The multi-sectoral and multi-stakeholder

Ehsaas Strategy

Government of Pakistan

Contents

"The Government envisages Pakistan to be a 'welfare state' based on the principles of Islamic ideology similar to those put in place by Prophet Muhammad (PBUH) in *Madina*. Our commitment is to form a welfare state where rule of law, meritocracy, transparency and accountability in governance are guaranteed, where equal opportunity exists for all and where social welfare is provided to all those who need it."

Imran Khan
Prime Minister of Pakistan

"Ehsaas is about the creation of a welfare state by countering elite capture and leveraging 21st century tools and approaches, such as the use of data and technology to create precision safety nets; promoting financial inclusion and access to digital services; supporting the economic empowerment of women; focusing on human capital formation; overcoming financial barriers to accessing health and education; tackling malnutrition in all its forms, and employing multi-sectoral and multi-stakeholder approaches to develop solutions at scale. The programme's premise is grounded in the importance of strengthening institutions, transparency and good governance. We realize that limited capacity of public institutions, and governance challenges often impedes their ability to deliver. Therefore, Ehsaas is also planned with the ambition to fight through all such challenges—and in that respect, implementation of the Ehsaas Governance and Integrity Policy,[1] assumes great importance."

Sania Nishtar
Special Assistant to the Prime Minister on Poverty Alleviation and Social Protection, Federal Minister

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[1] Ehsaas Governance and Integrity Policy. http://pmo.gov.pk/documents/Ehsaas-Governance-Policy.pdf

Note about numbering of polices and programmes in this Strategy document

The Prime Minister's initial Policy Statement on Ehsaas,[2] which was released on April 10, 2019 embodied 115 policy and programme areas. Since Ehsaas is meant to expand and evolve over time, currently the framework stands expanded to 134 areas. In the narrative of the document, references to the numbering of these areas is not aligned chronologically; instead they are arranged as per themes discussed.

The Ehsaas framework will continue to be updated as and when needed, based on new evidence and experience of its implementation.

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2 Ehsaas: Prime Minister's Policy Statement: http://pmo.gov.pk/documents/Ehsaas-Prime-Ministers-Policy-Statement.pdf

Summary

Poverty and inequality are root causes as well as consequences of multi-faceted development problems in Pakistan. Therefore, there is strong evidence and public policy rationale to address these challenges.

In the given context, Ehsaas signifies empathy; it refers to concern for those that are disadvantaged, and as such, it is Government of Pakistan's umbrella initiative to address poverty and inequality. It is one of the main instruments through which the Government aims to build a welfare state, based on the principles of *Riasat-e-Madina*. Ehsaas is a whole-of-government multi-sectoral and multi stakeholder coordinated initiative—the biggest and boldest pro-poor programme ever launched in the country. Its **objectives** are to:

- Address elite capture and make the government system work for equality of opportunity
- Provide effective and comprehensive safety nets for the marginalized and the vulnerable
- Create livelihoods and jobs for the poor
- Invest in people for human capital formation; and
- Lift lagging areas

The first four objectives constitute the four Ehsaas Pillars, under which its 134 policies and programme areas are aligned. The 5th objective is cross-cutting.

Contents of the Strategy document:

This Strategy document outlines the Government's vision, which is the bedrock on which Ehsaas has been built; the Principles, which drive Ehsaas; the context in which it has been shaped; the Theory of Change, which underpins its conceptualization; and the four pillars under which its goals, pillars, objectives, policies, programs and initiatives are organized. The linkage between these is shown in Figure 1. The Strategy document also outlines details about the manner in which 21st century tools and approaches are envisaged to build a welfare state.

Ehsaas target groups:

The Ehsaas framework is aimed at the extreme poor, orphans, widows, the homeless, the disabled, the jobless, poor farmers, labourers, the sick who risk medical impoverishment, the undernourished; students from low-income backgrounds and poor women and elderly citizens. This plan is also about lifting lagging areas where poverty is higher.

Concepts underlying the four Ehsaas pillars:

The Government is fully cognizant that massive poverty reduction and quantum changes in the lives of the poor is the result of overall robust, sustained and sustainable economic growth and the ability of governments to accrue the benefits of that growth equitably to populations. The Government is driving change at various levels to achieve these objectives through a wide variety of economy-wide interventions. One set of interventions in the overall framework of the Ehsaas program *(Pillar I: Address elite capture and make the government system work for equality)* contributes to that overarching mission.

Although Ehsaas is the vehicle through which the Government envisages implementing its vision for a welfare state, and as such, it is a long-term umbrella initiative, there is a short-term requirement to prioritise its *Safety Net Pillar* in view of any economic hardship that may arise as a result of the fiscal austerity measures of the current structural adjustment

programme. This priority is reflective in the goals, as well as the Theory of Change of Ehsaas. The Safety Net pillar is dovetailed with the National Poverty Graduation Initiative under *Jobs and livelihoods, Pillar IV,* which is envisaged to pave the way for livelihood creation.

Ehsaas *Pillar III* is predicated on the understanding that *Human Capital* development is a significant contributor to the wealth of a nation in this digital age. Therefore, to catalyze action in the right direction, Pillar III includes a number of specific policies and programmes with regard to health, education and nutrition to complement sectoral strategies. These are meant to supplement sectoral policy initiatives of federal and provincial governments with an additional emphasis for the marginalized.

Ehsaas Goals:

Ehsaas' goals are aligned with its four pillars and the conceptual framework through which the 134 initiatives link with the pillars and the targets is shown in Figure 1.

Figure 1: Linkage between Ehsaas goals, pillars, objectives, policies and programmes

Goals	Enabling environment for poverty reduction	Safety net for at least 10 million families	Financial access to healthcare for 10 million families Scholarships & incentives for more than 5 million students (50% girls)	Livelihood opportunities for 3.8 million families Financial & digital inclusion for 7 million individuals (90% women)
Pillars and Objectives	Address elite capture and make the government system work for equal opportunity	Provide effective & comprehensive safety nets for the vulnerable	Invest in people for human capital formation and lift lagging areas	Create livelihoods and jobs for the poor
Policies, Programmes	Programmes and polices in Pillar I	Programmes and polices in Pillar II	Programmes and polices in Pillar III	Programmes and polices in Pillar IV
Cross cutting	Promoting mutli-sectoral partnerships and innovations			

Ehsaas' existing targets are based on the available resource envelope. In the medium term these will be expanded to attract new funding and partnerships. Provincial Ehsaas plans that are under development will be incorporated in the overall Ehsaas goals. A new policy and framework of commitments will allow the private sector and the civil society to make commitments linked to the pillars and goals.

Prioritization of the Safety Net Pillar in the Ehsaas framework:

The justification to prioritise safety nets has already been alluded to. The main instruments through which this is being done, include the following: 1) increase in social protection spending by the government; 2) enhanced scope and coverage of safety nets; 3) strong focus on governance of institutions implementing safety net programmes; 4) development of the

new national socio-economic database to enable precise targeting; 5) systems building for efficiency and integrity, and 6) One-Window Ehsaas. A new division has been established to oversee implementation of the polices, programmes and initiatives related to the Safety Net pillar. Details related to the operationalization of the Safety Net Pillar are outlined in Panel 1 and in Appendix B.

Panel 1. Operationalizing the Safety Net Pillar of Ehsaas

Institutional arrangement	The Poverty Alleviation and Social Safety Division (PASSD), now popularly known as the 'Ehsaas Ministry' was established in April 2019. All the agencies responsible for executing Ehsaas which were previously reporting to different ministries are now attached to the 'Ehsaas Ministry'
Financial resources	A significant budget has been set aside in the Federal Budget 2019/20 to broaden safety nets
Data	The Government is investing in building a new National Socioeconomic Registry to enable precise targeting
Governance and Integrity Policy	To eliminate abuse, misaligned incentives and inefficiencies and ensure effective targeting, a Governance and Integrity Policy has been pronounced (Appendix A) compliance with which is binding for all PASSD agencies.
Systems building	A new digital payment system backbone and information technology systems are being installed
One-Window online Ehsaas portal	The One-Window Ehsaas is being established, which will facilitate citizen's access to all the social protection programmes and online public goods. A schematic illustration of the One-Window Ehsaas and its associated programs appears in Figure 2.

Scope (policies, programmes and initiatives)	1. *Kifalat*: stipends, financial and digital inclusion of women
	2. Tahafuz, precision safety net to enable protection against catastrophic risks
	3. Education conditional cash transfers
	4. Merit and needs-based undergraduate scholarships*
	5. Specialized nutrition food for mothers and children up to 2 years
	6. IT hubs in low income neighbourhoods around the country
	7. *Langars[3]*/Nutritious food rations scheme
	8. Poverty graduation programme including asset transfers, loans and training
	9. A new policy for the differently-abled**
	10. A new policy for orphanages
	11. A commitments policy to harness civil society and private sector's role
	12. A new system of schools for marginalized children
	13. A new institutional window of support for the most marginalized
	14. A new policy to bring the informal sector into the social security net***
	15. Solutions innovation challenge policy
	16. Ehsaas TV to create awareness about One-Window Ehsaas resources
	17. Portal to pool all free government online resources
	18. District Development Portal to facilitate data-driven decision making
	19. Insaf card: a health insurance scheme****
	    *Executed by PASS in collaboration with the Higher Education Commission
	    ** Multisectoral responsibility
	    ***Execution: Ministry of Human Resource Development and Overseas Pakistanis
	    ****Execution: Ministry of National Health Services Regulation and Coordination
	    All others are executed through ancillary agencies of PASSD

