

EMBASSY OF PAKISTAN
ECONOMIC DIVISION

**Public Sector
Development Program
FISCAL YEAR 2010-11
JULY 1, 2010**

I. Policy Framework

- **Policy Framework** for socio-economic development and strategic thrust is derived from Nine Pillars reflected in the Poverty Reduction Strategy Paper 2008
 - **Macroeconomic Stability** and Real Sector Growth.
 - **Protecting** the Poor and the Vulnerable.
 - **Increasing Productivity** and Value Addition in Agriculture.
 - **Making Industry** Internationally Competitive.
 - **Capital** and Finance for Development.
 - **Removing Infrastructure** Bottlenecks through Public Private Partnerships
 - **Integrated Energy** Development Program
 - **Human Capital** Development for the 21st Century.
 - **Governance** for a Just and Fair System.
- **Core Objectives of PSDP FY2011** include inclusive growth, reducing poverty, achieving MDGs, minimizing wastages, ensuring balanced development of all regions, skills development, gender balance, ensuring food, water and energy security.

II. Strategy

- **Major elements** of the Annual Plan FY2011 strategy include:

- **Consolidating economic stability** and further building upon recovery of economic growth
- **Maintain momentum** of agriculture growth including revival of crop sector, putting manufacturing on a high growth path and maintaining a robust growth in services sector
- **Address critical infrastructure gaps** in water, power and transport for enhancing competitiveness
- **Achieve Millennium Development Goals** and reduce poverty through a comprehensive social protection system with an exit strategy
- **Upgrading** social and technological infrastructure

III. PSDP Outlay

- **Development Program** is **Rs 786.5 billion** in FY2011 including Rs 123.5 billion for other development program
- **Public Sector Development Program** is pitched at Rs 663 billion in FY2011 with an operational shortfall of Rs 20 billion against revised estimates of Rs 510 billion in FY2010
- **PSDP size** is 30% higher than the revised estimates FY2011
- **PSDP size** is equal to 4.4% of GDP compared to 3.3% in revised estimates FY2010
- **Share of development expenditure** in total budgetary outlay increased to 28 percent
- **Share of Federal Ministries/Divisions** in FY2011 PSDP is Rs 168 billion
- **Corporations' PSDP** has been placed at Rs 57 billion indicating an increase of 11.4% over revised estimates FY2010
- **Special Program** have been allocated a sum of Rs 30 billion
- **Earthquake Rehabilitation and Reconstruction Authority (ERRA)** has been allocated Rs 10 billion

- **Development of Special Areas** i.e AJ&K, Gilgit-Baltistan and FATA is allocated Rs 26 billion which is higher by 8.7% compared to revised estimates FY2010
- **Provincial program for 2009-10** has been estimated at Rs 373 billion, 52% higher than the last year

RS IN BILLION

▪	Federal PSDP	<u>280.000</u>
○	Share of Ministries	167.578
○	Corporations	56.671
○	Special Programs	30.000
○	Special Areas Development Program	25.751
▪	ERRA	10.000
▪	Provincial Development Program	373.000
▪	Other Development Program	123.500

IV. PSDP Broad Distribution

	Allocation Rs in Billion	%Share
Infrastructure	135.000	48.0
Social Sectors	134.800	48.0
Agriculture, Industry, Minerals Others	10.200	4.0
Total	280.000	100.0

V. PSDP Sectoral Allocation

Infrastructure

Water

- **Water sector's** share out of total development budget remained between 16 to 20% during the last 5 years whereas for the next FY 2010-11 the share of water sector has declined to about 10% (Rs 28.40 billion) of the total development budget.

- **Strategy**--The strategic elements adopted to overcome the above stated issues, is as under:
 - Integrated water resource development
 - Conservation measures through (lining of irrigation channels, rehabilitation of irrigation system, lining of watercourses)
 - Surface and sub-surface drainage
 - Protection of infrastructure from onslaught of floods
 - Institutional strengthening, capacity building and human resources development.

- **Priority Areas of Investment** will include:
 - Augmentation of water resources (construction of small/medium dams)
 - Conservation measures (lining of irrigation channels, modernization/rehabilitation of irrigation system, lining of watercourses and micro irrigation system)
 - Protection of infrastructure from onslaught of floods and water logging & salinity
 - Public sector investment
 - Better Governance & Management
 - Technical innovation

Energy Security

Power

- **An allocation of Rs 125 billion** has been indicated for the power sector during 2010-2011 including the budgetary corporation program (Rs 12.0 billion) and self financing.

