Railways are an important mode of transport. On the average, they are more economical, environmentally less hazardous, easier to secure and safer as compared to road transport. For all these reasons, railways are extremely important...

This policy brief is based on the World Bank's recent publication: *Capitalizing on the Demographic Transition: Tackling Non-communicable Diseases in South Asia (2011)*. It assesses the NCD burden and develops policy options at both country and regional levels.
Overview
Throughout its history Pakistan has been plagued by cycles of high growth interrupted by shocks and crises and followed by relative stagnation. Social indicators for both health and education have remained low and have lagged behind other countries in the region. The next few years are deemed critical in terms of gaining fiscal and economic stability required for equitable growth and development.

Challenge
Pakistan has a population of over 162 million, with over 60 percent living in rural areas. The country continues to under-perform as compared to other countries at similar levels of per capita income in terms of economic growth and social development. Particularly, Pakistan lags behind comparative countries in nutrition, literacy, gender equity, and access to health facilities and clean water. Social and human development is constrained by a lack of reliable and sustainable livelihood opportunities.

As the fiscal and trade deficits increased sharply, economic growth slowed down from about 7 percent in 2006/07 to only 1.2 percent in 2008/09; inflation soared to over 20 percent; and the favorable debt dynamics stalled. A government facing challenges on various fronts has found it difficult to sustain bold actions required to stabilize the economy. Revenue efforts fell well short of the desired levels and hemorrhaging of the budget continued due to government’s inability to reduce untargeted subsidies. Monetary models of financing the high fiscal deficits thwarted all attempts to tame inflation. The devastating floods in mid-2010 further added to economic woes of the country. With an estimated damage of over US$ 10 billion, the floods interrupted economic recovery and added to inflationary pressures. As such, Pakistan’s gains in poverty reduction over the last 7-8 years may have been partly reversed. Flood-related reconstruction activities will span several years, and therefore impose durable pressure on the already small fiscal space. In addition, the rising levels of ethnic and religious strife, conflict and insecurity have further limited the country’s capacity to deal effectively with persistent poverty.

A number of critical challenges that Pakistan needs to address to accelerate growth are:

- Weak revenue mobilization;
- Poor composition and efficiency of public expenditure;
- Inadequate and unreliable infrastructure;
- Low level of human development;
- Conflict and insecurity;
- The imminent demographic bulge, which would require jobs for a young, growing and increasingly urbanize population;
- Poor and deteriorating level of governance in a context of accelerated decentralization to provincial governments.

The Government’s strategy focuses on regaining macroeconomic stability after the economic crisis and on
structural reforms required to support the recovery of strong and sustainable growth. The government's overall vision is to steer Pakistan's economic growth back to the range of 5–7 percent per year by stimulating growth in the production sector; creating adequate employment opportunities; improving income distribution; and harnessing the country's economic competitiveness through economic liberalization, deregulation and transparent privatization.

Approach
The Bank’s Country Partnership Strategy (CPS) is directly linked to Pakistan’s own development vision. The Bank’s support is focused on, inter alia, helping the country maintain economic stability by addressing critical long-term constraints to growth; assisting the government to put in place a safety nets system that adequately and effectively protect the poor from economic shocks; and supporting education reform programs to increase school participation, reduce gender and rural-urban disparities, and improve quality and governance.

The Bank is also helping Pakistan cope with the consequences of conflict while reducing the prospects of future conflicts through its engagement in the country’s border areas. As of June 30, 2011 Pakistan's portfolio consisted of 24 active projects with the total commitment (IDA + IBRD) of US$3.702 billion. The Pakistan Trust Funds portfolio has 59 active grants with a total commitment of US$ 132.737 million.

Results
The World Bank, Pakistan is helping the Federal and Provincial Governments in implementing various reform programs aimed at encouraging growth, investment, and employment generation. Reforms at the provincial level are specifically aimed at improving delivery of social services like education, health, clean drinking water, and sanitation. These efforts have yielded impressive results in many areas:

Investing in Education
The Bank supports government programs to improve access to education that focus explicitly on the achievement of results. Between 2004 and 2011, IDA extended over US$1.1 billion to support increased investment and reform in the education sector in the two largest provinces in Pakistan: Punjab and Sindh. These efforts, including reforms in teacher recruitment and payment of stipends for girls' attendance, have started to translate into increased enrollment rates. For example, overall net primary school enrollment in Punjab increased from 45 percent in 2001 to 62 percent in 2008. Female primary enrollment went up from 43 percent to 60 percent. Similar enrollment results have been achieved in Sindh.

Other achievements in Sindh include merit-based recruitment of around 13,000 teachers and 300 new private coeducational primary schools in underserved rural communities which are supported by public cash subsidies of US$4–6 per student per month conditional on free schooling and stipulated school quality standards. These schools have over 25,000 students and evidence suggests that the school participation rate has increased from 30 percent to 80 percent in these communities, and that gender disparity in school participation has been eliminated.

Responding to natural disasters
Over the course of the monsoon season in July and August 2010, Pakistan experienced the worst floods in its history. The floods affected 78 districts and nearly 10 percent of Pakistan’s population over a vast geographical area. The Bank has provided strong support for floods recovery, consisting of $300 million in critical import financing, $20 million for highways rehabilitation, and $125 million to finance cash transfers to around 1.4 million flood affected families.