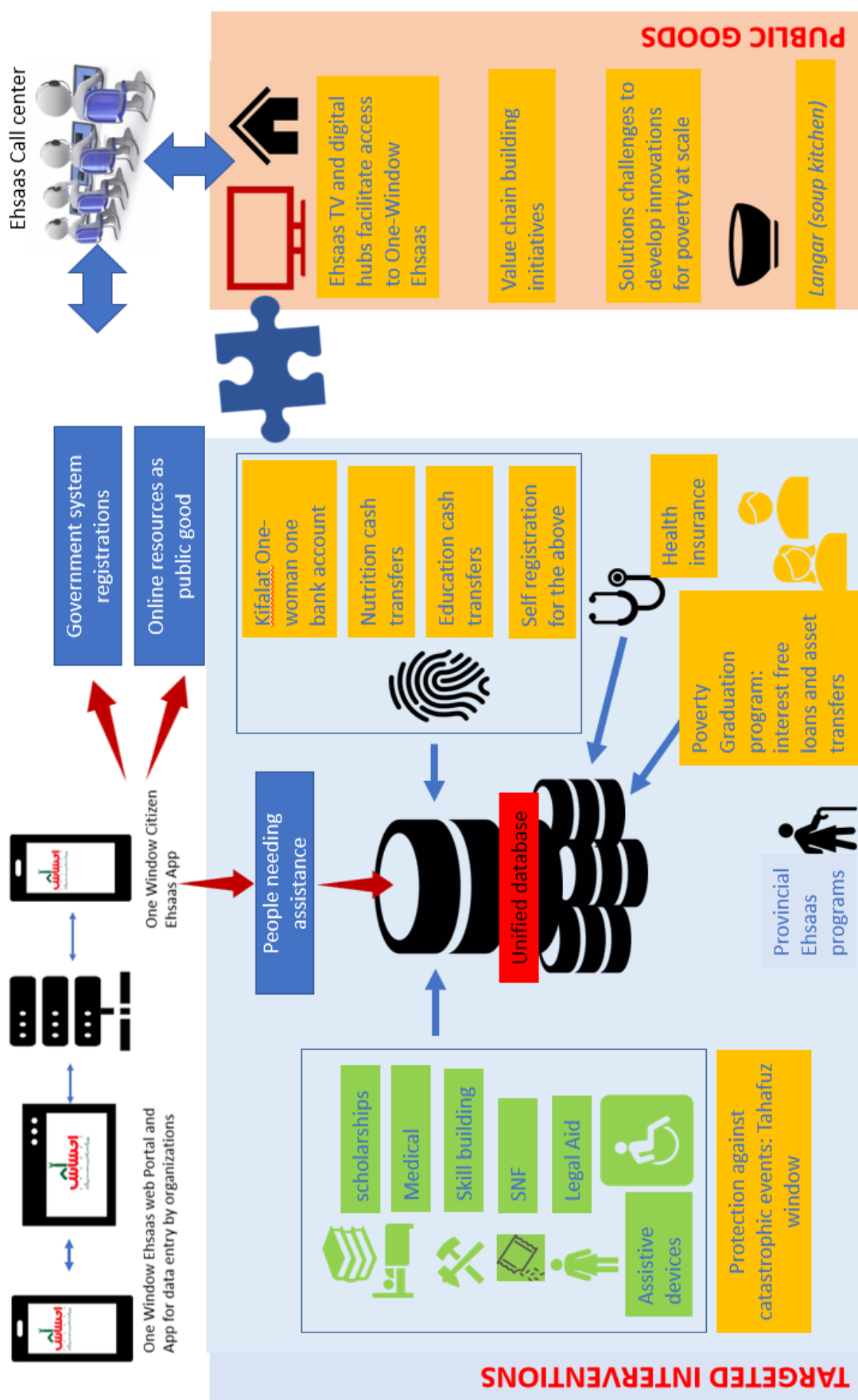3 Soup kitchens to feed those who have no other means

Figure 2. Illustration of the concept of One-Window Ehsaas, which will be widely deployed in outreach offices of government institutions and will be supported by a call center to facilitate those who are not digitally literate

Selected key area under Pillar I, III, and IV

Panel 2 outlines key area under Pillar I, III, and IV. These are meant to supplement sectoral policy initiatives of federal and provincial governments with an additional emphasis for the marginalized.

Panel 2: Selected key policies, programmes and initiatives under Pillar I, III, and IV

Ehsaas Pillar I: Addressing elite capture and strengthening governance, selected key interventions

- Constitutional Amendment to move Article 38(d) from the "Principles of Policy" section into the "Fundamental Rights" section
- Pro-poor goals for every ministry
- Mandatory section in the PC1 Performa
- Pro-poor earmarking of resources
    - A need-based system in the new NFC and PFC awards
    - Policy on use of development expenditure by parliamentarians
    - Guidelines on Corporate Social Responsibility
- Guidelines on conflict-of-interest
- Share for certified poor in govt resources (e.g., vending stalls on railway stations, govt shops in Town and Tehsil committees, Market Committees, and in *katchi abadi* schemes)
- Enabling legislation for the poor

Ehsaas Pillar III, Human Capital Development: selected key interventions

- Access to education through vouchers where there is no government school
- Revamping of BHUs, UHC, FP and preventive health
- Provide comprehensive nutrition education
- Ensure access to affordable and nutritious food
- Second chance education program for girls
- Transparency placard placement policy in schools and health facilities
- Desi chicken asset transfer
- Kitchen gardening initiative
- Acton against spurious, and adulterated milk
- Awareness drive aimed at Article 25-A of the Constitution

Ehsaas Pillar IV, Jobs and livelihoods

- National Poverty Graduation Initiative
- Geographically-relevant agriculture and crafts value chain building policy
- Solution Innovation Challenges to create solutions for poverty at scale
- Quick win areas for job creation: Information Technology sector, Technical and Vocational Training sector, export of human resource and climate action

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Implementation

Ehsaas is a multi-sectoral and multi-stakeholder strategy. At the federal level its implementation is currently the responsibility of 34 federal ministries, divisions, and agencies.[4]

Provincial Ehsaas plans are evolving and will be dovetailed with the federal strategy. A Pledge to Ehsaas framework, is being firmed up to solicit broader participation in Ehsaas.[5]

The implementation of Ehsaas is monitored by a Steering Committee headed by the Prime Minister.

The Poverty Alleviation and Social Safety Division and its attached agencies are responsible for executing majority of the policies, programmes and initiatives that are part of the Safety Net Pillar and the National Poverty Graduation Initiative under the Jobs and livelihoods, Pillar; their related implementation details are documented elsewhere.

Work on developing a comprehensive Monitoring, Evaluation and Research (MER) framework has commenced in order to monitor, track, evaluate and analyse results and to institutionalize the culture of learning for course correction. The MER framework will assist in reporting on a common set of indicators using standardized methodologies and tools; it will manage and respond to risk, issues, and lessons in a timely and effective manner.

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4 Ehsaas: Mandates assignment for federal agencies.
http://www.pass.gov.pk/Document/Downloads/Mandates%20assigned%20to%20the%20federal%20ministries,%20divisions_rev.pdf
5 Pledge to Ehsaas. http://pass.gov.pk/Detailded16035-febc-4590-90c0-3905c6235818

Context and need

The need for Ehsaas is critical, as poverty is both the root cause as well as a consequence of multi-faceted development problems in Pakistan. These have been exacerbated by pervasive inequality both within and across geographical regions. Such deprivations restrict individuals from participating in economic activity and improving their well-being, hence keeping them locked in the poverty trap.

Based on Planning Commission's consumption-based estimates, poverty in Pakistan has declined from 57.9% in 1998 to 24.3% in 2015,[6] but it still remains unacceptably high. A much higher percentage of the population faces non-monetary deprivations. Prevalence of multidimensional poverty is 38.4%[7] (including education, health and living standards). There are stark regional disparities in the prevalence of poverty. Rural multidimensional poverty headcount is as high as 55%, in contrast to urban areas where only 9% of urban population is multidimensionally poor. Disparities are also found at the district level, where some districts in Baluchistan and Khyber Pakhtunkhwa have more than 90% of the population living in multidimensional poverty while several urban districts like Lahore, Karachi and Rawalpindi have less than 10% of their population as multidimensionally poor.[8] Therefore, there is strong evidence and public policy rationale to address poverty and inequality.

As a long-term umbrella initiative, Ehsaas is one of the vehicles through which the Government envisages implementing its vision for a welfare state. There is a short-term requirement to prioritise its Safety Net Pillar in view of any economic hardship that may arise as a result of the current fiscal austerity measures. The Government is conscious that given the macro-economic context, it is likely that the growth rate will be in the 4-5% range in the short term. Therefore, there is a need to ensure that those at the margins are not pushed into the poverty trap. Significant increase in the Federal Budget 2019/20, intended to broaden safety nets under Ehsaas Pillar II is a reflection of this realization.

Ehsaas is in alignment with the Sustainable Development Agenda 2030. Eleven out of the seventeen goals are in alignment with the SDG framework. Especially relevant goals include SDG 1 (Elimination of all forms of poverty—its targets, inter alia, include implementing nationally appropriate social protection systems and achievement of substantial coverage of the poor and the vulnerable); SDG 2 (Zero hunger); SDG 3 (Good health and well-being); Goal 4 (Quality education); SDG 5 (Women's empowerment and gender equality); Goal 6 (Clean water and sanitation); SDG 8 (Full and productive work); Goal 9 (Innovation); SDG 13 (Climate action); SDG 10 (Reducing inequality); Goal 17 (Partnerships).

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6 National Poverty Report 2015-16, Ministry of Planning, Development & Reform, Pakistan

7 Most countries around the world define poverty as the lack of money. However, multidimensional poverty indicates that a person who is poor can suffer multiple disadvantages at the same time – for example poor health or malnutrition, lack of clean water or electricity, poor quality of work or little schooling. Available at: https://www.mppn.org/multidimensional-poverty/what-is-multidimensional-poverty/

8 United National Development Programme. Multidimensional Poverty in Pakistan. https://www.undp.org/content/dam/pakistan/docs/MPI/Multidimensional%20Poverty%20in%20Pakistan.pdf

Ehsaas

Vision

The Government envisages Pakistan to be a 'welfare state' based on the principles of Islamic ideology similar to those put in place by Prophet Muhammad (PBUH) in *Madina*. Our commitment is to form a welfare state where rule of law, meritocracy, transparency and accountability in governance are guaranteed, where equal opportunity exists for all, and where social welfare is provided to all those who need it.