- **Inst An alled power generation capacity** is expected to increase from 22176 MW in 2009-10 to 24295 MW in 2010-11 with an addition of 2119 MW. This includes 420 MW of rental plants, 1,241 MW of IPPs, 298 MW of hydropower, 44 MW of wind power and 115.9 MW from KESC.

- **Target** set for the total electricity generation is 126,355 GWh in 2010-11 with an increase of 7.0% over the energy generated in 2009-10. The details are at annex- 6.1 and 6.2.

- **Target** for 2010-11 is electrification of 12000 villages. It is proposed that after five years 86% population will be electrified. 0.80 million new consumers will be added. 30 million incandescent bulbs are planned to be replaced by Compact Florescent Lamps (CFL's). It will help in reducing peak demand by 1133 MW

Fuel

- **An allocation of Rs 2.6 billion** has been indicated during 2010-11 for the Fuel Sector, excluding the non-budgetary corporations, in the 10th five year people plan 2010-15.
- **Oil and Gas:** During 2010-11, the crude oil production is planned to be 88726 BPD against estimated production of 65,500 BPD in 2009-10. The gas production is planned to be 4065 MMCFD against the estimated production of 4000 MMCFD in 2009-10. The coal production target is 4.5 million tons against the estimated production of 3.5 million tons in 2009-10.
- **LPG-**To make un-interruptable supply of LPG the existing disparity between the LPG import and domestic LPG will be removed by improving the policy and to create enabling for meeting potential demand in LPG.
- **CNG-**A much comprehensive and balance policy for CNG will be formulated to introduce mega CNG stations for supply of CNG to buses and mini-buses viz-a-viz light transport vehicles at affordable price and to improve urban air quality and carbon mission.
- **Liquefied Natural Gas (LNG)-** The LNG import by the private sector is being encouraged. M/s Sui Southern Gas Company Limited (SSGC) has been mandated to launch "Pakistan Mashal LNG Project", and act as a project facilitator for implementation of the project through private sector. M/s. PGPL has signed an Implementation Agreement with Port Qasim Authority for establishment of an offshore LNG Import Terminal at Port Qasim, Karachi having a capacity of 3 million tones/annum (400 MMCFD gas).
- **Import of Gas---**The following project-wise major activities are planned in FY 2010-11 regarding import of gas:

IPI project

- Induction of public equity of in ISGS to fund IPI project development expenditure
- Completion of Feasibility Study, Social and Environmental Impact Assessment, Detailed Route Survey and Front End Engineering Design.
- **Turkmenistan, Afghanistan, Pakistan, India (TAPI) Project---** It is planned that Gas Sale and Purchase Agreement (GSPA), Gas Transportation Agreement (GTA), Operations Agreement (OA) and Host Government Agreement (HGA) will be finalized and signed in the next financial year. Project detailed feasibility report will be initiated and sponsors for the project will be selected
- **Downstream Oil Sector--** M/s. Coastal Refinery Ltd (CRL) and Bosicor Oil Pakistan Limited (BOPL) intend to set up Single Buoy Moring System Offshore Oil loading/unloading facility near Hub Coastal line, at an estimated cost of US\$ 30 million. M/s Trans Asia refinery intends to setup oil refinery at Port Qasim, Karachi with an estimated cost of US\$ 450 million. M/s Hascombe Pvt Limited intends to setup an oil storage facility of 6500 tons at Shikarpur at an estimated cost of Rs.350 million.
- **Coal Sector Program--**Development activities on the blocks already explored at Thar and being allocated to different companies by the Government of Sindh will be continued during 2010-11. The work on underground coal gasification project at block No. 5 will also be continued.
- **Transmission and Distribution of Gas--** During 2010-11, gas will be supplied to approximately 321,427 new consumers and to more than 471 new towns/villages. It is planned by the gas companies to invest Rs 4, 617 million on transmission project, Rs 21, 024 million on distribution projects and Rs 3, 278 million on other projects bringing the total

Transport and Communications

- **An allocation of Rs 61.14 billion** has been made for the Development Program of Transport and Communications Sector. This includes Rs.16.54 billion for the budgetary program and Rs 44.6 billion for the budgetary corporations program (NHA). Salient features of the program are outlined as under:

- **Pakistan Railways---**The Pakistan Railways (PR) shall adopt a track access policy. Under the policy:
 - PR shall manage the track and allow commercial operators / freight companies in private sector.
 - Freight trains will run on PR's network with their own rolling stock under a contract with PR to purchase track access.
 - Other areas involving private sector would include dry ports, locomotive maintenance and passenger ticketing and provision of services through management contracts, e.g. door to door service through cargo express train operations by private freight forwarders on main trunk routes.
 - An allocation of Rs 13.4 billion has been made for 2010-11. Works on track rehabilitation of Pakistan Railway network, procurement/manufacture of 114 DE locomotives, procurement/manufacture of 625 passenger coaches, procurement/manufacture of 2130 bogie high capacity wagons, 202 passenger coaches, rehabilitation of 450 passenger coaches, doubling of track on Lodhran - Raiwind sections, Damages to Railway Assets during riots in December 2007, replacement of old & obsolete signaling system on Lodhran - Khanewal to Shahdara section with modern state of the art system and other on-going projects would continue. Construction of railway line and container terminal at Gwadar to provide up-country linkages, would be initiated. To facilitate transportation of cargo through rail, work on Dry Port at Prem Nagar, reached to an advance stage.