The Bank also provided support to the Government of Pakistan when the earthquake hit Pakistan on October 8, 2005. The earthquake left 2.8 million homeless, and 570,000 houses damaged with 90% requiring total replacement. The Bank provided $400 million for Earthquake Reconstruction out of which $220 million was for housing reconstruction. 96% (335,000 houses) of the 350,000 houses have been completed under Rural Housing and Reconstruction Program and have also been certified.

Protecting the poorest
In social protection, the Bank has helped the government in establishing the social safety net systems. The Benazir Income Support Program (BISP) is the country's national safety net program and the Bank's support focuses on increasing its targeting efficiency and strengthening its operation. This cash transfer program offers a monthly
payment of Rs. 1,000 to qualifying households. In 2011 it is expected to cover about 7 million households or about one quarter of Pakistan's total population.

**Operating in conflict areas**

The conflict in Khyber Pakhtunkhwa (KP) and the Federally Administered Tribal Areas (FATA) led to one of the worst security crises in Pakistan's history, displacing millions of people and severely disrupting lives, livelihoods, and the provision of public services.

The Bank is now administering the Multi-Donor Trust Fund (MDTF) for KP, FATA and Balochistan, which supports the implementation of a program for reconstruction and development aimed at facilitating the recovery from the impact of the armed conflict and reducing the potential for escalation or resumption. Ten donors have contributed a total of US $140 million for the MTDF. In 2011, the Bank provided an IDA credit of US$250 million-supplemented by $35 million MDTF grant-to finance cash transfer to conflict-affected households in the KP and FATA.

**Supporting rural livelihoods**

The Bank has supported Pakistan Poverty Alleviation Fund (PPAF) since 2000 and during this time, the program has facilitated the formation of 80,000 community organizations and provided 1.9 million micro-credit loans, 16,000 community infrastructure schemes, and training support for 232,000 people in enterprise development skills.

The World Bank has also assisted the Government of Azad Jammu & Kashmir (AJK)* in implementing a program to restore vital economic and social infrastructure damaged and/or destroyed by the October 2005 earthquake by financing reconstruction of 201 primary schools, 35 other buildings including government offices, police stations, and vocational training institutes, and 24 rural roads.

**Connecting the Poorest**

The Bank is working to address Pakistan's vast urban and rural infrastructure deficits, often cited as the greatest constraint to sustained, rapid growth. Through its ongoing US$ 495.0 million Highways Rehabilitation Project, the Bank is helping Pakistan to improve its road network. Major achievements include: (a) road network in poor condition reduced from 49% to 39.5%; (b) network-level ride quality (measurement of how bumpy or smooth the road is) improved by 15%; (c) travel time between Karachi and Peshawar reduced from 47 hours to 42 hours; (d) fatalities on Grand Trunk Road decreased from 107 to 60 per km.

**Bank Contribution**

During the past five years, from Fiscal Year (FY) 2007 to FY 2011 the Bank approved 38 operations totaling around US$4.997 billion (IDA $ 4460 million + IBRD $ 537 million) for Pakistan. Stringent implementation of the economic program will be critical to success, and timely responses of fiscal and monetary authorities to emerging risks will be essential to ensure it remains on track.
Partners
The World Bank works closely with a large number of donors in various activities. Partners include Asian Development Bank (ADB), the European Union (EU), United Nations (UN), USAID, United Kingdom’s Department for International Development (DFID) and other bilateral partners. A good example of exploiting synergies with partners is the Bank’s work with DFID, EU, and the Canadian International Development Agency (CIDA) around the medium term education sector reform programs of Punjab and Sindh.

Post-crisis support for KP and FATA is a priority where the Bank from the very start has sought enhanced coordination among all interested partners. The Multi Donor Trust Fund for the border region aims to facilitate harmonization of donor programs with government’s priorities as well as a mechanism for enhanced donor coordination across sectors in line with strategic priorities agreed between donors and government. Australia, Denmark, the European Union, Finland, Germany, Italy, Sweden, Turkey, UK, and the USA have agreed to pool a total of $140 million through the Fund to support these reconstruction activities.

Moving Forward
The Bank is deepening its engagement on social protection, community-led development, water management, agriculture, energy, and infrastructure, while maintaining strong programs in education, and irrigation. Recognizing the challenges and uncertainties facing Pakistan in the coming few years, the Bank’s strategy emphasizes a more focused prioritization on key outcomes with flexibility to enable the Bank Group to meet emerging challenges and opportunities.

Beneficiaries
Pakistan Poverty Alleviation Fund (PPAF) has supported 3.8 million microcredit loans in different parts of the country. Samima, a resident of Azad Jammu and Kashmir (AJK)* is one of the beneficiaries of these loans. Her life was completely changed with the training and microcredit given by the World Bank supported PPAF. She said, she had no resources available for her before this program and this has turned her life around by helping her in generating household income for her kids “My husband is not well and has some psychological problem and I have two kids. The vocational training that I received by PPAF is helping a lot in running the daily expenses of my house.”

Akbar is a very dedicated student in one of the schools in Punjab. He is very excited about the positive change in his school. He is proud of the fact that he goes to school regularly. This school comes under the Punjab Education Reform Program. “I am studying in this school since I was in nursery. The building of the school has improved remarkably and the teachers come to school regularly and so do we.”

