

Chapter
23

Rural Development and Special Areas

This chapter covers three broad areas: Rural Development, Drought Recovery Assistance Program and Special Areas.

23.1 Rural Development

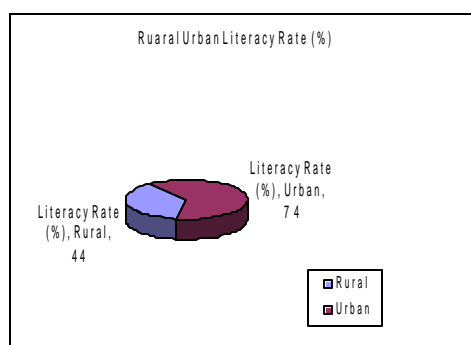
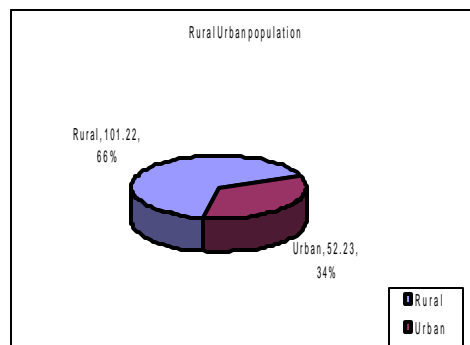
Rural development, emphasizing on the uplift of farm and non-farm sectors of the economy, is considered as a stepping stone towards the goal of prosperous Pakistan. In the long term, rural development planning stresses development of agriculture as well as rural industrialization and rural-urban linkages to reinforce complementarities. Moreover, through deploying knowledge inputs in rural areas, by providing basic and technical education, productivity and efficiency of farm and non-farm sectors, contributions of the rural economy in national productive efforts will be enhanced.

The process of structural transformation through industrialization would remain a far cry if not backed by a productive agriculture sector in the economy. The rural industrialization envisages development of textile, fisheries, dairy products, meat and leather and other comparatively advantageous area of activity. The products to be produced are to be competitive both in domestic and international markets if inputs required for these products are produced cost effectively. Moreover, through backward and forward linkages, rural development would reinforce the overall development of the country.

Rural poverty remains high, with low level of quality of life indicators. To address this issue some important initiatives taken by the government are: the emergence of empowered local government institutions and greater funds availability under Tameer-e-Pakistan Program and wider spread of the Khushal Pakistan Program. In the past, public sector initiatives in the rural areas were hampered due to a lack of strong and broad institutional base at the local level, and absence of participatory process in local development. With the implementation of the devolution plan, the issues of provision of basic infrastructure and social services are beginning to be addressed but considerable capacity building is required to implement these programs efficiently and effectively. The rural development indicators as of 2006-07 are presented in the Table 23.1.1 and figures 23.1.1 and 23.1.2.

Table 23.1.1 Rural Development Indicators 2006-07

| S. No | Sector | Rural | Urban | Total |
|-------|-----------------------------------|-------|--------|--------|
| 1 | Population (million) | 101.2 | 52.2 | 153.4 |
| 2 | (%) Labour Force (million) | 65.9 | 34.0 | 100 |
| | | 31.1 | 14.7 | 45.9 |
| 3 | Un-Employed Labor Force (%) | 6.7 | 9.7 | 7.6 |
| 4 | Number of poor peoples (million) | 28.8 | 7.6 | 36.8 |
| 5 | Population Below Poverty Line (%) | 28.1 | 14.9 | 23.9 |
| 6 | Literacy Rate (%) | 44 | 74 | 66 |
| | Male (%) | 55 | 75 | 79 |
| | Female (%) | 25 | 59 | 52 |
| 7 | Municipal Water Supply (%) | 55 | 85 | 70 |
| 8 | Municipal Sewerage/Sanitation (%) | 30 | 65 | 50 |
| 9 | Roads (kms.) | 97881 | 157975 | 255856 |
| 10 | Basic Health Units (nos.) | 5500 | - | 5500 |
| 11 | Rural Health Clinics (nos.) | 600 | - | 600 |

Fig: 23.1.1**Fig: 23.1.2**

Rural Development Policy

Rural Development is a multi-sectoral approach for development of physical and social infrastructure with a view to realize full productive potential of rural areas and spread benefits of development to the rural population, which currently forms about 68 percent of total population. A broad policy needs to be focused for the development and uplift of rural areas. The main features of the policy are:

- ? Improving the rural infrastructure
- ? Providing the social amenities like education, health, water supply sanitation, rural electrification.
- ? Undertaking such productive projects that will strengthen the livelihood of the people

- ? Enhancing opportunities for gainful work to combat unemployment and under-employment in rural areas
- ? Mobilizing local resources, creating spirit of self-help and motivating people for participation in rural uplift programs
- ? Meaningfully integrating rural development with the national socio economic development efforts and further developing existing infrastructure.

Strategy

For development of rural areas, a holistic approach will be adopted for rural development with local governments in the lead role, supported by the provincial and federal governments, with the following focus:

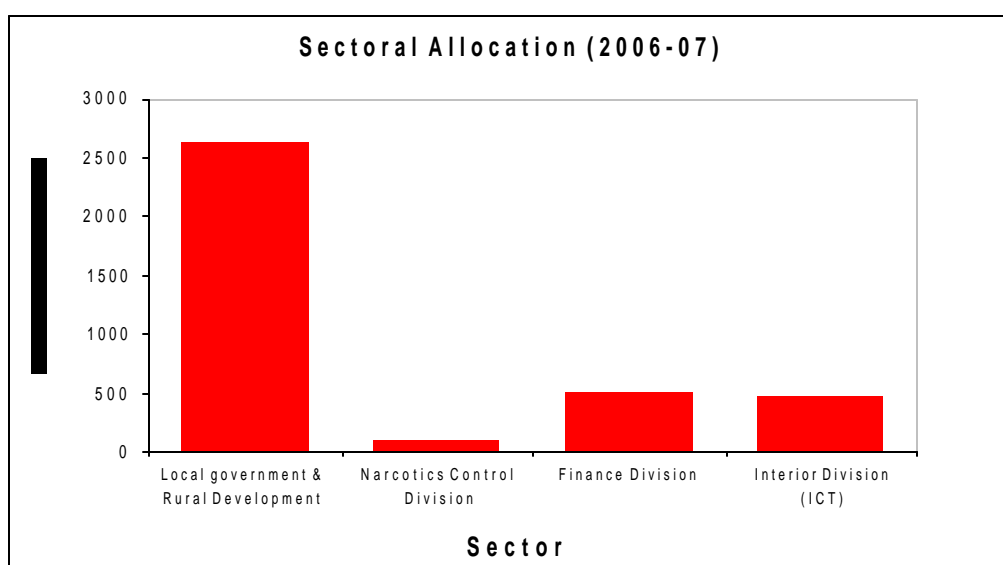
- ? Enhancing the asset ownership of the poor by improving access to land, water and livestock.
- ? Enhancing activities in the non-farm sector, including agro-processing, provision of agricultural inputs and supply of basic consumer goods and services.
- ? Identifying new sources of growth that will increase incomes of rural population.
- ? Facilitating private sector participation and involvement in value addition of agricultural products.
- ? Promoting rural industrialization, including "One Village, One Product" movement.
- ? Deepening and intensifying market development, including input, output and rural financial markets.
- ? Household food security.
- ? Provision of rural infrastructure including rural roads, clean drinking water supply and sanitation, education and health facilities and village electrification.
- ? Human capital development.
- ? Wider participation of rural population in the development of their communities through their own associations/organizations together with local government.
- ? Capacity building of rural development institutions.

Review of Program 2006-07

During the financial year 2006-07 an amount of Rs 3703 million including Rs466 million of foreign aid was allocated in the PSDP for rural development sector, which was mainly utilized for on going program and some new projects. Out of this Local government & Rural Development sector was provided an amount of Rs 2640 million, for the Khushal Pakistan Program (KPP-I), and Pilot Project for Model Villages in Pakistan. An amount of Rs 114 million was allocated for the Agriculture and Area Development Project and Poppy Growing Area of NWFP. An amount Rs 503 million for T.A for Local Government Performance Enhancement under Finance Division, and Rs 466 million was allocated for construction of rural roads, women development and income generating programs for Islamabad Capital Territory.

Table 23.1.2 Sectoral Allocation

| Sector | FY06-07 Rs Million |
|--------------------------------------|-----------------------|
| Local government & Rural Development | 2640 |
| Narcotics Control Division | 114 |
| Finance Division | 503 |
| Interior Division (ICT) | 466 |

Fig: 23.1.3 Sectoral Allocation**Physical Achievements:**

During the FY06-07 the physical achievement of the area development projects includes construction of 12 km black topped roads, 5 dug well schemes and 25 hydel power stations. Under TA for Local Government Performance Enhancement, 62 rolled out Technical Investment Proposals (TIPs) and procurement formalities for the remaining 62 TIPs had been completed. Construction / rehabilitation of 113 km of rural roads in Islamabad Capital Territory (ICT) had also been completed.

Program for 2007-08

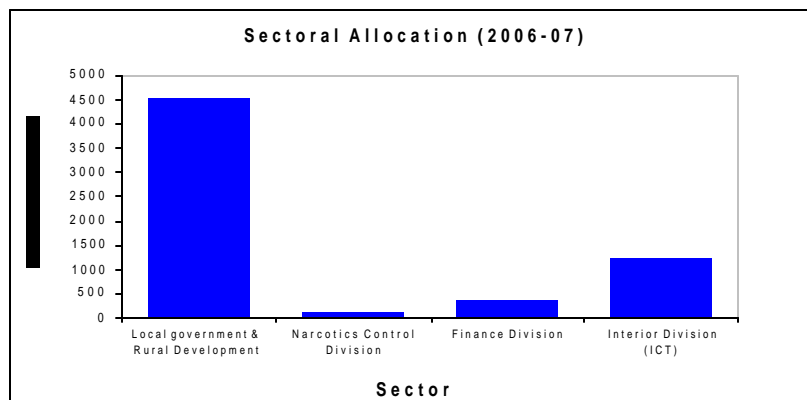
The proposed program for the FY07-08 amounts to Rs 6,237.3 million including Rs 290 million as foreign aid. Detail of allocation to the different ministries/divisions is as under:

- ? Ministry of LG&RD Rs 4547.9 million: Rs 4420 million for the Khushal Pakistan Program (KPP-I), Rs 102 million for the Pilot Project for Model Villages, Rs 14 million for the Physical Resources Development of AHK

- NCRD Phase-II and Rs 12 million for the Establishment of Monitoring & Evaluation Cell.
- ? The Narcotics Control Division Rs 156 million including foreign exchange component of Rs 90 million.
 - ? The Finance Division Rs 292 million including foreign exchange component of Rs 200 million for TA-I for Local Government Performance Enhancement, TA-2 Gender and Governance Mainstreaming and Rs 100 million for the Reconstruction & Rehabilitation of Earth Quake Affected District Swat.
 - ? The Interior Division Rs 1,241 million which also includes Rs 740 million for Islamabad Development Package Table 23.1.3 and Fig 23.1.4.

Table: 23.1.3 Rural Development Allocation

| Ministries | FY07-08 Rs Million |
|--------------------------------------|-----------------------|
| Local government & Rural Development | 4,547.9 |
| Narcotics Control Division | 156.4 |
| Finance Division | 392 |
| Interior Division (ICT) | 1,241 |
| Total | 6,337.3 |

Fig: 23.1.4 Rural Development

Physical Targets

During FY07-08 the physical targets are:

- ? Narcotics Control Division. Under the area development projects, construct black topped roads, dug well schemes and hydel power stations, water resource development schemes, and agriculture related activities etc.
- ? Interior Division. Construct / rehabilitate 150 km of rural roads and 15 street pavement schemes in Islamabad Capital Territory (ICT).
- ? Finance Division. The TA for Local Government Performance Enhancement has been proposed to complete 131 rolled out Technical Investment Proposals (TIPs) and formulation of 7th and 8th work plan.

Major Initiatives

Social Mobilization for Poverty Reduction

Social mobilization is not a new concept. It has emerged from the age-old recognition that poor men and women have an inherent will and potential to improve their conditions if they are provided the required support and an enabling environment. In order to unleash true potential of the people, especially the poor, the conceptual package of social mobilization builds on three elements. Firstly, it requires that the poor are brought into an organized fold. Secondly, upgrading the skill base of the poor - i.e. managerial, productive and cooperative skills - is essential to enable them to make the best use of available resources. Generation of capital by the poor, through the discipline of savings, is the third important element of the conceptual package. Building capital is the key foundation for moving onto the road of self reliance by the poor.