- **Ports and Shipping**
 - A Ports master plan study, defining the roles of Karachi Port, Port Qasim and the Gwadar Port would be prepared. The Business Plans of the three ports would be completed.
 - An allocation of Rs.518 million has been made to complete the balance works on the Gwadar Port Civic Center Project and maintenance of dredging of port channel to maintain the desired depth of channel to accommodate big ships (only one time activity to be taken up through development budget), initiate works for acquisition of land for construction of East Bay expressway at Gwadar

- **National Highway Authority (NHA):** A Policy and Regulatory framework for private sector participation in National Highways would be adopted in consultation with different stakeholders to facilitate investment and increase efficiency.
 - An allocation of Rs 44,642 million has been made for the National Highways Authority. Among the on-going projects, work will continue on the projects of Faisalabad-Khanewal Expressway E-4 (184 km), Khanewal-Lodhran Expressway (Land Acquisition, Property Compensation and Shifting of Utilities), Ratodero-Daddu-Sehwan ACW (E-6B) (200 km), Peshawar Northern Bypass (34 km), Khuzdar-Shahdaskot-Ratodero (Khor-Quba Saeed Khan 143 km) (M-8), Hoshab-Nag-Basima-Surab Road (N-85) [459], Hassanabdul-Havelian-Manshera Expressway (Land Acquisition, Property Compensation and Shifting of Utilities), Rehab/Imp/Widening of KKH (Raikot-Khunjerab Section, 335 km), Islamabad-Peshawar Motorway (M-1), N-5 Highway Rehabilitation Project (857 Km), Jalkhad-Chilas Road (N-15) [66 kms], Kalat-Quetta-Chaman (N-25) [247 km], Lowari Tunnel (N-45), NWFP RD & SC Project Malana Jn-Sarai Gambila (117 km); Badabher-Dara Adam Khel (28 km), Bewata-Khajuri-Wiagum Rud (N-70) [132 kms], Islamabad-Muzafarabad Road (N-75) [43 kms], Alpuri-Besham Section (N-90) [34 km], construction of 2-lane Bridge over river Chenab at Head Muhammad Wala, Distt Multan, Rehabilitation/Upgradation of Jalalpur Pirwala-Uch Section (45 Km) of Multan-TMP Road, Multan Inner Ring Roads including six interchanges, Widening and Improvement of Bosan Road, Multan, Larkana Bridge on River Indus, Dualization of Sakrand-Benazirabad (Nawab Shah) Road (24 km), Rehabilitation of Larkana-Naudero Lakhi Road (61 km), Dualization/Rehabilitation of Larkana-Moenjo Daro Road (28 km), Construction of Amri - Kazi Ahmed Bridge over River Indus at Qazi Ahmed Amri including Sakrand Bypass, Karachi-Hyderabad Motorway (M-9) [136 km] and approaches for Larkana Bridge over River Indus.
 - Among the new projects work on the Khanewal-Lodhran (Bahawalpur) Expressway E-5 (103 km), Basima-Khuzdar (N-30) [110 km], Construction of Kolpur Bypass N-65, NHDSIP; Sukkur-Shikarpur-Jacobabad dualization (69 km), Consturction of Northern Bypass from Qasim Bela to Shersha Road, Multan Bypass at Multan including Grade Separated Elevated Bridge over Railway