Pillars and objectives

Ehsaas is the biggest and the boldest pro-poor and pro-equality program ever launched in Pakistan. It is an overarching coordinated whole-of-government umbrella initiative and its **objectives** are to:

- Address elite capture and make the government system work for equality of opportunity
- Provide effective and comprehensive safety nets for the marginalized and the vulnerable
- Create livelihoods and jobs for the poor
- Invest in people for human capital formation; and
- Lift lagging areas.

The first four objectives constitute the 4 pillars of Ehsaas, under which its 134 policies and programme areas are aligned. The 5th objective is cross-cutting.

Goals

Ehsaas' overarching goals and targets are the following:

- Safety net for at least 10 million families
- Livelihood opportunities for 3.8 million individuals
- Financial access to healthcare for 10 million families
- Scholarships and education incentives for 5 million students (50% girls)
- Financial and digital inclusion for 7 million individuals (90% women)
- Enabling environment for poverty reduction
- Equality promoting multi-sectoral partnerships and innovations

Goals are aligned with Ehsaas' 4 pillars and the conceptual framework through which the 134 initiatives link with the pillars and the gaols is shown in Figure 1 in a previous section. The current goals are based on the resource envelope available today and are envisaged to be expanded based on availability of new funding and partnerships.

Ehsaas is unique because of its:

- **Scale:** It is currently an umbrella initiative of 134 policies and programs, and the list is growing
- **Multisectoral character:** 34 agencies of the federal government and all federating units are tasked to implement Ehsaas. Non-governmental stakeholders—private sector, civil society, philanthropy community, academia, and international partners—will also be invited to contribute to Ehsaas in an appropriate framework

- **Breadth and depth:** Ehsaas addresses state capture, governance, social protection, livelihoods and human capital development
- **Process of formulation:** 23 consultations were held over a 45-day planning period in early 2019; 359 experts were formally consulted
- **Governance and integrity Policy:** The process of implementing Ehsaas began with implementation of the Governance and Integrity Policy
- **Institutional arrangements:** A new division has been created to implement Ehsaas
- **Funding:** for social protection has been significantly increased despite financial constraints

Principles

Ehsaas is based on the following principles:

1. **Inclusivity and comprehensiveness:** A focus on leaving no one behind, especially women and marginalized populations and recognizing the lagging districts and targeting specific interventions to uplift them
2. **Equalizing efforts:** Countering the mechanisms through which elite capture the State
3. **Multi-stakeholder approach:** Tapping whole-of-government partnerships between its multiple sectors for finding solutions through collaboration, and creating joint federal-provincial leadership
4. **Public-private partnership-driven:** Mainstreaming private sector and civil society's role in a rule-based innovative manner to provide solutions with public outcomes
5. **Strengthening Governance:** Investing in strengthening institutions and good governance and focusing on strong accountability and transparency mechanisms
6. **Technology-driven:** Leveraging 21st century tools—data and technology—to create precision safety nets and solutions for welfare
7. **Digital and financial inclusion:** Promoting financial inclusion and access to digital services
8. **Pro-women and gender-empowering:** Supporting the economic empowerment of women
9. **Human-centric approach:** A focus on the central role of human capital formation for poverty eradication, economic growth and sustainable development
10. **Service-oriented:** Focusing on reducing financial barriers in accessing health, education, skills training and legal services
11. **Policy Synchronization:** Aligning social protection policy with other policies of economic and social development, i.e., macroeconomic and fiscal policy, agriculture policy, industrial policy, labour market policies, rural and urban development policies, etc.
12. **Dignity:** maintaining dignity of beneficiaries at all cost

Theory of Change

The Theory of Change is centered on the salient role of Pillar II in the Ehsaas framework. It is aligned with the objective of making safety nets "effective and comprehensive". The main instruments through which this is being done, include the following: 1) increase in social protection spending by the government; 2) enhanced scope and coverage of safety nets; 3) strong focus on governance of institutions implementing safety net programmes; 4) development of the new national socio-economic database to enable precise targeting; 5) systems building for efficiency and integrity, and 6) One-Window Ehsaas to consolidate all of the Government's social protection resources and programmes. A new Division has been established to oversee implementation of the polices, programmes and initiatives related to the Safety Net pillar.

Governance reform of federal safety net institutions is particularly important as leakage, poor targeting, politicization of decision making and rent seeking have plagued functioning of safety nets in the past. Since there is significant fragmentation and duplication of safety nets (overall there are 198 safety net programmes in the country), the One-Window Ehsaas operation is being prioritized so that beneficiaries are facilitated, management can have more control, transparency of targeting is ensured and there is no fragmentation of efforts. The One-Window Ehsaas will enable potential beneficiaries to know about their eligibility status and make it possible for the system to triage requests to different windows; for example, social protection versus graduation initiatives. Roles and responsibilities of federal safety net institutions have been clearly defined under the umbrella of a newly created Poverty Alleviation and Social Safety Division and will be strictly implemented so that there is no duplication. In addition, One-Window Ehsaas will be the gateway to the government's free online resources.

Safety nets are being expanded and transformed. For the chronic poor, the cash transfer system of the Benazir Income Support Programme (BISP) is undergoing reform (*Kifalat*, as described below). To protect the poor against catastrophic risks, *Tahafuz* is being launched—Pakistan's first shock-oriented precision safety net. There is a suite of policies for the differently abled. For the first time, welfare initiatives are being introduced for the elderly poor, the homeless and the most marginalized (orphans, street children, seasonal migrants, transgender, victims of child and bonded labour, daily wage workers and substance abusers). There is an emphasis on developing normative capacity in the safety nets area, particularly with regard to developing standards, which can help tap the potential of the private sector and philanthropy more optimally. For the first time, enhanced interventions are planned for the welfare of our workers abroad and policies are being developed in an evidence-based manner to incrementally accrue social security benefits to workers in the informal sector.

The Safety Net pillar is dovetailed with the **National Poverty Graduation Initiative** (NPGI) under "Jobs and livelihoods" in **Ehsaas Pillar IV**, which is envisaged to pave the way for livelihood creation despite slow economic growth. NPGI enables access to asset transfers, interest free loans for the poor, vocational training, skill enhancement, gender empowerment programmes, microfinance, as well as other forms of access to financial services to support local entrepreneurship.

The strategy is to start with social protection, but then to move people up the ladder of prosperity through asset transfers, skills training, interest-free loans and links to microcredit, until they are out of poverty. The ultra-poor and vulnerable poor (0-18 on the poverty score card [PSC], many of them are also beneficiaries of the Benazir Income Support Programme with currently the PSC of 0-16.17) will be provided with assets and skills trainings, that can be used to generate incomes.

Research has also seen that not all households, even those that are once provided the asset or skill, can move out of poverty, therefore, 20-25% of households will always require some form of social protection. For people in the 18 to 40 poverty band, a small capital injection or loan is sufficient to help them become economically active. Once people graduate beyond the 40 score, it is expected that they will be able to access and benefit from the conventional microfinance available across the country without worrying about their ability to repay. The cut-off points referred to above, will be revised based on the 2019 National Socio-economic Survey and the 2019 Household Income and Expenditure Survey, both currently underway.

The Ehsaas Theory of Change links "social protection" with the "National Poverty Graduation Initiative" through various avenues. Through One-Window Ehsaas, it will be possible to triage requests to the social protection vs. the graduation windows. The six million women that were previously getting stipends as "cash out", only will now be given saving accounts and access to mobile phones under *Kifalat*. Appropriate financial literacy interventions will enable them to take better advantage of graduation opportunities, such as interest free loans and asset transfers. These women will also be able to benefit from opportunities created through the special purpose vehicles implementing "Solutions Challenge Policies" which are aimed at building digital value chains by giving the private sector appropriate incentives in the areas of agriculture, craft and other value chains. Establishment of over 500 digital hubs across the country will facilitate this transformation.

In addition, bank accounts are envisaged to be the key tool for registering informal workers under the Ehsaas Policies for informal workers. This will not just be the first step in their access to social security benefits, but it will also empower them.

Together the Safety Net Pillar and the NPGI constitute important approaches to poverty alleviation under Ehsaas; these and other measures adopted by the government,[9] help by equipping and empowering individuals and communities to meet their own needs. However, since the aspiration is to make sweeping changes in poverty reduction, they are insufficient on their own since the determinants of poverty and inequality are complex, as are the measures to address it.

Lessons from around the developing world show that massive poverty reduction and quantum changes in the lives of the poor is the result of an overall robust and sustained economic growth (through increases in capital—physical, human, and technological). Such a transformation is dependent on sound, consistent and effective policies, good governance, availability of financial services and an overall environment where peace, security, law, order and justice attract investments. In such settings, benefits start accruing to the poor when economic freedoms such as land rights and access to financial services are extended to the poor and when an honest hand of the government, fosters competitiveness and impartial oversight as a counter against organized vested interests at various levels.

The government's overall vision is driving change at various levels to achieve these objectives, Ehsaas in its framework has included a set of objectives under **Pillar I "Address Elite Capture"** to assist that overarching mission. In Pakistan, elite capture is the root cause of income poverty, inequality and regional disparities and is evident in water management, crop choices, land use priorities, labour laws, the taxation system, cartelization trends, nepotism patterns, etc. Therefore, the initiatives under Ehsaas Pillar I are an attempt to underscore the salience of anti-elite capture measures for poverty alleviation.

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9 To protect its vulnerable segments of society, the government has also provided subsidy on electricity worth Rs. 216 million in its budget 2019/20 to 75% consumers using less than 300 units of electricity

Ehsaas **Pillar III** is predicated on the understanding that **"Human Capital Development"** is a significant contributor to the wealth of a nation. In this digital age, accelerations in technology require countries to urgently invest in their people if they hope to compete in the economy of the future. Human capital development necessitates prioritizing investments in early years; tackling malnutrition, preschool and early education, protecting children from harm, ensuring access to quality education, skills and jobs, long-term commitment to Universal Health Coverage and measures for empowering women and girls. The policy areas under Ehsaas (in the sectors of education, health and nutrition) are meant to catalyze action in the right direction and complement sectoral strategies through pro-poor programmes. These investments along with the governance interventions will gradually help to pick up the growth momentum.