The presence of a support mechanism is a critical factor in implementing the conceptual package, especially as a means for establishing a receiving mechanism at the grass roots level and facilitating public sector service delivery.

Impact/ Benefit

During the last 25 years, the Rural Support Programs in Pakistan have demonstrated that the application of the conceptual package through a support mechanism results in sustained incremental improvement in the lives of the Poor. The first of such programs to be established was the Aga Khan Rural Support Program (AKRSP) in 1983. The World Bank Evaluation after first ten years of AKRSP's operations showed doubling of incomes for the people over this period. Since this success, nine other rural support programs (RSP) have replicated this approach in Pakistan. The ten RSPs are collectively present in 93 districts and 2,663 union councils of the country. Working with the conceptual package are over 1.5 million rural households, organized into 88,267 community organizations, including 33 percent women. A total of 784,746 members including 35 percent women have been trained in leadership and technical skills for enhancing income earning opportunities. The organized communities have a combined saving of Rs 1.5 billion and have received Rs 19.38 billion as micro-credit with a recovery rate of above 97 percent. Organized communities are also operating and maintaining 66,595 small infrastructure schemes with an investment of Rs 6.5 billion including minimum 20 percent community contribution share in kind or cash. RSPs have also established 1,499 community-managed schools with an enrolment of about 50,000 pupils. In health care, most of the organized communities, especially women members and children, are benefiting from the preventive primary health care being provided by 11,202 trained traditional birth attendants.

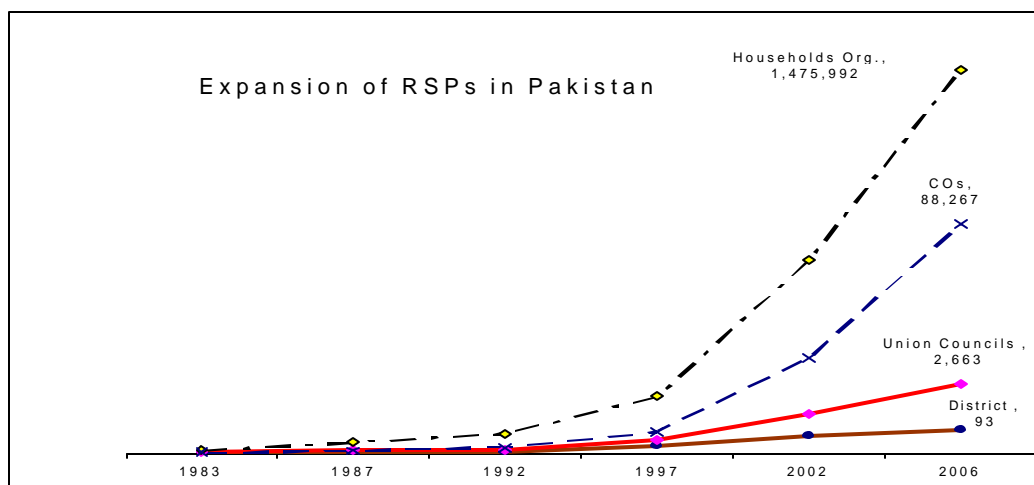
Expansion of Social Mobilization

Ever since the first RSP was established, the coverage of social mobilization in Pakistan has increased at a phenomenal rate and more so after 1995 and it continues to rise (figure 23.1.5). This, however, was only possible due to the Government of Pakistan's

recognition of social mobilization as an effective tool for poverty reduction and its seed funding for setting up three large RSPs (i.e. National Rural Support Program, Punjab Rural Support Program and Sindh Rural Support Organization) and its ongoing support through the Pakistan Poverty Alleviation Fund (PPAF). The MTFD (2005-10) and Supplement to the MTFD clearly place social mobilization as the key approach to reducing poverty and in meeting the millennium development goals. MTFD recognizes that, in order to make a significant dent in poverty the coverage of social mobilization needs to be expanded to benefit all the 7 million poor households.

Being an evolving process, RSPs are now taking social mobilization to the next level for meeting the challenge of comprehensive coverage by developing community activists to cost-effectively take the program to scale and address the issue of poverty. The RSPs are also exchanging practices and lessons in social mobilization in other parts of South Asia for expanding coverage. With government remaining committed to the cause of poverty reduction through social mobilization, there should be a quantum leap in the coverage of the poor and meeting the MDG goal of reducing poverty in not too distant a future.

Fig: 23.1.5 Expansion of RSPs in Pakistan



Khushal Pakistan Program (KPP)

KPP involves public representatives in identification, management and implementation of development schemes like construction of roads, electrification, provision of gas and telephone and other facilities such as health, sanitation, water supply, education, etc. It was initially launched for a period of two years (Jan 2000-Dec 2001), but was extended till the end of FY 2002. The range of financial public works was from Rs 0.05 million to Rs 5 million per scheme in rural areas and Rs 0.05 million to Rs 8 million per scheme in urban areas. The Program attempted to involve local people in identification, management and implementation of small projects and inculcates a spirit of ownership. The funds were to be spent on productive purposes and not as administrative expenditure. Large number of farm to market roads, water supply schemes and schools were constructed or renovated. The Program provided job opportunities to around 2 million people. An amount of about Rs 36 billion was spent on this Program in two years time.

Khushal Pakistan Program-I (KPP-I)

It is based on the need to focus on people and their needs by involving national, provincial and local representatives of the people in planning process. Launched in 2003, the program, earlier named as Tameer-e-Pakistan, covers schemes related to sectors such as gas, electricity, roads, telecommunication, education, health, sanitation and water supply. The Program will cover essential infrastructure at the village, union, tehsil and district level; basic education and health; support for creating entrepreneurial and employment capacity; and support for creating direct employment. Federal Government has allocated Rs 4.42 billion for the financial year 2006-2007.

Under this Program Rs 11,905.8 Million have been disbursed to Executing Agencies in the Federal/Provincial/District Governments for executing 23,475 schemes in approved sectors. So far 16,995 schemes have been completed. Detail is presented in Tables 23.1.4 and 23.1.5.