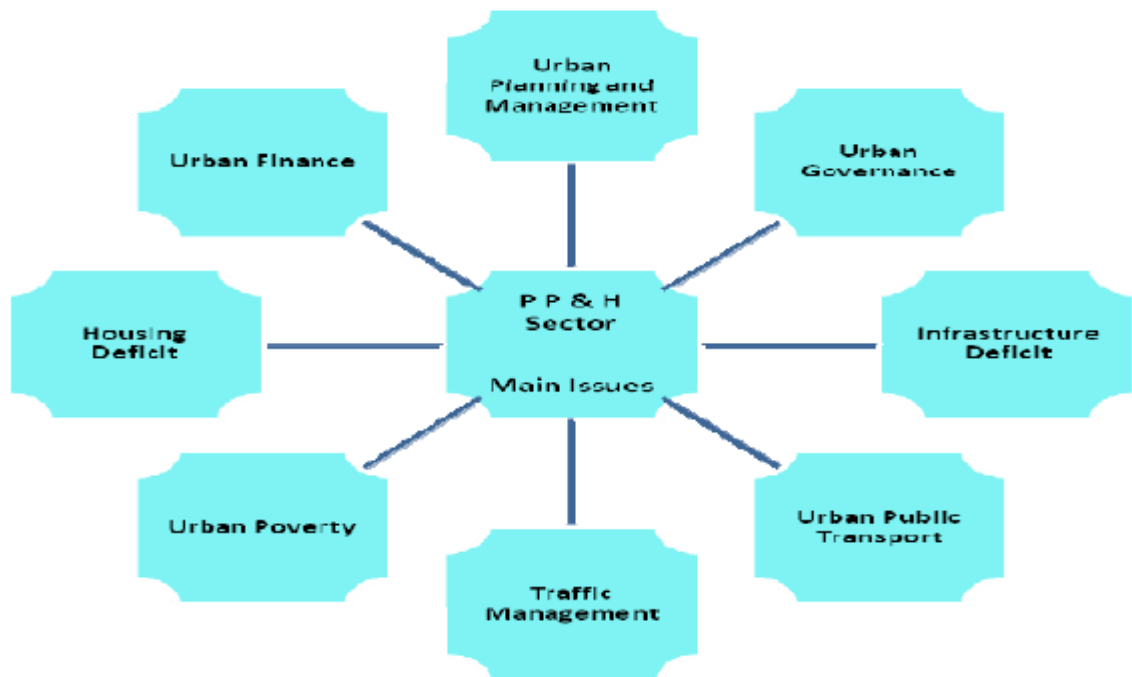
Line at N-70 (12.229 Km), Extension of Motorway M-4 from Shamkot-Multan (57 Km), Dualization/Rehabilitation/Upgradation of Multan- Jalalpur Pirwala-Uch-TMP Road (138 Km), Phase-II, Construction of Additional 2-lane Bridge over river Chenab at Head Muhammad Wala, Distt Multan (Phase-II), Rehabilitation of Larkana-Rasheed Wagan-Nasirabad Road (34 km), Dualization/Rehabilitation of Existing Indus Highway Section (9.5 Km) in Larkana City including Extension of Ring Road 2 Km, Bridge over River Indus linking N-5 with N-55 at Nishtar Ghat, Construction of Bridge across River Chenab Linking Shorkot and Garh Maharaja, Bridge between Basti Dulwan (Tehsil Mianchannu) to Darbar Sharif Sandhilian Wah) Distt. Toba Tek Singh will be taken up.

Physical Planning and Housing (PP&H)

Major sectoral issues of PP&H are:

- Inadequate Spatial Planning Framework resulting in haphazard urban sprawl, less productive land use pattern, under developed natural resources, regional disparities, over-growth of few cities, inadequate development of trunk infrastructure etc.
- Depreciation of municipal infrastructure in quality and in scale, lack of capacity of local governments to recover the actual or even realistic user's charges.
- 7 million housing shortage in the country and the weak supply side due to limited housing finance institutions, inadequate financing procedures and exorbitant Land and construction costs.
- Lack of Public Transport like mass transport system, rail based mass transit network, increasing trends in use of private transport and weak regulatory institutions and poor quality of transport service.
- Inadequate Traffic Management due to lack of road network hierarchy, capacitated road network and lack of modern traffic management units.
- 8 to 10 million urban residence (15 to 20% of urban population), a major challenge to sustainable development.

- Poor financial health of local governments (Inadequate federal/provincial transfers and lack of local capacity to mobilize own resources) and lack of private investment (little incentives and profitability)
- Lack of urban management capacity (resulting in haphazard growth and deficient service delivery and faulty infrastructure).
- Lack of investment in environment protection and the changing trend in general life style is leading to environmental degradation.
- Pressure on productive agriculture land is increasing due to low density pattern of urban development.
- Haphazard and uncontrolled development threatening precious environmental assets (water bodies, hills and forests).