Disclaimer:
* "The Project is being carried out in AJK, an area over which India and Pakistan have been in dispute since 1947. By financing the project the World Bank does not intend to make any judgment as to the legal or other status of any disputed territories or to prejudice the final determination of the parties’ claims."
EDUCATION REFORMS IN PUNJAB
Increasing Access and Quality

Synopsis
The Punjab Education Sector Project (PESP) for Pakistan is supporting the Government of Punjab’s education reforms, which since 2003 have aimed to improve access, quality, and governance in education. Together with a combination of critical supply and demand side interventions to enhance access, PESP has focused on deepening sector wide reforms to improve accountability and transparency in service delivery in the public sector which caters to 12 million children, and a large low cost private sector (which accounts for 40% of total enrollments in the province).

Challenge
Punjab is Pakistan’s largest province, with a population of almost 100 million. It embodies 60 percent of the country’s total population. Punjab has long made the most substantial contribution to Pakistan’s national economy; it is the country’s most industrialized province and, because of widespread irrigation, features diverse agricultural productivity. However, in the country’s efforts to alleviate poverty, low educational attainment has long been a stumbling block. As recently as 2001, primary school enrollment was only 45 percent, where efforts to improve access and quality were yielding little fruit. Over the past decade primary enrollment rates have increased to just over 60 percent, but rural-urban and regional disparities persist in participation, along with low learning levels. While the goals are daunting, if Punjab moves closer to achieving universal primary enrollment, this will reflect in Pakistan’s progress.

Approach
To address these challenges, the Government of Punjab embarked upon a comprehensive sector reform program – the Punjab Education Sector Reform Program (PESRP) in 2003, which aims to enhance access to quality education and bring about fundamental reforms in governance and accountability. PESRP’s development objective is to support PESRP, the objectives of which are to increase school participation, improve completion rates, reduce gender and urban-rural disparities in school participation, and improve the measurement of student learning. PESP has four defining design features. First, it is performance based, and only disburses once the annual agreed indicators referred to as Disbursement Linked Indicators (DLIs) are met. The DLIs capture intermediate results that are considered central to the medium-term achievement of the project development objectives. Second, the project is underpinned by education sector governance initiatives which aim to improve accountability and capacity, and to provide incentives right for service delivery performance. Third, it supports improvements in budget and fiscal management, financial management, procurement management, and environmental safeguard principles and practices. Fourth, it further strengthens monitoring and evaluation systems in several ways, including via third party validation studies and rigorous impact evaluations.

Results
- Net enrollment in middle schools in Punjab has increased from 20 to 22 percent since the launch of PESP, between 2008 and 2010. Female to male ratio at this level has improved from 74 to 85 percent during this period. Primary net enrollment rates, which increased from 45 to 62 percent since the Punjab Education Sector Reform Program (PESRP) was launched, between 2002 and 2008), have been sustained under PESP.

- Supply side interventions such as improvements in school infrastructure and textbooks have made schools better. Toilets, boundary walls, and additional classrooms have been provided to over 30,000 schools; under PESP, a whole school improvement approach was adapted as a result of which 1,400 schools have been provided with all the missing facilities under one scheme. A little over 34 million free textbooks have been distributed to over 11 million students in grades 1-10 during the academic year 2010-11. This builds upon the textbook reforms under which competitive textbook printing, publishing, and authorship have been instituted in the province, resulting in improved quality of textbook production.

- Teacher hiring, training, and performance enhanced.
Between 2003 and 2006, 150,000 teachers were hired on merit and placed in schools. An additional 79,000 schoolteachers were hired on merit since the start of PESP. Teacher absenteeism was reduced by hiring teachers on school-specific contracts.

- Girls’ stipends worked. Over 400,000 eligible girls receive targeted monthly stipends pegged to school attendance in the sixteen lowest literacy districts.

- Partnerships supported needy students. Financial support was provided to approximately 2,000 low-cost private schools using a public-private partnership model to support almost one million students from lower-income quintiles. Government financial outlay for the private sector has increased from Rs. 3 billion to Rs. 4.5 billion annually under PESP.

- Enhanced capacity created. Community-based school councils were established in 43,000 primary schools, and NGOs have been contracted by the government to provide capacity support to all school councils. Sector governance improved through annual independent third-party validations. District capacity for monitoring and implementation has been strengthened, with all schools in the province being regularly monitored by trained government officers.

- Credible exam standards and sector monitoring instituted. An independent Punjab Examination Commission for universal examinations for grades 5 and 8 has been established and three rounds of examinations have been conducted. A strong and credible monitoring system has been established to track enrollments, sector expenditures, recruitment, and school construction.

**Bank Contribution**

IDA’s US$350 million Punjab Education Sector Project was launched in 2008, and is financing about 10 percent of the provincial government’s total education budget over a three-year period. It also contains a US$10 million component for providing technical assistance to support implementation of the Government’s medium-term sector program. PESP supports the Punjab Education Sector Reform Program, which was previously supported by four IDA credits amounting to a total of US$400 million to support education reforms from 2004 through 2007. Continuous IDA support has provided a real continuity of policy dialogue with the provincial government. Moreover, IDA has also leveraged additional support from development partners for the province’s education reform program. Furthermore, the monitoring systems established under the project are being replicated in other provinces and in other sectors (such as irrigation) in the province. IDA support has also funded a series of rigorous impact evaluations to determine best practices for future expansion and potential adaptation in other country contexts.