Table: 23.1.4 Agency Wise Funds Released Under KPP-I 2002-2007

| Agency | No. of Schemes | Funds Released | Schemes Completed | No. of Job Created | Population Benefited |
|-------------------------|----------------|-----------------|-------------------|--------------------|----------------------|
| WAPDA | 11010 | 4591.75 | 8808 | - | 1429714 |
| P.W.D | 6856 | 4309.99 | 5708 | 4726642 | 66832994 |
| D.C.O/Prov. Govt. | 3504 | 1596.91 | 1289 | 194657 | 4615271 |
| SNGPL | 448 | 772.46 | 349 | 281593 | 644816 |
| Political Agent | 1451 | 387.98 | 706 | 163778 | 577516 |
| Agri. Engr. Dept. | 38 | 60.85 | 3 | 3000 | 53033 |
| KESCO | 31 | 37.05 | 29 | - | 16260 |
| Cantonment Board | 17 | 31.68 | 1 | 100 | 20000 |
| Telephone | 43 | 23.67 | 43 | 51 | 97550 |
| LG & RD Dept. | 16 | 9.90 | 10 | 256 | 4935 |
| MISC./DEV. Authority et | 6 | 8.83 | - | - | - |
| Grand Total:- | 23475 | 11905.80 | 16995 | 5384667 | 74364956 |

Table 23.1.5 Province Wise Funds Released (Under KPP-I)

| PROVINCE | No. of Schemes | Funds Released |
|----------------------|----------------|-----------------|
| PUNJAB | 10759 | 6234.58 |
| SINDH | 3121 | 2548.82 |
| N.W.F.P | 5517 | 1584.14 |
| BALUCHISTAN | 1436 | 771.24 |
| FATA | 2436 | 644.79 |
| ISLAMABAD | 206 | 122.23 |
| Grand Total:- | 23475 | 11905.80 |

23.2 Drought Recovery Assistance Program

Introduction

Pakistan is a “**water stress country**” since it lies in sub-tropical arid to semi-arid zone. The intensity of drought is mainly controlled by the *El-Nino* phenomenon, which causes intense heat and minimal summer rains, resulting in decreased river and canal flows and the *La-Nina* which disturbs winter rains. Both the phenomena may recur every 5-7 years with greater severity and longer period (Box 23.2.1).

The normal rainfall for Pakistan has been estimated at 277.8 mm – a level which was recorded in 1998. Thereafter, the rainfall was 13.2 percent less than the norm in 1999 and 42 percent lower in 2002. Some improvement was observed in 2003 and winter 2005 but again it dropped to 41.9 percent below the norm in winter 2006 (**Annex 23.1**). The water situation is quite serious for Pakistan as during the last 12 years, the water shortage was experienced for 7 *Kharif* crops and 10 *Rabi* crops. The *Rabi* crops were drastically affected during 2000-06 as shortage of water ranged 13 per cent to 49 per cent (**Annex 23.2**).

Box 23.2.1 Adverse Effects of Flood and Water Shortage

Untimely rains are unfriendly phenomena for crops as it harms the infrastructure, damages the land resources, disturbs the water resources and affects the fertility and output of land and productive resources, as such excess rains/snowfall, no rains/ snowfall are disastrous types of generated drought. The acute shortage of river flow coupled with meteorological drought resulted in:-

- a. Reduction of net area sown by 6 per cent [from 16.49 million hectares in 1996-98 to 15.54 million hectares in 2004-05] .
- b. About 1.42 million hectares area once under plough was not sown during the last 4 crops as current fallow increased from 5.19 million hectare in 1995-96 to 6.61 million hectares in 2004-05.
- c. Around 9 million hectares farm area which was fit for cultivation could not be cropped during the year under reference nor in the year before that. Thus, it was classified as culturable waste.
- d. The area decreased in case of masoor by 33 per cent, dry pease 41 per cent and mong 34 per cent. However, decrease in area under gram fluctuated between 2-20 per cent during 1995 -96 to 2004-05.
- e. Decrease in area under soyabean was 85 per cent, caster seed 73 per cent, linseed 38 per cent, sesamum 27 per cent and rape seed and mustard 20 per cent during the same period.
- f. Low cropping intensity i.e. 70 per cent.

To address the issue, Drought Emergency Relief Assistance Program (DERA) was launched in Oct, 2002 with investment outlay of US\$ 160 million which was further enhanced to US\$ 180 million due to strengthening of SDR against US\$. During DERA-I period 2730 demand driven schemes were implemented. Out of which 2711 schemes (99 per cent) were completed. An amount of Rs 10377 million was released against which an expenditure of Rs 10,100 million was incurred which was 97 per cent of the releases. In addition 608 schemes costing Rs 760 million were completed in Balochistan under the Prime Minister Special Drought Package (PMSDP-I).

The strategic framework of the program mainly covers the following:-

- ? Mitigating the effects of drought
- ? Supplement poverty alleviation
- ? Capacity building

- ? Effective monitoring & evaluation system
- ? Transparent Financial Management System (FMS)
- ? Decentralization through devolution

The execution of labour intensive public works generated short-term employment of 350,000 man-months that not only helped in revival of economic activities but also supplemented poverty reduction efforts of government and drought affected areas. Besides valuable assets were created in the drought affected areas of the provinces as well as FATA that are reflected in **Annex 23.3**. To ensure quality and timely execution of schemes, 43 per cent schemes in 67 districts were inspected and 159 reports generated which were shared with the stakeholders for remedial measures. DERA is a phased program. So far its first phase has been completed whereas; its second phase is currently under execution.

Drought Recovery Assistance Program Project (DRAPP/DERA-II)

Due to adverse weather conditions; limited coverage under phase-I and emphatic demand of the provinces, second phase of Drought Recovery Assistance Program Project (DRAPP) costing Rs 30,000 million was launched in all the provinces, AJ&K, FATA, FANA and ICT for mitigation of drought effects through development of essential infrastructure for conservation and management of water as well as related activities. Ultimately, it would generate employment and promote sustainable production of food, cash crops, fodder, wool, meat and hides, which would consequently lower the incidence of poverty.

