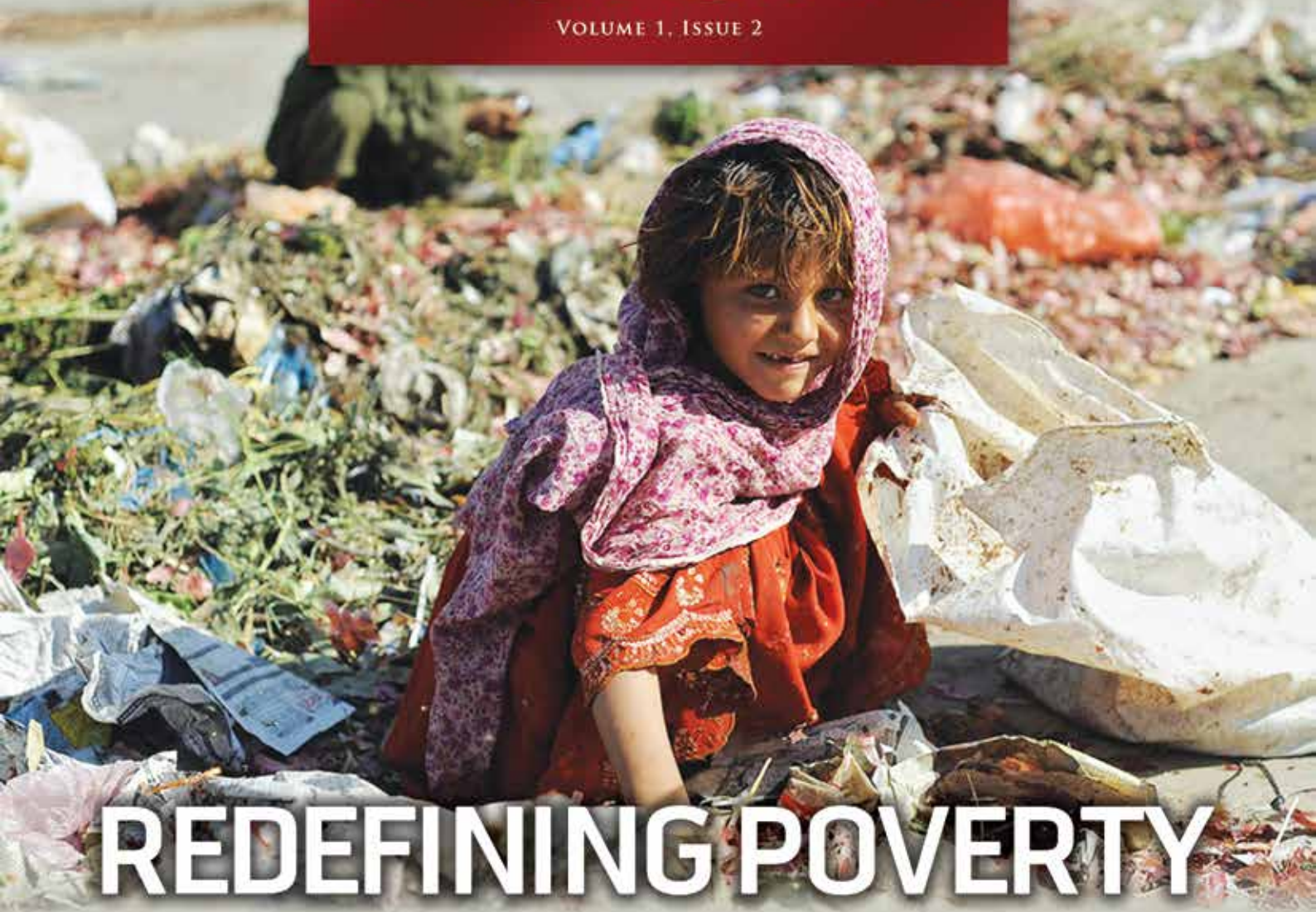


# DEVELOPMENT INSIGHT

VOLUME 1, ISSUE 2



## REDEFINING POVERTY

### In Focus

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## MESSAGE FROM MINISTER



Government of Pakistan recognizes poverty alleviation as its biggest challenge. Improving living standards and quality of life for people is essential for reviving the economy and promoting sustainable development. The status quo of development indicators puts Pakistan on an upward and positive trend in achieving her objectives. I believe that progress can only be achieved if we can ensure political stability along with the continuity of coherent and sound policies in all development arenas. Pakistan can and will fight the poverty disease through economic growth, equitable wealth distribution and enhancement of competitive human resource development.

Pakistan's progression into the 'emerging states' bandwidth is quite a remarkable achievement. This shows that government policies have translated into macroeconomic stability and that Pakistan is now moving in the right direction towards improving economic indicators and in turn alleviating poverty.

