002/03	in RE 2002/03	Adjusted 1/	2003/04	2004/05	2005/06
Agriculture	178.5	2.8%	2.8%	189.2	200.6	212.6
Livestock	45.3	0.7%	0.7%	48.0	50.9	53.9
Forestry	32.3	0.5%	0.5%	34.3	36.3	38.5
Wildlife	1.9	0.0%	0.0%	2.1	2.2	2.3
Industries	2.6	0.0%	0.0%	2.7	2.9	3.1
Sports Tourism	25.9	0.4%	0.4%	27.4	29.1	30.8
Physical Planning & Housing	355.7	5.5%	7.6%	519.6	550.8	583.8
Roads	2,661.2	41.1%	41.2%	2,820.9	2,990.2	3,169.6
Water	997.2	15.4%	15.4%	1,057.1	1,120.5	1,187.7
Education	608.6	9.4%	18.3%	1,252.4	1,327.6	1,407.2
Health	230.2	3.6%	4.6%	312.6	331.4	351.2
Social Welfare	9.7	0.1%	0.2%	10.3	10.9	11.6
Rural Development	9.7	0.1%	0.2%	10.3	10.9	11.6
Environment	44.6	0.7%	0.7%	47.3	50.1	53.1
Sp Programme Gov sp fund	190.1	2.9%	2.9%	201.5	213.6	226.5
Studies & Research	38.2	0.6%	0.6%	40.4	42.9	45.4
Other Schemes	265.8	4.1%	4.1%	281.7	298.7	316.6
SAP PHE	134.5	2.1%				
SAP Education	573.0	8.9%				
SAP Health	64.7	1.0%				
PSDP	6,467.1	100.0%	100.0%	6,855.2	7,266.5	7,702.5

1/ Adjusted shares are based on increased share of poverty reducing sectors.

Table 5.3. BEST CASE SCENARIO
Medium Term Budgetary Framework
Balochistan

	(Million Rs.)				
	BE	RE	Projections		
	2002/03	2002/03	2003/04	2004/05	2005/06
Receipts	27,796.9	31,304.6	34,960.6	39,300.7	44,160.5
Federal	24,896.2	29,722.9	33,289.6	37,284.4	41,758.5
Provincial	1,538.3	1,338.3	1,498.9	1,678.8	1,880.2
Net from Captial Receipts	-1,292.1	-1,292.1	-1,292.1	-1,292.1	-1,292.1
KPP		220.0			
Foreign Assitance (on-going)	2,654.5	1,315.5	1,464.2	1,629.7	1,813.8
Special Foreign Grants: DERA/DIMRC		1,304.6			
Special Foreign Grants: Access to Justice		48.0	314.0	314.0	314.0
Expenditures					
Current Expenditures	19,756.8	23,356.8	25,224.9	27,261.2	28,780.7
Running of the Provincial Government	9,150.6	9,150.6	9,974.2	10,871.8	11,850.3
<i>General Administration</i>	1,991.8	1,991.8	2,171.1	2,366.5	2,579.4
<i>Law and Order</i>	2,863.0	2,863.0	3,120.7	3,401.5	3,707.7
<i>Community Services</i>	806.2	806.2	878.8	957.8	1,044.1
<i>Social Services</i>	2,083.3	2,083.3	2,270.8	2,475.2	2,697.9
<i>Economic Services</i>	1,406.3	1,406.3	1,532.9	1,670.8	1,821.2
Subsidies	500.0	2,600.0	2,600.0	2,600.0	1,900.0
Obligatory Expenditure	2,312.0	3,812.0	4,155.1	4,529.0	4,936.7
Provincial Allocable for Districts	7,794.2	7,794.2	8,495.7	9,260.3	10,093.7
Development	10,036.5	6,467.1	7,178.5	7,968.2	8,844.7
Provincial Development Expenditures	8,510.9	5,484.1	5,813.1	6,161.9	6,531.6
Districts Development Expenditures	1,525.6	983.1	1,042.0	1,104.6	1,170.8
To be met from local resources		5,151.6	5,718.3	6,347.3	7,045.5
<i>of which, KPP</i>		220.0			
To be met from foreign assistance		1,315.5	1,460.3	1,620.9	1,799.2
<i>of which, DERA/DIMRC</i>		1,304.6			
<i>of which, Access to Justice</i>		48.0	314.0	314.0	314.0
Balance	-1,996.4	1,480.7	2,557.2	4,071.4	6,535.1

Source Finance Department Government of Balochistan Budget 2002-03/ Revisions Secretary of Finance

Notes and Assumptions on Best Case Scenario:

1. Expenditure on pensions is shown against the Obligatory Expenditure.
2. Subsidies include Rs. 2,100 million on repayment to centre plus Rs. 500 on exiting subsidies.
3. Obligatory Expenditure includes Rs 1,500 million on account of additional debt services.
DERA/DIMRC and KPP shown as separate line items on both receipts as well as expenditures.
4. Receipts to jump up by Rs 6 billion (Rs. 3 billion in Finance award and Rs 3 billion in GDST)
5. Federal and provincial receipts to grow at 12% and foreign assistance receipts and development expenditure to grow at 11% p.a.
6. Current Expenditure assumed to grow at 9% p.a., except subsidies on actual.

Table 5.4: Sectoral Allocations Under Best Case Scenario

(Million Rs.)

	PSDP Share			Projections		
	RE 2002/03	in RE 2002/03	Adjusted 1/	2003/04	2004/05	2005/06
Agriculture	213.3	2.8%	2.8%	268.7	332.3	424.5
Livestock	54.1	0.7%	0.7%	68.1	84.3	107.7
Forestry	38.6	0.5%	0.5%	48.7	60.2	76.9
Wildlife	2.3	0.0%	0.0%	2.9	3.6	4.6
Industries	3.1	0.0%	0.0%	3.9	4.8	6.2
Sports Tourism	30.9	0.4%	0.4%	38.9	48.2	61.5
Physical Planning & Housing	425.0	5.5%	7.6%	738.0	912.6	1,165.7
Roads	3,180.0	41.2%	41.2%	4,006.2	4,954.3	6,328.5
Water	1,191.6	15.4%	15.4%	1,501.2	1,856.5	2,371.4
Education	727.2	9.4%	18.3%	1,778.7	2,199.6	2,809.7
Health	275.1	3.6%	4.6%	443.9	549.0	701.3
Social Welfare	11.6	0.2%	0.2%	14.6	18.1	23.1
Rural Development	11.6	0.2%	0.2%	14.6	18.1	23.1
Environment	53.3	0.7%	0.7%	67.2	83.1	106.1
Sp Programme Gov sp. fund	227.2	2.9%	2.9%	286.2	354.0	452.1
Studies & Research	45.6	0.6%	0.6%	57.4	71.0	90.7
Other Schemes	317.6	4.1%	4.1%	400.1	494.8	632.1
SAP PHE	160.7	2.1%				
SAP Education	684.7	8.9%				
SAP Health	77.3	1.0%				
PSDP	7,727.8	100.0%	100.0%	9,735.7	12,039.6	15,379.8

