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Report No. P-3507-PAK

REPORT AND RECOMMENDATION
OF THE
PRESIDENT OF THE
INTERNATIONAL DEVELOPMENT ASSOCIATION
TO THE
EXECUTIVE DIRECTORS
ON A
PROPOSED CREDIT
IN AN AMOUNT OF SDR 16.6 MILLION (US\$18.0 MILLION EQUIVALENT)
TO THE
ISLAMIC REPUBLIC OF PAKISTAN
FOR A
POPULATION PROJECT

April 7, 1983

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CURRENCY EQUIVALENTS

Currency Unit = Pakistan Rupee (Rs)
US\$1 = Rs 13.0
Rs 1 = US\$0.077

Fiscal Year

July 1 - June 30

GLOSSARY

AMC - Advisory Management Committee
FWC - Family Welfare Center
IEC - Information, Education and Communication
MCH - Maternal and Child Health
PAC - Project Administration Cell
PWTI - Population Welfare Training Institute
RTI - Regional Training Institute
WAPDA - Water & Power Development Authority

DEFINITIONS

Crude Birth Rate: Number of live births per year per 1,000 population.

Crude Death Rate: Number of deaths per year per 1,000 population.

Rate of Natural Increase: Difference between crude birth and crude death rates, usually expressed as a percentage.

Average Annual Population Growth Rate: Rate of natural increase adjusted for (net) migration, expressed as a percentage of the total population in a given year.

Infant Mortality Rate: Annual number of deaths of infants under one year per 1,000 live births during the same year.

Total Fertility Rate: The average number of children that would be born to a woman if she were to live to the end of her childbearing years, and bear children according to a given set of age-specific fertility rates.

Percent Current Users of Contraceptives: The percentage of married women aged 15-49 practicing contraception at any given point in time.

Parity: Number of children previously born.

PAKISTAN

POPULATION PROJECT

Credit and Project Summary

Borrower: Islamic Republic of Pakistan.

Amount: SDR 16.6 million (US\$18 million equivalent).

Terms: Standard.

Project Description: The objectives of the proposed project are to assist the Government in implementing its new Population Welfare Plan and in establishing a sound basis for a sustained and effective population planning effort over the longer term. The project would focus on: (a) the establishment of national training and motivation programs for population planning; and (b) the implementation of a comprehensive package of population planning activities in 13 districts serving about 20 million people. To achieve these objectives, the project would include: (a) support for non-clinical program training; (b) establishment of a national IEC organization; (c) strengthening and expanding population education in the formal school system; (d) establishment of family welfare centers and family planning service outlets; (e) monitoring and evaluation; and (f) training and technical assistance to strengthen the organizations responsible for family planning and provision of health services, as well as preparation of future population projects. The main risks to the project arise from possible administrative weaknesses and opposition to the population program from various fronts.

Estimated Costs 1/

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
	-----US\$ million-----		
Training	2.3	0.3	2.6
Information, Education & Communication	3.8	1.4	5.2
Population Education	1.2	-	1.2
Family Welfare Centers	7.8	0.6	8.4
Family Planning Outlets	0.2	0.1	0.3
Evaluation, Administration, Preparation, Seed Funds	1.0	0.8	1.8
Innovative Activities	0.5	0.2	0.7
Contraceptives	-	3.4	3.4
PPF Advance	<u>0.1</u>	<u>0.2</u>	<u>0.3</u>
Base Cost	16.9	7.0	23.9
Physical Contingencies	-	0.2	0.2
Price Contingencies	<u>3.4</u>	<u>0.7</u>	<u>4.1</u>
Total Project Costs	<u>20.3</u>	<u>7.9</u>	<u>28.2</u>

Financing Plan:

	<u>Local</u>	<u>Foreign</u>	<u>Total</u>
	-----US\$ million-----		
Federal Government	4.1	-	4.1
USAID	-	3.4	3.4
UK	1.0	1.7	2.7
IDA	<u>15.2</u>	<u>2.8</u>	<u>18.0</u>
Total	<u>20.3</u>	<u>7.9</u>	<u>28.2</u>

Estimated Disbursements:

	<u>FY83</u>	<u>FY84</u>	<u>FY85</u>	<u>FY86</u>	<u>FY87</u>
	-----US\$million-----				
Annual	1.80	3.84	5.01	4.78	2.57
Cumulative	1.80	5.64	10.65	15.43	18.00

Appraisal Report:

No. 4166-PAK, dated April 1, 1983

1/ Taxes and duties amount to about US\$1.2 million.

INTERNATIONAL DEVELOPMENT ASSOCIATION

REPORT AND RECOMMENDATION OF THE PRESIDENT TO
THE EXECUTIVE DIRECTORS ON A PROPOSED CREDIT TO
THE ISLAMIC REPUBLIC OF PAKISTAN FOR A POPULATION PROJECT

1. I submit the following report and recommendation on a proposed Credit to the Islamic Republic of Pakistan for SDR 16.6 million (US\$18.0 million equivalent) on standard IDA terms to help finance a population project. The United Kingdom and the United States Agency for International Development (USAID) are expected to participate in financing the project with grants of US\$2.7 million and US\$3.4 million equivalent, respectively.

PART I - THE ECONOMY 1/

2. The most recent economic report "Pakistan: Economic Developments and Prospects" (No. 4215-PAK, dated February 11, 1983) was distributed to the Executive Directors on February 11, 1983.

3. The past five years have witnessed a significant economic recovery in Pakistan. Between FY77 and FY82 GDP growth averaged over 6% p.a. This growth was accompanied by a recovery in agricultural and industrial production well above the rate of population growth, currently averaging about 2.8% p.a. and by a rapid growth in exports. Exports increased in real terms by 10% p.a. Value added in agriculture rose by an average of 3.8% p.a. and in industry by 9.3% p.a. This performance contrasts markedly with the economic stagnation of the early and mid-1970s, when the growth of GDP averaged only 3-4% and goods production 1.1% p.a., and export growth was negligible.

4. The recovery in the economy since 1977 has been aided by several factors, including favorable weather and higher domestic demand associated with better crops, rising rural incomes and workers' remittances from the Middle East. Various policy changes introduced by the Government have also contributed significantly to the recovery.

5. In recent years the Government has taken a number of initiatives to improve agricultural production. Particular attention has been given to

1/ Parts I and II are substantially the same as Parts I and II of the President's Report P-3462-PAK (Reservoir Maintenance Facilities Project) dated February 22, 1983.

improving farmer incentives and input supplies. Support prices for all major crops have been raised so that they are now closer to world prices. At the same time, steps have been taken to reduce the fertilizer subsidy (which has been creating budgetary problems) and to separate it from the development budget for agriculture in order to protect allocations for other priority agricultural projects and programs. An Agricultural Prices Commission has been set up to make recommendations on appropriate changes in crop support and input prices on a consistent and timely basis.

6. The Government has formulated and begun to implement a new agricultural policy based on the main recommendations of a UNDP study on irrigated agriculture which emphasizes the need to improve the efficiency of the water delivery system through the rehabilitation of distributaries and better scheduling of water deliveries to the farmer; and to expand the role of the private sector, for example, through the promotion of private tubewell development in sweet groundwater areas. Other programs--in pesticides, seeds, agricultural credit, extension, research and farm power--have also been strengthened. These initiatives are still at an early stage and a breakthrough from the problems of low productivity at the farm level is yet to take place.

7. Major changes have also been made during the past five years in government policies in the industrial sector. The policies pursued in the early and mid-1970s of extensive nationalizations, tight restrictions on the private sector, and rapid expansion of the public sector to spearhead industrial investment and growth have been gradually reversed. Most agricultural processing and some industrial units have been denationalized; constitutional safeguards have been provided to private industry against further arbitrary government acquisitions; and the areas open to the private sector have been widened. A wide range of incentives including tax holidays, excise and import duty concessions, concessionary credit and income tax provisions, and direct cash rebates have been granted to encourage private investment and exports. These have been supplemented by a partial liberalization of imports which has improved the availability of inputs. The investment sanctioning procedure has been streamlined. These measures have led to an improvement in private sector confidence and to a sharp increase in private investment, mainly in small and medium-scale projects.

8. At the same time, the Government has embarked on the difficult and inevitably long process of reforming the public industrial sector, which has been plagued by low efficiency and profits. Major studies have been completed of the management and organization of the public sector, and the performance of individual enterprises. In accordance with the recommendations of these studies, the Board of Industrial Management (BIM) has been abolished, the number of sector holding corporations has been reduced, and boards of directors have been established which have helped to increase autonomy at the enterprise level. Some public sector units which have

little prospect of improved financial performance have been closed down. These measures, together with additions to capacity and steps to retain skilled technical personnel through salary adjustments, for example in the fertilizer subsector, have helped to increase production and capacity utilization substantially in the public sector.

9. The higher level of economic activity during the past five years and the Government's efforts to raise existing tax rates, introduce new taxes and reduce tax evasion have helped to improve public revenues. The budgetary situation improved significantly during FY80 through FY82. Government revenues, following increases of 21% in FY78 and 16% in FY79, rose by an average of 18% p.a. during the next three years as a result of the continued growth of the economy, tax and tariff increases and intensified efforts to improve tax collections. Although political developments outside Pakistan's borders led to unplanned expenditures, tight restraints were maintained on total spending; the growth of public expenditures was limited to 13% p.a. The expansion of development and administrative expenditures were restrained, while subsidies were reduced by more than 25%. These restraints on expenditures, continued revenue growth and some improvement in surpluses generated by public sector agencies helped to increase the availability of non-inflationary domestic resources. During FY80 through FY82, the overall budget deficit averaged 5.7% of GNP and the bank-financed budget deficit 1.7% of GNP; both figures are well below those of the late 1970s.

10. Pakistan's export performance improved considerably between FY77 and FY81. Rapidly rising workers' remittances from abroad, from US\$578 million in FY77 to over US\$2.1 billion in FY81, also greatly assisted the external position. These increases, however, were partly offset by an increase in the value of imports, mainly petroleum, oil and lubricants, fertilizer, edible oil and capital goods. The current account deficit was US\$991 million or 3.3% of GNP in FY81, compared to US\$1,050 million or nearly 7% of GNP in FY77 in current prices.

11. A number of developments contributed favorably to Pakistan's ability to finance the FY81 current account deficit. These included the conclusion of an Extended Fund Facility arrangement with the IMF in November 1980; a positive response from aid donors to the country's improved economic performance resulting in increased aid commitments and inflows; and an agreement with bilateral creditors in the Pakistan Consortium for rescheduling of debt service payments on official concessional debt falling due over an 18-month period beginning mid-January 1981. As a consequence of improved performance on both current account and capital account, foreign exchange reserves increased from US\$748 million to US\$1,039 million during the year; the latter was the equivalent of about two months' worth of import of goods and services.

12. The balance of payments deteriorated somewhat during FY82. The principal reasons were a 17% decline in the value of exports coupled with relatively slow growth of migrant remittances (6%). For Pakistan's major exports, rice and cotton, the combination of deteriorating world economic conditions plus output expansion in other countries led to a decline in both unit values and volumes. For manufactured exports, the slowdown in the world economy, together with a deterioration in Pakistan's competitiveness resulting from the linkage of the rupee to the US dollar up to January 1982 (the currency is now being managed with reference to a weighted basket of currencies), led to a decline in value as compared with the previous year. Because of the decline in world petroleum prices and import substitution in some key sectors (most particularly, fertilizers), the volume of imports of essential raw materials and capital goods could still grow sufficiently to provide for a real GDP expansion of 6% while the total value of imports expanded by only 2%. Owing to the above factors, Pakistan's current account deficit rose from US\$991 million in FY81 to US\$1,530 million in FY82 (the latter being equivalent to 4.7% of GNP). Net inflows of official assistance, private capital and IMF resources were not sufficient to cover the increased deficit and there was a drawdown of about US\$200 million in reserves. At the end of FY82, reserves were US\$840 million, the equivalent of about 1.5 months of imports.

13. The developments in the Pakistan economy since 1977 represent welcome steps towards the solution of a set of problems which are essentially structural and long-term in nature. Notwithstanding these improvements, further wide-ranging measures to address the basic issues which are limiting economic growth in the longer term are necessary if Pakistan is to sustain its recently improved economic performance over the present decade and bring about a modest improvement in the living standards of its population. These issues include the farm-level factors affecting low productivity in agriculture; the structure and competitiveness of the industrial sector; the need to improve performance of public sector enterprises; the factors lying behind continued rapid growth in population; the need to redirect social service expenditures; and the problems of resource mobilization.

14. Agriculture remains the economy's mainstay, accounting directly for roughly a third of GDP, employing about 60% of the labor force and, directly or indirectly, providing nearly two thirds of total exports. Despite recent improvements in output and yields, a number of fundamental factors continue to limit agricultural productivity at levels well below the potential implied by the resources and technologies already available. Generally, output growth has not been commensurate with the substantial increases in available inputs, especially water and fertilizer. While considerable potential still exists for the additional use of fertilizer and other inputs, it appears essential to give greater priority to evolving complementary policies and programs which would have a direct impact on yields at the farm level. The importance of increasing farm productivity

is recognized in the Government and a beginning has been made in addressing this problem. Nevertheless, support for programs to strengthen research, extension, water management and other programs in the agricultural and water sectors needs to be intensified, while fertilizer subsidies must be further reduced, accompanied by necessary adjustments in output and consumer prices.