Strategy for Drapp (Dera -ii)

The proven strategy of phase-1 would be replicated during phase-II for identification, formulation and implementation of community demand driven schemes, upfront release of funds, effective field monitoring of the program by the provincial as well as Federal DERA Unit, concurrent audit and its follow-up for transparent implementation of the program. Modus Operandi of DRAPP is summarized in Table 23.2.1.

Table 23.2.1 Modus Operandi for DRAPP

| Activities | Responsibilities |
|--|--|
| ? Identification of schemes | Communities/Citizen Community Board (CCBs) & local leadership |
| ? Scheme formulation on revised PC-I form (mandatory) | Line Departments |
| ? Schemes Clearance/approval (mandatory) | |
| 1st step | District Drought Assistance Coordination Committee (DDACC) |
| 2nd step | Provincial/Areas/Regional Steering Committees (PSC/ASC/RSC) |
| Final step | Federal Steering Committee (FSC) |
| ? Secretariat Services, release of funds, coordination, monitoring & evaluation etc. | ? PIU at Provinces/Area level ? Federal DERA Unit at federal level |
| ? Implementation of schemes | Respective line departments |
| ? O&M | Communities/TMAs in general. However, schemes viz small dams, roads will be maintained by respective district governments/departments. |
| ? Completion and Performance Reports on PCIV & V forms (mandatory) | PIUs of respective Provinces/Areas etc. |

Implementation Status

The following steps for effective implementation of DRAPP have been taken during the year 2006-07:-

- ? The drought affected districts have been identified and notified;
- ? Necessary committees i.e. District Drought Assistance Coordination Committee (DDACC); Provincial/Area/Regional Steering Committees (PSC/ASC/RSC) and Federal Steering Committee (FSC) have been constituted, notified and are functional.
- ? Financial Management System has been developed.
- ? Selection criteria for identification of demand driven schemes, their processing till approval has been developed and is in practice.
- ? Training workshops are being scheduled in each Province/Area/Agency for imparting training to the employees of the line departments.

Unfortunately, DRAPP/DERA-II could not maintain its momentum due to resource constraints. Funds to the tune of Rs 2 billion were provided in year 2006-07 which have been released to the provinces for implementation of the schemes.

All the stakeholders submitted a large portfolio of schemes which was curtailed to adjust within the available funds. The Federal Steering Committee (FSC), therefore, considered 664 schemes costing Rs 2213 million. Province-wise details are given in Table 23.2.2.

Table 23.2.2 Province-wise Number of Schemes with Cost
(Rs Million)

| Province | No. | Cost |
|-------------|-----|-------|
| Balochistan | 225 | 388 |
| Sindh | 172 | 335 |
| Punjab* | 96 | 391 |
| NWFP* | 134 | 977** |
| FATA | 17 | 42 |
| AJ&K | 15 | 65 |
| ICT | 5 | 15 |
| Total | 664 | 2213 |

* Including special dispensation of Rs 107 million for Punjab and NWFP

** Including cost of Rs 277 million for Bargunatu Dam and 3 schemes on special dispensation.

The implementation of the above mentioned schemes was initiated by the FATA, FANA, AJ&K and ICT during 2006-07. It will remain in progress during 2007-08. An amount of Rs 2 billion has been allocated for the year 2007-08 to implement these schemes. The portfolio will be finalized during the quarter ending 30th September, 2007. The Project Implementation Units (PIUs) have been established at all levels. Federal DERA Unit (FDU), Planning and Development Division will continue extending secretariat services for Federal Steering Committee on drought mitigation. An amount of Rs 48 million has been allocated in the PSDP 2007-08 for the FDU.

Prime Minister's Special Drought Package-II, Balochistan

In addition, upfront amount of Rs 1000 million was released for implementation of the Prime Minister's Special Drought Package-II in Balochistan. Under the program 162 schemes were implemented out of which 12 schemes have been completed utilizing

Rs 661 million, showing 66 per cent progress. Out of balance amount 150 schemes are at various stages of implementation. The heavy snowfall and poor implementation capacity of the concerned departments has slowed progress of the program.

Under the program 56,198 ruminants were distributed in 2005-06 and procurement/distribution of 69,136 ruminants is under progress during the FY 2006-07. The program envisaged restocking of 46,415 small ruminants through re-cycling progeny of already distributed ruminants during FY 2007-08.

Monitoring and Evaluation

The monitoring and evaluation of the schemes on the spot is of vital importance and proved catalyst in success of DERA-I and Prime Minister Special Drought Packages for Balochistan. The monitoring wing of the Federal DERA Unit has already monitored 60 schemes under the PM's Packages during the FY 2006-07 and findings were shared with the concerned stakeholders for remedial/corrective measures. It is envisaged that 20 per cent schemes would be monitored during FY 2007-08.

23.3 Special Areas

It is the Government's policy to pay focused attention to the less developed areas that lag behind in terms of incomes and availability of public infrastructure and services. The Special Areas include Azad Jammu & Kashmir (AJ&K), Northern Areas (NA) and Federally Administrative Tribal Areas (FATA).

Policy for Special Areas

The essential policy measure for the socio-economic uplift of special areas is to ensure a stable and peaceful environment, with emphasis on the law and order situation in FATA & Balochistan and provision of social and physical infrastructure (including rural roads drinking water and sanitation, education and health facilities. Similarly, employment opportunities and income generating activities are being enhanced through sustainable development measures.

Strategy

It is planned to rationalize resource allocations in order to have maximum impact on these areas. The priority sectors for investment include education, forestry, horticulture, mineral resources, communications, and electrification. The main features of the strategy are:

- ? Introducing policy and program interventions to enhance employment and incomes and increasing ownership of assets.
- ? Adopting an integrated area based multi-sectoral approach for accelerated provision of social and physical infrastructure (including roads, drinking water and sanitation, electrification, education, and health facilities), to bring them at par with the rest of the country.
- ? Undertaking programs emphasizing use of labor-intensive methods; community mobilization at grassroots level; use of demand driven approaches and minimization of the impact of drought in drought prone areas.
- ? Emphasizing primary and secondary education, while also redressing gender imbalance.
- ? Reafforesting of denuded hills, particularly through drought resistant fast growing and non-grazable species in social forestry program.
- ? Exploring public private-partnerships.