To achieve these goals, the Planning Commission, keeping in line with the Vision 2025 document, is striving to improve the education and health sectors of Pakistan as well. Multiple projects have been undertaken to identify the particular needs of the people so that targeted policies can be designed to achieve desired results. The introduction of the Multidimensional Poverty Index, in collaboration with UNDP, is such an initiative. Through this report, policymakers of Pakistan will be able to highlight the policy sectors in need of attention and a district level policy analysis and tailored projects will soon be initiated to fight poverty.

Furthermore, the CPEC Summit and Expo was held recently to bring attention to the endeavours and dedication of the Planning Commission towards the CPEC projects. I am proud to say that the summit was quite a success in exploring various opportunities for multiple stakeholders to work with and benefit from the CPEC initiative. This will help reduce unemployment, as per ILO report's projections, and empower the provinces of Baluchistan and KPK and will help fight poverty. CPEC will prove to be a fate changer for the people of Pakistan.

I am personally very passionate about poverty eradication and I am certain that Pakistan, through economic and human development initiatives, will be able to overcome the deficiencies contributing to and caused by poverty very soon.

A handwritten signature in black ink, appearing to read 'Ahsan Iqbal', with a horizontal line underneath it.

**Prof. Ahsan Iqbal**  
Minister Planning, Development & Reform



## REDEFINING POVERTY: INTRODUCTION OF THE MPI

Poverty is a global challenge and its mitigation has taken a centre stage in all development debates and policymaking processes. Addressing the concerns contributing to poverty is imperative for establishing sustainable growth patterns and viable and tolerable living opportunities for the impoverished. Until 2010, poverty measures were uni-dimensional, often focusing on outcome instead of inputs. However, policymakers now recognize that while income poverty is important, it gives a more comprehensive picture when supplemented with multidimensional indicators of poverty. It then provides a basis for creating inclusive and sustainable development policies. This approach also ensures progress on sectoral and regional balance towards overall inequity reduction. In response, a shift has occurred in the actual definition of poverty as a multidimensional concept. It has forced a shift away from income-based poverty indicators towards those that cater to income along with other basic needs like access to healthcare and education, living standards and social inclusion etc. Hence, Planning Commission of Pakistan, in collaboration with the UNDP, has recently introduced the Multidimensional Poverty Index (MPI) as an inclusive measure of poverty for the country.



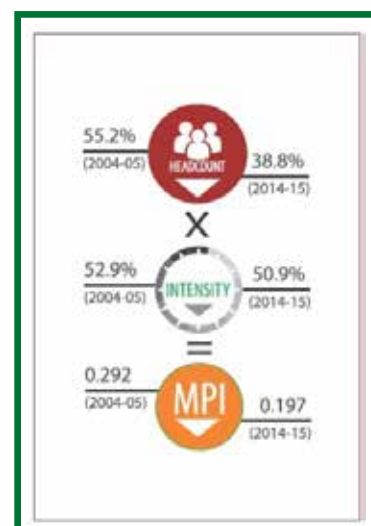
### Uni-Dimensional Income and Consumption Indices

By concentrating exclusively on a single dimension, income-consumption based measures are a rudimentary approach for adequately identifying the poor in society. Although consumption based poverty measures capture the extent and variability in poverty over time, they fail to account for multifaceted impoverishments contributing to opportunity-based poverty dynamics: income/consumption alone cannot warrant an individual’s well-being.

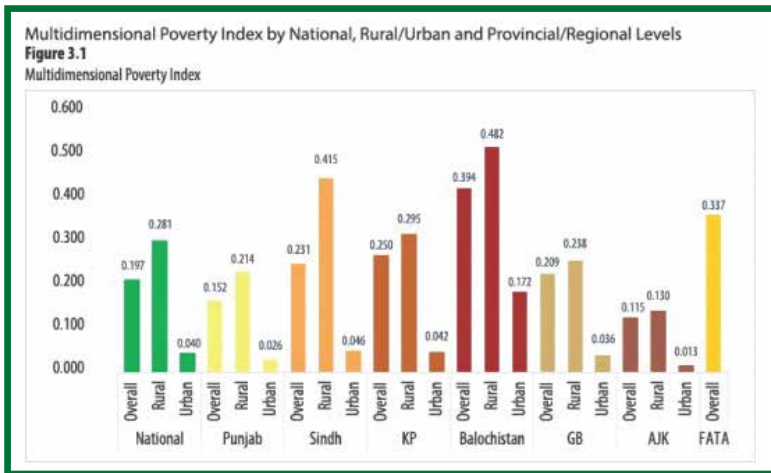
In Pakistan, poverty line has recently been raised from Rs. 2259.44 to Rs. 3030.32, inevitably pushing a higher portion of the population into the ‘very poor’ band. Statistics reveal that due to this shift in the baseline of the poverty measure, 29.5% of the population now resides below the poverty line. This increase in poverty must be seen in context of the government taking an initiative to redefine poverty and raising its commitment to addressing socioeconomic development needs and thus raising the bars. The government is making concerted efforts by employing both the income-based measures and the MPI to identify the poor and managing the issue of poverty, as supported by the Vision 2025 document.