15. Manufacturing contributes about 15% of GDP and during much of the 1950s and 1960s provided a major stimulus to growth. Growth rates in manufacturing production, though recently better, remain below the levels attained in the 1960s. The textile industry, in particular, which accounts for nearly 40% of value added in large-scale industry, has suffered from problems of inefficiency, excess capacity and a lack of competitiveness in foreign markets. Although there have been some recent improvements in the output and profitability of public enterprises, these improvements need to be carried further through appropriate reforms to remove distortions in pricing and improve performance criteria and incentives to managers. To assist the recovery in private investment and to maintain the increased momentum in the industrial sector will require an adequate supply of local and foreign financing, both for investments and current inputs, and the more rapid provision of necessary utilities and other infrastructure requirements. At the same time, it is necessary to ensure that the Government's incentive system supports those industries in which Pakistan has a comparative advantage. Analysis is in progress to determine levels of effective protection in order to provide the basis for formulating an appropriate industrial development strategy for the 1980s.

16. The Government's efforts to deal with the energy situation by adjusting domestic oil prices, and by encouraging the substitution of other energy forms and the exploration and development of domestic oil resources, have met with some success. Growth of petroleum consumption has been restrained by the development of hydro electricity and natural gas resources as well as by petroleum price adjustments. At the same time, activity in the oil sector has been stepped up, in some instances through joint ventures with foreign private companies. Nevertheless, due to a variety of technical, geological and other reasons, progress on exploration of new fields as well as the development of existing fields has been slow and Pakistan's considerable potential in the oil and gas sector has yet to be realized. The Government has begun to implement a number of reforms relating to such matters as energy planning, pricing and organization in order to accelerate progress.

17. While it is clearly vital to sustain rapid growth in the commodity-producing sectors, it is also necessary to contain the rapid growth in population, currently running at about 2.8% p.a., which has seriously handicapped the country's ability to improve living standards. Family planning programs have so far had little effect and there have been few changes in the socio-economic environment of a type that usually accompany

declines in fertility. Rapid population growth places severe burdens on government resources simply to maintain education and health programs at their current inadequate standards. However, without higher literacy rates, improved health facilities and a reduction in child mortality, it is doubtful that population growth rates can be much reduced. Expenditures on social services have been low and undue emphasis has been given to higher education and urban health facilities. The Government has recently shown more awareness of this problem; a new and more promising population program is in the initial stages of implementation, and several special programs to improve basic health and education facilities were introduced in the FY83 budget, especially for rural areas.

18. Policies that face the longer-term issues in both the productive and the social sectors will take time to have an appreciable effect and will have to be implemented in the context of continued domestic and external resource constraints. To improve the budget and the balance of payments, a fundamental improvement is required in the overall savings levels in the economy, particularly in public savings. At 12% of GNP, national savings are substantially above the levels of the early and mid-1970s, but are still low for a country at Pakistan's per capita income level and stage of development. The continuation of the Government's recent efforts to restrain public spending, improve the performance of the public sector and encourage private investment will help to reduce present imbalances between investment and savings flows. At the same time, an increase in savings inevitably calls for restraining private consumption through further appropriate price adjustments and selective duty increases on non-essential imports. Continued restraints on spending and measures to further improve revenues through improvements in tax administration and tax and rate increases (for example, property taxes, domestic water rates and irrigation water charges) are also needed.

19. Increased agricultural production of major crops (particularly rice and cotton) will help directly to sustain export growth. Efforts are also necessary to stimulate the output of minor crops, for example, pulses, potatoes, onions and fruits, for which markets exist in neighboring countries. In addition, substantial scope exists for increasing Pakistan's exports of manufactured goods such as textiles and engineering products, as well as of a wide range of goods produced by the small-scale industrial sector. Increased domestic output of wheat, edible oil, sugar, mineral fuels and fertilizer would help to moderate import growth considerably.

20. Although, as described above, the Pakistan economy continues to face a number of difficulties, the improvements over the past few years in demand management and in planning, incentives and government programs in agriculture, industry and energy have helped to create a climate more conducive to rapid economic growth and better international trade performance, and have established an improved framework within which further

reforms can be effectively pursued. The recent government policy initiatives, which have been formulated in close consultation with the Bank and Fund, have improved Pakistan's creditworthiness for commercial borrowing and for a blend of Bank and IDA borrowing.

21. At the end of calendar 1981, Pakistan's external public debt (excluding the undisbursed pipeline) stood at US\$8.8 billion, of which US\$4.6 billion was owed to bilateral members of the Pakistan Consortium, US\$1.2 billion to OPEC and US\$1.9 billion to multilateral agencies and the balance to other bilateral and private lenders. In 1981, the Bank Group's share in Pakistan's external public indebtedness was 13.8% and in external debt service was 13.3%. According to Bank forecasts, provided recent policy improvements are sustained, Pakistan's debt service ratio (debt service divided by exports of goods and factor and non-factor services), which was about 12% in FY82, should rise slowly during the 1980s, even assuming substantial commercial borrowing, reaching 15% in FY85 and remaining in the 15-16% range through FY90.

PART II - BANK GROUP OPERATIONS IN PAKISTAN

22. The cumulative total of Bank/IDA commitments to Pakistan (exclusive of Loans and Credits or portions thereof which were disbursed in the former East Pakistan) now amounts to approximately US\$2 billion. During its long association with Pakistan, the Bank Group has been involved in almost all sectors of the economy. This has included its involvement with other donors, over a 20-year period, in the major program of works to develop the water resources of the Indus Basin. Approximately 38% of total Bank/IDA commitments to Pakistan have been for public utility services, 30% for agriculture, 31% for industry (of which 9% was for industrial imports) and 2% for education. Lending for public utility services has included loans and credits for railways, electric power, gas pipelines, ports, highways, telecommunications and water supply.

23. Lending operations in Pakistan have three main objectives: first, to support the directly productive sectors of the economy; secondly, to support the expansion of, and to improve the institutions which are responsible for, the principal public services supporting economic growth; and thirdly, to meet basic needs in the areas of rural and urban development.

24. In pursuit of these objectives, the Bank Group has placed special emphasis on lending for agriculture, which is the mainstay of the Pakistan economy. Projects in this sector are aimed at augmenting the supply of essential inputs, principally irrigation water, fertilizer, seeds and credit; strengthening research, extension and other agricultural supporting services; improving water management; reclaiming land by controlling salinity and waterlogging; and providing essential facilities including

tubewells, livestock development and dairy processing. An important purpose of this lending is to assist the Government's program to increase the productivity of available land and water resources in the Indus Basin through quick-yielding investments, as recommended recently in a UNDP-financed study for which the Bank was executing agency.

25. In industry, most lending for the private sector has been through the DFCs, principally through eleven Loans/Credits amounting to US\$270 million for the Pakistan Industrial Credit and Investment Corporation (PICIC), and two Credits to the Industrial Development Bank of Pakistan (IDBP), totaling US\$50 million. Direct lending for industry has also included assistance to three large fertilizer plants, as well as for small-scale industry. As of September 30, 1982, IFC had made investments in 15 Pakistan enterprises for a total of US\$92.2 million, of which US\$82.4 million was by way of loans and US\$9.8 million by equity participations (these are shown in Annex II). About US\$33.9 million of these investments remained outstanding. The enterprises assisted by IFC include three in the field of pulp and paper products, two in textiles, two in food and food processing, and one each in cement, steel, fertilizers, plastics, wood processing and petrochemicals. IFC is also a shareholder in PICIC.

26. The focus of Bank Group lending for transport and communications has shifted increasingly towards assisting Pakistan to better utilize existing capacity by improving the efficiency of operations and strengthening the institutions responsible for these services, especially the Karachi Port Trust, Pakistan Railways, the Telephone and Telegraph Department, and federal and provincial highway agencies. In the power sector, the Bank Group has assisted the Karachi Electric Supply Corporation (KESC) and the Water and Power Development Authority (WAPDA) with four and three projects respectively; the sector has also been assisted by the construction under the Indus Basin Development Program of Mangla and Tarbela Dams.

27. In the oil and gas sector, the two Sui gas transmission companies have been assisted with five projects, while IDA has financed a petroleum development project and begun to play an important role in strengthening the Public Oil and Gas Development Corporation. These efforts are assisting in the efficient development and utilization of Pakistan's domestic energy resources and in establishing a policy and institutional framework for increased private investment in the sector. A second water supply project in Lahore is currently under implementation. Five credits for education, totaling US\$62.5 million, have assisted in upgrading primary, post-secondary and higher technical and agricultural education, middle-level training of primary teachers and agricultural extension agents.

28. In addition to financing specific high-priority projects in key sectors of the economy, the Bank has from time to time supported Pakistan's development through program assistance. A first structural adjustment lending operation (SAL) was approved by the Executive Directors in June

1982. This SAL program consists of a number of significant reforms in government development planning and in policies and programs in the agriculture, energy and industrial sectors.

29. Annex II contains a summary statement of Bank Loans and IDA Credits as of September 30, 1982, and notes on the execution of ongoing projects. Credit and loan disbursements have been generally satisfactory. Some projects have experienced initial delays due to protracted government procedures for project approval, which have now been streamlined, and to slowness in the procurement of goods and services. Rapid turnover of managerial and technical staff, in part due to migration to the Middle East, and budgetary constraints have been problems in the case of some projects.

30. A number of further projects for Bank Group financing are currently under appraisal or being prepared in Pakistan. These include projects for agricultural credit, drainage, oil and gas development, water supply and education. Pakistan continues to have domestic resource constraints for the reasons set out in Part I. To assist the Government to finance agricultural and other high-priority projects which have a low foreign exchange component, financing of some local expenditures in specific cases is justified.

31. In addition to lending, economic and sector work provides the basis for a continuing dialogue between the Bank Group and the Government of Pakistan on development strategy, and for the coordination of external assistance within the Pakistan Consortium.

PART III - THE POPULATION SECTOR

Background

32. The population of Pakistan was estimated at about 87 million in mid-1982, an increase of about 36 million over the past 20 years, and is estimated to be growing at about 2.8% p.a. This rapid rate of increase is the result of large reductions in the mortality rate unaccompanied by significant fertility declines. Illustrative population projections show that, if the growth rate continues at around present levels, the population would reach about 135 million in the year 2000 and become stationary (zero growth) 120 years later at around 310 million. Even with more substantial fertility decreases during the next two decades (resulting in annual growth rates of 2.4% and 1.8%, respectively), the population would be around 130 million in the year 2000 and stabilize at about 230 million in the year 2120.

33. Although there is evidence of a slight decline in fertility from 7.5 children per woman in 1960-70 to 6.6 in 1970-80, several factors interact to maintain a high crude birth rate, presently around 42 per 1,000 population. These include a young age structure resulting in a growing number of women of reproductive age; a low mean age (about 17 years) at first marriage; and almost universal marriage. Furthermore, the mortality rate--which has fallen from about 20 per 1,000 in 1962-65 to around 13 per 1,000 today--still has considerable scope for declining further through better sanitation and other preventive health measures.

34. Although Pakistan was one of the first developing countries to recognize the problem of rapid population growth, its efforts to lower fertility rates during the past two decades have had little impact. Past population programs have operated in an environment in which most of the factors generally associated with high fertility rates have been present, such as illiteracy, poverty and few employment opportunities for women outside the home. Women's social esteem has derived, to a large extent, from having a large number of sons. The programs themselves have suffered from frequent changes; excessive focus on birth control itself; administrative weaknesses; and inadequate support and commitment at high government levels. Although several schemes had well-conceived elements, activities were frequently expanded without sufficient testing, flexibility for adaptation or provision for implementation.

35. In light of the disturbing population trends, the Government has recognized that the achievement of a fundamental change in demographic behavior must be an integral part of overall development strategy and has embarked on a determined effort to address this complex problem. Drawing upon past experience, a new "Population Welfare Plan" has been formulated under the direction of a high-level Population Advisor to the President. This Plan was formally approved by the Cabinet in November 1980 and is now in the initial stages of implementation.

The 1981-84 Population Welfare Plan

36. The 1981-84 Population Welfare Plan is a comprehensive program focusing on behavioral changes that would establish a small family norm within a socio-cultural framework acceptable in Pakistan. The approach incorporated in the Plan is multisectoral, calling for the active participation of all relevant government departments and public institutions in implementing services and education and motivation programs. The Plan aims to mobilize community involvement through local leadership to make the overall program more responsive to local needs and enhance its acceptability. The Plan avoids earlier over-optimistic objectives of rapid fertility declines; the main objectives for the period 1981-84 are to increase the percentage of current users of family planning methods from 6% to 14% and to decrease the crude birth rate from approximately 42 to 37.5 per 1,000. This, combined with an expected decrease in the crude mortality

rate from 13 to 10.5 per 1,000, would produce a fall in the rate of population growth to 2.7% by 1984.

37. The composition of the Plan takes into account the principal lessons learnt over the last 20 years, namely:

- (a) availability of service is important but will not by itself appreciably increase contraceptive use;
- (b) service must be of good quality and easily accessible;
- (c) service providers should be skilled communicators;
- (d) local communities should be directly involved in program decisions;
- (e) even a well-designed plan will not succeed if implementation is not properly managed; and
- (f) resources of all government departments and public and private organizations must be directed toward Plan objectives.