- **Housing program** for the poor and government servants started during 2008-09 would continue with an allocation of Rs 1.1 billion. This amount would be used as a revolving fund. An allocation of Rs 12 billion has been made for PP&H, whereas, an amount of Rs 4 billion has been utilized in 2008-09. Major projects included in the sector are Housing for All, Government Buildings and Government Servant Housing, Rural Water Supply and Sanitation, Development of Slum Areas and Formulation of National Spatial Strategy

- To achieve a substantial progress in PP&H sector, the Government is pursuing:
 - Prime Minister's one million housing program
 - Development of Federal Capital Islamabad
 - Improve the management of civics services in urban areas as well as rural areas.
 - Control further growth of bigger cities by diverting the population migration from natural areas to medium-size towns
 - Narrowing gap between the housing demand and supply
 - To provide water supply and sanitation services to maximum population
 - Regularize and improve Katchi Abadis and slums
 - Encouraging the private sector for investment in provision of housing and water supply & sanitation facilities
 - Research and development in the field of indigenous construction technology

- To effectively implement the PP&H ongoing and new Programs the following initiatives would be taken during 2010-11:
 - Priority would be accorded to Prime Minister's One Million Housing for Low-Income Groups
 - Mega projects in big cities will be implemented on fast track basis.
 - At federal level, through PSDP a large number of accommodation projects pertaining to CAF/Police/Judiciary, and essential government offices urban development, housing accommodation, and water supply and sewerage will be undertaken
 - The federal government under matching grants between federal and provincial governments is providing such supports as Bulk Water Supply and Sewerage projects in Karachi, Hyderabad, Mirpurkhas, Nawabshah, Sukkur, Quetta, Faisalabad, Okara, Peshawar, Malakand, Muzaffergrah, Muzaffarabad and down town areas of Punjab, Coastal Area Development, urban areas uplifts projects in Multan, Ziarat, Loralai and Gwader
 - In case of Federal Capital, the PSDP would continue financing Islamabad's development, water supply & sewerage schemes in

ICT, and construction of functional buildings/ structures and residential accommodations

- Federal Government will continue and expedite to provide houses to federal government employees on ownership basis on their retirement
- For efficient delivery of water supply and sewerage services in urban areas efforts will be made to complete the on-going schemes and to recover the full O&M costs; to initiate a phased program of rehabilitating the old water supply and sewerage network; reduce the water losses; and integrate the planning and development of water and sewerage projects
- Programs for economic development of Cities would be initiated based on their historic economic advantage and the type of products the market demands.
- To encourage major cities to develop integrated development strategies for their respective regions, encompassing various aspects to bring cities and regions in harmony
- National Spatial Strategy (NSS) would be prepared in order to organize urbanization in a planned and productive manner
- Conforming to the policies of the NSS, the provincial and district governments would be encouraged to prepare Provincial and District Spatial Development Plans
- To address the shortage of research and objective analysis and to facilitate formulation of sustainable policies and decision making an “Urban & Regional Policy Research Centre” will be established within the Planning Commission
- Cities would be encouraged to prepare “City Development Strategies” and “City Business Plans
- Provision of water supply & sanitation programs would be implemented in the light of The National Drinking Water Policy 2009 and The National Sanitation Policy 2007
- Urban Transportation system would be improved through development of integrated road networks and strong institutions better performance of public transport

- Appropriate measures would be taken to protect the urban environment from degradation
 - Environment management plan of towns and cities would be prepared to support the income of the poor and improving their access to better living conditions
 - Under housing for all program focus will be give to low-income residents, through implementing the legal and regulatory reforms for better operation of housing markets. Cost recovery would be maximized and subsidies minimized in the financing of low-income housing and slum upgrading
 - Despite the disinterest of the private sector, the government will continue to further improve an enabling environment to attract greater participation from the private sector
 - Public Community Partnerships (PCP) where the communities are made in charge of implementation of the schemes and for recovering users' charges would be encouraged in Katchi Abadis Upgradation and Slum Improvement
 - The poor financial status of the local governments will be directly addressed through National Urban Development Fund and National Urban Finance Fund (NUFF)
 - An "Urban Settlement Commission" comprising of leaders in urban development under Federal Minister for Local Government, would be formed to secure inter provincial coordination and to support various initiatives and programs relating to urban development in the country.
- Annual Plan 2010-11 Rs 12.8 billion have been earmarked for the following PP&H sectoral programs to be implemented during the year 2010-11

Agriculture Development

- An amount of Rs 10.9 billion has been allocated to MINFA to accommodate their development portfolio including on-going and new projects

**Physical Achievement and Target
(2009-10 and 2010-11)**

(000 tons)