### Calculating the MPI

In light of the limitations of income- consumption based poverty measures, a multidimensional approach has taken precedence for policymakers everywhere. The Global Multidimensional Poverty Index (MPI) highlights the deprivations in many aspects of life such as lack of education, ill health and malnutrition, adequate living conditions and social exclusion. It builds on the workings of Amartya Sen’s Capability Approach and borrows its main dimensions- education, health and living standards- from the Human Development Index (HDI). The MPI further comprises of ten indicators under the overarching dimensions. It also employs two poverty measures: Incidence of poverty (i.e. Headcount Ratio) and the Intensity of Poverty (how intense the poverty is for the multidimensionally poor). The final calculation involves the multiplication of the headcount ratio with the intensity of poverty ( $H \times A$ ) and defines multidimensionally poor as individuals who reveal deprivations in 33% or more of the weighted indicators of MPI.



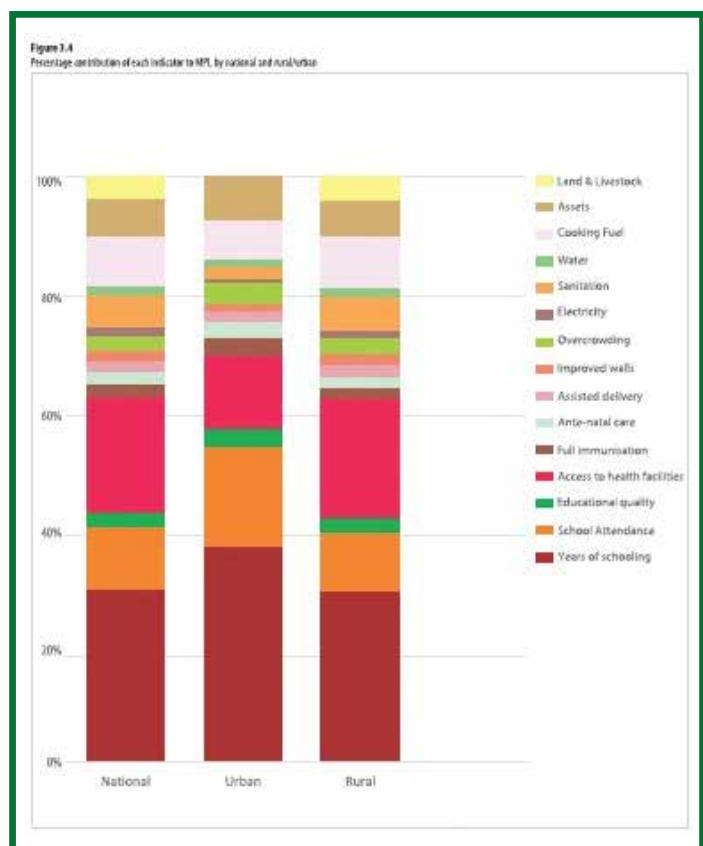
Planning Commission of Pakistan has now employed the MPI to entertain a more comprehensive and analytical view of the country’s poverty picture to effectively address socio-economic gaps and other vulnerabilities in society. Hence, reflecting upon the Vision 2025 and its commitment to the SDGs, Pakistan’s Ministry of Planning, Development and Reform, in collaboration with United Nations Development Programme (UNDP) and Oxford



Poverty and Human Development Initiative (OPHI), issued its first report on Multidimensional Poverty on 20 June 2016. While the global MPI caters to 10 indicators, Pakistan’s MPI was tailored to incorporate country-specific policy concerns and thus comprised of 15 indicators. Pakistan’s MPI is 0.197: “multidimensionally poor people in Pakistan experience 19.7% of total deprivations that would be experienced if all people were deprived in all indicators”. (MPI Report, UNDP).

### Key Results

Main findings of the Planning Commission’s MPI report present a bleak socio-economic picture of the poor: the report categorized 4 out of 10 Pakistanis as multidimensionally poor which constitutes 39% of the general populace. Highest poverty rates were observed in Baluchistan and FATA, followed by Sindh and KPK, with lowest in Punjab. Statistics also reveal that rural areas are more entrenched in poverty compared to the urban centres. A rural-urban temporal analysis has also shown a rise in headcount ratio disparity. In addition, poverty composition analysis reflects on the indicators that significantly contribute to Pakistan’s poverty dimensions are education, healthcare and living standards at the national level. The leading factors identified are education (42.8%), followed by living standards at 31.5% and health’s input of 25.7%. Further breakdown of results unveils the major indicators that adversely affect these dimensions. While years of schooling contributes 29.7% to the MPI, access to healthcare facilities and child school attendance stand at 19.8% and 10.5% respectively, highlighting the variables most in need of policy interventions.