1/ Adjusted shares are based on increased share of poverty reducing sectors

CHAPTER 6. MONITORING AND EVALUATION MECHANISMS IN THE BALOCHISTAN PRSP

1. The PRSP for Pakistan provides an elaborate framework for monitoring poverty outlining the various data and technical issues surrounding the choice of indicators to track progress on poverty alleviation as well as the output indicators that would provide continuous feedback to policy makers in the progress being made to realize the strategic goals. The latter is especially useful to identify bottlenecks, set priorities and reorient strategies to reach the target goals. The PRSP monitoring framework includes a set of indicators that track policy inputs, their outputs and progress towards intended policy outcomes

2. The monitoring framework of PRSP includes:

- Institutional arrangements that are needed to make this monitoring system work;
- Framework of indicators to be monitored;
- Process of identifying and implementing steps necessary to strengthen or develop existing information sources; and
- Arrangements that need to be put in place for interpreting the monitored indicators and feeding conclusions back into management and policy change.

Table 6.1 Proposed Balochistan PRSP Tracking/Monitoring Indicators

Area/Indicator	End Period Target (FY06)	Source of Indicator Information
1. Overall		
Provincial Growth Rate	4 to 5% p.a.	P&DD
Poverty (caloric)	33% reduction from its level of 41% in FY99	Pⅅ MICS, PIHS survey every two years
2. Public Finance		
Tax Revenue Growth Rate	2% p.a.FY04 & FY05	Department of Finance, Quarterly Fiscal Monitoring Reports: ABS etc.
Non-Tax Revenue Growth Rate	15% p.a. FY04 – FY-06	-do-
User Charges	5% increase over FY04-06	-do-
Pro-poor PRSP Expenditure to Districts	13.4% p.a. FY04-FY06	-do-
Maintain Timely Comprehensive and Reconciled Fiscal Data using new Accounting Model	50% computerization and reconciliation of civil accounts	Department of Finance/ Accountant General's office
3. Social Sectors		
Gross Primary Enrollment Rate	75% (up from 62%)	PIHS, Annual BEMIS, MICS, Annual Monitoring Reports of Education Sector Reform Unit, Third Party Surveys
Gross Primary Enrollment Rate (Female)	50% (up from 44%)	PIHS, Annual BEMIS, MICS, Annual Monitoring Reports of Education Sector Reform Unit, Third Party Surveys
Reduction in Primary School Drop Out Rates	20% (down from 30%)	PIHS, Annual BEMIS, MICS, Annual Monitoring Reports by Education Sector Reform Unit; Third Party Surveys
Girls Schools provided essential physical facilities	60% by FY06	-do-
Immunization of Children less than 2 years of age	70% (up from 34%)	PIHS, Annual HMIS, MICS,. Annual Report of the Health Sector Reform Unit, Third Party Surveys
Population with access to TB control using DOTS	90% by end FY06	--do-
Antenatal coverage of pregnant women by health professionals	35% (up from 21%)	Do-
Contraceptive Prevalence Rate	30% by end FY06	--do--
4. Infrastructure		
Population with access to safe drinking water	50% (up from 23%)	PIHS, MICS, Annual Report of C&WD, Third Party Surveys
Proportion of Roads classified in poor condition	40% (down from 60%)	PIHS, MICS, Annual Report of C&WD, Third Party Surveys
New Roads (National)	100 Km per year 2470 Km National 34,000 Km Provincial 17,700 KM	

3. In addition to the Monitoring and Evaluation mechanism built into the National PRSP process the specific aspects of the key monitoring indicators and the institutional mechanisms for their implementation in the Balochistan are presented in the table below:

4. The baseline data for the M&E will come from the PIHS, EMIS and HIMS. In addition, for Education, the PRSP for Balochistan will target and track the net enrollment targets based on the MICS. The district-level rankings will be based on MICS. Annual racking of key social indicators will be done annually through CWIQ.

5. In the national PRSP it is proposed that as part of the provincial consultations, nationally consistent measurement methodology will be developed in order to prepare poverty lines, which are consistent over time and space. For this purpose data collected by the Federal Bureau of Statistics (FBS) through the Pakistan Integrated Household Surveys (PIHS) will be utilized. PIHS, is however, not designed for analysis at the district level, and this shortcoming will be addressed through increased technical capacity at the provincial level. Additionally, other sources of data will be identified and their capacity for meeting district level data requirements strengthened, so that intermediate/output indicators (success drivers) can be tracked. The MICS will offer one such medium.

6. In terms of evaluating progress on the final indicators in the national PRSP, it is envisaged that the provinces will identify focal points within their respective Planning and Development Departments. These monitoring units will track progress, in close coordination with district governments, on intermediate and outcome indicators and report periodic progress to the national PRSP monitoring and evaluation unit, the Centre for Research on Poverty Reduction and Income Distribution (CRPRID), at the Planning Commission.

7. Evidently, instituting a comprehensive mechanism for preparation and monitoring of PRSP will call for creation of significant capacities at various government levels and in different departments. Four key areas where this need is particularly pressing are PRSP preparation (dialogue with civil society, poverty assessment), monitoring (data collection, impact assessment), statistics (covering all PRSP indicators) and special studies and surveys (deeper and continuous analysis of poverty profile in selected areas). These needs cut across all governments, federal, provincial and district.

8. According to the national PRSP the costs involved in creating these capacities will cover temporary recruitment, procurement of office equipment, provision of advisory services and hiring of consultants to undertake special studies. Detailed estimates for these costs are being worked out but it is roughly estimated that a technical assistance to the tune of \$50 million over three years will be required to fully cater for these needs across all governments.