Item/ Crop	Actual 2008-09	Target 2009-10	Achievement 2009-10	% change over		Target 2010-11
				2008- 09 Actual	2009- 10 Target	
Wheat	24,032.9	25,436.0	23,864.4	-0.7	-6.2	25,000.0
Rice	6,952.0	6,371.5	6,882.7	-1.0	8.0	6,176.0
Maize	3,592.9	3,457.0	3,486.6	-3.0	0.9	3,590.0
Sugarcane	50,044.5	56,716.0	49,372.9	-1.3	-12.9	53,690.0
Cotton*	11.8	17.0	12.7	7.6	-29.4	14.01
Gram	740.5	1,067.0	571.3	-22.8	-46.5	750.0
Potato	2941.3	2,527.0	2,543.0	-13.5	0.6	2,972.0
Onion	1704.1	2,361.0	17,97.0	-5.5	-23.9	1,837.0
Sunflower	420.4	1,006.0	805.0	91.5	-20.0	652.0

*Million bales

Industry

- An allocation of Rs 3,220.1 million has been earmarked for industry sector in the year 2010-11 for the Ministry of industries & Production
- Major projects to be carried out in Industry Sector during 2010-11 include:
 - Establishment of (8) Advance CAD/CAM Training Centers (Cost Rs 321.100 million),
 - Ceramics Development & Training Complex (Cost Rs 314.470 million),
 - Development Pakistan Gem & Jewellery Development Company (Cost Rs 1,400.000 million),
 - Development of Marble and Granites Sector all over Pakistan (Cost Rs 1980.000 million),
 - Sports Industries Development Center, Sialkot (Cost Rs 435.640 million),

- Agro Food Processing Facilities Multan (Cost Rs 288.920 million),
- Export Processing Zones and Area Development Balochistan including Rozs (Cost Rs 4,000.000 million),
- Manufacturing of High Module Power Transformer of rating 160/250 MVA 220 KV and capacity building for optimum utilization of facilities (Cost Rs 734.187 million),
- BMRE of Heavy Mechanical Complex Taila (Cost Rs 23,428.220 million).
- An amount of Rs 474.1 million has been allocated for Commerce Sector. While indicative budget ceilings are Rs 850.0 million and Rs 1400.00 million for the year 2011-12, 2012-13 respectively for the Ministry of Commerce.
- Major projects to be initiated in Commerce sector during 2010-11 include:
 - Adoption of Social Accountability – 8000 (Cost Rs 124.875 million),
 - Purchase of Equipment, Furnishing, Curriculum Development and Training of Pakistan School of Fashion Design, Lahore (Cost Rs 755.747 million),
 - Trade & Transport Facilities Project-2 Trade & Transport Facilitation Unit (TTFU) in MOC (Cost Rs 360.000 million),
 - Restructuring of Pakistan Institute of Trade & Development formerly Foreign Trade Institute of Pakistan (Cost Rs 270.824 million),
 - Program Management Unit (PMU) for setting up of Regional Reconstruction Opportunity Zones for Trade in FATA, Khyber Pakhtonkhawa, Balochistan & AJK (Cost Rs 3,000.000 million) and
 - Additional Works for Expo Centre, Lahore (Cost Rs 955.000 million).
- An allocation of Rs 164.6 million has been made for the Textile Sector for the year 2010-11, while Rs 310.00 million and Rs 520 million have been allocated for the year 2011-12, 2012-13 respectively, for the Ministry of Textile Industry. Prominent projects to be launched in the year 2010-11

include: Lahore Garment City Company (Cost Rs 497.640 million), Faisalabad Garment City (Cost Rs 498.820 million), Providing & Laying Dedicated 48 inch Diameter Mild steel water main for Textile City (Cost Rs 636.585 million), Garment Technology Training centre (Cost Rs 321.00 million).

Social Sectors/Poverty Reduction

Education

- **An allocation of Rs 5,616 million** has been made for the financial year 2010-11 for Education related projects.
- The following innovative approaches have been adopted for development of the education sector:
 - Community involvement through Education Foundations for promotion of literacy and basic education;
 - Public-Private-Partnership (PPP), active support of private sector and NGOs ;
 - Pro poor policies of providing food items, targeted cash transfers and free text books to students up to Secondary School level and stipend to girls.
- **Major Programs:**
 - Allocation of Rs 823 million has been made for provision of missing facilities in primary and middle schools. The ongoing work on 200 schools would get completed during the year. For basic education community school an allocation of Rs. 987.0 million has been made
 - Amount of Rs 680.0 million has been allocated to accelerate the work in the projects for establishment of 14 Cadet Colleges in the country. Three colleges are expected to start their academic activities during the year 2010-11
 - Allocation of Rs 1,075.0 million under Canadian Debt Swap has been made for capacity building of Teacher Training Institutes