## Provincial Analysis

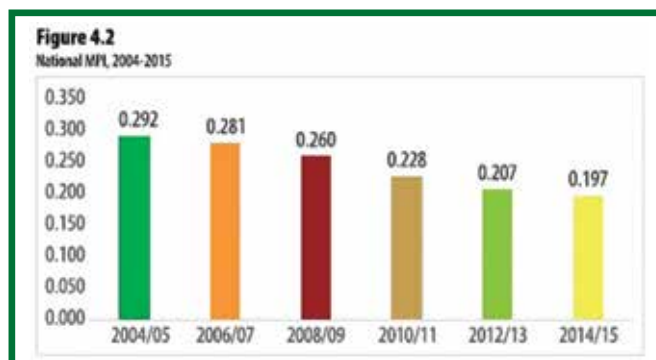
Within provinces, MPI clearly shows a regional inequity along urban rural divide in a district setting. The poorest areas of Punjab- southern Punjab- fare better than the richest areas of Baluchistan. This analysis provides a framework for policymakers to tailor target-specific policies, catering to the particular needs of districts. Furthermore, the MPI report of Pakistan has also published a provincial decomposition of indicators contributing to the MPI. They exhibit a similar trend across provinces of substantial contributions of years of schooling, access to healthcare facilities and school attendance to the MPI. These analyses have brought the sectors that require special policy focus to the forefront and will prove to be major policy tools for programme design and implementation in Pakistan.

## Purpose of the MPI Measure

Poverty poses a serious threat to sustainable development. Although the poverty rates have declined from 55% in 2004 to 39% in 2015, significantly high rates of human impoverishment are hampering economic growth and human development in Pakistan. Where the narrow focus of income-consumption based indices proved futile in providing comprehensive analyses of inequalities and vulnerabilities of the poor in Pakistan, the MPI delivers a robust enquiry of the scope of poverty at the national, provincial and district levels. Disaggregation of results for the provinces can help with decentralized targeting, making the process more effective and efficient.

Furthermore, MPI's 'subgroup decomposability' feature helps in examining major contributors to poverty. Hence, policymakers can direct national priorities to sectors that require most attention and allocate resources effectively by designing evidence-based policies. MPI has eased the extensive and resource-exhaustive process of identification of the target population, problem definition, policy design and project implementation. Multidimensional index also highlights the intersectoral connections between policy and development issues that helps in defining the scope of poverty in a particular area. MPI also offers an intertemporal analysis that can aid in gauging the progress of projects, helping policymakers in addressing poverty and social vulnerabilities efficiently.

The endeavour of the Planning Commission to use MPI as a measure of poverty perfectly illustrates the commitment and determination of the government to alleviate poverty in Pakistan. Ministry of Planning, Development and Reform is more cognizant of the issues plaguing the poor and is indomitably working towards improving their lives. The MPI report, on account of a geographical, temporal and sectorial description of results, can help policymakers in effectively targeting the needy through suitable policy designs and implementation. MPI will thus prove to be a major policy tool in keeping the political and policy priorities of eradicating poverty in line with the objectives prescribed in Vision 2025 and the SDGs.



**102 developing countries around the world use the MPI measure. Of these, 78 have data of poverty at sub-national level and 50 have access to temporal data. Many countries adapt the MPI in accordance with country-specific issues contributing to poverty. This presents a complete picture of the intensity and incidence of poverty**

\*All figures and graphs included have been taken from the 'Multidimensional Poverty in Pakistan' report published by UNDP, in collaboration with the Ministry of Planning, Development and Reform.

## MAKE POVERTY HISTORY

Escalating poverty and inequalities have triggered the need for country specific and inclusive policies that can improve individuals' living standards. The severity of the global poverty situation is recognized by international organizations and INGOs. They are working with local development practitioners to cater to their particular problems. Tailored programmes have been initiated in developing countries. Pakistan can learn from countries that are at par with its economic and political standing and emulate problem and policy relevant projects within its communities to improve the status quo.

### Green Commodities Programme

Inadequate production and distribution of food has significantly contributed to rural poverty. With escalating population growth and increased drive for economic growth, it is essential to address the challenge of food poverty. In accordance with the SDGs, UNDP launched their Green Commodities Programme (GCP) in 2009. So far, the project is underway in eleven countries to protect the interests of the rural farmers along with ensuring the sustainability of their primary food produce. GCP contributes primarily towards facilitating inter-sector coordination between national and sub-national stakeholders. They encourage the private sector to take an active role in devising innovative solutions to farming problems.

Dominican Republic's MPI is 0.02, with 5.1% people MPI poor and average intensity of 39%. Dominican's MPI retains the core dimensions and indicators of the Global MPI.