9. At the Provincial level, however, the progress so far, as well as the next steps required for the institutionalization of the Monitoring and Evaluation System for the Balochistan are summarized in the Table below:

Table 6.2: Monitoring and Evaluation – The Progress so far and the Next Steps

Objective	Progress so far	Actions Required
<p>Monitoring & Evaluation (M&E) System</p> <p>Mechanism for more informed governance. Better targeting of poverty and social programmes. Better tracking of performance.</p>	<p>Complete the Multiple Indicator Cluster Survey (MICS), 2003).</p> <p>Approve a programme for independent third party monitoring and user surveys.</p>	<p>Repeat the MICS every 3-4 years (FY06). Use the survey results for policy direction, poverty programmes, and better service delivery (FY04-06). Undertake user surveys annually; and disseminate findings publicly (FY04-06). Collection of reliable provincial economic data by the Planning Department/Federal Bureau of Statistics (FBS) (FY04-06). Prepare and make public annual M&E reports by Reform Units (FY04-06), and post on website.</p>
<p>Reform Implementation: Successful implementation of reforms.</p>	<p>Establish an Economic Reform Unit in the Finance Department reporting to the Governor/Chief Executive on a quarterly basis. Approve a communication and dissemination strategy on reform implementation.</p>	<p>Monitor reform implementation as per the programme, suggest adjustments, and help prepare the rolling 3-year MTBF (FY04-06) Implement communication and dissemination strategy.</p>

ANNEX 1: District Level Statistics

Annex Table 1: Population Statistics of Balochistan by Districts

Districts	Population	Pop Density	Broad age group distribution			Population growth rate (%)	Fertility Rate	% of urban Population	Population will double by (year)
			<15	15-64	65 +				
Balochistan	6,565,885	18.9	46.7	50.8	2.5	2.47	5.4	23.9	2029
Awaran	118,173	4.0	46.7	50.9	2.4	0.40	5.6	0.0	2069
Barkhan	103,545	29.5	44.9	52.1	3.0	3.09	5.2	7.4	2025
Bolan	288,056	38.4	44.8	52.3	2.9	1.15	6.2	13.7	2043
Chaghi	202,564	4.0	48.1	49.6	2.3	3.10	5.0	17.7	2021
Dera Bhughti	181,310	17.8	47.6	49.8	2.6	3.33	5.9	8.5	2019
Gawadar	185,498	14.7	45.7	51.7	2.6	2.99	4.8	54.0	2033
Jafarabad	432,817	177.0	44.7	52.6	2.7	2.98	4.9	19.8	2028
Jhalmagsi	109,941	30.4	46.2	51.1	2.7	2.86	4.7	7.4	2036
Kalat	237,834	35.9	48.4	49.1	2.5	0.76	5.1	14.2	2037
Kech	413,204	18.3	47.1	50.4	2.5	0.50	6.7	16.6	2024
Kharan	206,909	4.3	47.6	49.5	2.9	2.86	5.6	13.4	2029
Khuzdar	417,466	11.8	46.6	50.4	2.7	2.45	5.6	28.3	2024
Killa Abdullah	370,269	112.4	49.7	48.0	2.4	4.46	5.9	15.3	2018
Killa Saifullah	193,553	28.3	51.2	46.4	2.4	1.58	5.7	13.1	2040
Kohlu	99,846	13.1	41.5	55.7	2.8	2.00	4.4	9.7	2068
Lasbela	312,695	20.6	43.6	53.4	3.0	3.03	4.7	36.9	2024
Loralai	297,555	30.3	43.8	53.3	2.8	1.40	5.0	11.8	2037
Mastung	164,645	27.9	44.9	51.9	2.6	1.31	5.7	14.9	2092
Musakhail	134,056	23.4	51.4	45.5	3.1	2.29	5.1	8.6	2022
Nasirabad	245,894	72.6	44.6	52.6	2.8	3.86	4.7	15.6	2016
Pishin	367,183	47.0	52.3	45.8	1.9	3.57	8.0	6.3	2026
Punjur	234,051	13.9	54.4	43.8	1.8	2.23	5.9	9.1	2024
Quetta	759,941	286.4	42.0	56.0	2.0	4.13	4.7	25.6	2019
Sibi	180,398	23.1	42.4	54.7	2.9	3.62	5.2	32.1	2025
Zhob	275,142	13.6	52.1	45.5	2.4	1.51	5.7	15.9	2042
Ziarat	33,340	22.4	47.4	50.2	2.3	0.21	5.2	1.9	2025

Source: Population Census (1998)

Annex Table 2: Land Utilization Statistics in Balochistan 2000-01

District	Geographical Area	Reported Area	Total Cultivated Area	Total Cropped Area	Total Uncultivated Area
Balochistan (Ha)	34,719,052	19,365,112	2,066,717	9,258	17,298,395
Quetta	And 0.8%	0.7%	2.2%	0.3%	0.5%
Pishin	3.2%	1.5%	4.9%	0.4%	1.1%
Chaghi	14.6%	16.8%	3.0%	0.1%	18.5%
Loralai	2.8%	1.6%	5.9%	0.4%	1.1%
Musa Khail	1.6%	0.2%	0.5%	0.0%	0.2%
Barkhan	1.0%	0.6%	1.3%	4.2%	0.5%
Zhob	4.8%	1.2%	1.7%	0.4%	1.1%
Killa Saifullah	3.1%	2.2%	7.4%	0.3%	1.5%
Sibi	1.8%	1.4%	6.5%	0.7%	0.8%
Ziarat	0.9%	0.4%	0.5%	0.1%	0.4%
Kohlu	2.2%	0.3%	1.3%	0.1%	0.1%
Dera Bugti	2.9%	0.3%	0.9%	0.0%	0.2%
Nasirabad	1.0%	1.1%	8.9%	41.0%	0.1%
Jaffarabad	0.7%	1.2%	10.2%	46.4%	0.2%
Bolan	1.0%	1.7%	3.3%	1.3%	1.5%
Jhal Magsi	2.2%	3.8%	9.1%	2.7%	3.2%
Kalat	1.9%	3.3%	4.9%	0.2%	3.1%
Mastung	1.7%	1.7%	9.7%	0.4%	0.7%
Khuzdar	18.7%	27.4%	6.0%	0.1%	30.0%
Kharan	13.8%	18.6%	3.1%	0.1%	20.4%
Lasbela	3.6%	6.5%	3.7%	0.5%	6.8%
Turbat	6.5%	2.9%	2.5%	0.1%	2.9%
Punjgoor	4.9%	3.5%	1.5%	0.1%	3.7%
Gawadar	4.4%	1.3%	0.8%	0.0%	1.3%

Source: Balochistan Development Statistics (2001-02)