- Under German Debt swap Rs 26.0 million has been provided for completion of the project in Khyber Pakhtunkhwa for rehabilitation of existing Middle and Secondary schools
 - Allocation of Rs 140.0 million has been made for provision of scholarships including scheme for providing quality education to the students belonging to Balochistan and FATA for studying in quality institutions of other provinces
 - Allocation of Rs 390.0 million has been provided to establish and upgrade educational institutions in ICT. Emphasis has been laid to provide female education in school and college sector.
- **Physical Targets**
- Establishment of 4,200 Community Schools
 - Establishment of 14 cadet colleges
 - Establishment and consolidation of 12 Schools and Colleges
 - Establishment of 4 Polytechnic Institutes
 - Enrolment of 30,000 out of school children in skill based literacy program
 - Strengthening of 120 teachers training Institutes under Canadian Debt Swap
 - Training of 50,000 teachers under Canadian Debt Swap

Health

- **An amount of Rs 18.8 billion** has been proposed in Federal PSDP 2010-11 for different preventative and curative programs in health sector
- **The plan aims** at attainment of the following:
 - Save additional 700,000 lives of children;
 - Save additional 24,000 lives of mothers;
 - Eradicate polio;
 - Eliminate measles and tetanus;

- Prevent additional 5 million children from becoming malnourished;
- Provide skilled birth attendance to more than 4.3 million pregnant women;
- Ensure provision of family planning services to additional 5 million couples
- Avert 13 million TB cases;
- Immunize more than 22 million children against Hepatitis B and other vaccine preventable diseases; and
- Reach 40 million of the poorest people of Pakistan to ensure provision of essential package of service delivery.

Good Governance

- **The following Governance strategy** has been adopted in the Annual Plan 2010-11:
 - Strengthen the process of decentralized service delivery;
 - Strengthen participatory approaches through capacity building;
 - Reforming legal, judicial and law enforcement institutions;
 - Address corporate governance and public private interface, thus protecting public interest while minimizing private transaction costs;
 - Strengthen public sector management through streamlining revenue administration, improving public financial administration, and civil service reforms;
 - Implement policies, programs, and projects effectively through improved monitoring and evaluation

Special Areas

- Special areas consist of Federally Administrated Tribal Areas, Azad Jammu & Kashmir and Gilgit Baltistan (GB)
- The total area is spread over an area of 113,000 Sq Km having estimated population of 10.4 million.

- The socio economic indicators are substantially lower than national level:

Indicator	FATA	AJ&K	GB
Literacy ratio (both sexes, %)	21.4	65	55
Male literacy ratio (%)	33.8	78	63
Female literacy ratio (%)	7.5	54	47
Roads (per sq km)	0.23	0.49	0.074
Cultivated Land (%)	7	13	5
Area under productive forest (%)	2.1	11.6	9
Population Growth Rate (%)	2.7	2.41	2.01
Unemployment Rate (%)	-	6.5	18
Infant Mortality (per 1000)	83	58	50
Population per hospital bed	2,289	1958	1200
Population per Doctor	5520	5885	6987
Immunization Coverage (%)	72	93	80
Maternal Mortality Rate (per 100000)	380	276	230
Water Supply Coverage (%)	61	51	85
Sanitation Coverage (%)	5	32	40
Power Generation(MW)	-	42	75
Per capita Power availability (KWH)	416	273	-
Villages electrified (%)	72	97	75

- The development strategy for the development of special areas has been designed to focus on:
 - Improvement of socio economic and infrastructure facilities
 - Highest priority to social sectors
 - Substantial increase in allocation for productive Sectors to achieve self-reliance and enhance income
 - Self-sufficiency in energy through exploitation of hydel power generation
 - Tourism Development

- Minerals development
 - Clean Drinking Water and Sanitation facilities for all.
 - Gender mainstreaming and women empowerment
 - Upkeep and maintenance of state assets.
- Allocation during FY2010-11 is as follows

(Rs Million)

Agency	Allocation 2010-11
Azad Jammu & Kashmir	
Block allocation	6,174.9
Other projects	823.0
Sub-Total	6,997.9
Gilgit Baltistan	
Block allocation	3,457.1
Other projects	1,240.5
Sub-Total	4,697.6
Federally Administrated Tribal Area	
Block allocation	8,231.1
Other projects	411.5
Sub-Total	8,642.6
G- Total (Special Areas)	20,338.1

Skill Development

- NAVTEC is addressing TVET challenges in the *National Skills Strategy 2009-2013*.
- The flagship strategy emphasizes a shift from curricula-based to competency-based training and to create a demand-driven training system responsive to requirement of industry. It seeks to institutionalize various segments of TVET sector and will adopt corrective measures during the process of implementation.