Cocoa is a major export for Dominican Republic; however, cocoa producers remain poor. To alleviate the vulnerabilities of small-scale farmers, the government, in tandem with UNDP, has conceived a National Action Plan to protect their interests. The goal is to improve the livelihoods of the farmers along with increasing cocoa production by 200 percent by year 2020. The plan was devised through negotiations between multiple stakeholders- farmers, government bodies, private investors and international aid organizations- to protect the rights of all parties involved. In addition, central focus is on establishing stable public-private partnerships that can train farmers to incorporate improved farming practices. For an agro-based economy, such initiatives can be very useful in generating employment and in turn, alleviating poverty.





## Pakistan's Story: National Social Protection Framework

By using the PSLM data of 2013-14 and applying the cost of basic needs approach, results show that around 29.5 percent of individuals are living below the poverty line which is almost close to one-third of the Pakistani population. Moreover, 56 percent of households are categorized as vulnerable to fall into the poverty trap. The most vulnerable groups include women and children (out-of-school/working), the disabled, orphans, and the elderly.

To provide a significant share of the poorest population with basic income support, a modern and well governed safety net scheme, the Benazir Income Support Program (BISP), was introduced in 2009. BISP became the largest safety net program in the region with 5.5 million beneficiaries. Planning Commission was mandated to formulate a National Social Protection Policy for the country. Post-18<sup>th</sup> amendment, social protection was devolved to the provinces. They signed a Memorandum of Understanding (MoU) with the Planning Commission to prepare a National Social Protection Framework to align their social protection policies with this broader framework.



The framework is also aligned with Pakistan Vision 2025 – the long term roadmap for national development. The Vision calls for mainstreaming social protection into all government policies to ensure social equity and inclusion. Furthermore, the Framework aligns its objectives in accordance with the Sustainable Development Goals (SDGs) as well. The first of the SDGs calls for an end to poverty in all its forms everywhere and includes implementing nationally appropriate social protection systems and achieving substantial coverage of the poor

and the vulnerable. Hence, Planning Commission has shown its strong commitment towards eradicating poverty through increasing access to basic human, physical and productive assets and, above all, their access to fundamental basic services.

The Framework is based upon participatory strategies including enhancing scope, outreach and coverage of SP through participatory development and establishing or strengthening Institutional mechanisms. The minimum standards of living have been translated into provision of basic needs and services such as food and income security, free primary/secondary education, health care facilities, disability assistance, minimum wage, unemployment benefits, security of life and property of religious minorities, and care of the elderly.

An impact evaluation report produced by Oxford Policy Management in 2014 reveals BISP has a positive impact on eradicating poverty. While this is true for Punjab and KPK, Sindh does not follow a similar pattern. Statistics also show that monthly per adult equivalent consumption expenditure increased by PKR 318. Households in the treatment group have a 22 percentage-point probability to graduate out of poverty through BISP as compared to the control group. Furthermore, cash transfers under BISP positively affect women empowerment. A sense of independence prevails amongst these women as they are now able to contribute towards households' income. The report also comments on BISP's influence on child labour. While the likelihood of boys' participation in child labour reduces, no significant results were found for girls. Hence, BISP has managed to start on a good footing however, there is still need for improvements in the implementation process.

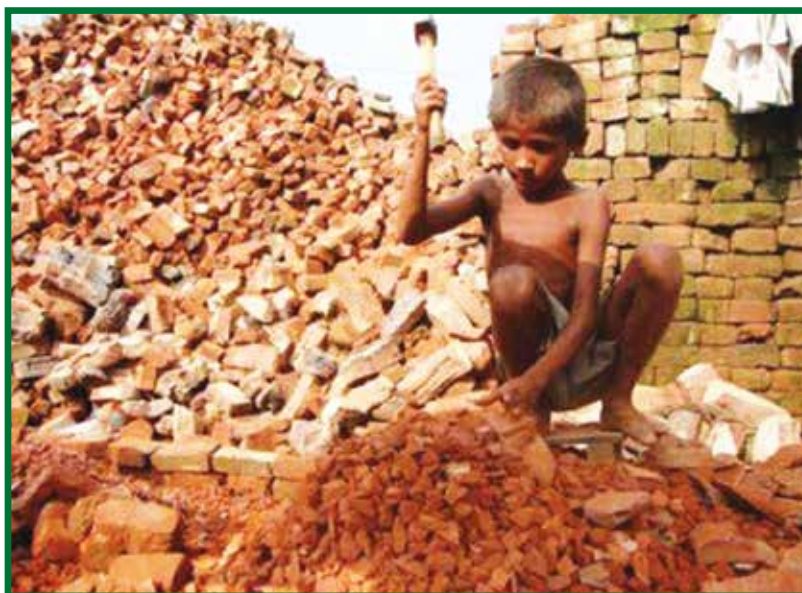
# THOUGHTWORTHY



## CHILD POVERTY

Estimates reveal that today, 1 billion children are living in poverty. According to UNICEF’s research, 22,000 children perish everyday due to poverty. A major contributor to these figures is the inadequate access to healthcare. Preventable diseases like pneumonia and diarrhea take the lives of 2 million children every year. These statistics present a dismal picture and should trigger greater efforts worldwide to protect children from such sufferings.