Review of Program 2006-07

During financial year 2006-07 an amount of Rs 16190 million including Rs1076.00 million foreign aid, showing an increase of 23 percent over the PSDP 2005-06 allocations, was allocated for the development of less developed and Special Areas (AJ&K, NA & FATA). Out of this an amount of Rs 6200 million was allocated for FATA, Rs 6000 million for AJ&K and Rs 3990 million for Northern Areas.

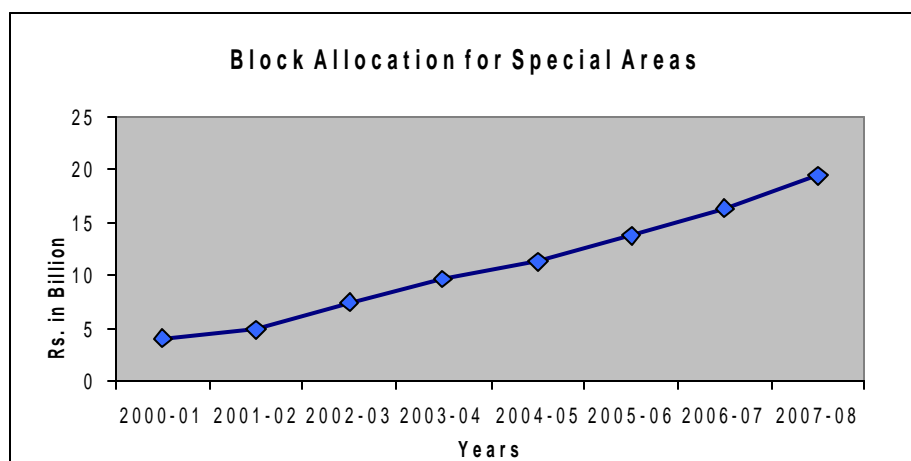
Program for 2007-08

For the proposed program for the development of Special Areas in PSDP 2007-08 an amount of Rs 19.5 billion including foreign aid of Rs 1.1 billion as a block allocation has been proposed showing an increase of 8.1 percent over the PSDP 2006-07 allocation. Out of this an amount of Rs 7.2 billion will be allocated for FATA, Rs 7.8 billion for AJ&K and Rs 4.5 billion for Northern Area. The block allocations for the special areas since 2000-01 are given in the table 23.3.1 as well as in the figures 23.3.1 and 23.3.2.

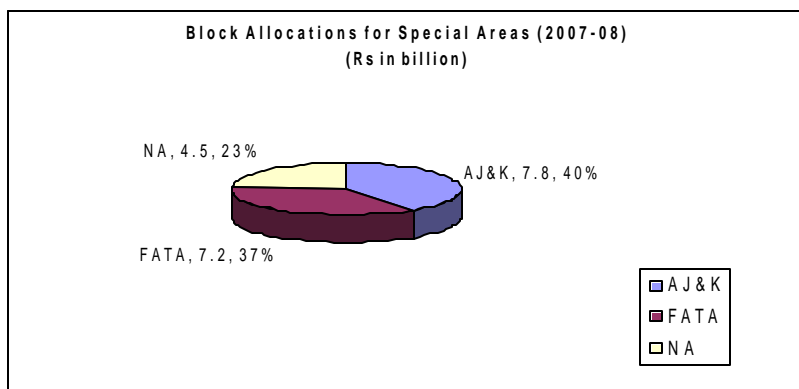
**Table: 23.3.1 Allocations for Special Areas
2001-08**

| (Rs Bln) | | | | |
|----------|------------|------------|------------|-------------|
| YEAR | AJ&K | FATA | NA | TOTAL |
| 2000-01 | 2.12 | 0.87 | 0.97 | 3.96 |
| 2001-02 | 2.58 | 1.03 | 1.22 | 4.83 |
| 2002-03 | 3.3 | 1.98 | 2.18 | 7.46 |
| 2003-04 | 4.01 | 3.2 | 2.4 | 9.61 |
| 2004-05 | 4.46 | 4 | 2.77 | 11.23 |
| 2005-06 | 5.1 | 5.15 | 3.39 | 13.64 |
| 2006-07 | 6 | 6.2 | 4.01 | 16.21 |
| 2007-08 | 7.8 | 7.2 | 4.5 | 19.5 |

**Fig: 23.3.1 Allocations for Special Areas
2001-08**



**Fig: 23.3.2 Allocations by Special Areas
2007-08**



Federally Administrated Tribal Areas (FATA)

FATA consists of seven Agencies namely Bajaur, Mohamand, Khyber, Orakzai, Kurram, North Waziristan and South Waziristan and six provincially Administered Frontier Regions attached to Peshawar, Kohat, Bannu, D.I. Khan, Tank and Lakki Murwat Districts of NWFP. These areas, with an estimated population of 3.69 million and an area of 27220 square kilometers, lie along the 1500 kilometers long border with Afghanistan called the Durand Line. Recently many of these areas have been opened up peacefully. However development indicators in these areas are low and major efforts are under way to assimilate them in the mainstream of socio-economic activities of Pakistan. The total block allocation for FATA has increased from Rs 0.87 billion in 2000-01 to Rs 7.2 billion in 2007-08 as shown in the table 23.3.2 and in the figure 23.3.3. This significant rise in the total block allocation is meant to improve socio-economic conditions and reap maximum benefits

Table 23.3.2 Allocation Trends of FATA

(Rs Bln)

| YEARS | FATA | % Change |
|---------|------|----------|
| 2000-01 | 0.87 | - |
| 2001-02 | 1.03 | 19.08 |
| 2002-03 | 1.98 | 92.62 |
| 2003-04 | 3.2 | 61.29 |
| 2004-05 | 4.00 | 25.00 |
| 2005-06 | 5.15 | 28.75 |
| 2006-07 | 6.2 | 20.39 |
| 2007-08 | 7.2 | 16.12 |

**Fig: 23.3.3 Allocations for FATA
2001-08**



Fata Sustainable Development Plan (SDP)

Communication networks and the electronic media have begun to reach the more inaccessible parts of FATA. Further opening up is warranted.

The FATA Sustainable Development Plan (SDP) is a step in this direction. It aims to bridge the development gap. The SDP has been approved after discussion in Pakistan Development Forum. The total cost of the plan has been estimated at **Rs 124.108 billion** out of which **Rs 60.00 billion and Rs 3.60 billion will be financed by GOP and Foreign Aid respectively**. The remaining will be part of the unfunded financial portfolio. The plan is expected to be implemented in a period of nine years (2006-2015).