Annex Table 3: Area Irrigated by Source and by District in Balochistan 2000-01

	Total (Ha)	Canal (%)	Well (%)	Tubewell (%)	Karez/ Spring/ Others (%)
Balochistan	82,5016	59.37	2.48	27.86	10.29
Quetta	13,327	0.00	0.00	95.50	4.50
Pishin	37,897	2.64	0.00	76.25	21.11
Chaghi	22,175	1.80	5.41	83.54	9.24
Loralai	33,500	5.97	0.00	71.64	22.39
Musa Khail	3,342	0.00	8.98	72.71	18.31
Barkhan	13,720	3.83	22.96	22.19	51.02
Zhob	13,830	2.89	12.65	33.84	50.61
Killa Saifullah	24,399	0.00	2.19	91.19	6.62
Sibi	15,838	88.39	0.00	7.50	4.10
Ziarat	4,430	0.00	81.26	7.45	11.29
Kohlu	5,607	0.00	2.68	93.76	3.57
Dera Bughti	4,000	0.00	2.50	90.00	7.50
Nasirabad	16,1171	99.40	0.22	0.37	0.00
Jaffarabad	21,5850	99.69	0.14	0.17	0.00
Bolan	25,665	83.77	0.23	12.10	3.90
Jhal Magsi	20,925	90.80	1.43	5.38	2.39
Kalat	19,912	0.00	2.41	79.01	18.58
Mastung	26,460	0.00	2.27	93.95	3.78
Khuzdar	60,480	36.38	3.31	25.60	34.72
Kharan	25,457	0.00	1.96	54.83	43.21
Lasbela	16,191	3.71	2.53	62.26	31.50
Turbat	40,660	56.57	5.31	33.20	4.92
Punjgoor	17,190	58.17	13.67	22.34	5.82
Gawadar	2,990	0.00	5.02	8.03	86.96

Source: Balochistan Development Statistics (2001-02)

Annex Table 4: Male-Female Ratio for Enrolment at Various Levels

District	Primary	Middle	High
Balochistan	1.57	2.19	2.54
Quetta	1.06	1.10	1.27
Pishin	1.72	3.69	4.73
Chagai	1.12	1.81	2.35
Killa Abdullah	4.36	11.06	10.06
Zhob	2.66	5.11	3.40
Loralai	1.98	3.35	3.60
Kila Saifullah	1.73	2.01	3.11
Musa Khail	1.88	3.80	3.54
Barkhan	1.47	5.45	13.56
Sibi	1.16	2.28	2.69
Ziarat	1.45	5.33	10.75
Kohlu	1.96	5.07	12.36
Dera Bugti	6.10	14.11	27.06
Jaffarabad	1.80	40.85	5.46
Nasirabad	1.75	5.42	8.37
Jhal Magsi	1.97	4.61	9.13
Bolan	2.12	2.96	4.45
Kalat	1.22	1.93	2.36
Mastung	1.91	1.77	1.77
Khuzdar	1.69	2.27	6.22
Kharan	1.62	2.33	3.88
Lasbela	1.54	3.35	3.82
Awaran	1.68	3.01	9.10
Turbat	1.18	1.75	2.14
Gawader	1.28	2.25	3.45
Panjgur	1.20	1.51	1.68

Source: Balochistan Development Statistics (2000-01)

Annex Table 5: Health Facilities in Balochistan by Districts

	No. of hospitals	No. of basic health facilities	% of immunized children age under 10 years
BALUCHISTAN	73	1438	52.16
AWARAN	0	19	31.34
BARKHAN	1	26	52.63
BOLAN	1	57	48.99
CHAGHI	1	51	63.08
DERA BHUGHTI	2	55	27.26
GAWADAR	1	51	65.45
JAFARABAD	3	73	49.34
JHALMAGSI	1	31	32.06
KALAT	1	68	50.8
KECH	1	82	63.21
KHARAN	1	61	49.15
KHUZDAR	1	64	36.3
KILLA ADULLAH	2	45	49.87
KILLA SAIFULLAH	2	29	46.34
KOHLU	1	64	22.72
LASBELA	2	72	43.58
LORALAI	2	93	58.24
MASTUNG	1	32	54.3
MUSAKHAIL	0	22	34.14
NASIRABAD	1	28	52.58
PISHIN	1	59	55.09
PUNJGUR	1	35	65.99
QUETTA	26	66	74.65
SIBI	3	43	32.22
ZHOB	1	53	53.34
ZIARAT	1	17	71.62

Source: Population Census (1998)

Annex Table 6: Household Characteristics in Balochistan by Districts

Districts	Persons per household	Persons per room	% of pop having one room	% of HH with piped water	% of HH w/o latrine	% of HH with electricity
Balochistan	6.7	3.1	42.77	25.3	52.16	46.6
Awaran	5.4	3.6	70.699	7.03	72.14	0.42
Barkhan	7.1	2.6	30.11	9.72	82.17	36.87
Bolan	7.3	2.2	33.15	15.15	41.38	49.78
Chaghi	6.7	3.05	37.13	27.81	74.54	30.34
Dera Bhughti	6.2	3.44	55.92	13.91	89.9	15.65
Gawadar	5.5	1.3	80.75	45.43	68.75	34.79
Jafarabad	7.1	4.4	60.71	17.08	74.96	64.71
Jhalmagsi	6.8	1.7	56.5	13.8	56.31	32.01
Kalat	6.8	2.52	22.54	13.23	65.84	45.16
Kech	5.1	3.9	77.9	20.4	54.14	38.12
Kharan	5.8	4.14	75.15	9.38	84.1	20.08
Khuzdar	5.4	2.7	48.82	7.6	78.98	32.65
Killa Adullah	8	2.42	13.97	50.7	27.22	74.49
Killa Saifullah	7	2.5	20.96	13.52	84.42	41.16
Kohlu	6.4	2.9	45.47	7.1	89	13.87
Lasbela	6.2	4.1	72.03	12.86	70.83	28.92
Loralai	7.4	2.47	18.67	54.21	21.07	60.61
Mastung	7.9	3.3	14.06	24	43.44	72.72
Musakhail	7	2.5	34.77	5.78	89.88	3.31
Nasirabad	6.4	3.77	57.34	15.21	77.75	60.62
Pishin	6.8	2.34	18.1	50.44	27.11	75.58
Punjgur	6.2	2.4	39.81	1.08	30.76	5.19
Quetta	8.5	3	14.18	79.75	5.53	94.07
Sibi	6.9	2.1	45.42	41.38	68.05	53.96
Zhob	7.9	2.68	19.5	18.11	70.77	34.79
Ziarat	7.4	2.55	19.16	33.16	62.17	81.86

Source: Population Census (1998)

Annex Table 7: Labour Force Participation in Balochistan by Districts

Districts	Labour force in population age 10 and over (%)			Proportion of employed labor force in agriculture
	Both sexes	Male	Female	
Balochistan	36.45	65.88	2.07	45.54
Awaran	39.97	72.11	4.67	46.79
Barkhan	28.15	51.51	1.21	70.32
Bolan	37.32	67.56	1.02	72.19
Chaghi	34.92	62.99	1.15	20.33
Dera Bhughti	43.42	74.45	5.45	53.18
Gawadar	37.82	68.89	1.83	43.76
Jafarabad	37.15	68.37	2.91	70.87
Jhalmagsi	40.53	72.02	3.43	79.36
Kalat	38.87	71.88	2.07	68.34
Kech	32.14	60.89	1.6	29.98
Kharan	36.56	66.47	4.3	62.81
Khuzdar	38.69	71.95	0.4	59.17
Killa Adullah	38.6	69.89	0.42	39.23
Killa Saifullah	38.02	69.18	1.82	46.76
Kohlu	40.77	67.77	6.12	47.66
Lasbela	39.49	70.67	2.1	35.39
Loralai	36.9	66.88	2	40.25
Mastung	36.44	66.9	0.63	49.9
Musakhail	42.32	71.56	1.23	62.22
Nasirabad	35.32	65.66	1.37	78
Pishin	31.91	59.87	0.74	52.21
Punjgur	32.74	61.39	0.43	53.82
Quetta	32.96	57.59	2.7	6.96
Sibi	30	48.61	7.52	73.85
Zhob	45.12	79.88	0.8	32.32
Ziarat	15.16	28.14	1.15	45.85

Source: Population Census (1998)

Annex 2.1: Revenue and Expenditures of Balochistan (1980/81 Million Rs.)