Statistics compiled by Pakistan Demographic and Health Survey 2012-2013 reveal that roughly 50% of children are malnourished in Pakistan. Inter and intra-sectoral factors such as food insecurity, poor nutritional status of mothers, low literacy rates and inadequate access to healthcare services exacerbate malnourishment in children. This translates into poor physical growth and development of cognitive skills, hampering the childrens’ contribution to the economy and society.



Thoughtworthy



# TOWARDS A KNOWLEDGE BASED ECONOMY

A knowledge economy is one in which the role of knowledge (as compared with natural resources, physical capital and low skill labor) has taken on greater importance. Developing a competitive knowledge economy is a key pillar of Vision 2025 and many initiatives have been undertaken to achieve this goal in the last two months.

## Science Talent Farming Scheme

The STFS has recently been launched through the Pakistan Science Foundation. The aim is to turn under-privileged students into future scientists.

Under this scheme, students who have passed their matriculation exam and desire to continue studying science will receive Rs10,000 every month plus other educational expenses where applicable.

Moreover, a 'National Science School' will be established under the scheme as well.

The first batch of students under the Science Talent Farming Scheme consist of 300 students from public schools all over Pakistan. The experience of Pardeep Kumar from Tharparker exemplifies the purpose of this scheme. Coming from a village where there was no formal school, his teacher used to teach him by writing on the ground as there was no blackboard available. According to him, this scheme has enabled him to pursue his passion for learning.



## Smart Schools

It's an initiative to bridge the education outcome gaps across public and private schools by employing blended learning. The government is committed to revolutionizing the education system and the Smart School project is one component of their plan.



Under this project 32 schools will be transformed into Smart Schools by employing blended learning. Out of 32 schools, 24 will be chosen from the ICT area and 8 will be chosen from the provinces.

The project is meant to promote creativity and innovation amongst students and will be a role model for other provinces to follow.

## Establishment of University Sub-campuses

In order to make higher education more accessible to students, the Higher Education Commission (HEC) has launched the first phase of establishing sub-campuses of different universities in 31 districts of Pakistan.

Initially, 16 campuses of public sector universities will be established in those districts having a potential student intake of 1000-1500 whilst in other districts, where the population is thin, Virtual Universities will be established.

A committee headed by the Federal Minister for Planning, Development and Reforms, Ahsan Iqbal, will overlook progress on the project and the HEC will provide funding for infrastructure, faculty development and other allied facilities.

## National Plan of Action To Promote STEAM

The Minister of Planning, Development & Reforms, Ahsan Iqbal, chaired a meeting comprising of education & science experts in order to formulate a National Plan of Action for excellence in STEAM subjects. A team was formed to come up with an action plan to develop world-class competency in STEAM subjects



## POVERTY & EDUCATION: A SELF-PERPETUATING CYCLE

It has been widely acknowledged that education and poverty are not mutually exclusive, and that one reinforces the other. A lack of income makes it difficult for a family to send their children to school. In turn, lack of educational opportunities make it difficult to gain employment, resulting in people being stuck in a poverty trap. Thus, when one looks at poverty, one must look at education as well. It is due to this reason that one of the core dimensions of the MPI is Education. Within education, there are 3 indicators for Pakistan, years of schooling, child school attendance and school quality and the government has undertaken several initiatives to improve these within the last 3 months.

## MASTER AYUB: A SUCCESS STORY

The citizens of Pakistan have also realized the importance of education and are making invaluable efforts in this regards.

One such example is Master Ayub, the chief fire officer at the Pakistan Secretariat. In 1986, Master Ayub accumulated a group of approximately 10 children from nearby Katchi Abadis to meet him everyday in the marketplace for informal classes. 30 years later, he runs an unconventional school with an enrollment of 75 children in F-6.



His main objective is to get children into the mainstream educational system and many of his students have gone onto pursue higher education. It is also a tradition for older students to return and teach the younger classes in their spare time.

## PAKISTAN VISION 2025 DEBATE

Pakistan Vision 2025 is the renewed commitment to development shaped through consensus between all important socio-economic and political stakeholders of Pakistan. Pakistan Vision 2025 lays down a foundation to put Pakistan on a fast track of development with the ultimate goal of transforming it to become one of top ten economies in the world by 2047, its first centenary. By 2025, it envisions Pakistan to be among the top twenty five economies of the world and an upper middle income country. To achieve these economic goals, it is imperative for all stakeholders- politicians, bureaucrats, private sector agents, academics and professionals- to indulge in creative cooperation to present effective policy designs and implementation techniques.