The SDP aims to steer development planning in a new direction, focusing on the people at the grassroots level. It identifies the people as the focus of development. It explores options to improve institutional and financial capacities, and to expand and diversify available economic opportunities. It also provides a monitoring and evaluation framework to support, assess and strengthen development initiatives.

Azad Jammu & Kashmir (AJK)

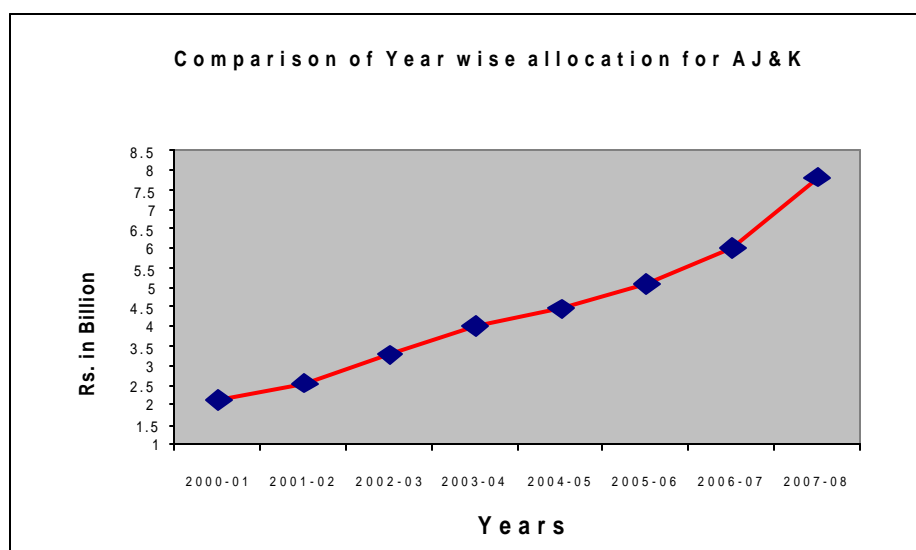
Azad Jammu and Kashmir with a total area of 13297 Sq KM and a population of 3.65 million is predominantly rural (rural urban ratio of 88:12).

The total block allocation for AJK has increased from Rs 2.12 billion in 2000-01 to Rs 7.8 billion in 2007-08 as shown in the table 23.3.3 and in the figure 23.3.4. This significant rise in the total block allocation is meant to improve socio-economic conditions and reap maximum benefits. Following the devastating earthquake of October 8th 2005, the reconstruction and rehabilitation process in the quake affected areas was taken-up in right earnest. Significant amounts have been earmarked for the reconstruction of infrastructure and rehabilitation of quake victims.

**Table 23.3.3 Allocation Trends of AJ&K
2001-08**

(Rs Bln)

| YEARS | AJ&K | % Change |
|---------|------|----------|
| 2000-01 | 2.12 | - |
| 2001-02 | 2.58 | 21.70 |
| 2002-03 | 3.3 | 27.91 |
| 2003-04 | 4.01 | 21.52 |
| 2004-05 | 4.46 | 11.22 |
| 2005-06 | 5.1 | 14.35 |
| 2006-07 | 6.0 | 17.65 |
| 2007-08 | 7.8 | 13.33 |

**Fig: 23.3.4 Allocations for AJ&K
2001-08**

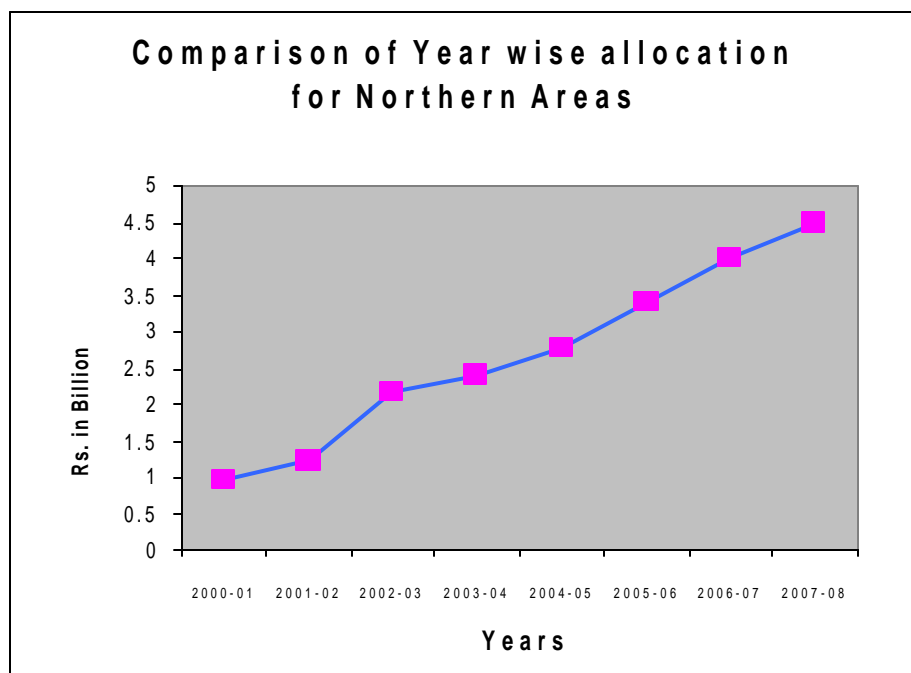
Northern Areas

The Northern Areas of Pakistan are spread over 72,496 sq km, with a population of 0.87 million. A large part of the population (80%) is engaged in agriculture. Only 2% of the land is cultivable, 4% is natural forest and 52% rangeland. The cultivation of fruit trees is important, particularly in the valleys. Fruits, such as apricots, almonds, pomegranate, grapes, peaches and mulberry, are not only a source of food but also earn cash. There is a growing service sector particularly in transportation, tourism and trading. The major potential for development in the Northern Areas is in the hydel power generation from River Indus and its tributaries. Minerals, cross border trade and tourism are also important.

The total block allocation for Northern Areas has increased from Rs 0.79 billion in 2000-01 to Rs 4.5 billion in 2007-08 as shown in the table 23.3.4 and in the figure 23.3.5.