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02
Receipts											
1. Federal Transfers	3,541.4	3,696.9	3,570.1	3,556.5	3,605.7	3,289.4	3,531.3	3,310.0	4,406.0	4,576.5	4,950.6
Tax Assignments	1,124.4	1,180.5	1,307.2	1,428.5	1,658.9	1,644.8	1,283.4	1,289.8	1,426.5	1,512.4	1,489.8
Shared Taxes	1,124.4	1,180.5	1,307.2	1,428.5	1,658.9	1,644.8	1,283.4	1,289.8	1,426.5	1,512.4	1,489.8
Streight Transfers	2,372.4	2,475.4	2,226.6	2,128.0	1,946.8	1,201.9	1,260.9	985.3	1,825.8	1,816.7	1,869.4
Excise Duty	331.0	321.0	298.3	496.9	397.6	398.0	408.0	369.3	370.5	344.7	293.3
Royalty on Gas	118.1	140.1	170.5	160.9	202.6	196.7	194.4	146.2	107.5	200.3	153.7
Gas Dev.Surcharge.	1,923.3	2,014.4	1,757.7	1,470.2	1,346.6	607.1	658.5	469.8	1,347.9	1,271.8	1,402.3
G.S.T. Provincial.											20.2
Grants/Loans	44.6	40.9	36.3			442.7	987.0	1,034.9	1,153.6	1,247.4	1,591.3
Special Grants	44.6	40.9	36.3			442.7	987.0	1,034.9	1,064.3	993.1	966.5
OZ Grant									89.3	61.6	40.2
Drought										192.6	
KPP											322.2
DERA											262.4
2. Provincial Revenues	167.2	261.5	155.3	169.6	195.8	166.9	144.8	145.9	262.6	228.4	257.8
Tax Revenue	65.0	153.7	50.8	56.8	63.9	63.9	59.4	65.9	90.5	97.7	100.8
Direct Taxes	16.8	111.1	9.8	11.5	11.5	12.4	12.2	15.0	15.5	17.8	16.4
Agriculture Tax.								0.6	0.1	0.3	0.9
Property Tax.	3.9	5.3	4.1	4.6	5.1	5.0	5.1	5.1	8.9	11.1	9.3
Transfer of Property Tax.	2.9	2.8	1.7	2.5	2.2	1.9	2.3	2.2	1.0	1.2	1.2
Land Revenue.	9.8	4.3	3.8	4.3	4.0	5.4	4.7	6.9	5.1	4.9	4.4
Capital Gain Tax.	0.1	98.7	0.1	0.1	0.0	0.1	0.0	0.0			
Worker Welfare Tax.											0.3
Professional Tax.	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.1	0.4	0.3	0.2
Indirect Taxes	48.1	42.6	41.0	45.4	52.4	51.5	47.3	51.0	74.9	80.0	84.4
Sales Tax.											1.0
Provincial Excise	1.9	3.8	4.3	11.7	15.2	14.1	12.2	17.0	21.6	29.0	32.6
Stamp Duty	11.9	8.0	10.9	9.2	7.5	9.9	9.2	10.1	15.6	12.4	12.8
Motor Vehicles	28.4	24.0	21.7	20.3	27.5	24.5	21.9	21.7	30.4	32.7	29.8
Other Indirect Taxes	6.0	6.8	4.0	4.2	2.3	3.1	4.0	2.1	7.3	5.8	8.1
Non-Tax Revenue	102.3	107.8	104.5	112.8	131.9	103.0	85.4	79.9	172.2	130.7	157.0
Interest	2.1	0.0	0.0	0.0	0.3	0.0	0.1		0.0		
Dividends.	0.3	2.3	3.8	0.1	1.5	0.2	1.9		0.3	1.2	2.0
General Administration	0.3	0.5	0.5	0.7	0.6	0.9	0.9	1.3	0.9	4.4	1.8
Law and Order	12.2	9.6	11.8	11.3	13.7	7.9	12.3	9.8	11.6	21.6	11.7

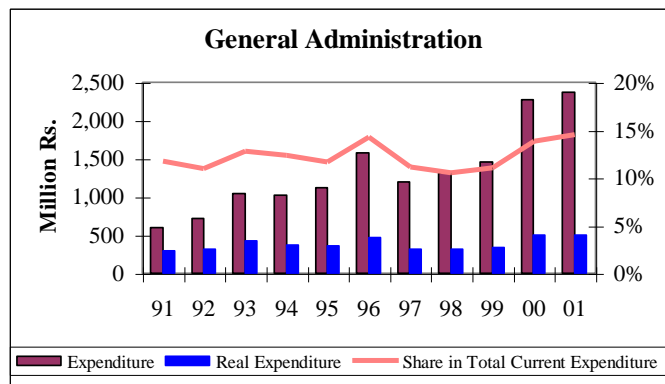
Social Srevice	15.2	11.9	11.4	14.8	11.1	7.5	10.4	10.8	9.3	9.5	19.0
Usher.											1.0
Civil Works.											9.7
Public Health.	0.9	4.0	1.0	3.6	0.9	0.7	1.8	1.8	1.0	1.5	2.0
Education.	5.6	2.1	4.9	3.3	2.9	2.6	3.2	2.8	3.3	1.8	1.5
Health.	2.1	2.0	2.3	1.3	2.8	2.8	3.9	2.9	3.4	3.5	4.6
Other Social Sectors	1.0	0.4	0.3	0.3	0.1	0.1	0.1	0.1	0.3	0.2	0.1
Economic Services	54.6	53.5	46.5	58.7	74.6	33.3	37.1	44.6	34.3	65.0	52.4
Agriculture.	29.1	30.9	26.0	36.2	44.3	9.5	15.2	21.8	12.1	25.4	27.9
Fisheries.	4.3	2.3	0.5	1.4	0.9	0.6	0.7	0.2	1.1	1.4	0.6
Animal Husbandary.	6.9	8.5	9.9	9.0	8.1	6.3	6.6	4.3	4.3	18.6	6.4
Forest.	1.9	1.6	1.9	1.8	1.6	2.4	2.6	6.3	0.4	0.3	1.8
Cooperative.	0.2										
Irrigation.	9.7	8.2	7.4	8.5	18.1	13.5	11.1	10.7	14.7	17.5	14.1
Industries.	2.2	0.1	0.1	0.1	0.0	0.0	0.1	0.3	0.4	0.3	0.6
Stationery.	0.2	2.0	0.7	1.8	1.5	1.0	0.8	0.9	1.3	1.4	0.9
Excise Duty.											0.9
Other Misc: Receipt.	17.7	30.1	30.5	27.2	30.2	53.2	22.5	13.4	115.8	28.9	69.0
Grand Total	3,708.6	3,958.4	3,725.4	3,726.2	3,801.5	3,456.4	3,676.1	3,455.9	4,668.6	4,804.9	5,208.4
GDP Deflator (1980/81 = 100)	224.3	244.2	275.2	312.6	338.5	384.0	413.4	437.6	449.8	475.1	497.1