38. The Plan consists of a core program comprising five essential sub-programs for the development of: (a) Family Welfare Centers (FWC); (b) Reproductive Health Services Centers (RHS); (c) Information, Education and Communication (IEC); (d) Family Welfare Manpower (clinical training); and (e) Program Training (non-clinical). The components of the core program are outlined in paragraphs 43-47 below.

39. Several specific projects complete the Plan. These projects have been selected for their contribution to the Plan's goals and for their complementarity to the core program. Under these projects, responsible parenthood concepts and family planning services will be incorporated into regular activities of the provincial health and other departments as well as large public sector organizations. Other projects include a National Population Education Program to introduce population education concepts into the school system; support for activities of non-governmental organizations; a social marketing scheme for distribution of contraceptives; and the involvement of "hakims" (traditional medical practitioners) in the provision of family planning advice and services.

Organizational Structure

40. Policy formulation, periodic program reviews and overall coordination for the Population Welfare Plan are carried out by the National Council for Population Welfare Planning, chaired by the President of Pakistan, with the Population Welfare Division acting as secretariat. The Population Welfare Division has been transferred from the Ministry of Health to the

Ministry of Planning and Development in order to provide a central focal point for program planning and for the coordination of the population activities of several government departments and public and private sector institutions. The Population Welfare Division has overall responsibility for the core program as well as the support functions of evaluation and logistics of supplies and distribution. In addition to these functions, the Population Welfare Division has responsibility for planning and supervising the delivery of family planning services, together with the provision of maternal and child health care, through some 1,000 Family Welfare Centers (FWCs) under the Provincial Directors General. Staff for the program has been retrained and pruned and has been strengthened by qualified recruits. The total number of staff has been reduced from 16,000 to 8,300; the bulk of the reduction entailed dismissal of field motivators, many of whom were ill-suited for field work or had become redundant.

41. Provincial responsibility for implementation is exercised by the relevant Provincial Director General, Population Welfare, who will serve as ex-officio Secretary of Population directly under the Provincial Chief Secretary and the Additional Chief Secretary. Each province has established a Provincial Council for Population Welfare Planning chaired either by the Governor, the Chief Secretary or the Additional Chief Secretary and including as members the Ministers/Secretaries of the various sectors; the Councils will monitor progress made by each participating department in meeting population program objectives.

42. Overall responsibility for plan activities at the district level rests with the District Population Welfare Officer (DPWO) and his staff, with the FWCs and local Advisory Management Committees providing the focal point for IEC, service delivery and voluntary activities. The district infrastructure also includes one or more Reproductive Health Services Centers (see below). In coordinating various departments and organizations and in obtaining community cooperation, the DPWO is assisted by a District Population Welfare Planning Committee chaired by the Chairman of the District Council.

The Core Program

43. Family Welfare Centers: some 1,000 existing family planning clinics are being converted into Family Welfare Centers to provide family planning services (FP), maternal and child health care (MCH), motivation/education, and community development activities. About 250 new FWCs are to be created during the 1981-84 Plan period to improve population coverage; all centers will use rented facilities. Each center is expected to offer population welfare program activities to some 20,000 persons. The Population Welfare Division will be responsible at the Federal level for the overall planning, funding and supervision of the development of the FWCs; the Provincial Directors General of Population Welfare will be responsible for implementation. An Advisory Management Committee, selected

from the local community, will help organize developmental activities and assist in selection and recruitment of volunteers.

44. Reproductive Health Services: gynecological and obstetric services and contraceptive surgery will be offered in about 100 government and public sector institutions' hospitals, as well as in medical colleges and private hospitals. Provincial health departments will be responsible for the formulation, coordination, implementation and evaluation of RHS activities. The Technical Directorate of the Population Welfare Division will issue guidelines to associated RHS centers run by non-government organizations.

45. Information, Education and Communication: a new organizational structure will be created to carry out a renewed and reorganized IEC effort using a blend of channels from face-to-face contacts to mass media. The objectives are to change the image of the population program; reach political, religious and other leaders and gain their support; and provide communication training and guidance to frontline workers. In the initial stages, IEC activities will concentrate on the promotion of themes associated with a small family norm and birth spacing.

46. Family Welfare Manpower Development: basic in-service auxiliary level clinical training for the population program is administered by the Population Welfare Division's Directorate of Clinical Training, located in Karachi and operating through 12 Regional Training Institutes (RTIs). This program, established in the late 1960s, has functioned on a relatively continuous basis even during earlier periods of program interruption. The present cadre of family planning workers are being retrained to become Family Welfare Workers with added responsibilities for birth deliveries and other MCH services. With these additions to their basic training they will become equivalent to paramedical auxiliary personnel of provincial health departments.

47. Program Training: a new Directorate of Program Training and Education, which will complement the functions of the Directorate of Clinical Training, has been created in the Population Welfare Division, and Population Welfare Training Institutes with non-clinical training functions are being established in the provinces to train motivation/education personnel and volunteers for outreach work.

Support Functions

48. Evaluation and logistics of supplies and distribution functions will be carried out by the Population Welfare Division. For evaluation, a Population Development Center has been established by consolidating existing units of data processing, surveys, statistics and research. Logistics of supplies and distribution are centralized in the Supplies and Services

Directorate in Islamabad, with a central warehouse in Karachi. Biomedical research is conducted by the National Institute of Technical Research which has operated since 1970.

Sector Coordination

49. In the early 1960s, the provision of family planning services was the responsibility of government health outlets; this approach was replaced in the mid-sixties by the establishment of separate family planning clinics under the Ministry of Health. With the transfer of the Population Welfare Division from the Health Ministry to the Planning and Development Division (see paragraph 40 above), these family planning clinics have become the basis for the proposed new Family Welfare Center (FWC) network. In deciding that placing the FWCs under the health sector would not be in the best interests of renewed efforts to lower fertility at this stage, the Government was influenced by the fact that the national and provincial health organizations are fully occupied at present with managing and strengthening the health system; to impose additional responsibilities on them at this time was thought to be unwise. At the same time, the Government has recognized that the success of the population program will require the full support of health professionals, in both the public and private sectors, as well as the use of health outlets to supplement the FWC network in providing family planning services.

50. Under the new Plan, several measures have been taken to foster cooperation and coordination between the Ministry of Health and the Population Welfare Division. Officials of health departments will be represented on all national, provincial and district population committees. In the provinces, the Directors General, Population Welfare, are developing, in close conjunction with the health departments, plans of action to initiate family planning services and education/motivation in health outlets. In addition, several projects are being developed by the Population Welfare Division to involve private doctors in family planning work as part of their regular practices in order to increase the medical profession's support for the population program.

51. The Regional Training Institutes (RTIs) administered by the Population Welfare Division's Directorate of Clinical Training are providing training in family planning to doctors and health auxiliaries in the health departments; they also plan to develop courses for trainers so that the health departments can eventually handle family planning training for their own staffs. Doctors at government hospitals are being trained at the Population Welfare Division's Reproductive Health Services centers in surgical contraceptive techniques. At the same time, the Ministry of Health's Schools of Public Health are assisting in training Family Welfare Workers in maternal child health care, including deliveries; while the Pakistan Nursing Council has agreed to give the same basic training to clinical auxiliary staff from the health and population organizations to

ensure compatibility and transferability of staff in and between the sectors. These cooperative measures would facilitate an integration of family planning and general health services at a later date if deemed appropriate.

External Assistance for Population Planning

52. In recent years, UNFPA has been the only significant donor to the population program in Pakistan; the new Population Welfare Plan, however, has generated renewed interest among donors. USAID, the major donor for population programs in the 1960s and early 1970s, has approved a US\$25.6 million grant and the equivalent of approximately US\$2 million in counter-part local currency for management information and research, logistics, and contraceptive supplies. UNFPA, which provided about US\$3 million between 1978 and 1981, has programmed about US\$9.5 million for 1982-85 for RHS (sterilizations), clinical training, assistance to non-governmental organizations, involvement of "hakims" and technical assistance. UNICEF and WHO are assisting in research and technical consultants with about US\$0.75 million in 1982; the Asian Development Bank has included US\$500,000 in a health project to renovate RHS facilities and provide equipment; and a social marketing scheme is being developed by the Family Planning Association of Pakistan (FPAP) with possible assistance from an international non-governmental organization. In addition to their participation in the proposed project, the United Kingdom is considering a grant of up to US\$2.0 million for population centers in Universities, technical assistance, and equipment.

PART IV - THE PROJECT

53. The proposed project was prepared by the Population Welfare Division, Government of Pakistan, with consultants and workshops financed by a Project Preparation Facility (PPF) advance; it was appraised in May/June 1982. Negotiations took place in Washington from February 24-March 2, 1983; the Pakistan delegation was led by Mr. S.K. Mahmud, Additional Secretary Incharge, Population Welfare Division. Attached as Annex III is a Supplementary Project Data Sheet. The Staff Appraisal Report entitled "Pakistan - Population Project" (No. 4166-PAK dated April 1, 1983) is being circulated separately to the Executive Directors.

Project Objectives, Design and Description

54. The proposed project has been designed to assist the Government in implementing its new Population Welfare Plan and in establishing a sound basis for a sustained and effective population planning effort over the longer term. The project endeavors to avoid overtaxing the recently restructured organizational structure for population planning while initiating a number of important measures to strengthen it. The project

concentrates on software aspects of the Population Plan; there is no new construction. The components included in the project would complement assistance from other donors.

55. The project would consist of three national components focused on the critical areas of training and motivation; and two regional components aimed at establishing a comprehensive package of activities in 13 major districts serving about 20 million people. The national and regional components of the project are as follows:

I. National Components

- (a) Program Training (non-clinical): Establishment of two Population Welfare Training Institutes, and support for training programs through provision of vehicles, equipment, fellowships and operating costs.
- (b) Information, Education and Communication (IEC): Establishment of a national IEC organization, including provision of vehicles, equipment and production of printed/audio-visual materials; and support for fellowships, consulting services, seminars and operating costs.
- (c) Population Education: Strengthening and expanding population education in the formal school system through teacher training; preparation of instructional materials; provision of audio-visual equipment; and support for consulting services, teachers' seminars, correspondence courses and operating costs.

In addition, the proposed project would support: (a) monitoring and evaluation; (b) funding for innovative activities; and (c) preparation of a mid-censal survey and of future population projects.

II. Regional Components

- (a) Family Welfare Centers (FWCs): Conversion of about 250 existing single purpose family planning clinics into FWCs, and establishment of some 42 new FWCs, by providing equipment, materials and vehicles; consultant services; seed money for community activities; and operating costs.
- (b) Family Planning Service Outlets: The establishment of family planning services in about 700 existing health outlets/facilities in provincial government departments and some 50 public sector organizations, through provision of equipment, materials and vehicles; and support for training and operating costs.

Further details of project components are given below (paragraphs 57-75).

Project Implementation

56. Overall responsibility for implementation of the proposed project would rest with the Population Welfare Division in the Ministry of Planning and Development. A Project Administration Cell (PAC) has been established in the Population Welfare Division, with the Joint Secretary, Planning, as Project Coordinator. The PAC would handle day-to-day administrative matters; liaise with relevant provincial authorities regarding accounting requirements, disbursements and staff/consultant recruitment; compile quarterly project progress reports; and submit project accounts and audit reports to the Association. In addition, the PAC would be responsible for administering the preparation of future population projects. The Government would ensure that the PAC is maintained with sufficient qualified staff to carry out its functions and duties (Section 3.01(b) of the draft Development Credit Agreement).

National Components

57. Program Training (non-clinical). Two Population Welfare Training Institutes (PWTIs) would be established under the Directorate of Program Training and Education in the Population Welfare Division--one in Lahore (Punjab) with staff in Peshawar to cover NWFP, and one in Karachi (Sind) with staff in Quetta to train workers in Baluchistan. The Directorate would be responsible for undertaking and/or assigning to the Institutes the development of course curricula, teaching aids and training manuals, and a program of continued education for trainers and fieldworkers, including a master trainers program. All Institutes would function in rented buildings. Although there is a clear need to provide permanent facilities for all training activities of the population program in the medium term, the immediate priority is to build up the training organization.

58. Each Institute would perform the following principal functions: (a) develop and update annual regional training plans and assist District Officers in preparing local training plans; (b) develop curricula, materials and manuals for various courses to be given either by PWTI staff, District Officers, or trainers of other government departments and institutions; (c) train trainers and offer them support, technical assistance and monitoring; (d) define and manage contracts with consultants, firms and private organizations to assist PWTIs in their various tasks; (e) design and conduct selective orientation sessions on the population welfare program; (f) periodically evaluate all training programs and revise curricula as necessary; and (g) identify needs for training in management, jointly with the management of the Population Welfare Division, and conduct and/or arrange for such training.

59. Progress of this component would be evaluated by measurement of accomplishments in the training process; indicators would include recruitment of the full complement of training staff by the end of the first year of project implementation, and development and approval of the annual training plans. About 12 man-months of consultancies are included in the project to assist managers of PWTIs and, at provincial and district levels, organize implementation of training programs by preparing detailed workplans. The Government would: (a) by September 1, 1983, fill with qualified staff all teaching positions in the two PWTIs; and (b) cause the PWTIs to produce annual national and district training plans, and the Population Welfare Division to review and approve such plans by May 1 of each year beginning May 1, 1983 (Sections 3.05(e) and 3.09 of the draft Development Credit Agreement).