Table 23.3.4 Allocation Trends of Northern Areas

| Years | (Rs Bln) | |
|---------|----------|----------|
| | NA | % Change |
| 2000-01 | 0.97 | - |
| 2001-02 | 1.22 | 25.77 |
| 2002-03 | 2.18 | 78.69 |
| 2003-04 | 2.40 | 10.09 |
| 2004-05 | 2.77 | 15.42 |
| 2005-06 | 3.39 | 22.38 |
| 2006-07 | 4.01 | 18.29 |
| 2007-08 | 4.50 | 12.21 |

**Fig: 23.3.5 Allocations for Northern Areas
2007-08**

Deviation of Area Weighted Rainfall (Pakistan)

(MM)

| Year | Pakistan (Normal = 277.8 MM) | | |
|--------------|---|--------|--------------------|
| | Rainfall (Annual Normal) | AWR | percent of DAWR |
| 1994 | 277.8 | 441.2 | 58.8 |
| 1995 | 277.8 | 353.3 | 29.0 |
| 1996 | 277.8 | 299.1 | 7.7 |
| 1997 | 277.8 | 429.1 | 54.5 |
| 1998 | 277.8 | 277.8 | 0.0 |
| 1999 | 277.8 | 231.0 | -13.2 |
| 2000 | 277.8 | 189.6 | -31.8 |
| 2001 | 277.8 | 223.7 | -19.5 |
| 2002 | 277.8 | 161.0 | -42.0 |
| | (Seasonal Normal) | | |
| Winter 2003 | 70.50 | 87.70 | 23.40 |
| Monsoon 2003 | 137.50 | 203.50 | 48.00 |
| Winter 2004 | 70.50 | 41.45 | -41.20 |
| Monsoon 2004 | 137.50 | 84.29 | -38.70 |
| Winter 2005 | 70.50 | 156.30 | 121.70 |
| Monsoon 2005 | 137.50 | 116.74 | -15.10 |
| Winter 2006 | 70.50 | 40.96 | -41.90 |
| Monsoon 2006 | 137.50 | 511.50 | 272.00 |
| Winter 2007 | January and 1st week of February remained comparatively dry. Rest of the February, March and April 2007 received more rains which delayed harvesting of wheat and gram crops. | | |

Winter : (Jan-March) Monsoon (July-Sept)

Source: Pakistan Met Office, Islamabad

Annex 23.2

Post IRSA Shortage of Water

(MAF
)

| Kharif (April-Sep) | | | | Rabi (1st Oct-31st March) | | | | | |
|--------------------|-------------------|--------------------|--------------|---------------------------|---------|-------------------|--------------------|--------------|------------|
| Years | Actual Withdrawal | Actual Average Use | Difference | | Year | Actual Withdrawal | Actual Average Use | Difference | |
| | | | MAF | per cent | | | | MAF | per cent |
| 1994 | 55.9 | 67.11 | 11.21 | -17 | 1994-95 | 35.87 | 36.39 | -0.52 | -1 |
| 1995 | 61.45 | 67.11 | -5.66 | -8 | 1995-96 | 38.05 | 36.39 | 1.66 | 5 |
| 1996 | 70.72 | 67.11 | 3.61 | 5 | 1996-97 | 37.18 | 36.39 | 0.79 | 2 |
| 1997 | 65.58 | 67.11 | -1.53 | -2 | 1997-98 | 34.43 | 36.39 | -1.95 | -5 |
| 1998 | 69.40 | 67.11 | 2.29 | 3 | 1998-99 | 35.59 | 36.39 | -0.80 | -2 |
| 1999 | 70.84 | 67.11 | 3.73 | 6 | 1999-00 | 30.05 | 36.39 | -6.34 | -17 |
| 2000 | 59.66 | 67.11 | -7.44 | -11 | 2000-01 | 21.40 | 36.39 | -14.99 | -41 |
| 2001 | 54.72 | 67.11 | -12.39 | -18 | 2001-02 | 18.43 | 36.39 | -17.96 | -49 |
| 2002 | 62.84 | 67.11 | -4.27 | -6 | 2002-03 | 25.01 | 36.39 | -11.38 | -31 |
| 2003 | 65.95 | 67.11 | -1.16 | -2 | 2003-04 | 31.55 | 36.39 | -4.83 | -13 |
| 2004 | 59.12 | 67.11 | -7.99 | -12 | 2004-05 | 20.97 | 36.39 | -15.42 | -42 |
| 2005 | 70.76 | 67.11 | 3.65 | 5 | 2005-06 | 30.06 | 36.39 | -6.33 | -17 |
| 2006 | 67.10 | 67.11 | - | - | 2006-07 | 31.58 * | 36.39 | -4.81 | -13 |
| Average | 59.57 | 67.11 | -7.54 | -11 | | 27.87 | 36.39 | -8.52 | -23 |

* Forecast

Source: Indus River System Authority, Ministry of Water and Power,

Islamabad

Annex 23.3

DRAPP: Assets Created

(Numbers)

| S. No. | Sector | DERA-I | PMSDP-I | Total |
|--------|--|--------|---------|-------|
| 1 | Tube Wells | 2952 | 11 | 2963 |
| 2 | Windmills | 220 | 26 | 236 |
| 3 | Hand Pumps | 600 | 18 | 618 |
| 4 | Small Dams/Storage Reservoirs, Check/Delay Action Dams | 100 | 07 | 107 |
| 5 | Ponds/Diggies | 711 | 81 | 792 |
| 6 | Irrigation Channels/Watercourses Improved | 1669 | 74 | 1743 |
| 7 | Dug Wells | 195 | 03 | 198 |
| 8 | Karezes | 1344 | 14 | 1358 |
| 9 | Bridges | 19 | - | 19 |
| 10 | Rod Khoi/Protection Bund | 27 | 02 | 29 |
| 11 | BHUs & MCH Centers/Dispensaries [Rehabilitated/newly constructed] | 58 | - | 58 |
| 12 | Veterinary Centers/Cattle Farms | 87 | - | 87 |
| 13 | Flood Channels | 52 | 55 | 107 |
| 14 | Roads [Rehabilitated/newly constructed] (KM) | 1984 | - | 1984 |

Source: Provincial Government and FATA