Annex 2.2 -Real Current Expenditure--Balochistan (1980/81 Million Rs.)

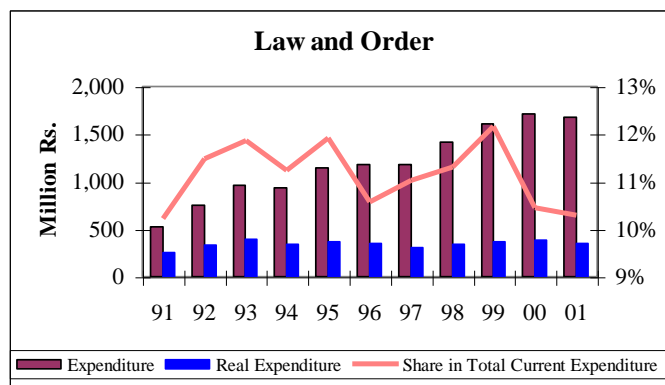
	1990/91	1991/92	1992/93	1993/94	1994/95	1995/96	1996/97	1997/98	1998/99	1999/00	2000/01
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Expenditures											
Provincial Consolidated Fund											
General Administration	292.5	317.7	425.5	371.1	357.0	467.1	310.4	318.1	333.2	505.0	498.5
Law & order	254.9	333.6	394.1	338.6	365.6	347.5	306.7	342.8	367.9	381.5	353.7
Social services	679.9	822.8	886.2	886.4	885.2	951.0	896.3	952.4	982.2	1,146.6	1,127.0
Education	447.6	559.2	614.2	589.9	597.9	665.5	629.7	678.8	725.6	787.3	846.5
Primary	228.0	299.5	342.1	334.6	237.8	275.5	239.7	249.9	273.0	266.3	358.3
Secondary	95.5	121.0	133.0	123.8	210.9	235.4	251.2	277.1	283.9	335.0	311.2
University & College Edu	73.9	86.5	39.6	77.9	81.9	77.8	55.4	65.2	73.1	72.9	63.9
Professional & Technical Edu & Teachers Trng	16.6	16.5	52.8	21.4	24.4	24.3	20.4	23.0	24.7	23.8	25.8
Others	33.5	35.7	46.6	32.1	42.9	52.4	63.0	63.6	70.8	89.3	87.3
Health	189.7	218.6	229.8	249.8	239.0	242.6	230.4	233.4	216.4	269.9	240.1
General Hospitals & Clinics	162.3	183.5	193.6	213.1	197.5	200.9	187.6	187.3	176.2	220.2	194.7
Mother & Child	2.8	3.4	4.0	3.8	6.2	6.0	5.4	5.6	2.6	5.0	7.0
Other Facilities & Preventive Measures	16.3	20.1	21.6	20.4	18.0	18.9	17.3	19.3	14.8	24.5	20.4
Other	8.3	11.7	10.6	12.4	17.3	16.8	20.1	21.1	22.9	20.2	18.0
Population								0.0	0.0	0.1	
Other Social Services	42.7	45.0	42.2	46.7	48.3	42.9	36.1	40.1	40.2	89.4	40.4
Economic Services	301.3	337.4	370.5	351.4	367.9	357.4	344.8	330.2	341.4	349.5	429.4
Agriculture	197.8	211.8	243.1	230.7	246.6	239.4	239.3	232.0	232.6	248.5	251.3
Irrigation	60.0	72.6	72.7	66.6	65.6	64.0	60.2	56.6	66.5	58.0	124.7
Industries and mineral resources	26.0	29.9	29.8	28.4	30.1	28.2	22.4	19.6	18.7	19.8	35.1
Transport and Communication											
Other Economic Services	17.5	23.0	25.0	25.8	25.6	25.7	22.8	22.0	23.5	23.1	18.3
Community services	281.4	353.8	503.1	342.5	361.8	365.8	302.3	335.0	335.5	320.8	406.3
Works (Administration civil)	119.8	170.4	168.2	166.3	186.0	176.8	166.3	182.0	177.3	182.5	243.6
Highways, Roads & Bridges & Building & Struct.	98.6	100.7	214.7	70.0	73.7	82.7	46.1	39.9	40.7	29.7	39.9
Water Supply and Sanitation	59.8	78.1	114.5	100.6	96.0	99.3	84.3	107.6	111.5	102.5	116.5
Urban Town Planning & Regulator Services		0.6	0.5	0.7		1.1	0.4				
Other Community Services	3.3	4.1	5.3	4.8	6.1	5.9	5.2	5.6	5.9	6.1	6.3
Subsidies	80.5	99.9	40.9	25.4	80.0	162.5				309.0	
Interest payments	600.8	642.8	702.9	697.7	652.3	633.9	621.9	751.3	664.3	639.2	618.4
Appropriation for reduction of Debt											
Provincial Allocable Amount											
Total	2,491.2	2,908.1	3,323.3	3,013.1	3,069.7	3,285.1	2,782.3	3,029.8	3,024.5	3,651.6	3,433.2
GDP Deflator (1980/81 = 100)	204.13	224.33	244.24	275.17	312.60	338.48	383.98	413.39	437.59	449.77	475.06