60. Information, Education and Communications (IEC). The IEC strategy consists of identifying and addressing specific target audiences through a variety of channels, with the principal objective of encouraging the adoption of a small family norm and removing resistance to contraceptive use. The preferred form for direct family planning motivation would be individual or group discussion in which the counsellors would be knowledgeable members of the community (such as satisfied acceptors and service providers). Community participation would be encouraged. Interpersonal communication and group discussions would be assisted by appropriate audio-visual (AV) equipment, publicity and educational materials. Regular evaluation and revision of IEC materials would be undertaken. The project would also support seminars designed to inform and elicit support for the program among religious leaders, indigenous entertainers and officials of other government departments and groups. Radio, which reaches a wide audience in Pakistan, would be used on a selective basis to broadcast popular drama with population welfare content, programs about FWC activities and similar education activities.

61. An organization would be established under a new Directorate of Communication and Production (C&P) in the Population Welfare Division to design, implement and evaluate IEC programs and to provide training, supervision, manuals and educational materials to workers and volunteers. The C&P Directorate would be supported by about 48 man-months of consultant services for preparation of operational plans and management, material design and production, mass media planning and programming and communication training. The Government would: (a) by September 1, 1983, appoint an IEC training/planning consultant and an IEC materials design and production consultant; and (b) by December 1, 1983, employ a Director and a Deputy Director for the IEC Unit in the C&P Directorate whose qualifications and experience would be acceptable to the Association, and appoint qualified staff to fill about 15 national, 15 provincial and 130 district level new IEC positions (Sections 3.02 and 3.08 of the draft Development Credit Agreement).

62. Population Education. The population education program currently in existence in the formal school system would be reinforced to reach about 2.2 million students at intermediate and secondary levels. The project would train some 46,000 teachers and prepare instructional materials comprising teachers' guides, training manuals and audio-visual kits.

63. At present, population education functions are performed by a subject specialist in the Population Welfare Division. To carry out the proposed expanded program the Government would: (a) by September 1, 1983, employ an instructor for the Population Welfare Division's Directorate of Program Training and Education; (b) by January 1, 1984, formalize in writing an understanding between the Ministry of Education and the Population Welfare Division outlining an overall plan for population education including roles and responsibilities and budget provisions; and (c) by July 1, 1984, establish, in the Ministry of Education, a population education cell with qualified staff including a population education specialist (Sections 3.05(a), 3.06 and 3.07 of the draft Development Credit Agreement).

Regional Components

64. The regional components of the proposed project would aim to reach about 20 million people in 13 districts. Of these districts, three in Karachi (Sind) and one in Punjab have high population density and include towns and cities where public response to planned parenthood concepts may be more readily forthcoming than in the rest of the country. Four agricultural districts in Sind and Punjab have been selected to take advantage of other ongoing community development activities and to test the effectiveness of simultaneous inputs of community development and population activities among low literacy, agricultural populations. Five districts in NWFP and Baluchistan have been included to make a beginning with new program activities in all provinces.

65. Family Welfare Centers. The project would assist in conversion of about 250 clinics remaining from the old population program into FP/MCH/community development centers; it would also assist in the establishment of 42 new FWCs in locations selected for their easy access and complementarity with other health outlets. Each center would be supervised by a part-time Family Welfare Counsellor and run by a full-time staff of five comprising a Family Welfare Worker (FWW), one male and one female Family Welfare Assistant (FWA) and two support staff members. The FW Counsellors and FWWs are already being trained in deliveries and other MCH services through the UNFPA-assisted clinical training program. The FWWs would provide health education and antenatal, delivery and post-natal care to mothers; give family planning advice and distribute contraceptives; and provide pediatric care. The FWAs, who would receive training under the proposed project, would assist in clinical work as well as undertake educational, promotional and developmental activities in the center and in the

community. Since workloads in the centers may vary according to accessibility and utilization, provision is made in the proposed project for the creation of up to 80 additional positions for FWWs and FWAs in FY85. By July 1, 1984, the Population Welfare Division would submit to the Association, for review and comment, a report on the needs (if any) for varying staffing patterns in the FWCs and by December 1, 1984, take steps to implement recommendations satisfactory to the Association (Section 3.05(d) of the draft Development Credit Agreement).

66. The quality of clinical work in the FWCs would be promoted through the use of doctors, on part-time contracts, as service providers and/or consultants. Wherever possible, lady doctors would be engaged for these services; in Karachi, where a number of lady doctors are available, they would work two to three days a month in each urban center on a regularly programmed schedule. Another special feature for the Karachi FWCs would be a scheme, currently being explored, whereby private associations would run a number of centers which would be jointly funded by the Government and the private sector. In selected FWCs, pediatricians would be used as consultants on child care.

67. Each center would keep a list of nearby government and private hospitals, health centers and outpatient facilities. The FWWs and FW Counsellors would, as necessary, refer clients to an appropriate medical center and arrange required transportation. General administrative supervision of the FWCs would rest with the District Population Welfare Office, which would be responsible for supply/distribution of materials, drugs and contraceptives to the centers, and for IEC-related activities.

68. Members of the local community would be selected to form an Advisory Management Committee (AMC) for each FWC. The AMC would: (a) assist, as necessary, in obtaining and maintaining physical facilities for the FWC; (b) act as a channel for identifying community needs and work out a community activity plan; (c) seek funding and mobilize community resources; (d) establish links with relevant government departments; and (e) recruit community volunteers to function as outreach/IEC workers. The community volunteers would be trained by FWC staff with the assistance of district IEC staff. Their specific tasks would include informing families in the community about the FWC services and activities and encouraging them to use the centers; educating the community in better living conditions, advisable health practices and prevention of childhood diseases; explaining the advantages of family planning; and distribution of non-clinical contraceptives.

69. In addition to its other functions, FWC staff would be responsible for establishing an appropriate program for women's meetings at the centers and for stimulating the AMC in undertaking skill development and income-generating projects for women. Seed funds would be made available for such activities. The Population Welfare Division is finalizing a

manual which would provide guidelines for operation of FWCs, including use of seed funds, and would be required to circulate it to all provincial and district population offices by December 1, 1983 (Section 3.05(b) of the draft Development Credit Agreement).

70. Family Planning Service Outlets. The proposed project would assist in introducing family planning services and education/motivation in about 700 health facilities of several provincial government departments and local bodies. The Regional Training Institutes (paragraphs 46 and 51) would give training in family planning to six trainers from participating departments who in turn would hold training courses for staff of their respective organizations. Materials and equipment would be provided by the Population Welfare Division to the participating health outlets. The departments would also be given an initial supply of contraceptives; funds obtained from their sale would be used for subsequent contraceptive purchases. The provincial Directors General, Population, would have overall responsibility for this sub-component, which would be implemented by the various provincial departments concerned.

71. In addition, major public sector institutions^{1/} would provide family planning services and information/education to their employees and families through some 50 health outlets run by these institutions in the project area districts. Training would be given by the RTIs to one trainer from each of the six organizations so that they can provide staff in these institutions with instruction in the clinical aspects of family planning and in motivation/education. The project would provide the institutions with materials and assistance in IEC activities; contraceptives would be purchased from the Population Welfare Division. Each institution would establish a Population Project Committee to undertake planning, monitoring and evaluation of their family planning operations. The Population Welfare Division, assisted by the provincial population directorates, would have overall responsibility for implementation of this sub-component. The provincial population welfare directorates would prepare annual plans of action for the operation of family planning activities in health facilities and, by July 1 of each year, beginning in 1983, reach agreement on these plans with participating provincial governments/local bodies and public sector institutions (Section 3.10 of the draft Development Credit Agreement).

^{1/} The institutions are: Water and Power Development Authority (WAPDA), Fauji Foundation, the Armed Forces, Pakistan Railways, Pakistan International Airlines, and Pakistan Steel Mills.

Innovative Activities

72. The Government's new Population Welfare Plan is based on strategies that may need adjustments and innovations as the Plan is implemented; the proposed project includes UK Grant funds for such activities. At the request of the UK, the Government would be required to submit to both the UK and the Association, for joint appraisal, a detailed proposal, including a plan of operation and budget requirements, for each proposed innovative activity.

Training, Studies and Technical Assistance

73. Funds for training, studies and technical assistance would be provided as necessary under each of the individual project components. The project includes some 240 man-months of local and 52 man-months of foreign consultant services for the national and regional components.

Monitoring and Evaluation

74. The project would be continuously monitored and evaluated in order to assess: (a) progress achieved in building up the organizational structure of the program; and (b) program impact in terms of increased awareness of available services, use of these services and decreases in fertility. The studies, surveys and schemes included in the proposed project would complement other planned activities outside the project in the areas of information and research to be undertaken by the Government and USAID; USAID assistance would include strengthening the statistical and research capabilities of the Population Welfare Division through consolidation of existing research and statistical staff into a newly established Population Development Center (PDC).

75. Evaluation under the proposed project would be the responsibility of the PDC, which would be assisted by local and international institutions and consultants as required. In addition to detailed assessments of various project components, the project includes funds for preparatory work on a mid-censal demographic survey.

Status of Project Preparation

76. Project preparation is progressing satisfactorily, with funding for consultants being provided from a PPF advance of US\$290,000. Activities undertaken to date include a workshop on the functional analysis of FWCs; course design for the Population Welfare Training Institutes; a Master Trainers' Workshop; curriculum development for population education; orientation sessions for District Population Welfare Officers; and initial development of IEC materials. In addition, district AMCs are being formed, staff training programs initiated in all four provinces, and curricula and teaching aids are being developed for several priority training courses.

Cost Estimates and Financing Plan

77. Total project costs, including contingencies, taxes and duties, are estimated at US\$28.2 million equivalent. Taxes and duties amount to about US\$1.2 million. The foreign exchange component is estimated at US\$7.9 million. Detailed cost estimates are shown in the Credit and Project Summary. Base costs have been calculated on estimated May 1982 prices. The average man-month cost for local consultants is US\$785 and for foreign consultants US\$12,400 (including allowances and overheads). Physical contingencies have been estimated at 5% of base costs for both equipment and vehicles as well as their operation. Price contingencies for foreign expenditures have been estimated at 8% for FY83, declining to 7% by FY86; on local costs, 8.5% has been allowed for FY83, declining to 7% in FY86.

78. The proposed IDA Credit of US\$18 million would finance about 66% of total project costs (net of taxes and duties) and would cover 36% of foreign exchange costs and 75% of local costs. Parallel financing would be provided by USAID of US\$3.4 million for contraceptives (about 12% of total project costs); sufficient supplies of contraceptives have already been made available for at least the first year of the project. The United Kingdom is expected to make a grant of up to US\$2.7 million equivalent for evaluation and studies; innovative activities; vehicles; and seed funds (about 10% of total project costs). The remaining project costs of US\$4.1 million (about 15% of total costs, including taxes and duties) would be financed by the Government through budgetary allocations. Approval of the PC-1 documents for the project by the Executive Committee of the National Economic Council (ECNEC),^{1/} or the appropriate approving authority, would be a condition of Credit effectiveness (Section 6.01(a) of the draft Development Credit Agreement). The fulfillment of all conditions precedent to the effectiveness of the UK Grant document would be a further condition of Credit effectiveness (Section 6.01(b) of the draft Development Credit Agreement).

Procurement and Disbursement

79. Equipment, furniture and materials to be financed out of the proceeds of the Credit would be grouped to the extent possible to attract competitive bidding. Contracts of US\$30,000 and above would be let on the basis of international competitive bidding (ICB) in accordance with Bank Group guidelines; contracts below US\$30,000 but above US\$5,000 equivalent, in aggregate not exceeding US\$150,000 equivalent, may be procured through

^{1/} A PC-1 (Planning Commission Proforma No. 1) is an internal government appraisal document necessary for government approval procedures.

local competitive bidding procedures. Small items of equipment and furniture, estimated to cost not more than US\$5,000 each up to an aggregate of US\$50,000, would be purchased by local shopping for which at least three price quotations would be obtained. Local manufacturers participating in ICB would be accorded a preference in bid evaluation of 15% or the prevailing import duty, whichever is lower.

80. It would not be practicable to let refurbishing of service and training facilities under one contract since the facilities are small and scattered. Accordingly, these contracts would be let through local bidding procedures on the basis of at least three price quotations. For procurement of medicines and medical supplies, the local procedures which have been followed for several years and found satisfactory to the Association, would be used. Procurement of contraceptives to be financed by USAID, and all items to be financed through the UK Grant, would be in accordance with the relevant agencies' procedures and practices.

81. Responsibility for procurement and distribution of goods, equipment and materials rests with the Population Welfare Division's Supplies and Services Directorate (SSD) in Islamabad and the Central Warehouse and Supplies Office in Karachi. To date, SSD's procurement experience has in the main been confined to acquisition through local shopping. Since procurement under the proposed project would entail ICB as well as local competitive bidding, the Government would be required to employ sufficient qualified staff with experience in procurement, logistics and management, specifically a Director and a Deputy Director, Supplies and Services, in Islamabad, and a Deputy Director in Karachi (Section 3.05(c) of the draft Development Credit Agreement).