**Partners**

UK’s Department for International Development (DFID) is providing parallel financing in the amount of GB£ 45 million in support of PESRP with synchronized disbursements and using the same supervision mechanisms. The Canadian International Development Agency (CIDA) is supporting PESRP through a co-financing arrangement of CAD 19 million with IDA. Together, Development Partner assistance to the education sector in Punjab comprises less than 12 percent of the total Punjab education sector budget.

**Moving Forward**

With 38 percent of Punjab’s primary school-age children still out of school, low participation at the middle and secondary levels, and low learning outcomes, Punjab is faced with a significant unfinished agenda in education. The Punjab government has launched a second generation of reforms that focuses on increasing access and completion rates, enhancing the quality of reforms and student learning outcomes, and strengthening school management and sector governance. IDA financing is tied to the achievement of concrete results. It is helping expand sector capacity for implementation and monitoring, and improve the governance of the sector.
Railways are an important mode of transport. On the average, they are more economical, environmentally less hazardous, easier to secure and safer as compared to road transport. For all these reasons, railways are extremely important for the social and economic mobility in Pakistan. Whether we talk of intra city, regional, urban, freight or passenger railways, in Pakistan there is only one railways service provider, Pakistan Railways (PR) — the successor to the Pakistan Western Railways which in turn was a successor to the North Western Railway.

Today, PR is one of the largest loss making public sector enterprises. Accumulated losses since 2006/7 now exceed 80 billion rupees; overdraft with State Bank is in excess of 40 billion rupees; and capital expenditures, pension and loan liabilities drain another 18 to 19 billion rupees each year. PR is thus now totally dependent on Government of Pakistan (GOP), not only for funding its renewals and new investment, but also for providing sufficient funds to enable it to undertake its routine operations — instead of PR supporting Pakistan’s economy, Pakistan is supporting PR! PR is a medium sized passenger railway by general global standards — broadly comparable to Turkey or Poland - which also carries some freight; it carried 80 million passengers and 7 million tons of freight last year.

PR has a small core of commercial lines — primarily along the Karachi – Peshawar Corridor — and an extensive network of branch lines — mostly in the provinces — which carry little traffic and generate little revenue in relation to their costs. Passenger services are the least profitable and yet almost sixty percent of PR’s revenues rely on passenger services; and like most primarily passenger railways, it has historically tried to cross-subsidize its non-commercial network and passenger services from its freight business.

Until 2005/6, this was reasonably successful and it generally earned enough revenue to cover its direct operating costs, although it required government support to service its debts, make provision for renewals, and fund its pension liabilities. However, since then, revenue has failed to keep pace with even its operating expenditures. PR’s decline started in the 1970s with a curtailment of its autonomy and political interference in its affairs. One can probably write a best seller on the causes for demise of the PR. Interference from politicians and bureaucracy, inability to upgrade rolling stock and fixed infrastructure, inability to modernize management practices, mismanagement and corruption are the core reasons for this demise. For now, let us focus on the last five years and see what has caused the state of affairs at PR to go from bad to worse.

Earnings from freight reduced sharply in 2006/7 following the loss of some of the high yielding oil traffic and have since only partially recovered. Passenger tariffs in particular have not kept pace with inflation and have declined by over twenty percent in real terms. At the same time, unit costs have increased in real terms, mostly because fuel costs have increased sharply in real terms. The result has been a significant shortfall in revenue, which will only get bigger unless there are substantial above-inflation increases in tariffs; by the end of 2009/10 passenger tariffs needed to be increased in real terms (i.e. over and above inflation) by forty percent and freight tariffs by twenty percent. The recent tariff increase, of twenty five percent, is too late and insufficient to improve the revenues to required levels. PR is also unable to carry more traffic; despite there being latent demands for its freight and passenger services.

This year PR will carry almost the same number of passengers and less freight than it carried in 1955; while Pakistan’s population has increased seven folds! PR does not have enough locomotives, and no money to pay for the fuel of existing locomotives, to cater to the demands. PR, today,
needs a large cash infusion just to stay alive! Unfortunately the GoP, the usual savior of ailing public sector enterprises, is also strapped for cash. So, is this the death knell for PR? It could well be. The death of PR will herald the death of railways in Pakistan. Or will it? More importantly, should it? Should we be thinking about saving PR or should we be thinking about how the railways can better serve Pakistan’s society and economy? These are important questions as saving PR should not be about saving a tradition but building a better future for railways.

Disasters are opportunities in disguise. All’s not doom and gloom; allow me to explain why. Almost no public railway organization in the world, let alone PR, has been able to reform itself. This is because there are no incentives for these public railways to do so. They keep getting support from the exchequer to improve “efficiencies” and “economies” which they can actually never really do as public organizations. To be efficient and economical requires firing people and hiring the right skills and cutting down services while focusing on the profitable ones — all activities which private sector organizations are unable to do. So, nearly always, public railways are reformed by outsiders.