Annex 3: Current Expenditures and Revenue Receipts of Balochistan

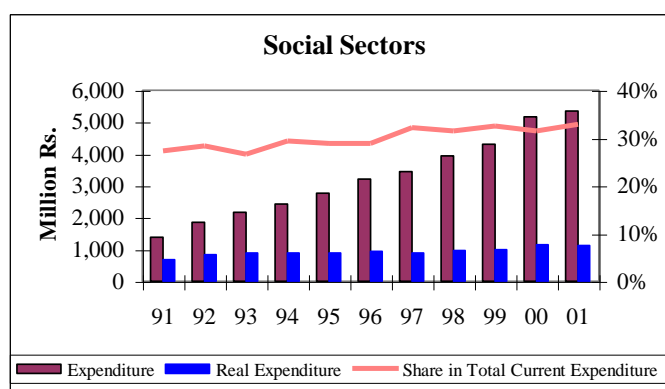
Current Expenditure of Balochistan



Growth in Expenditure	
90/91 to 95/96	21.5%
95/96 to 00/01	8.4%
Real Growth in Expenditure	
90/91 to 95/96	9.8%
95/96 to 00/01	1.3%
Share in Total Expenditure	
Maximum	14.5% 2000/01
Average	12.2%
Minimum	10.5% 1997/98

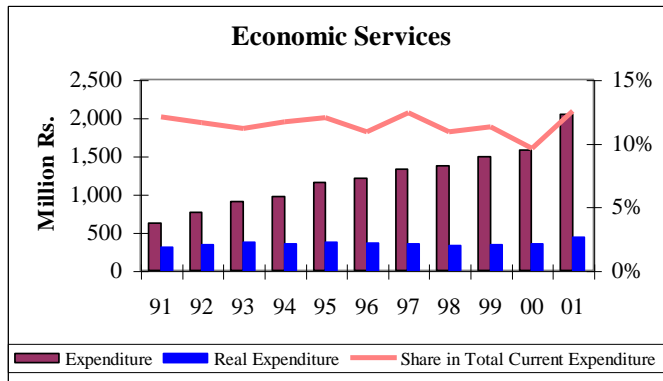


Growth in Expenditure	
90/91 to 95/96	17.7%
95/96 to 00/01	7.4%
Real Growth in Expenditure	
90/91 to 95/96	6.4%
95/96 to 00/01	0.4%
Share in Total Expenditure	
Maximum	12.2% 1998/99
Average	11.1%
Minimum	10.2% 1990/91



Growth in Expenditure	
90/91 to 95/96	18.3%
95/96 to 00/01	10.7%
Real Growth in Expenditure	
90/91 to 95/96	6.9%
95/96 to 00/01	3.5%
Share in Total Expenditure	
Maximum	32.8% 2000/01
Average	30.0%
Minimum	26.7% 1992/93

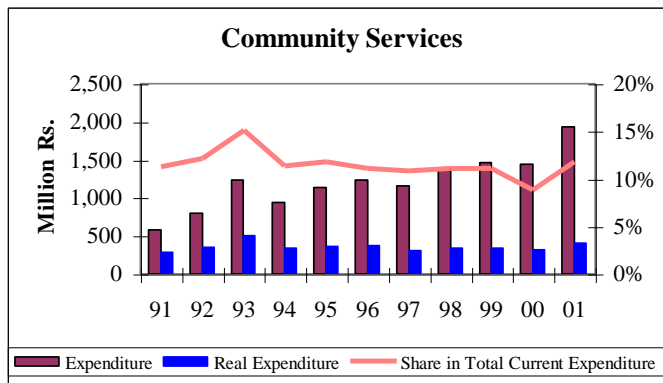
Current Expenditure of Balochistan



Growth in Expenditure	
90/91 to 95/96	14.5%
95/96 to 00/01	11.0%

Real Growth in Expenditure	
90/91 to 95/96	3.5%
95/96 to 00/01	3.7%

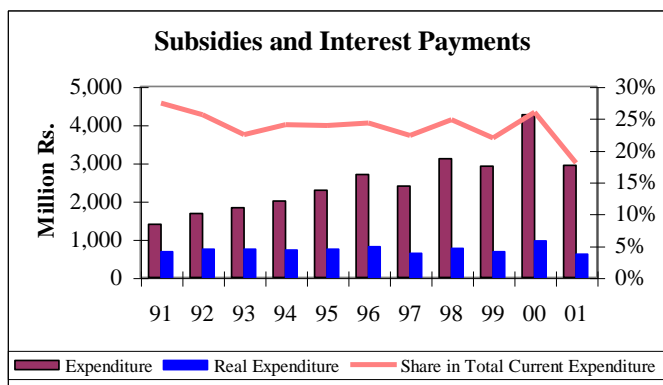
Share in Total Expenditure	
Maximum	12.5% 2000/01
Average	11.5%
Minimum	9.6% 1999/00



Growth in Expenditure	
90/91 to 95/96	16.6%
95/96 to 00/01	9.3%

Real Growth in Expenditure	
90/91 to 95/96	5.4%
95/96 to 00/01	2.1%

Share in Total Expenditure	
Maximum	15.1% 1992/93
Average	11.5%
Minimum	8.8% 1999/00

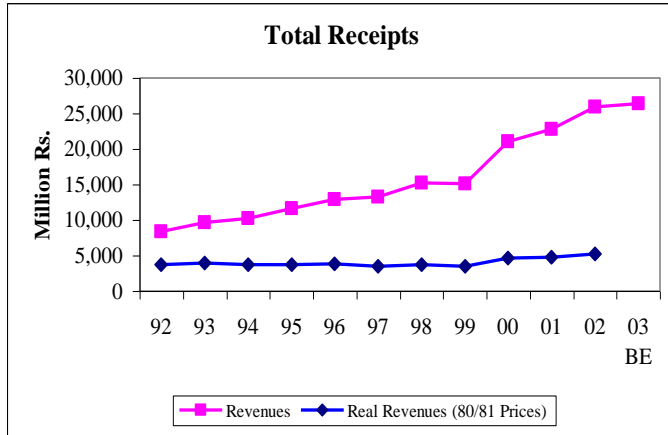


Growth in Expenditure	
90/91 to 95/96	14.2%
95/96 to 00/01	1.7%

Real Growth in Expenditure	
90/91 to 95/96	3.2%
95/96 to 00/01	-4.9%

Share in Total Expenditure	
Maximum	27.3% 1990/91
Average	23.7%
Minimum	18.0% 2000/01