82. Disbursements from the proposed IDA Credit would be made for: (a) 100% of the foreign exchange cost of directly imported, 100% of the ex-factory price of locally manufactured, and 75% of local expenditures of locally procured materials and equipment; (b) 100% of total expenditures for consultants' services, and preparation of a mid-censal survey and subsequent projects; (c) 95% of total expenditures for local training and project administration; and (d) 90% through June 30, 1984, 75% through June 30, 1985, and 55% through June 30, 1986 of operating costs. Disbursements for items under (a) and (b) would be made against full documentation in accordance with normal IDA procedures. Reimbursements of items under (c) and (d) would be made against statements of expenditures; supporting documents would be retained by the Project Administration Cell (PAC) for IDA review.

83. Retroactive financing, to July 1, 1982, in an amount not exceeding US\$1.5 million, is proposed for expenditures related to consultant services, training and operating costs. The PPF advance for the project would be refunded out of the proceeds of the Credit.

Accounts and Audits

84. The provincial Directors General, Population Welfare, and the Population Welfare Division's Directorate of Finance would maintain separate records for their respective project activities and would have their accounts and financial statements for each fiscal year audited by independent auditors acceptable to the Association. Copies of the unaudited accounts would be sent to the Association for review not later than six months after the end of each fiscal year, and certified copies of these audited financial statements would be submitted to the Association no later than nine months after the end of each fiscal year (Section 4.01 of the draft Development Credit Agreement).

Cost Recovery

85. All contraceptives made available through the Population Welfare Division are sold to acceptors at a nominal price, primarily to reduce wastage and to increase accuracy in monitoring reporting of new acceptor and continuation rates. While it is not government policy to recover costs of health services, the Population Welfare Division has recently established the practice of charging a small registration fee for maternal and child health care provided by FWCs. Over the long term, total revenues from patient registration fees might enable each center to recover 30-35% of annual drug costs.

Benefits and Risks

86. The proposed project would represent an important step towards strengthening the organizational structure of the population program in Pakistan and establishing a viable system to handle fertility reduction activities as social and behavioral changes occur and contraception becomes more generally acceptable. The training and technical assistance components of the project, coupled with experience to be gained from implementation of the physical components, are expected to enhance the capabilities of the national, provincial and district organizations responsible for family planning as well as the provision of health services. The direct benefits of the proposed project would be:

- (a) the training of about 60,000 functionaries and volunteers in delivery of family planning services, and some 45,000 teachers in population education;
- (b) the establishment of family welfare centers and provision of family planning services, maternal and child health care, and health education/motivation to some 20 million people in all four provinces;

- (c) the establishment of appropriate programs for skill development and income generating projects for women;
- (d) the encouragement of the adoption of a small family norm and removal of resistance to contraceptive use through the establishment of a national information, education and communication organization; and
- (e) a decrease in infant mortality and total fertility rates through improved child care and use of contraception.

87. While it would be highly speculative to translate the intermediate benefits of increased FP/MCH/IEC services into quantitative effects, it is estimated that, if the present mix of contraceptive use^{1/} were to be maintained and users of contraceptives were to increase from the current 6% to 14%, the crude birth rate could drop by as much as four points in four years. The effects on fertility could be increased further, even with similar overall acceptance rates, if the contraceptive mix among acceptors were to change so that younger women increased contraceptive continuation rates for spacing births and relatively lower parity women chose sterilization.

88. Project costs per person served as well as per total population are within a reasonable range in relation to the economic and social benefits of the proposed project, namely a slowing down of the rate of population growth. Recent research suggests that the value of a birth prevented in developing countries is at least double the per capita income, and that any program costing less than US\$300 per birth prevented will yield a sizeable rate of return. It is estimated that births which would be prevented during the period 1982/83-1985/86 due to activities under the Population Plan would cost between US\$100 and US\$150 each. Overall, the proposed project would increase recurrent costs at current prices by 12% in 1987 compared to expenditures budgeted in 1981.

89. The main risks to the project arise from possible administrative weaknesses and opposition to the population program from various fronts. Although the project addresses administrative problems, it will take at least two years to achieve significant results from these organizational efforts. The problem of opposition to the program will be tackled by initially targeting services to receptive clients; by placing the program in an appropriate socio-cultural context and broadening its appeal by including services in acute public demand, such as maternal and child

^{1/} IUD-16%; Oral contraceptives-15%; Condoms-60%; Sterilization-5%; Others-4%.

health care; and by endeavoring to gain support for the program's objectives through involvement of political and religious leaders, other influential groups, the private sector, and local communities.

PART V - LEGAL INSTRUMENTS AND AUTHORITY

90. The draft Development Credit Agreement between the Islamic Republic of Pakistan and the Association, and the Recommendation of the Committee provided for in Article V, Section 1(d) of the Articles of Agreement are being distributed to the Executive Directors separately. Special conditions of the project are listed in Section III of Annex III. Additional conditions of effectiveness include the approval of the PC-1 documents for the project by ECNEC, or the appropriate approving authority, and the fulfillment of all conditions precedent to effectiveness of the UK Grant document (Section 6.01(a) and (b) of the draft Development Credit Agreement).

91. I am satisfied that the proposed Credit would comply with the Articles of Agreement of the Association.

PART VI - RECOMMENDATION

92. I recommend that the Executive Directors approve the proposed Credit.

A.W. Clausen
President

Attachments

April 7, 1983
Washington D.C.

TABLE 3A
PAKISTAN - SOCIAL INDICATORS DATA SHEET

AREA (THOUSAND SQ. KM.)	PAKISTAN			REFERENCE GROUPS (WEIGHTED AVERAGES - MOST RECENT ESTIMATE) ^a	
	1960	1970	MOST RECENT ESTIMATE	LOW INCOME ASIA & PACIFIC	MIDDLE INCOME ASIA & PACIFIC
TOTAL	803.9				
AGRICULTURAL	249.9				
GNP PER CAPITA (US\$)	70.0	130.0	300.0	261.4	890.1
ENERGY CONSUMPTION PER CAPITA (KILOGRAMS OF COAL EQUIVALENT)	132.4	190.6	209.2	448.7	701.7
POPULATION AND VITAL STATISTICS					
POPULATION, MID-YEAR (THOUSANDS)	45851.0	60449.0	82153.0	-	-
URBAN POPULATION (PERCENT OF TOTAL)	22.1	24.9	28.2	17.3	32.4
POPULATION PROJECTIONS					
POPULATION IN YEAR 2000 (MILLIONS)			134.5	-	-
STATIONARY POPULATION (MILLIONS)			308.0	-	-
YEAR STATIONARY POPULATION IS REACHED			2125	-	-
POPULATION DENSITY					
PER SQ. KM.	57.0	75.2	99.2	158.1	255.9
PER SQ. KM. AGRICULTURAL LAND	200.4	248.9	316.9	355.9	1748.0
POPULATION AGE STRUCTURE (PERCENT)					
0-14 YRS.	43.8	46.3	46.5	36.8	39.9
15-64 YRS.	51.8	50.5	50.7	59.7	56.8
65 YRS. AND ABOVE	4.4	3.2	2.8	3.5	3.3
POPULATION GROWTH RATE (PERCENT)					
TOTAL	2.3	2.8	3.1	2.0	2.3
URBAN	4.6	4.0	4.3	3.3	3.9
CRUDE BIRTH RATE (PER THOUSAND)	51.3	47.4	43.6	29.3	31.8
CRUDE DEATH RATE (PER THOUSAND)	24.3	19.9	16.0	11.0	9.8
GROSS REPRODUCTION RATE	3.7	3.5	3.0	2.0	2.0
FAMILY PLANNING					
ACCEPTORS, ANNUAL (THOUSANDS)	..	1908.1	2085.0/c	-	-
USERS (PERCENT OF MARRIED WOMEN)	..	..	6.0/c	19.3	36.3
FOOD AND NUTRITION					
INDEX OF FOOD PRODUCTION PER CAPITA (1969-71=100)					
	89.0	102.0	101.0	108.1	115.6
PER CAPITA SUPPLY OF CALORIES (PERCENT OF REQUIREMENTS)					
	87.8	97.1	98.8/d	97.3	106.4
PROTEINS (GRAMS PER DAY)					
	58.1	59.8	62.8/d	56.9	54.4
OF WHICH ANIMAL AND PULSE					
	23.3	20.1	19.9/d	20.0	13.9
CHILD (AGES 1-4) MORTALITY RATE	25.4	21.5	17.8	10.9	6.7
HEALTH					
LIFE EXPECTANCY AT BIRTH (YEARS)	43.3	46.2	49.8	57.8	59.8
INFANT MORTALITY RATE (PER THOUSAND)	161.5	143.0	125.5	89.1	63.7
ACCESS TO SAFE WATER (PERCENT OF POPULATION)					
TOTAL	..	21.0	29.0	32.9	32.0
URBAN	..	77.0	60.0	70.7	31.9
RURAL	..	4.0	17.0	22.2	20.5
ACCESS TO EXCRETA DISPOSAL (PERCENT OF POPULATION)					
TOTAL	..	3.0	6.0	18.1	37.7
URBAN	..	12.0	21.0	72.7	65.7
RURAL	..	..	..	4.7	24.0
POPULATION PER PHYSICIAN	5396.8	4299.1/f	3775.1/e,f	3297.8	8540.4
POPULATION PER NURSING PERSON	16961.8	13306.0/f	10030.3/e,f	4929.3	4829.4
POPULATION PER HOSPITAL BED					
TOTAL	1794.5	1860.1	1903.4/e,f	1100.4	1047.5
URBAN	506.8	648.1	712.9/e,f	301.3	651.6
RURAL	..	12478.5	11870.1/e,f	5815.7	2597.6
ADMISSIONS PER HOSPITAL BED	..	..	..	..	27.0
HOUSING					
AVERAGE SIZE OF HOUSEHOLD					
TOTAL	5.4	5.3	..	..	..
URBAN	5.6	5.5	..	..	..
RURAL	5.4	5.2	..	..	..
AVERAGE NUMBER OF PERSONS PER ROOM					
TOTAL	3.1	2.8/g	..	..	..
URBAN	3.1	2.7/g	..	..	..
RURAL	3.1	2.8/g	..	..	..
ACCESS TO ELECTRICITY (PERCENT OF DWELLINGS)					
TOTAL	..	17.9/g	..	..	..
URBAN	..	54.4/g	..	..	..
RURAL	..	4.9/g	..	..	..

TABLE 3A
PAKISTAN - SOCIAL INDICATORS DATA SHEET

	PAKISTAN			REFERENCE GROUPS (WEIGHTED AVERAGES - MOST RECENT ESTIMATE) ^{/a}		
	1960	1970	MOST RECENT ESTIMATE	LOW INCOME ASIA & PACIFIC	MIDDLE INCOME ASIA & PACIFIC	
	/b	/b	/b			
EDUCATION						
ADJUSTED ENROLLMENT RATIOS						
PRIMARY:	TOTAL	30.0	44.0	56.0	97.4	96.2
	MALE	46.0	62.0	81.0	101.0	99.8
	FEMALE	13.0	24.0	31.0	87.8	92.1
SECONDARY:	TOTAL	11.0	14.0	16.0	53.0	37.6
	MALE	18.0	22.0	24.0	63.8	41.1
	FEMALE	3.0	6.0	8.0	41.3	34.1
VOCATIONAL ENROL. (% OF SECONDARY)		1.0	1.5	1.4	1.7	20.8
PUPIL-TEACHER RATIO						
PRIMARY		38.6	41.5	40.1	37.7	35.5
SECONDARY		24.0	19.8	18.7	20.2	25.0
ADULT LITERACY RATE (PERCENT)		15.0/h	20.7/i	24.0	52.1	73.1
CONSUMPTION						
PASSENGER CARS PER THOUSAND POPULATION						
		1.5	2.6	2.8/c	1.5	9.8
RADIO RECEIVERS PER THOUSAND POPULATION						
		6.0	17.1	65.8	35.4	116.5
TV RECEIVERS PER THOUSAND POPULATION						
		..	1.6	9.4	3.2	37.6
NEWSPAPER ("DAILY GENERAL INTEREST") CIRCULATION PER THOUSAND POPULATION						
		13.2	..	13.7	16.4	53.7
CINEMA ANNUAL ATTENDANCE PER CAPITA						
		0.8	3.0/j	2.4	3.6	2.8
LABOR FORCE						
TOTAL LABOR FORCE (THOUSANDS)						
		14447.7	17364.1	22717.1	..	..
FEMALE (PERCENT)						
		8.6	9.3	10.2	29.5	33.6
AGRICULTURE (PERCENT)						
		61.0	59.0	57.0	70.0	52.2
INDUSTRY (PERCENT)						
		18.0	19.0	20.0	15.0	17.9
PARTICIPATION RATE (PERCENT)						
TOTAL		31.5	28.7	27.7	40.0	38.5
MALE		55.2	50.4	47.2	51.8	50.5
FEMALE		5.7	5.5	5.9	23.8	26.6
ECONOMIC DEPENDENCY RATIO		1.5	1.7	1.8	1.0	1.1
INCOME DISTRIBUTION						
PERCENT OF PRIVATE INCOME RECEIVED BY						
HIGHEST 5 PERCENT OF HOUSEHOLDS						
		20.3/k	17.8	..	..	..
HIGHEST 20 PERCENT OF HOUSEHOLDS						
		45.3/k	41.8	..	..	..
LOWEST 20 PERCENT OF HOUSEHOLDS						
		6.4/l	8.0	..	..	..
LOWEST 40 PERCENT OF HOUSEHOLDS						
		17.5/l	20.2	..	..	..
POVERTY TARGET GROUPS						
ESTIMATED ABSOLUTE POVERTY INCOME LEVEL (US\$ PER CAPITA)						
URBAN		..	68.0/i	176.0	133.8	194.7
RURAL		..	47.0/j	122.0	111.5	153.1
ESTIMATED RELATIVE POVERTY INCOME LEVEL (US\$ PER CAPITA)						
URBAN		..	34.0/i	88.0	..	178.2
RURAL		..	22.0/j	58.0	..	164.9
ESTIMATED POPULATION BELOW ABSOLUTE POVERTY INCOME LEVEL (PERCENT)						
URBAN		..	42.0/i	32.0	43.8	24.4
RURAL		..	43.0/j	29.0	51.7	41.1

.. Not available
. Not applicable.