Figure 3: Ehsaas, Theory of Change
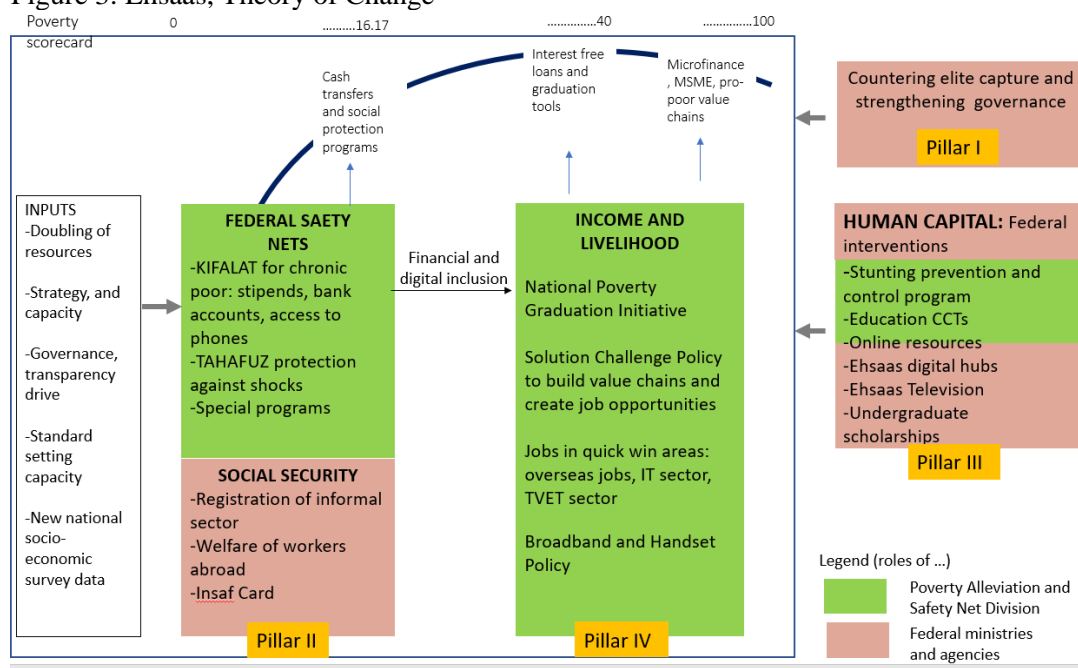
Implementation

Ehsaas is a multi-stakeholder and multi-sectoral strategy. At the federal level its implementation is currently the responsibility of 34 federal ministries, divisions, and agencies.[10]

Provincial Ehsaas plans are evolving and will be dovetailed with the federal strategy. A Pledge to Ehsaas framework, is being firmed up to solicit broader participation in Ehsaas.[11]

The implementation of Ehsaas is monitored by a Steering Committee headed by the Prime Minister.

The Poverty Alleviation and Social Safety Division and departments under its administrative control are responsible for executing majority of the policies, programmes and initiatives that are part of the Safety Net Pillar and the National Poverty Graduation Initiative under the Jobs and livelihoods Pillar. Their related implementation details are documented separately.

Work on developing a comprehensive Monitoring, Evaluation and Research (MER) framework has commenced in order to monitor, track, evaluate and analyse results and to institutionalize the culture of learning for course correction. The MER framework will assist in reporting on a common set of indicators using standardized methodologies and tools; it will manage and respond to risk, issues, and lessons in a timely and effective manner.

To ensure effective targeting of resources, a **Governance and Integrity Policy** has been pronounced, compliance with which is binding for all agencies executing Ehsaas attached with PASSD (Appendix A).

To oversee implementation of Ehsaas, expert committees and working groups have been constituted and are given specific mandates. PASSD hosts several secretariats; Poverty Alleviation Coordination Council, Ehsaas Steering Committee, and the Labour Expert Group. The other foundational aspects are data and digital payment systems, work on which is underway.

Initial short-term implementation actions are underway (Appendix B) and progress towards these will be gauged by the M&E Framework (Appendix C). Provincial Ehsaas plans are under development and will factor into the Ehsaas targets.

The private sector and civil society organizations are expected to play an important role in the implementation of Ehsaas. A new policy and framework of commitments will be developed which will allow the private sector and the civil society to make commitments linked to the pillars and targets of Ehsaas.

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10 Ehsaas: Mandate assignments for federal agencies.
http://www.pass.gov.pk/Document/Downloads/Mandates%20assigned%20to%20the%20federal%20ministries,%20divisions_rev.pdf
11 Pledge to Ehsaas. http://pass.gov.pk/Detailded16035-febc-4590-90c0-3905c6235818

Pillar I: Countering elite capture and strengthening governance

Ehsaas is based on the premise that for a welfare state to be built, there must be robust institutions, transparency and good governance. A legacy of weak institutions, poor governance and rampant corruption have stalled economic and social development in the country. To address the deep-rooted issues of systematic manipulation and vested interests, sound mechanisms are needed to infuse transparency and accountability in public institutions. Historically, the governance structures of the country have been held hostage by the elite through measures related to tax evasion and exemptions that allow the upper class to reap benefits, disproportionately.

Comprehensive anti-elite capture and anticorruption reform requires deep-rooted structural and institutional measures with roles played by various agencies involved in prevention, detection and enforcement. Several instruments of governance and policy levers are needed to build systems that limit opportunities for corruption; for example, reform of supreme audit institutions and public financial management. The broader legislative agenda to promote transparency and ethical standards across the public sector have a major role to play in this transformation. The government is committed to institutionalizing this agenda through various measures.

The anti-elite capture measures included in the Ehsaas framework are meant to supplement the broader reform agenda in order to unlock the potential of public institutions in delivering reforms and social development. The aim is to build institutions and systems that leave no room for collusive behavior, bribery and corruption.

The following set of policy actions will be undertaken to improve governance structures:

Preliminary measures to tackle state capture by the elite

Some initial measures will be taken to dilute the powers of the elite and improve the trickledown effect of public policies and expenditure. These will be primarily targeted towards the low-income class, with the objective that they benefit from economic and social policies. Some of these preliminary measures will include **policies for community ownership and participatory planning** in decisions of land development, including recovery of illegally acquired property (Policy # 20). Similar structures of **participatory planning and decision making** will also be implemented for strengthening local government structures (Policy # 22) and to improve accountability in service provision. As a policy, communities will be involved in the design of pro-poor initiatives, as and when opportunities arise. **Hunting permits** is a case in point (Policy # 21). For example, the proceeds from hunting permits would be used in ways that also benefit communities and builds their stake in policy, hence contributing to its effectiveness and sustainability.

The Ehsaas framework also includes policies, which aim to dilute elite hold on the one hand, while creating livelihood opportunities for the poor, on the other. Policy # 16 envisages that through ensuring a share for those below a certain survey-identified poverty line while **allocating public spaces** for *Khokhas* (cafés), tea shops, newspaper stands, shoe polishing booths etc., in government owned hospitals, parks and railway stations. Similarly, a specific share will be allocated for those living below the poverty line in **Market Committees** and in the **auction of shops in Town and Tehsil Committees** (Policy # 17 and 18). The residents of **slums and *Katchi Abadis* will also be registered** to facilitate their transparent inclusion in the event of subsequent commercialization of the area (Policy # 19). In addition, The Labour Expert group will **review labour laws** for tenant farmers and home-based workers and provide recommendations for formalizing tenant-based farming system (Policy # 103). All these measures will help to reinforce each other as preliminary measures to address elite capture on the one hand and will help to formalize the informal sector on the other.

Rule of law

Access to justice is one of the biggest challenges faced by the poor and vulnerable segments of society. Excessive obstructions, lack of understanding and the high cost of accessing justice results in a situation where poor are unable to seek protection and secure their rights. The Ministry of Law and Justice has planned a number of legal reforms to improve access to justice in line with the aspirations of Policy # 13 which aims to address **challenges the poor face in accessing the judicial system in Pakistan**. This includes legislative acts such as Legal Aid and Justice Authority Bill 2019, Enforcement of Women's Property Rights Bill 2019, Whistle Blower Protection and Vigilance Commission Bill 2019, and Action Plan for Women and Girls in the Legal System.

For better governance at the level of public institutions, clear **guidelines on code of conduct** will also be developed for the state and government functionaries. These will be a clear set of binding principles to guide the behavior and actions of public officials while eliminating all possible gaps that could give rise to **conflict of interest** (Policy # 15).

Pro-equity planning

A number of initiatives will be undertaken to strengthen governance structures and promote pro-equity planning. **Pro-poor goals and measurable indicators will be established for each ministry** to monitor their progress, particularly with regard to improving inclusivity and eradicating poverty. These targets will be reflective of ministry/division's progress with regard to Ehsaas (Policy # 5).

A new **mandatory section in the PC1 Performa** (Planning Commission approval document) is planned to screen every PC1 for its impact on poverty and equality (Policy # 12). The PC IV (Project competition) and PC V (Annual performance report after completion of the project) will also be revised accordingly to ensure future project/programme appraisals. Gender impact will be integrated through these tools to assess progress on women's empowerment. In addition, a new policy will also be designed to guide the use of **development expenditure by parliamentarians** to promote transparency, independent oversight and accountability (Policy # 14).

Fiscal priority setting

To expand the fiscal space for social welfare and protection programmes, the Federal Government will advocate for a need-based system in the framework of the **new National Finance Commission Award**. The objective is to improve the allocation formula to achieve our common goal of making opportunities equal for all Pakistani citizens, irrespective of where they live (Policy # 7). All **Provincial Finance Commissions** will be encouraged to base their future awards on need-based systems to remove intra-provincial disparities (Policy # 8). Lessons from other countries with federating systems can be drawn upon in this regard.