Revenue Receipts of Balochistan



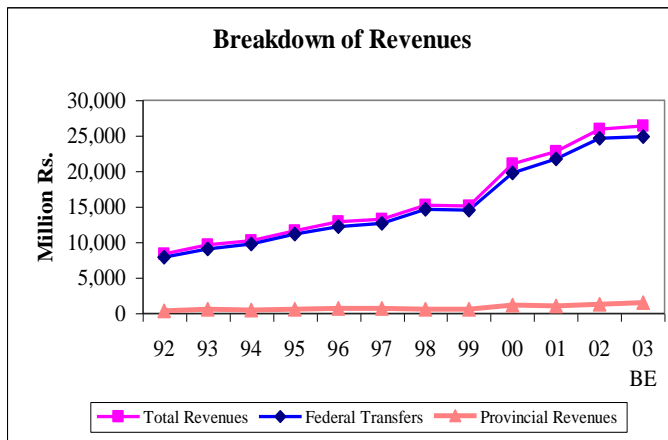
Growth in Revenue Receipts

91/92 to 96/97	9.8%
96/97 to 01/02	14.3%

Real Growth in Revenue Receipts

91/92 to 96/97	-1.4%
96/97 to 01/02	8.5%

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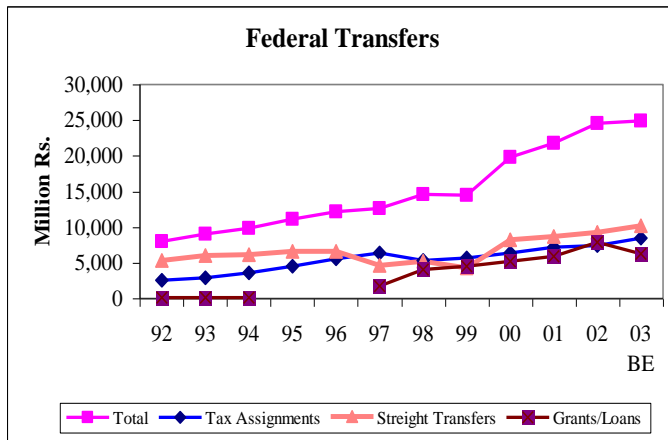


Growth in Federal Revenues

Nominal	
91/92 to 96/97	9.7%
96/97 to 01/02	14.3%
Real	
91/92 to 96/97	-1.5%
96/97 to 01/02	8.5%

Growth in Provincial Revenues

Nominal	
91/92 to 96/97	11.3%
96/97 to 01/02	14.9%
Real	
91/92 to 96/97	0.0%
96/97 to 01/02	9.1%



Growth in Federal Transfers

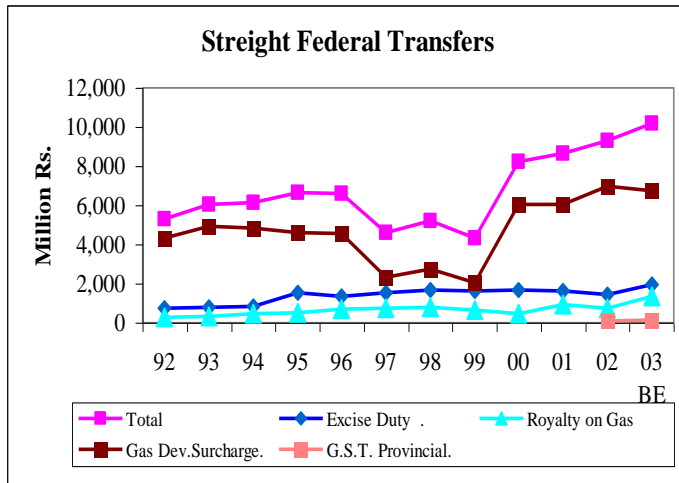
All Transfers	
91/92 to 96/97	9.7%
96/97 to 01/02	14.3%

Tax Assignments	
91/92 to 96/97	20.1%
96/97 to 01/02	3.2%

Straight Transfers	
91/92 to 96/97	-2.8%
96/97 to 01/02	15.0%

Grants/Loans	
91/92 to 96/97	76.2%
96/97 to 01/02	36.0%

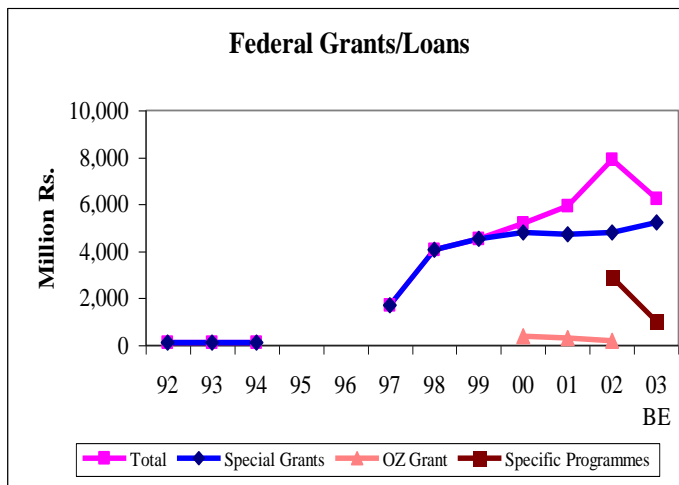
Revenue Receipts of Balochistan



Growth in Streight Transfers

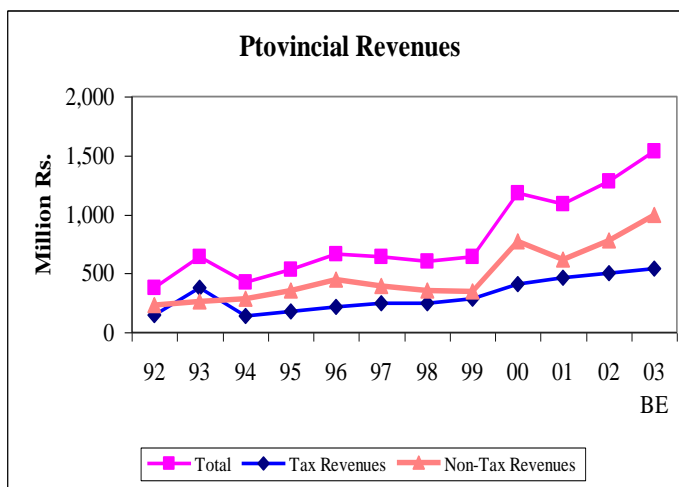
Total	
91/92 to 96/97	-2.8%
96/97 to 01/02	15.0%
Gas Development Surcharge	
91/92 to 96/97	-11.6%
96/97 to 01/02	24.5%
Excise Duty	
91/92 to 96/97	15.5%
96/97 to 01/02	-0.9%
Royalty on Gas	
91/92 to 96/97	23.3%
96/97 to 01/02	0.2%

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Growth in Federal Grants/Loans

Total	
91/92 to 96/97	76.2%
96/97 to 01/02	36.0%
Special Grants	
91/92 to 96/97	48.7%
96/97 to 01/02	18.3%
OZ Grants	
99/00 to 01/02	-29.4%



Growth in Federal Transfers

Total	
91/92 to 96/97	11.3%
96/97 to 01/02	14.9%
Tax Revenues	
91/92 to 96/97	11.0%
96/97 to 01/02	15.3%
Non-Tax Revenues	
91/92 to 96/97	11.5%
96/97 to 01/02	14.6%

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