NOTES

/a The group averages for each indicator are population-weighted arithmetic means. Coverage of countries among the indicators depends on availability of data and is not uniform.

/b Unless otherwise noted, data for 1960 refer to any year between 1959 and 1961; for 1970, between 1969 and 1971; and for Most Recent Estimate, between 1978 and 1980.

/c 1975; /d 1977; /e 1976; /f Registered, not all practicing in the country; /g 1973; /h 1962; /i 1972; /j 1968; /k 1964.

DEFINITIONS OF SOCIAL INDICATORS

Notes: Although the data are drawn from sources generally judged the most authoritative and reliable, it should also be noted that they may not be internationally comparable because of the lack of standardized definitions and concepts used by different countries in collecting the data. The data are, nonetheless, useful to describe orders of magnitude, indicate trends, and characterize certain major differences between countries.

The reference groups are (1) the same country group of the subject country and (2) a country group with somewhat higher average income than the country group of the subject country (except for "High Income Oil Exporters" group where "Middle Income North Africa and Middle East" is chosen because of stronger socio-cultural affinities). In the reference group data the averages are population weighted arithmetic means for each indicator and shown only when majority of the countries in a group has data for that indicator. Since the coverage of countries among the indicators depends on the availability of data and is not uniform, caution must be exercised in relating averages of one indicator to another. These averages are only useful in comparing the value of one indicator at a time among the country and reference groups.

AREA (thousand sq. km.)

Total - Total surface area comprising land area and inland waters, 1979 data.

Agricultural - Estimate of agricultural area used temporarily or permanently for crops, pastures, market and kitchen gardens or to its fallow, 1979 data.

GDP PER CAPITA (US\$) - GNP per capita estimates at current market prices, calculated by same conversion method as World Bank Atlas (1978-80 basis); 1960, 1970, and 1980 data.

ENERGY CONSUMPTION PER CAPITA - Annual consumption of commercial energy (coal and lignite, petroleum, natural gas and hydro-, nuclear and geothermal electricity) in kilograms of coal equivalent per capita; 1960, 1970, and 1979 data.

POPULATION AND VITAL STATISTICS

Total Population, Mid-Year (thousands) - As of July 1, 1960, 1970, and 1980 data.

Urban Population (percent of total) - Ratio of urban to total population; different definitions of urban areas may affect comparability of data among countries; 1960, 1970, and 1980 data.

Population Projections

Population in year 2000 - Current population projections are based on 1980 total population by age and sex and their mortality and fertility rates. Projection parameters for mortality rates comprise of three levels assuming life expectancy at birth increasing with country's per capita income level, and female life expectancy stabilizing at 77.5 years. The parameters for fertility rate also have three levels assuming decline in fertility according to income level and past family planning performance. Each country is then assigned one of these nine combinations of mortality and fertility trends for projection purposes.

Stationary population - In a stationary population there is no growth since the birth rate is equal to the death rate, and also the age structure remains constant. This is achieved only after fertility rates decline to the replacement level of unit net reproduction rate, when each generation of women replaces itself exactly. The stationary population size was estimated on the basis of the projected characteristics of the population in the year 2000, and the rate of decline of fertility rate to replacement level.

Year stationary population is reached - The year when stationary population size will be reached.

Population Density

Per sq. km. - Mid-year population per square kilometer (100 hectares) of total area; 1960, 1970 and 1979 data.

Per sq. km. agricultural land - Computed as above for agricultural land only; 1960, 1970 and 1979 data.

Population Age Structure (percent) - Children (0-14 years), working-age (15-64 years), and retired (65 years and over) as percentages of mid-year population; 1960, 1970, and 1980 data.

Population Growth Rate (percent) - total - Annual growth rates of total mid-year population for 1950-60, 1960-70, and 1970-80.

Population Growth Rate (percent) - urban - Annual growth rates of urban populations for 1950-60, 1960-70, and 1970-80.

Crude Birth Rate (per thousand) - Annual live births per thousand of mid-year population; 1960, 1970, and 1980 data.

Crude Death Rate (per thousand) - Annual deaths per thousand of mid-year population; 1960, 1970, and 1980 data.

Gross Reproduction Rate - Average number of daughters a woman will bear in her normal reproductive period if she experiences present age-specific fertility rates, usually five-year averages ending in 1960, 1970, and 1980.

Family Planning - Users (thousands) - Annual number of acceptors of birth-control devices under auspices of national family planning program.

Family Planning - Users (percent of married women) - Percentage of married women of child-bearing age (15-44 years) who use birth-control devices to all married women in same age group.

FOOD AND NUTRITION

Index of Food Production per Capita (1969-71=100) - Index of per capita annual production of all food commodities. Production excludes seed and feed and is on calendar year basis. Commodities cover primary goods (e.g. sugarcane instead of sugar) which are edible and contain nutrients (e.g. coffee and tea) as well as production of each country based on national average producer price weights; 1961-65, 1970, and 1980 data.

Per capita supply of calories (percent of requirements) - Computed from energy equivalent of net food supplies available in country per capita per day. Available supplies comprise domestic production, imports less exports, and changes in stock. Net supplies exclude animal feed, seeds, quantities used in food processing, and losses in distribution. Requirements were estimated by FAO based on physiological needs for normal activity and health considering environmental temperature, body weights, age and sex distribution of population, and allowing 10 percent for waste at household level; 1961-65, 1970 and 1977 data.

Per capita supply of protein (grams per day) - Protein content of per capita net supply of food per day. Net supply of food is defined as above. Requirements for all countries established by USDA provide for minimum allowances of 60 grams of total protein per day and 20 grams of animal and pulse protein, of which 10 grams should be animal protein. These standards are lower than those of 75 grams of total protein and 23 grams of animal protein as an average for the world, proposed by FAO in the Third World Food Survey; 1961-65, 1970 and 1977 data.

Per capita protein supply from animal and pulse - Protein supply of food derived from animal and pulses in grams per day; 1961-65, 1970 and 1977 data.

Child (ages 1-4) Death Rate (per thousand) - Annual deaths per thousand in age group 1-4 years, to children in this age group, for most developing countries data derived from life tables; 1960, 1970 and 1980 data.

HEALTH

Life Expectancy at Birth (years) - Average number of years of life remaining at birth; 1960, 1970 and 1980 data.

Infant Mortality Rate (per thousand) - Annual deaths of infants under one year of age per thousand live births; 1960, 1970 and 1980 data.

Access to Safe Water (percent of population) - total, urban, and rural - Number of people (total, urban, and rural) with reasonable access to safe water supply (includes treated surface waters or untreated but uncontaminated water such as that from protected boreholes, springs, and sanitary wells) as percentages of their respective populations. In an urban area a public fountain or standpost located not more than 200 meters from a house may be considered as being within reasonable access of that house. In rural areas reasonable access would imply that the housewife or members of the household do not have to spend a disproportionate part of the day in fetching the family's water needs.

Access to Excreta Disposal (percent of population) - total, urban, and rural - Number of people (total, urban, and rural) served by excreta disposal as percentages of their respective populations. Excreta disposal may include the collection and disposal, with or without treatment, of human excreta and waste-water by water-borne systems or the use of pit privies and similar installations.

Population per Physician - Population divided by number of practicing physicians qualified from a medical school at university level.

Population per Nursing Person - Population divided by number of practicing male and female graduate nurses, assistant nurses, practical nurses and nursing auxiliaries.

Population per Hospital Bed - total, urban, and rural - Population (total, urban, and rural) divided by their respective number of hospital beds available in public and private general and specialized hospital and rehabilitation centers. Hospitals are establishments permanently staffed by at least one physician. Establishments providing principally curative care are not included. Rural hospitals, however, include health and medical centers not permanently staffed by a physician (but by a medical assistant, nurse, midwife, etc.) which offer in-patient accommodation and provide a limited range of medical facilities. For statistical purposes urban hospitals include WHO principal/general hospitals, and rural hospitals, local or rural hospitals and medical and maternity centers. Specialized hospitals are included only under total.

Admissions per Hospital Bed - Total number of admissions to or discharges from hospitals divided by the number of beds.

HOUSING

Average Size of Household (persons per household) - total, urban, and rural - A household consists of a group of individuals who share living quarters and their main meals. A boarder or lodger may or may not be included in the household for statistical purposes.

Average number of persons per room - total, urban, and rural - average number of persons per room in all urban, and rural occupied conventional dwellings, respectively. Dwellings exclude non-permanent structures and unoccupied parts.

Access to Electricity (percent of dwellings) - total, urban, and rural - Conventional dwellings with electricity in living quarters as percentage of total, urban, and rural dwellings respectively.

EDUCATION

Adjusted Enrollment Ratio

Primary school - total, male and female - Gross total, male and female enrollment of all ages at the primary level as percentages of respective primary school-age populations, normally includes children aged 6-11 years but adjusted for different lengths of primary education; for countries with universal education enrollment may exceed 100 percent since some pupils are below or above the official school age.

Secondary school - total, male and female - Computed as above; secondary education requires at least four years of approved primary instruction; provides general, vocational, or teacher training instructions for pupils usually of 12 to 17 years of age; correspondence courses are generally excluded.

Vocational enrollment (percent of secondary) - Vocational institutions include technical, industrial, or other programs which operate independently or as departments of secondary schools.

Pupil-teacher ratio - primary, and secondary - Total students enrolled in primary and secondary levels divided by numbers of teachers in the corresponding levels.

Adult literacy rate (percent) - Literate adults (able to read and write) as a percentage of total adult population aged 15 years and over.

CONSUMPTION

Passenger Cars (per thousand population) - Passenger cars comprise motor cars seating less than eight persons; excludes ambulances, hearses and military vehicles.

Radio Receivers (per thousand population) - All types of receivers for radio broadcasts to general public per thousand of population; excludes unlicensed receivers in countries and in years when registration of radio sets was in effect; data for recent years may not be comparable since most countries abolished licensing.

Television (per thousand population) - TV receivers for broadcast to general public per thousand population; excludes unlicensed TV receivers in countries and in years when registration of TV sets was in effect.

Newspaper Circulation (per thousand population) - Shows the average circulation of "daily general interest newspaper", defined as a periodical publication devoted primarily to recording general news. It is considered to be "daily" if it appears at least four times a week.

Cinema Annual Attendance per Capita per Year - Based on the number of tickets sold during the year, including admissions to drive-in cinemas and mobile units.

LABOR FORCE

Total Labor Force (thousands) - Economically active persons, including armed forces and unemployed but excluding housewives, students, etc., covering population of all ages. Definitions in various countries are not comparable; 1960, 1970 and 1980 data.

Female (percent) - Female labor force as percentage of total labor force.

Agriculture (percent) - Labor force in farming, forestry, hunting and fishing as percentage of total labor force; 1960, 1970 and 1980 data.

Industry (percent) - Labor force in mining, construction, manufacturing and electricity, water and gas as percentage of total labor force; 1960, 1970 and 1980 data.

Participation Rate (percent) - total, male, and female - Participation or activity rates are computed as total, male, and female labor force as percentages of total, male and female population of all ages respectively; 1960, 1970, and 1980 data. These are based on ILO's participation rates reflecting age-sex structure of the population, and long time trend. A few estimates are from national sources.

Economic Dependency Ratio - Ratio of population under 15 and 65 and over to the total labor force.

INCOME DISTRIBUTION

Percentage of Private Income (both in cash and kind) - Received by richest 5 percent, richest 20 percent, poorest 20 percent, and poorest 40 percent of households.

POVERTY TARGET GROUPS

The following estimates are very approximate measures of poverty levels, and should be interpreted with considerable caution.

Estimated Absolute Poverty Income Level (US\$ per capita) - urban and rural - Absolute poverty income level is that income level below which a minimal nutritionally adequate diet plus essential non-food requirements is not affordable.

Estimated Relative Poverty Income Level (US\$ per capita) - urban and rural - Rural relative poverty income level is one-third of average per capita personal income of the country. Urban level is derived from the rural level with adjustment for higher cost of living in urban areas.

Estimated Population below Absolute Poverty Income Level (percent) - urban and rural - Percent of population (urban and rural) who are "absolute poor".