Now that PR is on the radar of the Ministry of Finance and the State Bank as one of the eight worst public sector enterprises in Pakistan, maybe we have the makings of this reform leadership. The medicine of greater autonomy, corporatization, financial restructuring, revising PR Boards and selling or commercializing PR land, has been tried in different guises but PR has mostly managed to “hoodwink” its way around these; not once, not twice, but many times! They have managed to do this because of the political support they have been able to leverage. The key to reforming PR, and liberating the railways sector, lies in deciphering PR’s political base; public enterprise, jobs, political favors, unions and collective bargaining agents and most important of all, their monopoly. So here is a summary of the steps required to get PR back on rails while improving the overall railways’ ability to support Pakistan’s social and economic growth.

The GoP should take affirmative action to bring railways as a central tool to delivering on social integration and economic development; at the level of the country, the provinces and the cities. The resuscitation of PR should be viewed as part of this overall story — see the wood and not the trees. It will create the framework within which a balanced transport policy can not only be formulated but also implemented, with balanced support at both the national and provincial levels for road and rail and in which support from the rail sector for broad social objectives can be delivered in a much more targeted way.

PR should only retain the solid core north-south railway fixed infrastructure, the associated rolling stock and other resources and liabilities; and the rest should be devolved to the provinces and major cities. This core Pakistan National Railways (PNR) should be improved, consolidated and administratively restructured into two companies: one for owning the public fixed infrastructure required for railways and the other an operating company to run rail services.

The right to operate services on this core section should be progressively opened such that the public operating company has to increasingly compete for the demand for rail services — allow “track access” to other companies that want to run their own trains.

This need not necessarily mean head-to-head competition on all routes but could also include contracting a block of regional services to a new company (in many countries these are very successfully run by ex-railway managers) or encouraging freight operators to supply their own rolling stock and operate on specific routes such as Karachi – Lahore/Peshawar. Such developments provide much greater financial transparency as well as reducing unit costs and improving the level of service for both passengers and freight through a competitive structure.

This is now common practice in most of Europe, Russia and Australia and is under implementation in other countries such as Indonesia. Typically, the policy framework is, for a given level of access charges, for freight services to be run on a commercial basis, for long-distance passenger services to receive relatively small subsidy and for shorter-distance services to receive substantial support.

The provinces should follow suit albeit tailored to their own financial and social constraints. Should some of these actions have any strategic implication — such as abandoning by the provinces of some defense strategic links — the defense apparatus of the government can directly administer such links and operate them for defense
Non-Communicable Diseases (NCDs), Pakistan's Next Major Health Challenge: This policy brief is based on the World Bank's recent publication: Capitalizing on the Demographic Transition: Tackling Non-communicable Diseases in South Asia (2011). It assesses the NCD burden and develops policy options at both country and regional levels.

Aging changes in Pakistan's demography will increase the burden of NCDs (Figure 1). The proportion of the population 65 years and older, particularly prone to NCDs, will move from 3.9% to in 2000 to 5.4% in 2025. Thus, the health burden from NCDs will rise in parallel with aging.

NCDs impose the largest health burden in Pakistan. In terms of the number of lives lost due to ill-health, disability, and early death (DALYs), NCDs (inclusive of injuries) account for 59% of the total disease burden, with 41% from communicable diseases, maternal and child health, and nutrition issues all combined (Figure 2).

This article was written by Amer Z. Durrani, Senior Transport Specialist, the World Bank. It was carried by Express Tribune in two parts.
Smoking is a significant major risk factor and use is in the mid range compared to other South Asian countries among both adults and youth. The prevalence for adult males is 35% and 7% for females. For youth, the prevalence is 12% for boys and 8% for girls.

**Pakistan’s Response to NCDs - POLICY:** Pakistan’s has made important efforts to tackle NCDs. The National Health Policy, 1997, emphasized NCDs. In 2003, the country was the first developing countries to develop an integrated national plan of action, which addressed the four major NCDs with common risk factors along with injuries and mental health: *The National Action Plan for the Prevention and Control of Non-communicable disease and Health Promotion in Pakistan.*

Both the policy and plan could not be implemented due to the change in government. In 2009, the MOH proposed the establishment of a National Commission for Prevention of NCDs, with public and private partnerships and volunteerism as its driving force. The process of creating the Commission has come under legal question and has been halted. Tobacco control policies point in the right direction, but their implementation has largely been stalled. In 2002, Pakistan enacted the Prohibition of Smoking and Protection of Non-Smokers Health Ordinance 2002, which included easures to stop smoking in public places and a ban on cigarette advertisements. However, implementation has been slow. In 2004, Pakistan adopted the Framework Convention on Tobacco Control (FCTC) and the MoH took several actions to implement control measures. In 2009, the MoH announced new control measures. For instance, no tobacco company is allowed to offer free goods, cash rebates, or discounts, as marketing incentives to cigarette buyers. In 2010, the MoH also imposed mandatory pictorial warnings on all cigarette packs and outlets. Still, in spite of current excise tax levels, the price of cigarettes remains low and easily affordable, limiting the impact of tobacco control efforts. Road safety policy implementation and enforcement capacity is minimal. In Karachi, about 42% of the vehicle crashes involved public transport or heavy goods vehicles. About half of the fatal cases were among motorbike riders. Most drivers involved in serious road crashes escape criminal and civil penalties. Current fines are unhelpful in changing driver behavior because they are too low. Enforcement of existing laws is weak. For example, despite a helmet law, over 90% of all riders wear no helmet. Little headway has been made with urban planning and construction of roads that take into account the needs of pedestrians.