Table 1: International comparison of formulas for fiscal sharing in federating systems[12]

Indicators	India	Pakistan	Mexico	South Africa
Population	10%	82%	-	16%
Income level	62.5%	-	-	-
Area	7.5%	-	-	-
Index of infrastructure	7.5%	-	-	-
Fiscal discipline	7.5%	-	-	-
Tax effort	5%	5%	10%	-
Poverty/backwardness	-	10.3%	-	3%
Inverse Pop. density	-	2.7%	-	-
GDP growth	-	-	60%	1%
Local Revenue Growth	-	-	30%	-
Educational Need	-	-	-	48%
Health need	-	-	-	27%
Institutional component	-	-	-	5%

Priorities for pro-poor expenditures will be identified to prevent duplication and channeling of resources to non-priority sectors through ad-hoc decision-making (Policy # 6). A policy to maximize the **pro-poor impact of the Public Sector Development Programme** (Policy # 9) will be developed. The government will coordinate and convene multi-stakeholder platforms to address both financial and technical resource constraints and maximize the return from public resources by pooling in private capital, philanthropy and foreign aid. For this purpose, Planning Commission will also prioritize projects to ensure higher resources flow into priority sectors and areas.

Evidence based decision making

The lack of accurate and timely data makes many marginalized groups and individuals "invisible" and exacerbates their vulnerability. In addition, any new policy or reform should be rooted in evidence to ensure that it is well-guided. For sound research in areas of policy design, up-to-date quality data is an essential requirement along with targets and measurable indicators to track progress and take corrective action. Ehsaas envisions strengthening of the data eco-system of Pakistan to bridge current gaps and to make information on the progress of Ehsaas publicly available to ensure transparency.

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[12] Yasuhiko Matsuda. Organizing social protection in federal states: international examples of federalism and social protection and implications for Pakistan. South Asia Social Protection and Jobs Global Practice, World Bank.

The **National Strategy for the Development of Statistics** will help in strengthening quality and availability of statistics/data and ensure the independence of statistics from political and other undue external influence. It is important for the government to have access to accurate, reliable, and timely statistics, with a solid and credible base of evidence, to support the design and evaluation of policies/projects (Policy # 24). Data will be disaggregated by gender and reported to measure progress on inclusivity.

This will be complemented by a **data accessibility and transparency policy**. Free accessibility of data will be ensured through the **District Development Portal** in which poverty and other socio-economic indicators across Pakistan's districts will be available to policy makers and the public (Policy # 25).

Pillar II: Safety nets

For the purpose of the Ehsaas framework, safety nets are defined as "*policies and programme, which address poverty and vulnerability by contributing to raising incomes of poor households and protect a person or household against either a chronic incapacity to work, economic shocks or catastrophic expenditure risks".* The linkage of safety nets with social protection, social insurance, social security and inclusive growth centered interventions is shown in Figure 4. Although social protection is considered a devolved subject after the 18th Constitutional Amendment, the federation has important national roles to play in this regard and therefore, hosts several federal institutions.

Figure 4: Conceptual limits of Social Safety Nets
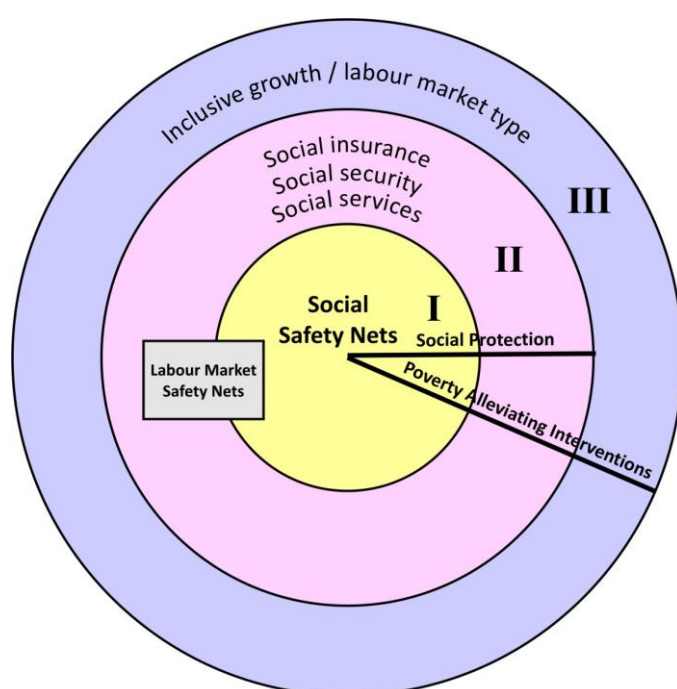
Safety nets for the marginalized are an important measure for poverty reduction and improving welfare of people. The envisaged **Constitutional Amendment** to move Article 38(d) from the "Principles of Policy" section into the "Fundamental Rights" section will make the State responsible for the welfare of citizen. The State will be fully responsible for provision of food, clothing, housing, education and medical relief for citizens who cannot earn a livelihood due to infirmity, sickness or unemployment (Policy # 1).

Vulnerability is a concept linked to safety nets. An individual, household or a community (may not be poor) might be at higher risk of falling into poverty if they have weak protection mechanism. The risks can be individual, aggregate, societal, political, life cycle, economic, health-related or environmental. In a previous national consultative process, federating units have identified and agreed on a list of vulnerabilities (Panel 1).

Pakistan's current structure with regard to the design and implementation of social safety net Programmes needed substantial improvement. Therefore, a number of policy measures and initiatives will be undertaken under Pillar II.

Panel 3: Vulnerabilities

- The poor, living below a minimum household consumption threshold or lacking ownership of basic assets
- Children and orphans below the age of 14 years, belonging to poor households
- Homeless children
- Children up to the age of 14 years in labour force
- The disabled (as defined in the policy for the disabled)
- Unemployed men and women belonging to poor households looking for a job
- Chronically poor, especially women-headed households
- Women belonging to poor and vulnerable households
- Retired and senior citizens
- Individuals in bonded labour
- Labour working in hostile and dangerous places
- Transgender persons
- Religious monitories
- Victims of natural disasters, internal conflicts and internally displaced persons
- Informal sector workers/working poor
- Indigenous tribes at risk of losing their culture, traditions and inter-generation skills i.e., tribal fishing people; *Kihals* and Mors, inhabitants of the Middle Indus Basin, tribal people of *Chitral* valley, *Cholistan* and *Thur* etc.


Reduced fragmentation and better cohesion

Several assessments have pointed to the fragmented nature of social safety net arrangements in Pakistan. Overall, safety nets in the country comprise a large number of small, thinly spread (in terms of resources) and weakly coordinated overlapping programmes. Overall there are 198 safety net institutions/Programmes in the country.

Before commencement of Ehsaas, various federal safety net/poverty alleviation-related institutions reported to different ministries, which constrained policy coherence and coordinated operations. BISP and PPAF were attached to the Finance Division. Zakat came under the Ministry of Religious Affairs and Inter-faith Harmony. Bait-ul-Mal was attached to the Cabinet Division. The Centers for Social Entrepreneurship and Rural Development were under the Planning Commission whereas a dormant Trust for Voluntary Organizations was under the Economic Affairs Division. Immediately after the launching of the Ehsaas framework, **Poverty Alleviation and Social Safety Division** was established (Policy # 3).

Under Ehsaas all the federal social protection agencies were placed under the stewardship of PASSD. This step has been instrumental in promoting policy coherence and reducing fragmentation. It will enable the creation of a One-Window Ehsaas operation with ease. Managed by the Division, the creation of the **One-Window Ehsaas** for all social protection operations will assist beneficiaries of social protection and reduce duplication and abuse (Policy # 4).

Figure 5. Institutional landscape before creation of the Social Protection and Poverty Alleviation Division
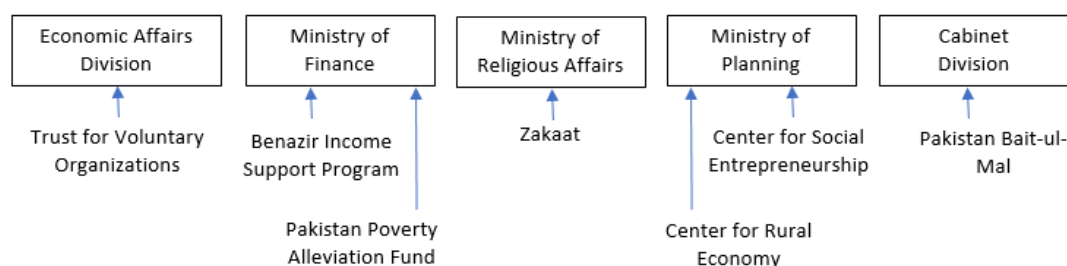
After the creation of the Social Protection and Poverty Alleviation Division
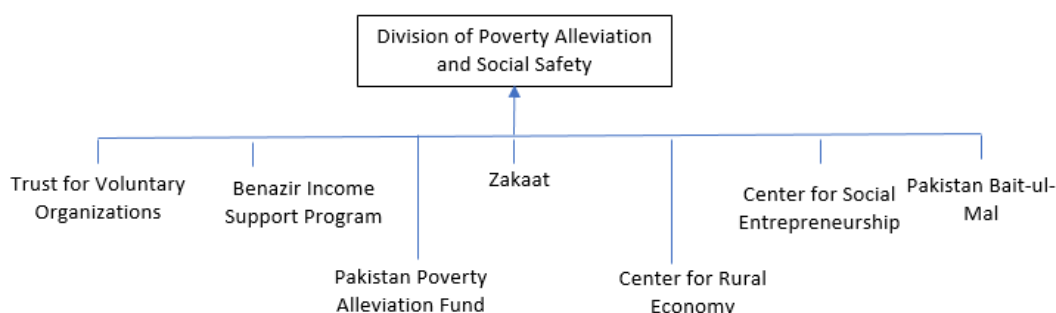
It must be noted that labour social insurance (Employees Old Age Benefit Institution, the Workers Welfare Fund) still remain under the Ministry of Overseas Pakistanis and Human Resource Development.

Better targeting

For improved beneficiary targeting mechanisms, BISP is developing a new **2019 National Socioeconomic Registry** (Policy #26). There will be validations of NSER to correctly and precisely identify the real poor (Policy #27). Moreover, it will be converted into a live registry through a combination of follow-up review surveys, a process of self-registration, grievance redressal and the use of data analytics (Policy #28).

The registry will be transparent and will have a well-defined updating procedure. It will form the database of One-Window Ehsaas and will be linked with all social protection initiatives so that benefits accruing to a specific household through multiple programs can be tracked. The procedures for identifying and including a beneficiary and exiting a beneficiary will be clearly laid out in the National Socioeconomic Data Policy.