ECONOMIC DEVELOPMENT DATA

	GROSS NATIONAL PRODUCT IN 1981/82		ANNUAL RATE OF GROWTH (% constant prices)		
	US\$ billion	%	1969/70-1974/75	1975/76-1980/81	1981/82
GNP at Market Prices	31.68	100.0	3.5	6.3	5.0
Gross Domestic Investment	5.14	16.2	-5.5	5.4	11.9
Gross National Saving	3.70	11.7	-2.1	8.2	8.0
Current Account Balance	-1.53	-4.8			
Resource Gap	-3.48	-11.0			

OUTPUT, LABOR FORCE AND PRODUCTIVITY IN 1980/81 /a

	Value Added		Labor Force		V.A. Per Worker	
	US\$ million	%	US\$ million	%	US\$ million	%
Agriculture	7,825	29	13.5	51	580	58
Industry	6,827	26	5.2	20	1,313	131
Services	12,053	45	7.9	29	1,526	152
Total/Average	26,705	100	26.6	100	1,004	100

GOVERNMENT FINANCE

	General Government			Central Government		
	(Rs billion)	% of GDP		(Rs billion)	% of GDP	
	1981/82	1981/82	1977/78-1981-82	1981/82	1981/82	1977/78-1981/82
Current Receipts	51.2	15.9	15.8	39.0	12.1	12.4
Current Expenditures	44.4	13.8	14.1	34.1	10.6	10.6
Current Surplus/Deficit	6.8	2.1	1.7	4.9	1.5	1.8
Capital Expenditures	27.0	8.4	9.3	21.2	6.6	7.4
External Assistance (net)	6.3	2.0	2.8	6.3	2.0	2.8

MONEY, CREDIT AND PRICES

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82 b/
Money and Quasi Money	33.1	41.6	51.7	63.7	76.5	90.7	103.5	114.4
Bank Credit to Public Sector (net)	17.5	22.7	29.5	34.3	43.1	48.1	54.1	59.9
Bank Credit to Private Sector (gross)	19.7	23.1	30.1	35.7	42.7	50.6	58.7	70.7
Money and Quasi Money as % GDP	29.5	31.5	34.6	36.7	39.0	38.3	37.0	35.5
Wholesale Price Index (1969/70=100)	211.3	229.4	255.3	271.4	289.7	316.7	358.8	398.6
Annual Percentage Change in:								
Wholesale Price Index	23.6	8.6	11.3	6.3	6.7	9.3	13.3	11.1
Bank Credit to Public Sector (net)	21.2	29.4	18.8	16.6	25.6	11.6	12.5	10.7
Bank Credit to Private Sector (gross)	26.3	17.3	30.3	18.6	19.6	18.5	16.0	20.4

/a Labor force data are official figures of the Ministry of Finance and Planning.
Serious underenumeration may exist, especially of women.

/b Provisional

February 1983

BALANCE OF PAYMENTS

	(US\$ million)					
	1976/77	1977/78	1978/79	1979/80	1980/81 /a	1981/82
Exports of Goods, NFS	1,404	1,651	2,107	2,955	3,461	2,966
Imports of Goods, NFS	2,877	3,297	4,485	5,709	6,466	6,613
Resource Gap (deficit = -)	-1,473	-1,646	-2,378	-2,754	-3,005	-3,847
Interest Payments	-172	-183	-261	-285	-357	-453
Workers' Remittances	578	1,166	1,395	1,748	2,097	2,225
Other Factor Payments (net)	15	62	134	151	274	345
Net Transfers	..	..	..	..	..	..
Balance on Current Account	-1,052	-601	-1,110	-1,140	-991	-1,530
Direct Foreign Investment	..	..	..	..	..	..
Net MLT Borrowing	..	..	..	..	..	..
Disbursements	961	841	813	1,134	956	1,102
Amortization	-175	-122	-235	-310	-516	-492
Sub-Total	786	719	578	824	440	610
Transactions with IMF/b	44	41	-14	78	315	358
Other Items n.e.i. /c	24	163	238	600	527	364
Increase in Reserves (-)	198	-322	308	-362	-291	198
Gross Reserves (year end)/d	372	694	386	748	1,039	841
Official Gold (year end; million ounces)	1.6	1.7	1.8	1.8	1.8	1.8
<u>Fuel and Related Materials</u>						
Petroleum Imports	413	497	539	1,237	1,602	1,683
Petroleum Exports	27	63	61	178	160	185

Rate of Exchange

Through May 11, 1972	May 11, 1972-Feb. 15, 1973	Feb. 15, 1973-Jan. 7, 1982	January 8-Aug. 31, 1982 Average
US\$ = Rs 4.7619 Rs1 = US\$0.2100	US\$ = Rs 11.00 Rs1 = US\$0.0909	US\$ = Rs 9.90 Rs1 = US\$0.1010	US\$ = Rs 11.46 Rs = 0.087

/a Government estimate.

/b Including Trust Fund.

/c Including net short-term borrowing and errors and omissions.

/d Foreign exchange and SDR holdings of the State Bank.

/e Private debt is negligible.

/f Ratio of debt service to exports of goods, non-factor services and worker's remittances; not including short-term or IMF changes.

/g Since January 8, 1982, value of rupee is being managed with reference to a weighted basket of currencies.

.. Not available.

MERCHANDISE EXPORTS (AVERAGING 1978/79-1981/82)

	US\$ million	%
Raw Cotton	260.5	11.5
Cotton Yarn	181.3	8.0
Cotton Cloth	230.4	10.2
Rice	382.7	17.4
All Other Commodities	1,196.9	52.9
Total	2,261.8	100.0

EXTERNAL DEBT, DECEMBER 31, 1981

	US\$ million
Public Debt, Including Guaranteed	8,813.9
Non-guaranteed Private Debt /e	..
Total Outstanding and Disbursed	8,813.9
<u>DEBT SERVICE RATIO FOR 1981/82 /f</u>	
	Percentage
Public Debt, Including Guaranteed	12.2
Non-guaranteed Private Debt	..
Total	12.2

IBRD/IDA LENDING (DECEMBER 1981) (US\$ million)

	IBRD	IDA
Outstanding and Disbursed	310.1	908.8
Undisbursed	32.1	505.3
Outstanding, Including Undisbursed	342.2	1,414.1

ANNEX II

STATUS OF BANK GROUP OPERATIONS IN PAKISTAN

A. STATEMENT OF BANK LOANS AND IDA CREDITS (as of September 30, 1982)

Loan/ Credit Number	Fiscal Year	Purpose	(US\$ million)			
			(Amount net of cancellations)			Undis-
			Bank	TW	IDA	bursed
Eighty-four loans and credits fully disbursed /a			635.8		720.7/e	
1107	1975	Fourth Sui Northern Gas	53.0		--	0.7
1208T	1976	Power (Second WAPDA)	--	32.0	--	1.6
620	1976	Seed Project	--		23.0	6.5
630	1976	Second Lahore Water Supply	--		26.6	4.6
648	1976	Irrigation & Drainage (Khairpur)	--		14.0	6.7
1366T	1977	Livestock Development (Punjab)	--	10.0	--	9.3
1372)	1977	Railways	35.0		--	1.0
684)	1977	Railways	--		25.0	1.1
678	1977	Third Education	--		15.0	7.0
751	1977	Hill Farming Development	--		3.0	1.6
754	1978	Salinity Control & Reclamation	--		70.0	68.8
755	1978	Hazara Forestry Pre-investment	--		1.7	1.4
813	1978	Punjab Ext. & Agric. Dev.	--		12.5	7.2
846	1978	Fauji Fertilizer	--		55.0	3.4
867	1979	Toot Oil & Gas Development	--		30.0	0.9
877	1979	Salinity Control & Recl. (Mardan)	--		60.0	58.5
892	1979	Primary Education	--		10.0	8.3
922	1979	Sind Agricultural Extension	--		9.0	9.0
957	1979	Agricultural Development (ADBP)	--		30.0	10.8
968	1980	Power (Third WAPDA)	--		45.0	36.6
974	1980	Third Highway	--		50.0	39.7
1019	1980	Development Finance (PICIC XI)	--		40.0	16.9
1109/d	1981	Vocational Training	--		25.0	24.8
1113/d	1981	Small Industries	--		30.0	29.9
1157/d	1981	Grain Storage	--		32.0	32.0
1158/d	1981	Agricultural Research	--		24.0	24.0
1163/d	1981	On-Farm Water Management	--		41.0	38.8
1186/d	1982	Industrial Development (IDBP II)	--		30.0	30.0
2122	1982	Telecommunication IV	40.0		--	40.0
2166	1982	Structural Adjustment	60.0		--	59.1
2172/f	1982	Fertilizer Industry Rehabilitation	38.5		--	38.5
12397/b /d	1982	Irrigation Systems Rehabilitation	--		40.0	40.0
1243/b /d	1982	Baluchistan Minor Irrig. & Agr.	--		14.0	14.0
1255/d	1982	Structural Adjustment Credit	--		80.0	80.0
1256/d	1982	Technical Assistance Credit (SAL)	--		7.0	7.0
1278/d	1982	Eleventh Railway Project	--		50.0	50.0
Total			862.3	42.0	1,613.5	809.7
of which has been repaid			447.3	--	30.5	
Total now outstanding			414.9	42.0	1,583.0	
Amount sold						23.9
of which has been repaid						23.9
Total now held by Bank and IDA/c			414.9	42.0	1,583.0	
Total undisbursed			139.3	10.9	659.5	809.7

/a Excludes the disbursed portion of loans and credits wholly or partly for projects in the former East Pakistan which have now been taken over by Bangladesh.

/b Not yet effective.

/c Prior to exchange adjustment.

/d IDA Credits under the 6th Replenishment denominated in SDRs. The principal is shown in US\$ equivalent at the time of negotiation. Undisbursed amounts are computed at the August 31, 1982, rate of 1.07234.

/e By using the rate at August 31, 1982, 1.07234, \$41 million was disbursed under Credit 1066-PAK, now fully disbursed. This amount is shown as current principal for 1066-PAK.

/f Effective on October 21, 1982.

ANNEX II

B. STATEMENT OF IFC INVESTMENTS (as of September 30, 1982)

<u>Fiscal Year</u>	<u>Obligor</u>	<u>Type of Business</u>	<u>Amount Loan</u>	<u>In US\$ Equity</u>	<u>Million Total</u>
1958	Steel Corp of Pakistan Ltd.	Rolled Steel Products	0.63	--	0.63
1959	Adamjee Industries Ltd.	Textiles	0.75	--	0.75
1962-1965	Gharibwal Cement Industries Ltd.	Cement	5.25	0.42	5.67
1963-1969-1975	PICIC	Development Financing	--	0.52	0.52
1965	Crescent Jute Products	Textiles	1.84	0.11	1.95
1965-1980	Packages Ltd.	Paper Products	19.35	0.84	20.19
1967-1976	Pakistan Paper Corp Ltd.	Paper	5.38	2.02	7.40
1969	Dawood Hercules Chemicals Ltd.	Fertilizers	1.00	2.92	3.92
1969	Karnaphuli Paper Mills Ltd.	Pulp and Paper	5.60	0.63	6.23
1979	Milkpak Ltd.	Food and Food Processing	2.40	0.38	2.78
1979	Pakistan Oilfields Ltd. and Attock Refinery Ltd.	Chemicals and Petrochemicals	29.00	1.82	30.82
1980	Fauji Foundation	Woven Polypropylene bags	1.78	--	1.78
1980	Premier Board Mills Ltd.	Particle Board	2.70	--	2.70
1981	Habib Arkady	Food and Food Processing	3.15	0.17	3.32
1982	Asbestos	Cement	<u>3.60</u>	<u>--</u>	<u>3.60</u>
Total Gross Commitments			82.43	9.83	92.26
Less: Cancellations, Terminations, Repayments and Sales			<u>48.85</u>	<u>1.02</u>	<u>49.87</u>
Total Commitments Now Held by IFC			<u>33.58</u>	<u>8.81</u>	<u>42.39</u>
Undisbursed (including participants)			<u>17.36</u>	<u>0.35</u>	<u>17.71</u>

ANNEX II

C. PROJECTS IN EXECUTION 1/

Credit No. 771 Tarbela Dam: US\$35 Million Credit of March 10, 1978;
Effective Date: April 4, 1978; Closing Date: June
30, 1982

Work to construct a flip-bucket at the outlet of Tunnel No. 4 is in progress and will be completed in 1983. Serious erosion in the plunge pool below the service spillway during 1977 necessitated additional protection works which, together with work in the downstream channel, were completed in June 1980. Similar protection work in the auxiliary plunge pool was completed in 1982. Since 1975, irrigation requirements from the dam have been met. Power generation by the first four units began in 1977. Construction of a second power plant with four units is in progress. All Credit proceeds have been disbursed; the Bank continues to administer the Tarbela Development Fund.

Loan No. 1107 Fourth Sui Northern Gas: US\$60 Million Loan of May
15, 1975; Effective Date: July 5, 1975; Closing
Date: December 31, 1982

This project has been completed.

Loan No. 1208-T Second WAPDA Power: US\$50 Million Third Window Loan
of February 19, 1976; Effective Date: April 30,
1976; Closing Date: September 30, 1982

All major works have been completed. One outstanding retention payment for about US\$650,000 is expected to be disbursed shortly.

Credit No. 620 Seed Project: US\$23 Million Credit of March 29,
1976; Effective Date: November 29, 1976; Closing
Date: June 30, 1983

Delays have continued to be experienced in the construction and equipping of processing plants in Punjab, due mainly to disputes with civil works contractors and structural defects in the buildings. The plant in Sind has been completed. Field activities have made good progress.

1/ These notes are designed to inform the Executive Directors regarding the progress of projects in execution, and in particular to report any problems which are being encountered, and the action being taken to remedy them. They should be read in this sense, and with the understanding that they do not purport to present a balanced evaluation of strengths and weaknesses in project execution.