**Health Service Delivery**
The primary care level is not well programmed to deliver preventive or treatment services for NCDs. The MoH has developed a public sector health system with four major levels: primary care facilities for outpatients (basic health units and dispensaries), district hospitals for basic inpatient and outpatient care, tertiary hospitals in urban areas, and vertical programs. Public institutions lack core elements and capacity to manage integrated NCD programs. Population-based prevention is not addressed - with the exception of tobacco. Promising pilots for community-based hypertension control have recently been conducted. Since the majority of people seek care from private general practitioners, it is essential to integrate the private sector into any NCD strategy. Currently, a primary care service delivery model for NCDs suitable for the Pakistan context is missing. The private sector dominates service delivery for outpatients. It is primarily geared toward provision of individual treatment and preventive care services. Services are delivered in parallel with public service and there is no formal integration, or referrals system between the two sectors. Human resources are not well-distributed and not trained to manage NCDs. The number of physicians may be sufficient for population
coverage ratios for public service delivery. However, there is maldistribution with understaffing in rural areas—85% of physicians practice in urban areas. General practitioners tend to manage common NCD conditions poorly, such as hypertension, diabetes, and lipid lowering. For mental health, the total number of psychiatrists is 250, insufficient for such a large population. Further, fewer than half of them have a postgraduate qualification in psychiatry. Lady health workers (LHWs), health care providers trained for two years in community health nursing and midwifery, provide badly needed services. However, LHWs are not trained for NCDs. A National Essential Drugs List exists, but the stock and availability of the drugs are problematic. The list contains 452 drugs (the largest in South Asia), including antihypertensive, lipid lowering, and anti-diabetic drugs, as well as bronchodilators and antidepressants. However, only a quarter of primary health centers are stocked with basic medicines such as aspirin and many lack bronchodilators.

**Surveillance And Information Systems**

The MoH introduced a Health Management Information System (HMIS) for first-level care facilities in 1992. Plans are to integrate monitoring of communicable and NCDs within HMIS at the district level. National NCD surveillance efforts are starting slowly. In 2003 a pilot was implemented in one district (population 1 million) for developing a model for population based surveillance of NCDs. A World Bank/CDC/WHO joint study in 2004 recommended that it be replicated and taken to nationwide scale. The country’s NCD mortality data is of poor quality, and there is no risk factor surveillance. Only scant morbidity data are available as there are no systematic clinic- or hospital-based registries of public and private health facilities. One exception is the Road Traffic Injury Research & Prevention Center, a joint collaborative effort of several academic institutions and a hospital. It has collected road traffic injury-related data from five major trauma centers in Karachi and a road traffic injury database has been created.

**Finance**

The current financing system will let individuals foot most of NCD costs. The vast majority of private spending on health is out of pocket and most of that goes to purchase medicines. Private health services are poorly regulated, thereby letting the market dictate prices to semi-literate consumers.

**Policy Options for Pakistan**

The World Bank’s recent publication: Capitalizing on the Demographic Transition: Tackling Non-communicable Diseases in South Asia (2010) introduces a policy framework for identifying NCD-related policy options. The options below follow this framework.

**Develop And Adopt And National Ncd Policy**

There have been two good starts but both have stalled. The National Action Plan for the Prevention and Control of Non-communicable Diseases and Health Promotion has been in existence for the last 7 years. Its recommendations can be updated with the outputs of the more recent rounds of planning conducted in anticipation that an NCD commission will be created. Implementation of the recommendations needs to be tasked to a unit with the capacity and resources adequate for implementation.

**Strengthen Tobacco Control Policies**

With some sound policies approved, the government could now concentrate its efforts on their implementation and enforcement.

**Strengthen Injury Control Policies With A Focus On Road Traffic Injuries**

Road safety policy should initially be oriented towards better prevention, e.g. to promote the use of seat belts and helmets. The ongoing surveillance programs may help target efforts.

**Retool The Health Work Force For Ncd Prevention And Control**

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Pakistan would need to develop a specific approach to training physicians and other health staff in NCDs - specifically including mental health. For the current workforce, in-services and skills training is needed. Particularly, a primary care NCD training track is of high priority. Efforts to ensure availability and access to NCD services and drugs for the poor are similarly crucially needed.

Create A National NCD Surveillance System
A comprehensive national NCD surveillance system would inform strategic planning and policy. It would also help better target implementation of the future national NCD policy. The system should build on previous efforts from 2003. Ultimately, it will need to include mortality, morbidity, utilization of services, and risk behaviors data. Tobacco, road traffic injuries, mental health, youth, and high risk ethnic groups are priority areas for initial efforts. Special studies in representative sub-samples will also help understand the burden. Core public and private institutions with experience and capacity should be tapped for capacity development and technical assistance.

Develop Evaluation Capacity And System
The HMIS system developed can be a major asset, but it may need retooling to include NCDs adequately. As the national NCD plan is implemented, an evaluation plan will be needed to fine tune and redirect efforts and resources. Indicators and monitoring mechanism of the Integrated Framework for Action of the National Action Plan can guide this process.