Increased budgetary allocation

Announced on June 11, budget 2019-20 was driven by austerity. The aim of the Government was to utilize scarce resources carefully so that maximum dividends could be obtained. Due to economy measures in place, many organizations voluntarily cut back their budget demand. Against this backdrop, the budget for social protection was enhanced by the Prime Minister, which while being a bold step, is a significant move towards achieving the goal of a truly welfare-oriented Pakistan. Under Ehsaas, social protection spending will be increased from the current 0.7% of the GDP to 1% of the GDP by 2021 (Policy # 2).

Non-public resources will also be leveraged in a rule-based manner for enhancing fiscal space for social welfare programmes. These include private sector organizations and private investors.

To develop a strategy on based on **innovative financing tools**, the Government is establishing a working group that will bring together relevant ministries, public institutions, civil society organizations, development partners, and private organizations and investors to develop new models of innovative financing to mobilize additional resources and create fiscal space for pro-poor investments (Policy # 10).

In addition to these innovative models, funds allocated by organizations for corporate social responsibility (CSR) will also be leveraged for social development. **Guidelines on Corporate Social Responsibility** are being developed to promote voluntary social expenditures from the private sector and its alignment to priority social welfare sectors (Policy # 11).

By global comparison, Pakistan is one of the most charitable countries in the world. According to the 2018 report by the Charities Aid Foundation, it is ranked in the world's top ten countries that donate the most in terms of money. Pakistan has a rich culture of giving, in kind and in cash to the poor and vulnerable as a result of a strong community-based culture. The Government aims to leverage the local network of civil society organizations to harness this huge pool of individual philanthropic contributions in a transparent and rule-based manner. **A new policy and "framework of commitments"** is being developed which will allow the private sector and civil society to make commitments linked to the pillars and targets of Ehsaas (Policy # 117).

Enhanced coverage

This Strategy envisages a substantial increase in the coverage of social protection programmes through the following institutional vehicles and programmes.

Kifalat

Kifalat reforms the un-conditional cash transfer programme of the Benazir Income Support Programme. There are six objectives of the reform. First, to transform the "cash out only" operations into a programme that also enables financial and digital inclusion through the **"One Woman, One Account"** initiative. Specific aspects related to the design of digital transfers in this policy are outlined in Panel 4, below.

Secondly, a number of governance-level organizational transformations in particular systems-building and integrity-promoting efforts, (described below) as well as the establishment of the new registry, (discussed above) are expected to enhance the effectiveness of this programme. Thirdly, there will be vertical and likely horizontal expansion of *Kifalat*. In terms of the former, the **size of cash transferred to these women under BISP will be adjusted for inflation**, and consequently increased (Policy # 30). When reforms come to fruition, recommendations would potentially be introduced to horizontally expand the programme.

In the fourth place, a simultaneous **reform of the Tehsil offices of BISP** has been planned (Policy # 31). These offices are currently underutilized. The plan is to transform these offices through public-private partnership arrangements into digital hubs in order to promote financial and digital literacy. In addition, the Government's digital resources will be made accessible as a public good in these sites (information systems, online curricula, One Window Ehsaas social protection interface) to create opportunities for poor families to graduate out of poverty. Collectively, BISP and PBM have over 500 offices through which these services could be offered to poor families.

In the fifth place, One-Window Ehsaas operations will allow BISP beneficiaries to take advantage of available options of graduation more effectively (see sub-section below), as will the initiative to develop digital hubs in districts. And finally, the cash transfers will be labeled, which will allow messages to be relayed to beneficiaries.

Panel 4. Key aspects related to the design of digital transfers in the "One Woman, One Bank Account" Policy

In designing and undertaking the *Kifalat* reforms to strengthen BISP, efforts will be made to ensure the payments have the following key features, to ensure expected gains for women and their families, from the reforms.

- Direct: payments are made directly into accounts held by beneficiary, who has control over the account, which are registered in their names and to which they have direct access
- Reliable: the amount, frequency, and timing of payments is reliable and the beneficiary can count on regular communications
- Accessible: accessing the payment should not be burdensome in terms of time, convenience, and/or cost for programme participants
- Flexible: the payment options should provide choice and control of when and how participants receive the payment, and privacy of transactions
- Secure: data privacy, security and fraud protection is critical, including strong authentication systems so that only the individual can access the money
- Accountable: women are aware of their rights, they are respected by the programme and service providers, and they have the ability to access well-functioning recourse
- Awareness: all women know their payment amount, timing, and frequency and any applicable fees. They know how the system and payment mechanisms are supposed to work and where to go if they face problems
- Recourse: there should be a well-organized, adequate, timely and reliable grievance and complaints mechanisms for participants[13]

Tahafuz

Vulnerability is of particular relevance to Social Safety Nets. Within this context, economic shocks are by far the most devastating events for poor families, especially those that are borderline poor, as these events push them into poverty, or perpetuate a vicious cycle.

Tahafuz will be Pakistan's first shock-oriented precision safety net. It will have several streams; one time **cash transfer to those that have suffered a catastrophic event** (Policy # 33), **assistance for poor widows who qualify certain criteria** (Policy # 34), **provision of legal aid** to a defined category, preferentially women (Policy # 35), ensuring financial **access to treatment in defined categories** and protecting the poor against health expenditures (Policy # 41), and provision of **universal access to assistive devices** e.g., canes, wheelchairs, tripod/quadripod sticks, crutches and other assistive devices (Policy # 42).

Tahafuz will establish a one window paperless, mobile-phone centered precision safety net. Tahafuz will have funders' empowerment features (micro-transaction alerts, and personalized login credentials for detailed web-viewing) right down to the micro-transaction level. It is hoped that such a system's ability to determine eligibility and categorize beneficiaries, based on

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13 Enhancing Women's Economic Empowerment Through Digital Cash Transfers - Digitize/Direct/Design: The D3 Criteria. https://www.findevgateway.org/library/enhancing-women%E2%80%99s-economic-empowerment-through-digital-cash-transfers-digitizedirectdesign-0

preconfigured rules—adopting the national poverty database system—will guard against abuse and pilferage. The system will be built for efficiency and integrity of operations.

A new institutional window of support for the most marginalized

To safeguard the interest of the most marginalized—orphans, homeless children on the streets, seasonal migrants, transgender, child and bonded labour and daily wage workers, drug abusers— the existing dormant organization, **Trust for Voluntary Organizations** (TVO) is being reformed so that partnerships can be forged with NGOs and their successful programmes can be scaled up to serve these marginalized communities. TVO will also be given a new mandate to implement other Ehsaas programs. This new policy will enable upscaling of successful social protection models for the most vulnerable (Policy # 36). In addition, Pakistan Bait ul Mal is revamping its **150 schools for marginalized children** (Policy # 118)

A new Commitments Policy to harness civil society and private sector role in Ehsaas

By creating a **platform for new commitments to Ehsaas**, the Government will build support for the programme, both nationally and internationally as well as harness expertise and resources from a range of key stakeholders, private sector and civil society, amongst others (Policy #117).

A new Policy for Orphanages

Under this framework, special attention will be given to the needs of orphans. According to UNICEF estimates, Pakistan is home to around 4.2 million orphans that face numerous challenges on a daily basis. They need homes where they can seek protection, get access to some of the basic services and have some form of guidance to support them in their lives. Growing up without any guidance, shelter, education and healthcare, these children become vulnerable to street crime and other illegal activities. For the protection and support of the orphan children in Pakistan, the Government plans to introduce a **comprehensive policy on orphanages**, which would also include standards for these facilities to improve quality and, where needed, increase in capacity (Policy #119).[14]

A new Policy for the differently-abled

Persons with disabilities form Pakistan's largest overlooked minority. According to the Pakistan Demographic Survey, the proportion who have "a lot of difficulty" or "cannot function at all" ranges from 2% to 9%. Officially and according to conservative estimates, 2.5% of the population of the country suffers from one or the other form of "severe" disability. Approximately, one million people suffer from blindness and half a million have hearing loss. The possible cost to the economy is between 4.9% and 6.3% of GDP, each year. The Government of Pakistan has ratified the UN Convention for the Rights of Persons with Disabilities (UNCRPD) and disability legislation in line with UNCRPD is tabled by the Ministry of Human Rights. A National Rapid Assistive Technology (AT) Assessment Survey to assess the population in need of AT is underway to assess the type of Assistive products needed. This survey is being conducted by the Ministry of National Health Services Regulation and Coordination.

Under the Ehsaas framework, all those disabled that are registered with NADRA will be given **Insaf Insurance cards**. Through this, they will be able to avail treatment from up to PKR 720,000 in registered hospitals (Policy # 122). Through this initiative, there will be universal

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14 Modified from the original

access to a category of assistive devices (Policy # 42). All those who need a wheel chair will be given one. Those that need hearing aids will be provided free hearing aids through *Tahafuz,* in defined categories.

Under the Ehsaas framework, 1% quota is being allocated for **disabled government employees** in government accommodation (Policy # 124), whereas 2% quota will be reserved for the **disabled in Naya Pakistan housing scheme** (Policy #125). Special instructions have been given by the Prime Minister to strictly implement the **2% percent quota for the disabled in all government jobs** (Policy # 121). To avail of the above concessions, all public sector hospitals are being instructed to issue **disability certificates** as per UN definitions (Policy # 126). Those in possession of the UN definition certificates will be eligible for the transparent concessions.

The Ehsaas framework also stipulates the establishment of **20 centers for the physically challenged in under-privileged districts** based on public-private partnership model (Policy # 43). Furthermore, to give greater salience to disability in public policy, the Ministry of Planning, Development and Reforms has issued a directive that no PC-1 shall be approved, until it is disability friendly (Policy # 134).

Ehsaas TV and free online content

The idea of the **Ehsaas television programme and related free online content** is to consolidate all freely available resources and content such as educational content, skills training content, and content related to other Ehsaas areas and to promote its use through a prime-time television program as a public good (Policy # 23). Ehsaas TV will also promote the use of One-Window Ehsaas and the windows of support accessible through that.