- The national skills strategy is meant to build a skills development system that can be benchmarked against international standards and achieve the following mandate given by the government:
 - Competency Based Training
 - Enhanced role of private sector
 - Reform of the Apprenticeship System
 - Centres of Excellence
 - Encouraging Entrepreneurship
 - National Qualifications Framework
 - Streamlining Policymaking
 - Registering and Accrediting Institutes
 - Reforming management of training institutes
 - Training of Instructors
 - Research & Development
 - Skills for women
 - Training for Disadvantaged Regions and Sectors
 - Integration of Informal Economy of Workers
 - Flexible Training Delivery
 - Expanded geographical provision
 - Mobility of Skilled Workers
 - Career Guidance & Placement
 - Vocational Education in schools
 - Improving the status of skill development

Employment Promotion Policies

- The specific policies and programs are as follows:
 - Accelerating Investment & Economic Growth

- Development Program and Employment Generation
- Investing in Increasing Water Resources
- Credit Facility through SME Bank
- Micro Credit Facilities through Khushhali Bank
- President's Rozgar Scheme by National Bank of Pakistan (NBP)
- NAVTEC Skill Development Program
- Skill Development Councils
- Overseas Employment
- Information Technology
- Labour Market Information System and Analysis
- National Internship Program

Ministry-wise distribution of allocation is at the following pages

Size of PSDP

(Rs in Million)

Classification	Budget 2009-10	Revised 2009-10	Budget 2010-11
(i) Federal Ministries/Divisions	284,855	190,450	167,578
1 Cabinet Division	4,919	3,500	3,619
2 Pakistan Atomic Energy Commission	21,534	21,100	15,228
3 Pakistan Nuclear Regulatory Authority	447	300	247
4 Commerce Division	839	600	474
5 Communications Division	266	150	145
6 Ports & Shipping Division	579	800	519
7 Culture Division	450	250	354
8 Sports Division	583	200	230
9 Youth Affairs Division	48	35	75
10 Tourism Division	178	100	125
11 Defence Division	7,584	5,020	3,887
12 Defence Production Division	1,677	1,030	1,230
13 Economic Affairs Division	16	10	15
14 Education Division	8,098	5,500	5,071
15 Higher Education Commission	22,500	18,500	15,763
16 Environment Division	2,969	1,000	1,000
17 Establishment Division	130	129	114
18 Local Govt. & Rural Dev. Division	444	225	82
19 Finance Division	44,799	17,000	14,566
20 Revenue Division (FBR)	2,448	1,500	1,235
21 Food & Agriculture Division	17,977	12,000	10,874
22 Livestock & Dairy Development Division	2,548	1,400	886
23 Foreign Affairs Division	250	135	141
24 Health	23,156	18,500	16,945
25 Industries and Production Division	8,772	4,300	3,220
26 Information & Broadcasting Division	916	450	508
27 Information Tech. & Telecom Division	1,119	600	718
28 Interior Division	7,031	6,000	5,654
29 Labour Manpower & OP Division	135	80	66
30 Law and Justice Division	2,551	1,000	1,000
31 Narcotics Control Division	679	500	550

Contd.....

(Rs in Million)

(Rs in Million)

Classification		Budget 2009-10	Revised 2009-10	Budget 2010-11
32	National Reconstruction Bureau	50	-	-
33	Petroleum & Natural Resources Division	2,374	1,000	623
34	Planning and Development Division	18,685	8,506	9,438
35	Population Welfare Division	5,271	3,600	4,116
36	Postal Services Division	300	200	81
37	Railways Division	12,681	14,000	13,630
38	Textile Industry Division	510	300	165
39	Science & Technological Research Divis	3,140	1,500	1,646
40	Statistics Division	180	100	82
41	Special Initiative Division	2,794	2,250	1,000
42	Water & Power Division	47,031	28,500	28,424
43	Women Development Division	344	200	153
44	Social Welfare & Special Education	488	250	108
45	Housing & Works Division	5,365	3,800	3,576
46	KESC	-	4,330	-
(ii)	Corporations	62,758	50,850	56,671
1	WAPDA (Power)	22,835	14,000	12,030
2	National Highway Authority	39,923	36,850	44,641
(iii)	Special Programme	35,000	35,000	30,000
1	People's Works Programme-I	5,000	5,000	5,000
2	People's Works Programme-II	30,000	30,000	25,000
(iv)	Special	38,386	23,700	25,751
1	Azad Kashmir	17,154	9,610	10,529
2	Gilgit Baltistan	8,367	5,890	6,579
3	FATA	12,865	8,200	8,643
A	Federal PSDP (i to iv)	421,000	300,000	280,000
B	ERRA	25,000	10,000	10,000
	Federal PSDP with ERRA	446,000	310,000	290,000
C	Provincial PSDP	200,000	200,000	373,000
	Total PSDP (A+B+C)	646,000	510,000	663,000