In this regard, Ministry of Planning, Development and Reform has initiated “Progressive Development Debate Series”. It is set up to provide a platform to rational minds of the country in order to engage them in a constructive debate on how we can harness our efforts as a nation to overcome the socio-economic and political challenges faced by our country. It aimed at initiating a debate on how internalizing a Vision can help give clarity and direction to a nation.



Pakistan Vision 2025 Debate is the first initiative taken under the Progressive Development Debate Series under the leadership of Honourable Minister Prof. Ahsan Iqbal. Pakistan Vision 2025 Debate was held between the 2nd and 5<sup>th</sup> of September, 2016. This initiative provided a platform that aimed to include the biggest section of our society, the youth and the academia, into the critical process of having constructive dialogue process between the government and its people. Initiated by the government itself, debate provided an opportunity for rational thinking minds of society in this country to freely share their views with people from the same section of the society. This drive for including the youth and academia into the policy process is proof of the fact that the government is open to understanding the specific problems of the people and is striving towards making tailored policies. This translates into an entrenched sense of security that the government really is working towards improving peoples' standards of living.

Pakistan Vision 2025 Debate was bilingual and hosted 48 teams from 24 different universities from all over Pakistan (Khyber Pakhtunkhwa / Sindh / Punjab / Balochistan). More than 500 delegates directly participated in the initiative, and 1000+ people attended the Final Debate Closing Ceremony; thousands others were engaged through social media and other communication channels in an effort to instil message of progressiveness, hope and prosperity generated as a result of debate under the initiative.

This initiative provided an exciting platform for all delegates to have an intra and inter cultural exchange of thoughts, ideas and opinions. It highlighted how the government can align its policies and programmes with the needs of the common Pakistani. It also helped prioritize issue sectors and delegates were forthcoming with innovative solutions to difficult policy problems.



## CPEC AND ITS IMPACT ON POVERTY

According to the MPI report of Pakistan, Baluchistan and KPK provinces have the largest pool of multidimensionally poor in the country. To enhance growth figures, it is imperative to include these people into the development process. Hence, Pakistani government has negotiated projects with China that incorporate Baluchistan and KPK into the 'economically progressive' realm. China-Pakistan Economic Corridor (CPEC) initiative is a collection of projects set to operate in Pakistan with the assistance of the Chinese counterparts in the sectors of energy, infrastructure and development of industry. CPEC is set to add 1.5% to Pakistan's GDP in the coming three years. This \$46 billion investment in Pakistan, over a period of 15 years, will prove to be a politico-economic, regional game changer that strengthens Pakistan's economic links with its neighbours, China in particular. Adding to Baluchistan and KPK's asset portfolio, via CPEC, will definitely reap social benefits that will improve living standards of the target population.



Demand for electricity is growing fast. However, inadequate power generation and distribution has resulted in GDP loss for Pakistan. Private investment in the energy sector is a plausible solution for enhancing Pakistan's energy generation capacities. Hence, agreements have been signed to inaugurate the Early Stages of CPEC that focus primarily on establishing energy projects: by the year 2018, 10,400 MW of electricity will be added to the national grid. Priority for these projects is contingent upon location, cost benefits and demand centres. Chinese investment will target Independent Power Projects (IPPs): three wind projects, one hydel and two coal based power financial close has been achieved. Reduced energy deficits will improve production of the export-oriented sectors like textile. Increased productivity will ensure decreasing unemployment rate and improved living standards of the local populace.

Research of Sub-Saharan African countries show positive impacts of

improved access of electricity. Hence, electrification of remote areas of Baluchistan and KPK will promote improvements in sanitation and drinking water facilities like tube wells. This will trickle into improved crop growing practices. Use of televisions and radio will also boost the need for education.

Furthermore, infrastructure schemes have also been negotiated. Multan-Sukkur Section of Peshawar-Karachi Motorway and Gwadar Eastbay Expressway are the major projects discussed and finalized under the Early Harvest projects. This is an opportunity for the locals to indulge in alternate employments, translating into higher incomes

**In a meeting with International Labour Organization (ILO), held at the Planning Commission, a report on CPEC and its employment opportunities revealed that CPEC's multiple projects will be generating 400,000 jobs for the 36 projects by the year 2030. These represents the direct employment for 36 projects underway. This figure does not include indirect employment through industrial zones and Chinese investors.**

and improved living conditions. The ILO reports that CPEC projects would be adding 400,000 jobs to the Pakistani employment portfolio. This would boost up Pakistan's GDP by approximately 2-2.5%.