In addition to the programs mentioned above, Ehsaas will also work on other key areas under its pillar II (safety nets for the marginalized), including housing for the poor, welfare of persons with disabilities, income security for the old aged population, and worker's welfare. For the first time, welfare of Pakistani unskilled workers living abroad and the elderly have been included in a social welfare Programme like Ehsaas. Each of these areas of intervention is briefly referred to below.

Social security measures under Ehsaas

Housing for the marginalized population

Shortage of affordable housing is one of the rising challenges in Pakistan. The inability to afford decent housing affects marginalized and vulnerable groups the most and exacerbates their poverty. To provide housing to particular marginalized groups through targeted schemes, the Government envisions a multitiered approach. This includes *Panah Gahs* in several major cities (Policy # 38) along with interest free **loans for housing to the extremely poor population**, including landless farmers (Policy # 39). The Government will also design a policy that protects women's rights by ensuring **women have joint ownership of homes** built in each of the new housing schemes supported by the Government (Policy # 112).

Income security for old-age people

The Government will consider a public-private partnership model establishing homes for the elderly, if culturally appropriate. Five **Ehsaas homes for elderly poor** will be established using Pakistan Bait-ul-Mal's resources, and others may be considered based on analysis of impact. In addition, **pension for the elderly** that are already enrolled in the Employees Old Age Benefit Institute (EOBI) of Government has been increased from PKR 5,250 to 6,500. For ensuring transparency in pension transfer, EOBI is establishing a **biometric payment pensions system**

(Policy # 44, 45 and 46). The Ministry of human Rights has also drafted a Bill to accrue certain benefits to the elderly.

Health insurance

To promote Universal Health Coverage and financial access to healthcare, two initiatives are being undertaken. First, the **Insaf Insurance card** will be launched in 38 districts. 10 million households will have access to Insaf card by end of the year 2019 (Policy # 40) and around 60 million individuals will benefit from this, in view of family size. Secondly, financial access to healthcare will also be provided for the poor to seek treatment in defined categories, especially in situations of **catastrophic health expenditures** through *Tahafuz* (Policy # 41); these arise most commonly in the case of non-communicable diseases.

Safeguarding workers' welfare

To safeguard workers' welfare, a time and outcome based **Labour Social Protection Expert Group** (LEG) **"Mazdoor ka Ehsaas"** was established on May 1, 2019 to give recommendations on the gaps in existing legislative and legal structures due to which a large working population remains out of the formal sector (Policy # 47). There is fragmentation in labour social protection, labour is exploited due to corruption and institutional failure, and there is weak compliance of minimum wage, health and safety regulations. It was envisaged that for those employed in the informal sector, a welfare and pension scheme will be developed based on the recommendations of the LEG (Policy # 48). LEG will release its full report shortly. However, the following recommendation of its interim report was approved by the Cabinet on August 9, 2019 for implementation: "**All registered informal workers to have bank accounts to transfer their salaries.** This will also help in implementation of minimum wage and will bring these workers in the formal economy, thus opening the space to institutionalize social security benefits. LEG will also **review labour laws for tenant farmers and home-based workers** and will give recommendations to formalize tenant-based farming system (Policy # 103).

Welfare of workers aboard

Several policy steps are being taken to improve the welfare of workers abroad. A decision has already been taken by the Prime Minister to increase the role and number of **Community Welfare Attaches** as well as involve well-reputed expatriate Pakistanis in that role (Policy #49). It has also been decided that the number of **Protector of Emigration Offices** will be increased (Policy #50). Measures are being taken to improve the **quality of pre-departure briefing** for intended migrants, and to ensure their biometric attendance so that workers can be made aware of their rights and entitlements, for example insurance (Policy #51). **A one-window** is being created for all types of information to facilitate migrant workers through Protector of Emigration Offices (Policy #52). Furthermore, negotiations with foreign governments are underway to **extend the duration of the first contract agreement for workers to a minimum of 3 years** as unskilled workers hardly recover their cost of migration before that time (Policy #53). Moreover, the **Policy to subsidize air tickets** for low paid workers abroad who have not returned home in seven years is also on the anvil (Policy #54).

Graduation of beneficiaries

The approach to graduating the recipients of safety net benefits, and its linkage with the safety net window has been discussed under the Theory of Change section. Under *Kifalat*, financial and digital inclusion of around 6 million women will be achieved through the One Woman, One Bank Account policy (Policy # 29). 500 digital hubs will also be established at Tehsil level for

the poor families with limited opportunities. Relevant public resources and information will be made easily available and accessible through these digital hubs to create opportunities for poor families to graduate out of poverty (Policy # 31). *Kifalat* will also focus on graduating BISP beneficiaries, especially in poverty-stricken districts, through the Pakistan Poverty Alleviation Fund's **National Poverty Graduation Initiative** (Policy # 32). The network of rural support Programmes and community organizations will be leveraged in this regard.

Promoting integrity

With regard to implementation effectiveness, this Strategy aims to counter existing governance shortfalls in safety net institutions, which create impediments for institutional performance, in particular, perverse incentives, and gaps in performance and decision-making accountability. These distortions have called for governance reform which is why there is an emphasis on **institutionalizing integrity and efficiency frameworks in safety net institutions**. Therefore, earlier on in the process, PASSD issued the **Ehsaas Governance and Integrity Policy** with this objective in view (Policy # 115).[15]

Integrity promoting reform has been prioritized in BISP, which includes: maintenance of Risk Register, error fraud and corruption frameworks, risk assurance and management mechanisms, Whistle blowing policy, Conflict of interest policy, Code of conduct comprising principles of behavior, strengthening of internal audit, mandating necessary external audit, IT security polices, and process level safeguards. These are part of the reform currently underway in BISP and will be institutionalized in all safety net institutions. In addition, performance metrics, detailed operational work plans, have to be used as frameworks of **integrity, good governance and accountability in all social protection institutions** (Policy #115).

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15 Ehsaas Governance & Integrity Policy: http://bisp.gov.pk/wp-content/uploads/2019/07/Ehsaas-Governance-policy.pdf

Pillar III: Human capital

According to Government estimates, the total population of Pakistan living below the national poverty line has reduced from 50.4% in 2005-06 to 24.3% in 2015-16. However, the Multi-dimensional Poverty Index (MPI) for Pakistan suggest that 38.4% of population is deprived in their access to education, health facilities and decent living standards. Therefore, Government efforts in different dimensions will be required to alleviate poverty in all forms, reduce inequity and achieve inclusive and sustainable human development. The human capital stream of work will largely be driven by Provincial Ehsaas frameworks.

Education

Education is one of the key dimensions of human development and multi-dimensional poverty indices. Pakistan's current literacy rate is 60% while current Gross Enrolment Ratio (GER) at the primary level is 91%.[16] Pakistan still lags behind other South Asian countries in HDI due to low priority of public resources in a range of basic services including education. In Pakistan, the public expenditures on education as a percentage of Gross Domestic Product (GDP) have remained between 2.1 to 2.3 percent. Even the share of current total expenditures devoted to education has declined from 75% in 2002-03 to 63% in 2016-17.

Deprivations in education are the largest contributor to MPI i.e. 42.5 percent. Urban and rural profiles demonstrate similar ranking of contributing indicators to poverty where education contributes greatest with 57% (urban) and 42% (rural), respectively. The Government realizes that since deprivation to education is the highest contributor in Pakistan's national multi-dimensional poverty index, it requires special attention in national policies and pro-poor strategies, especially with regard to the education of women and girls. The following set of policy actions are proposed to be undertaken to improve education for those vulnerable. These are meant to supplement education policy initiatives of federal and provincial governments with an additional emphasis for the marginalized.

Right to education

The Constitution of the Islamic Republic of Pakistan gives all its citizen an equal right to free and compulsory education as per Article 25-A. However, majority of the population remains oblivious of this right and have access issues; hence, they do not claim it. Thereby, an **Education awareness campaign** will be prioritized to educate the public, especially in remote areas, regarding their right to education (Policy # 67). This will also focus on encouraging and incentivizing families to send their girls to schools.

Accountability in provision of education

The Government is spending resources both to improve the quantity and quality of education. Improving accountability for and efficiency in the use these expenditures would be essential for the provision of education and improving quality of education. Only improved quality of education can lead to enhanced human capital development. Citizen engagement through awareness and transparency can compel accountability. Therefore, a **Transparency Placard Placement Policy** for all schools funded by government will be initiated. Outside each school, a placard will be placed with details about the budget and number of teachers (Policy # 76).

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16 Federal Bureau of Statistics. Pakistan Social and Living Standard Measurement Survey 2014-15. http://www.pbs.gov.pk/content/pakistan-social-and-living-standards-measurement

Consolidated information will be digitally available through a mobile application. Provincial Ehsaas programmes will determine other accountability promoting measures. The Federal government will facilitate sharing of experiences.

Financial constraints in acquiring education

Article 25-A provides the right to free education from age 5 to 16 years. To provide financial access to education beyond that point, Ehsaas is launching the **need-based Ehsaas undergraduate scholarship programme** through a collaboration between the Higher Education Commission and Kifalat for students from low-income families and lagging districts. Through this, students qualifying for the program will have access to undergraduate education regardless of income, gender, or location. The number of scholarships will be determined based on the budget envelope (Policy # 75). To overcome access barriers, there will be increased investment for provision of education fee vouchers through the National Education Foundation under the **public-private education model** to provide private school education facility in areas where no public schools exist (Policy # 68,69,70).

In addition, in order to change behaviours towards education, the existing education **conditional cash transfer programme** is being scaled up in lagging districts for encouraging people including child labourers and out-of-school children to acquire education (Policy # 73).

Accessibility constraints

Apart from financial constraints, physical access to education facilities is also one of the major hurdles that restraints people from acquiring education. **E-Learning platforms** will be promoted to provide freely available **e-learning** content online as a public good (Policy # 71). **Chatbots in local languages** will be developed to overcome constraints faced by dispersed populations in accessing education (Policy # 72). **A second chance to education programme will be launched** for the provision of second chance education in schools, colleges and universities, including alternative learning pathways that provide an equivalent primary or middle school education for out-of-school adolescents, particularly girls and those who are involved in different forms of child labour (Policy # 74)

Health

Health is a nation-building and social welfare agenda. During times of economic hardships in the country, Universal Health Coverage can be a nation's promise to its people. For that to happen several commitments must be put in place, such as higher political priority for health, increased investments, a combination of targeted and universal approaches and action around the social determinants. Institutionalization of the right organizational architecture, and frameworks for accountability would be critical for the attainment of health goals.