Credit No. 630 Second Lahore Water Supply, Sewerage and Drainage Project: US\$26.6 Million Credit of June 8, 1976; Effective Date: September 21, 1976; Closing Date: December 31, 1982

All major works have been contracted but construction delays have continued and will probably cause a further delay in project completion. Detailed action plans to improve operational and financial performance have recently been agreed.

Credit No. 648 Khairpur Tile Drainage and Irrigated Farming Development Project: US\$14 Million Credit of July 22, 1976; Effective Date: March 14, 1977; Closing Date: July 31, 1984

Overall progress is about three years behind schedule due to initial delays in employing consultants, procurement problems and difficulties in installing the subsurface collector drains. Canal remodeling, surveys and extension services are proceeding satisfactorily. Additional equipment is being procured to improve the rate of construction.

Loan No. 1366-T Punjab Livestock Development: US\$10 Million Third Window Loan of February 18, 1977; Effective Date: August 3, 1977; Closing Date: December 31, 1983

The reformulated project has been approved by the Executive Directors and GOP and GOPun have signed the legal documents. The contract for the rehabilitation of the Lahore Milk Plant (LMP) has been let and preparatory work is under way. An outstanding issue is the appointment of three consultants to strengthen LMP management.

Loan No. 1372 Tenth Railway: US\$35 Million Loan and US\$25 Million
and Credit of March 8, 1977; Effective Date: May 9,
1977; Credit No. 684 Closing Date: Decemer 31, 1982

The project is proceeding satisfactorily. The telecommunications and signaling scheme is making good progress and the complete network is expected to be commissioned before mid-1983. Procurement has been completed and the total proceeds of the Loan/Credit have been committed.

Credit No. 678 Third Education: US\$15 Million Credit of February 18, 1977; Effective Date: July 6, 1977; Closing Date: December 31, 1983

The project is generally making good progress. Curriculum improvements have been satisfactorily carried out. Nearly all civil works contracts have been completed except at Quetta and Rahim Yar Khan where construction of the Agricultural Training Institutes has been delayed for about one year due to site problems. At Sind Agricultural University construction is also behind by one year due to initial delays in appointment of project implementation staff.

Credit No. 751 Hill Farming Technical Development: US\$3 Million
Credit of December 1, 1977; Effective Date: March 7,
1978; Closing Date: September 30, 1983

Staff shortages and lack of a decision on upgrading field assistants have caused implementation problems. Nevertheless, the vegetable seed, maize production, service laboratory, training and apple production components are proceeding satisfactorily.

Credit No. 754 SCARP-VI: US\$70 Million Credit of January 19, 1978;
Effective Date: December 28, 1978; Closing Date:
November 30, 1986

Although the project is about three years behind schedule, significant momentum has now begun in project implementation following the resolution of budgetary and other initial problems. Progress has been made in awarding the first civil works contracts and obtaining necessary equipment, vehicles and materials.

Credit No. 755 Hazara Forestry: US\$1.7 Million Credit of January
29, 1978; Effective Date: July 14, 1978; Closing
Date: December 31, 1983

There has been significant progress in different project activities. The Guzara socio-economic study, the chir pine forest inventory and the pulping tests for chir pine have been completed. However, on the basis of a forest resource assessment study, the immediate development of an economically sized pulp mill had to be ruled out; the scope of the feasibility study will therefore be broadened to include a range of development options. Terms of reference are now being prepared and field work on the next phase of the study will start in the Spring of 1983.

Credit No. 813 Punjab Extension and Agricultural Development: US\$
12.5 Million Credit of June 6, 1978; Effective Date:
September 12, 1978; Closing Date: June 30, 1984

The project is behind schedule despite some progress in staff recruitment, acquisition of building sites and construction work. Implementation of the T&V system and the research-extension linkages continue to be weak. Low salaries for village level staff and delays in recruiting consultants remain problems.

Credit No. 846 Fauji Fertilizer: US\$55 Million Credit of September
14, 1978; Effective Date: December 19, 1978; Closing
Date: June 30, 1982

The plant is in operation. Final disbursements are expected to be completed by December 1982.

Credit No. 867 Toot Oil and Gas Development: US\$30 Million Credit of January 12, 1979; Effective Date: April 25, 1979; Closing Date: March 31, 1983

Two new producing oil wells in the Toot field have recently been completed despite very difficult drilling problems but well-drilling and management problems persist. Project implementation is about 15 months behind schedule. The Closing Date, originally December 31, 1981, has been extended to March 31, 1983, to allow completion of the original 8-well drilling program.

Credit No. 877 Salinity Control and Reclamation Project (SCARP) Mardan: US\$60 Million Credit of February 7, 1979; Effective Date: October 16, 1979; Closing Date: June 30, 1986

The project has been reduced in scope and initial budgetary and other problems have been resolved. CIDA (the project co-financier) is assisting WAPDA in scheduling implementation activities as well as in preparing subsurface drainage design and specifications. Although about two years behind schedule, work is accelerating on the preparation of the final designs and tender documents for the restructured project. Some contracts have been awarded.

Credit No. 892 Primary Education: US\$10 Million Credit of April 18, 1979; Effective Date: October 23, 1979; Closing Date: June 30, 1985

The project is progressing steadily. Nearly all of the project inputs including civil works, equipment, staff appointments and training have been provided. The evaluation program has been redesigned and a comprehensive proposal for the improvement of primary education is expected to be completed by June 1983.

Credit No. 922 Sind Agricultural Extension and Adaptive Research Project: US\$9 Million Credit of June 12, 1979; Effective Date: June 26, 1981; Closing Date: June 30, 1984

Critical staff has been recruited and project implementation has started, although well behind schedule. Implementation of the T&V system and research-extension linkages remain weak. Recruitment of consultants has been delayed.

Credit No. 957 Fourth Agricultural Development Bank: US\$30 Million Credit of December 7, 1979; Effective Date: June 5, 1980; Closing Date: December 31, 1982

Overall progress of the agricultural credit component has been satisfactory. The agricultural engineering training component in NWFP is 50% completed; implementation in Punjab is about to begin. Funds for ADBP onlending are about 70% disbursed and will be fully disbursed by June 30, 1983.

Credit No. 968 Third WAPDA Power: US\$45 Million Credit of January 10, 1980; Effective Date: July 30, 1980; Closing Date: December 31, 1984

Despite some delays, mainly in land acquisition, execution of the project is proceeding satisfactorily. Procurement schedules and construction targets for substations and transmission lines are generally being met.

Credit No. 974 Third Highway: US\$50 Million Credit of April 9, 1980; Effective Date: August 21, 1980; Closing Date: June 30, 1984

Of the five rehabilitation contracts, two are nearing completion, one has been terminated due to poor performance by the contractor and re-awarded, and work is progressing slowly on the remaining two contracts. Discussions are in progress on equipment procurement and provision of technical assistance to two provincial governments to improve road maintenance.

Credit No. 1019 PICIC Industrial Development: US\$40 Million Credit of May 30, 1980; Effective Date: October 29, 1980; Closing Date: March 31, 1984

About US\$35 million had been authorized for 28 projects and US\$23 million had been disbursed by September 30, 1982. PICIC's recovery program is on target.

Credit No. 1109 Fifth Education (Vocational Training): SDR 19.7 Million Credit (US\$25 Million equivalent) of April 24, 1981; Effective Date: October 27, 1981; Closing Date: December 31, 1986

The project has made progress in many areas, although there has been slow progress in the establishment of In-plant Training Advisory Services in the provinces and in the appointment of staff for the Provincial Training Boards and the National Training Development Institute. The Government has agreed to a new timetable for appointing staff and development of a staff training and work program for these institutions.

Credit No. 1113 Small Industries: SDR 23.6 Million Credit (US\$30 Million equivalent) of April 24, 1981; Effective Date: October 6, 1981, Closing Date: December 31, 1985

About \$750,000 had been committed by July 1982. Selection of consultants has been completed for the service centers and for the expert promotion component activities; building construction and procurement of machinery and equipment are in progress.

Credit No. 1157 Grain Storage: SDR 26.1 Million Credit (US\$32 Million equivalent) of October 21, 1981; Effective Date: March 15, 1982; Closing Date: December 31, 1985

Construction of the storage facilities is progressing satisfactorily although there have been delays in hiring of consultants and staff, and in making training arrangements.

Credit No. 1158 Agricultural Research: SDR 33.4 Million Credit (US\$24 Million equivalent) of August 19, 1981; Effective Date: June 14, 1982; Closing Date: December 31, 1986

Most of the staff required to operate the project have been recruited and the procedures to appoint a consultancy firm to provide technical assistance are well advanced. Preliminary selections have been made for the first 40 overseas training fellowships. Architects have been appointed, designs for civil works completed and construction commenced at the National Agricultural Research Center.

Credit No. 1163 On-Farm Water Management: SDR 33.4 Million Credit (US\$41 Million equivalent) of August 19, 1981; Effective Date: March 31, 1982; Closing Date: December 31, 1984

This Credit was declared effective on March 30, 1982.

Credit No. 1186 Second Industrial Development Bank of Pakistan (IDBP II): SDR 26.7 Million Credit (US\$30 Million equivalent) of February 19, 1982; Effective Date: June 14, 1982; Closing Date: June 30, 1985

This Credit was declared effective on June 14, 1982.

Loan No. 2122 Fourth Telecommunications: US\$40 Million Loan of April 13, 1982; Effective Date: June 9, 1982; Closing Date: June 30, 1987

This Loan was declared effective on June 9, 1982.

Loan No. 2166 Structural Adjustment: US\$60 Million Loan of June 23, 1982; Effective Date: September 9, 1982; Closing Date: December 31, 1983

This Loan was declared effective on September 9, 1982.

Loan No. 2172 Fertilizer Industry Rehabilitation: US\$38.5 Million Loan of June 23, 1982; Effective Date: October 21, 1982; Closing Date: June 30, 1986

This Loan was declared effective on October 21, 1982.

Credit No. 1239 Irrigation Systems Rehabilitation: SDR 33.5 Million Credit (US\$40 Million equivalent) of June 3, 1982; Effective Date: May 15, 1983; Closing Date: December 31, 1985

This Credit is not yet effective.

Credit No. 1243 Baluchistan Minor Irrigation and Agricultural Development Project: SDR 12.5 Million Credit (US\$14 Million equivalent) of June 3, 1982; Effective Date: January 5, 1982; Closing Date: December 31, 1988

This Credit was declared effective on January 5, 1983.

Credit No. 1255 Structural Adjustment: SDR 71.9 Million Credit (US\$80 Million equivalent) of June 23, 1982; Effective Date: September 9, 1982; Closing Date: December 31, 1983

This Credit was declared effective on September 9, 1982.

Credit No. 1256 Technical Assistance: SDR 6.3 Million Credit (US\$7 Million equivalent) of June 23, 1982; Effective Date: September 9, 1982; Closing Date: December 31, 1985

This Credit was declared effective on September 9, 1982.

Credit No. 1278 Railways XI: SDR 44.3 Million Credit (US\$50 Million equivalent) of July 13, 1982; Effective Date: September 13, 1982; Closing Date: December 31, 1985

This Credit was declared effective on September 13, 1982.

Loan No. 2218 Refinery Engineering and Energy Efficiency Project: (US\$12 Million Loan of January 17, 1983; Effective Date: April 17, 1983; Closing Date: June 30, 1985.

This Loan is not yet effective.

PAKISTAN

POPULATION PROJECT

Supplementary Project Data Sheet

Section I: Timetable of Key Events

- (a) Time taken to prepare project:
18 months.
- (b) Agency which prepared the project:
Federal Population Welfare Division.
- (c) Date of first mission to consider
the project:
February 1981.
- (d) Date of departure of appraisal mission:
May 1982; updating mission: November 1982.
- (e) Date of completion of negotiations:
March 2, 1983.
- (f) Planned date of effectiveness:
September 1983.

Section II: Special IDA Implementation Actions

None.

Section III: Special Conditions

- (a) PAC to be maintained with sufficient qualified staff
(paragraph 56);
- (b) Government to fill all teaching positions for program
training component by September 1, 1983; cause PWTIs to
produce annual training program and Population Welfare
Division to approve same by May 1 of each year; by

September 1, 1983, appoint two IEC consultants; and by December 1, 1983, employ a Director and Deputy Director for the IEC Unit, and appoint qualified staff to fill all national, provincial and district IEC positions (paragraph 59 and 61);

- (c) For population education component, Government to:
 - (i) employ an instructor for the Directorate by September 1, 1983; (ii) formalize in writing an understanding between the Ministry of Education and the Population Welfare Division; and (iii) by July 1, 1984, establish a population education cell in the Ministry of Education (paragraph 63);
- (d) Population Welfare Division to: (i) submit to the Association by July 1, 1984, a report on staffing patterns of the FWCs; and (ii) finalize the manual on guidelines for operating FWCs and circulate same to all population offices by December 1, 1983 (paragraphs 65 and 69);
- (e) Provincial population welfare directorates to prepare annual plans of action for operation of family planning service outlets and by July 1 of each year agree same with participating organizations (paragraph 71);
- (f) Key posts in Supplies and Services Directorate to be filled with personnel qualified in procurement, logistics and management (paragraph 81).

Approval by ECNEC, or the appropriate approving authority, of the PC-1 documents for the project, and fulfillment of conditions precedent to effectiveness of the UK Grant document, would be additional conditions of Credit effectiveness (paragraph 78).