The government could prepare an evaluation plan for the measuring the impact of national NCD policy that are adopted.

Take An Active Role In Regional Collaboration
Regional collaboration can be very effective for preventing and controlling NCDs. Several promising areas for regional cooperation have been identified. Actively participating in regional collaboration on NCDs prevention and control would be beneficial. Activities include:

- Expanding and harmonizing tobacco advertising band to reduce demand
- Increasing and harmonizing tobacco taxation to reduce consumption
- Harmonizing tobacco taxes and strengthening anti-smuggling measures
- Standardizing and mandating food labeling policy to improve knowledge and awareness of food composition
- Collaborating on group purchasing of essential medications to increase their access and affordability
- Establishing a regional health technology assessment institution to improve the comparative effectiveness of interventions for NCDs and other conditions
- Using regional education and training capacity to complement the national needs for human resources in order to improve both staffing and skill levels
- Establishing a regional network of surveillance and burden assessment to improve national capacity through knowledge sharing and experience exchange.

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1 Non-communicable Diseases (NCDs) are defined by World Health Organization to include chronic diseases, principally cardiovascular disease, diabetes, cancer, and asthma/chronic pulmonary disease (COPD), in addition to injuries and mental illness.

2 Disability Adjusted Life Years (DALYs) are defined by World Health Organization as “the sum of years of potential life lost due to premature mortality and the years of productive life lost due to disability.”
Agriculture & Water Roundtable calls for Innovation for Growth: On March 8 and 9, 2011, the Planning Commission of the Government of Pakistan and the World Bank organized a Roundtable Discussion on Agriculture and Water for Agriculture in Pakistan, with the co-sponsorship of the Food and Agriculture Organization of the United Nations, USAID, and financial support from the Kingdom of the Netherlands.

The event, which was inaugurated by Dr. Nadeem Ul Haque, Deputy-Chairman of the Planning Commission, took stock of Pakistan's current status, challenges, and aspirations for agriculture and water for agriculture. It created a forum to tap into the extensive in-country knowledge and to share knowledge on how similar challenges were addressed using local and international good practice and analysis. The two-day event brought together representatives from across Pakistan, including senior officials of Pakistan Planning Commission, Federal Ministries of Agriculture, Water and Power, and other federal agencies, in addition to senior officials from agriculture, irrigation, livestock, food and planning and development departments of Punjab, Sindh, Balochistan, Khyber Pakhtunkhwa (KP), Federally Administered Tribal Areas (FATA), and Gilgit-Baltistan. The Planning Commission is working on a new strategy to achieve a sustainable growth rate of 7 percent per annum. The agriculture sector growth rate has decelerated during the last 3 decades. Business as usual will not work. There is a need for change in mindset. The role of the Government in the sector should be redefined. The private sector should be the growth driver in an open market environment that rewards productivity, efficiency, innovations, and entrepreneurship. The Government should re-focus its role on protecting the public sector interest and rights, providing public goods, formulating policies and enforcing laws. Market reforms must also be undertaken. Computerization of land records and titles can facilitate exit of inefficient farmers. In view of the high rate of return on investment in agricultural research, agricultural scientists should be given incentives. While, wide ranging issues in agriculture, livestock, horticulture, dairy, and water for irrigation were identified, three areas emerged as of immediate priority: technology, markets and water use efficiency. Further analysis and reforms are needed in policy and governance, management, institutions, and knowledge and information systems.

The Roundtable created a forum where the Government of Pakistan presented its development agenda in agriculture and irrigation, and the participants have called for more of such forums at the national and provincial levels as the investment and analytical programs unfold. The National Forum on Agriculture of the Planning Commission will be coordinating the follow up work on priority areas identified by the roundtable participants.
Program for Results Lending: The World Bank Islamabad office held consultative sessions on Friday, May 27, 2011 with various stakeholders to introduce and get feedback on a new lending instrument called P4R or Program for Results Lending. Focusing on development results, the P4R supports government's own programs and strengthens institutions by its results-oriented implementation. Federal and provincial governments officials; private sector, representatives of autonomous bodies; academics, members of civil society and donor community participated in the highly interactive sessions. Rachid Benmessaooud, World Bank Country Director for Pakistan chaired the meeting. Operations Policy and Country Services (OPCS) team joined the consultation through video conference facility in World Bank’s New Delhi office and made the introductory presentation.

MDTF hosts workshops for provincial government counterparts to prioritize peace building initiatives:
As the Multi Donor Trust Fund (MDTF) for Khyber Pakhtunkhwa (KP), Federally Administered Tribal Areas (FATA) and Balochistan embarks on its next phase of projects which are guided by the peace building objectives laid down in the Post Crisis Needs Assessment (PCNA), the MDTF Secretariat organized a series of workshops for its government counterparts. The goal of the workshops was to:

(i) get a clear picture of the ongoing and to-be-prepared investments under the PCNA umbrella,
(ii) discuss selection criteria for priority MDTF-funded operations, and
(iii) assess the implementation capacity, as well as the technical assistance needs for effectively operationalizing the PCNA recommendations. Workshop participants included senior officials from FATA Secretariat and the governments of KP and Balochistan.