In addition, road networks will connect the economically backward areas of all provinces with commercial hubs. This will enhance market integration and will also encourage development of village markets, again creating more employment opportunities within and outside villages. Moreover, research shows that road improvements lead to



an increase in number of schools and raise enrolment rates. Change in modes of transportation makes it easier for parents to send their children to school safely. Progress in education sector trickles down into improved health and sanitation figures, contributing to reduction in poverty. In addition, investment in economic zones will further advance employment rates for the locals, attract local and foreign businesses, thus, boosting Pakistan's GDP through increased export promotion.



CPEC will definitely make Pakistan a regional trading hub. Wider connectivity with South and Central Asian states will advance Pakistan's economic and human development rapidly. Implementation of these projects needs skilled youth that will integrate local people onto the development process. Opportunities of job creation will definitely ameliorate living standards of the impoverished. These projects will ensure that conducive environment is created through mutual trust and cooperation between the government and local community. Inclusive policies will ensure the success of CPEC in motivating economic growth and social integration of the marginalized people to eliminate poverty.



# CPEC SUMMIT

A two-day CPEC Summit and Expo was held in Islamabad on 29<sup>th</sup> and 30<sup>th</sup> of August at the Pakistan-China Friendship Centre. Two Hundred dignitaries and investors from China participated in the event. The summit and expo addressed all the on-going controversies being associated with CPEC as all government officials from all provinces were present during the summit and expo. The event also strived towards creating awareness for the private sector of Pakistan for developing business opportunities and collaboration with Chinese enterprises under CPEC. The summit also highlighted the need for strong academia and industry links for collaborative research in areas relating to CPEC.



Pakistani and Chinese organizations as well as ministries' representatives set up stalls at the Expo. They all explored prospects of mutual interest in CPEC projects. Participants shared views about power generation and distribution, construction, industrial zones and dry ports. Furthermore, speakers from different academic and professional backgrounds were invited to debate on concepts of 'Regional Development through One Belt One Road', concentrating primarily on the energy and economic sectors.

Speakers also deliberated on the prospects, challenges and time frame of industrial and services cooperation between Chinese and Pakistani companies under CPEC. They concluded that the multi-sectoral development initiatives under the CPEC banner require concerted efforts of both the Pakistani and Chinese businessmen, experts and academics to actualize the geo-economic benefits promised by the government. Provincial participation is also integral for promoting inclusive development as defined by the Vision 2025 document. Hence, the summit was successful in creating awareness about the multiple projects under the CPEC banner that will prove to be a fate-changer for Pakistan.



## CENTRAL DEVELOPMENT WORKING PARTY (CDWP)



The MPI report has highlighted the sectors most in need of policy changes and innovative initiatives. Inadequate access to education and healthcare are primary contributors to poverty in Pakistan. Thus, in August, Central Development Working Party (CDWP) prioritised higher education, and approved eight projects worth about Rs. 36 billion, which include PhD scholarship programme under the US-Pakistan Knowledge Corridor. HEC proposed eight projects, which got the nod of the CDWP. These included PhD scholarship programme under the US-Pakistan Knowledge Corridor worth Rs. 26.694 billion with an FEC of Rs.25.90 billion, and aims at educating 10,000 PhDs in American universities in ten years. The meeting was chaired by Minister Planning, Development and Reform Prof Ahsan Iqbal, and was attended by senior officers of the provincial governments and ministries concerned.

Furthermore, in September, the CDWP prioritised health by approving two health projects worth Rs.30 billion including Prime Minister's National Health Programme worth Rs.8.2 billion and Expanded Program on Immunization Punjab worth Rs22.3 billion with an FEC of Rs.4 billion.

Overall, the CDWP approved seven projects worth Rs.84 billion, including five projects costing Rs80 billion, which were referred to the ECNEC.

While giving his observations on the Prime Minister's National Health Programme, the Minister directed the health ministry to include poorest districts in this programme.

For the governance sector, the CDWP approved Government of Sind project for enhancing of the public-private partnership, which would cost Rs.19 billion.

For the energy sector, the CDWP recommended for approval renewable energy development sector investment programme – worth Rs.15.7 billion with an FEC of Rs.4.8 million – of the KP government to the ECNEC. This includes constructions of 36.6MW HPP Daral Khwar Swat, 17 MW HPP Kohistan, 2.6 MW Machi HPP Mardan, and PEDO Office Building, capacity-building and development of PEDO and related entities of the energy and power departments and feasibility studies of Koto Jabori and Karora HPPs.

These initiatives show the government's determination to tackle socio-economic development needs of the people of Pakistan.

**The Planning Commission approved 8 projects for Higher Education worth Rs. 36 billion, 2 health projects worth Rs.30 billion and has allocated Rs. 15.7 billion for renewable energy projects in the past 3 months.**



## POVERTY MITIGATION THROUGH REDEFINING POVERTY: WHY AND HOW?