At the outset of the discussion, the participants were requested to focus on priority areas where MDTF interventions would add value and accomplish the overarching aim of peace-building. To guide the discussions, the MDTF team shared a set of criteria aimed at deriving the greatest peace-building impact with least implementation constraints. During the course of the day and a half long workshops, the government officials came up with detailed lists of sectoral interventions.

The findings of the workshops will greatly help the government and its development partners to zero in on activities that are low in implementation costs and will achieve greatest peace-building gains. These priority interventions will then form the basis for the next phase of MDTF-financed projects.
Interview with World Bank staff
Jose R. Lopez Calix

Q. What is your educational background?
A. PhD in Economics (International Finance and Econometrics) at the Catholic University of Louvain, Belgium; M.Sc. in Economics (Public Finance and Statistical Methods) at the University of Pittsburgh, USA; and M.A. and Licenciature in Economics at the Catholic University of Louvain, Belgium.

Q. How long have you been working with the Bank and what encouraged you to join the Bank?
A. About 17 years. I was then in Costa Rica leading the blueprint for “Enhanced coordination of monetary and fiscal policies in Central America” at the Regional Monetary Council (an equivalent body to the European Central Bank)—whose success led to the actual joint surveillance mechanism by central banks and ministries of finance and to the creation of the regional Customs Union. As I had previously known about Bank’s work while designing and negotiating the economic and social components of the Peace Recovery Plan and its related structural program for the Ministry of Planning (and Finance) in El Salvador, when I came to know about a job opening in the Bank, I wondered what it would be to learn from being “on the other side of the table.”

Q. Would you like to share your experience at the Bank with us?
A. Working for the Bank has been a marvelous journey and, of course, a privilege. I have had the opportunity to learn from my work on three regions (basically all Latin America, except the Caribbean and Brazil), the Maghreb (especially Morocco, Algeria and Libya), and now South Asia. We need to continuously remember that our main value added is not about money, but about knowledge-creation, cross-fertilization of ideas taking into account worldwide experience, and promotion of networking links between authorities, academia and colleagues. This is what the World Bank is about! And given the present status of global exchanges, in most countries, our stakeholders look at us like a “special advisory tool.” This poses a tremendous challenge to us, because one needs to keep updated, digest, think about options and then propose what could work for solving the unique problems that face a country. Advising our partners then becomes a two-way process: Initially one learns a lot from the local perspective, while sharing global experiences; but then the joint elaboration of the synthesis is what makes possible to customize a local solution. Sometimes, success is highly rewarding, like it happened to me with my involvement in the dollarization of El Salvador; the creation of an autonomous tax collection agency in Guatemala, the development of the public expenditure tracking survey that led to the restructuring of the Vaso de Leche (popular “Milk Program” in Peru), or the smooth recent return of Argentina to the international financial markets. But often, failure also teach you lessons, like the ones we learn from the “coup d’etat in Ecuador” that led to the change of regime and badly interrupted structural change precisely because everybody underestimated the country’s political and social sensitivities to some of the reform measures.

Q. Can you briefly tell us about your sector and the projects you are working on?
A. Poverty Reduction and Economic Management (PREM), my sector, is a mix of four main networks: economic policy, public sector, private sector development (now becoming a separate unit) and poverty. Hence, by definition, we do cross-cutting work, even though specific tasks, in practice, might become highly specialized. In Pakistan, for example, we are working on four core areas: growth, poverty, fiscal management and governance centered on two of our four Country Partnership Strategy (CPS) pillars: Inclusive Growth (the former two) and Governance (the latter two). My main tasks are, on the lending side, to prepare a budget support operation (known as Poverty Reduction Support Credit-PRSC) addressing tax policy and administration, public finance, competitiveness and power sector issues; and on the analytical side, the preparation of a Country Economic Memorandum (CEM) in support of the implementation of the new growth strategy of the Government. Furthermore, I am supporting the reorientation of our work program toward more multi-sector operations (forthcoming in Punjab and Sindh), fiscal decentralization (due to the implications of the 18th Amendment); and an upgraded analysis of poverty and equity trends, as the success of Pakistan’s agenda of reforms will essentially rely on how much the benefits of projected recovery and faster growth reach its poor, young and female population.

Q. How are these projects contributing towards Pakistan’s development?
A. On the one hand, the PRSC mainly tackles three key structural constraints that impede the country’s way out from its present low growth-high inflation equilibrium: a very small fiscal space due to low revenues (by International standards) and inefficient expenditure, a highly distorted (non pro-poor) and expensive management of power subsidies, and complex business regulation that affects firms’ competitiveness. On the other hand, the CEM supports the implementation of the new growth strategy (NGS) of the Government. Such strategy brings a central message to Pakistan that we deeply share: the need for growth-enhancing policies centered on the software (productivity and good governance) of development. The CEM does so by working on two parallel tracks: providing on time technical assistance to specific NGS requests from the authorities—at this point the Bank is already providing advice on 3 out of the 4 identified short-term priorities by the cabinet and considering ways to help in facilitating dialogue around the NGS with the provincial governments—and generating primary knowledge required to deepen NGS design and monitoring of its set of policies customized to inclusive growth needs of Pakistan.

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