There are many challenges to be countered in this respect, in terms of ensuring geographic and financial access to healthcare as well as ensuring quality. 78% of the population pays out-of-pocket at the point of healthcare. The private sector provides three quarter of the health services, but mechanisms of harnessing their outreach have not been tapped at scale. Physicians outnumber nurses and midwives by a factor 2 to 1. Complex governance challenges and underinvestment in health have hampered progress.[17] Comprehensive health reform would aid poverty reduction and equality-promoting objectives.

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17 Nishtar S., et al. Pakistan's health system: performance and prospects after the 18th Constitutional Amendment. Lancet 2013: 381, 9884, P2193-2206
https://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736(13)60019-7.pdf

Health has a tri-faceted relationship with poverty. First, certain diseases are more common amongst the poor, for example Tuberculosis, water and sanitation-related diseases and certain occupational hazards. Therefore, in the Ehsaas framework, reference is made to the importance of addressing conditions where the poor bear higher burden of disease in **Universal Health Coverage policies** as they relate to communicable and non-communicable diseases, maternal/child health and mental health services. For this purpose, strengthening of Primary Health Care (PHC) and preventive services is an imperative. Policy # 77 makes an explicit reference to 'innovative technology tools', which have a salient role to play in overcoming current performance constraints. The **Transparency placard placement policy** is envisaged under Ehsaas for all government health facilities, in particular PHC facilities. It is aimed at engaging the public in a performance-enhancing drive to overcome pervasive performance constraints which plague public facilities. Under this policy, a placard will be placed with details, about the budget and number of staff outside each public health facility. This information will also be maintained on a mobile application (Policy # 78,79). The emphasis on this through Ehsaas is expected to help drive greater support for UHC and its primary tool, Primary Health Care.

Secondly, many diseases have an impoverishing effect, and of these Non-Communicable Diseases are the most salient. Data from the Planning Commission of Pakistan shows that health shocks involving catastrophic spending are the most common risks facing uninsured households. The poor, who are unable to pay, are likely to spend catastrophically or forego treatment altogether. The Government has launched the **Insaf Insurance card** in 38 districts for 10 million individuals and their families to address this (Policy # 40). Additionally, Ehsaas will ensure financial access to treatment in defined categories, especially Non-Communicable Diseases and protect the poor against catastrophic health expenditures through the shock-oriented precision safety net, **Tahafuz** (Policy # 33 and 41). Ehsaas will also forge a global collaboration using its work in Tahafuz to raise global awareness about the need to address the issue of catastrophic health expenditures using the precision safety net approach. The policy of accelerating reform of public hospitals with increase in budgets (Policy # 80) is also aimed to avert catastrophic health expenditure for the poor.

Polio and poverty are inextricably linked. The poorest and most marginalized communities are hardest to reach with both the preventative polio vaccine and the correct information about the risk of the disease. This leaves these communities more vulnerable to the spread of misinformation and the poliovirus itself, which further reinforces the cycle of poverty. The Ehsaas framework will work across Ministries and with all key stakeholders, ensuring that no child is left behind and that all communities have **access to the polio vaccination and lifesaving routine immunization** (Policy # 127). Polio eradication will also mean that the human resources, surveillance system and infrastructure developed to tackle polio, can be transitioned to develop a strong health system for all.

Since the Federal Government has constitutional responsibility of regulation, an important initiative (policy # 78) is aimed at **transparency and integrity measures to address regulatory capture in health-related regulatory agencies**, especially the Drug Regulatory Authority and the Pakistan Medical and Dental Council. An equally important regulatory responsibility actually rests with provincial governments. Many have put in place institutions for health regulation with service quality related mandates. Regulatory capture at provincial levels has serious implications for quality of and access to services, which is why an emphasis on this aspect would be important for provincial Ehsaas plans.

In addition to the aforementioned, it must be noted that all malnutrition-related policies in this framework will also impact health status.

The above-mentioned policy actions are proposed to be undertaken to improve health for the vulnerable. These are meant to supplement federal and provincial health policy initiatives with an additional emphasis for the marginalized.

Malnutrition

Pakistan is grappling with the double burden of malnutrition—both undernutrition as well as overnutrition—and experiences one of the highest prevalence in child malnutrition as compared to other developing countries, with little reduction over the last two decades.[18] The National Nutritional Survey (NNS) of Pakistan 2018 reports that 40.2% of the children are stunted, 17.7% are wasted, and 53.7% are anemic. The double burden of malnutrition is becoming increasingly apparent, with almost one in three children underweight (28.9%) alongside a high prevalence of overweight (9.5%) in the same age group.[19] Undernutrition in young children and overnutrition later in life lead to higher risk of irreversible cognitive underdevelopment, and diseases such as hypertension and diabetes, a trend which is fueling the NCD epidemic and is negatively impacting socioeconomic development.

According to the 2018 NNS, national average of Stunting (40.2%) masks provincial disparities. The prevalence of stunting varies from 32.6% in ICT to 48.3% in KP-NMD. The prevalence of stunting among young children in Sindh, Balochistan, KP-NMD and GB is higher than the national average.

Malnutrition undermines the human right to a healthy life, and negatively impacts economic development by escalating healthcare costs and incurring productivity losses. In the case of undernutrition, productivity losses are due to decreased physical and irreversible intellectual capacity whereas in the case of obesity, lost workdays, lower productivity at work, mortality and permanent disability come into play. The impact of these costs on GDP can be massive. Cumulatively, the estimated impact on Pakistan's economy due to different forms of malnutrition is US$7.6 billion, or 3% of GDP.[20]

Improving people's diets, by taking a food systems approach, is crucial to address all forms of malnutrition. Insufficient and unhealthy diets underpin the persistent high rates of stunting, wasting, micronutrient deficiencies and the alarming increase in overweight, obesity and diet-related non-communicable diseases. Adopting a food systems approach requires looking at the needs and demands of all stakeholders, including rural and urban women and men, smallholders and family farmers, households, small-scale and large-scale producers, processors and retailers. Government policies and legislation will help shape private sector incentives and ways of meeting the challenge.

Nutrition is a multisectoral subject with roles of many ministries and departments at the federal, provincial and local government level involving the sectors of health, education and water and sanitation, amongst others. Since joining the Scaling Up Nutrition (SUN) Movement in 2013, there has been efforts to have a more coordinated approach with multiple stakeholders including civil society, the private sector, United Nations agencies, donor partners and academia. There is, however, a greater need to build on this collaboration and accelerate the scale-up of proven,

18 Asim, M., & Nawaz, Y (2018). Child Malnutrition in Pakistan: Evidence from Literature. Children (Basel, Switzerland), 5(5), 60. doi:10.3390/children5050060

19 Ministry of National Health Services Regulations. National Nutrition Survey 2018: Key Findings. https://reliefweb.int/sites/reliefweb.int/files/resources/National%20Nutrition%20Survey%202018%20-%20Key%20findings.pdf

20 Government of Pakistan, 2017. The Economic Consequences of Undernutrition in Pakistan: An Assessment of Losses. Ministry of Planning Development and Reform and World Food Programme.

evidence-based interventions and nutrition sensitive strategies during the critical first 1,000 days of a child's life, from the mother's pregnancy to the child's second birthday. Adolescence must also be targeted as a second window of opportunity. This approach will halt the intergenerational cycle of malnutrition and tackle its rood causes addressing undernutrition and overnutrition and diet related non-communicable diseases later in life. This will require strengthening the focus on coordination of efforts. The nutrition agenda is still fraught with fragmentation, which is why it is necessary to continue to build on the multi-sectoral and multi-stakeholder SUN approach and move it from the Ministry of planning to the direct oversight of the Prime Minister (Policy #58).

Apart from that, there is a dearth of research and evidence availability on nutrition, especially in Pakistan's context. The government, thereby, considers it essential to establish the first-ever university-hosted National Centre for Human Nutrition (Policy #59).

A new mother and child health and nutrition initiative to address stunting in children is also in the final stages of being launched (Policy # 55). As part of this initiative, specialized nutrition food will be made available for stunted children. It would also entail provision of de-worming drugs, iron, folic acid, micronutrient supplements, and treatment of children with severe acute malnutrition through government health facilities (Policy # 55, 56). As part of efforts to reduce stunting, it would be critical to address water contamination and sanitation given that they are crucial determinants of stunting.[21,22]

Other initiatives to address malnutrition in the Ehsaas framework include:

- **A nutritional awareness campaign** which involves community-based promotion of adequate health and nutrition practices including breast feeding and adequate age specific complementary feeding (Policy # 57). This campaign will focus on the importance of toilet use and handwashing with soap, as this has demonstrated to be integral to the reduction of malnutrition in poor households (Policy # 120)
- **Eradication of open defecation** in Pakistan, with the goal that all Pakistanis should have access to and use a toilet at home (Policy # 121)
- **Provision of oil cans to accompany seed packets policy** (Policy #63)
- **Kitchen Gardening initiative** to subsidize certified seed and seedlings through the entrepreneurial and CSR model, to promote fruit and vegetable intake (Policy # 62)
- **Seed distribution** through the Utility Stores Corporation (Policy # 64)
- Initiative to address spurious, and **adulterated milk** (Policy # 66)
- As part of the graduation initiative's **asset transfer programme,** transfer of desi chicken and goats to the rural poor along with veterinary cover is aimed at contributing both towards poverty alleviation as well as nutrition outcomes (Policy #60, 61)
- To support households during the economic transition a **Food Rations initiative/*langars*** will support food consumption of 1 million vulnerable households; this will also include a one-time transfer of PKR 1000 to BISP beneficiaries to offset the impact of inflation (Policy # 116).

21 Poor Sanitation is Stunting Children in Pakistan – new World Bank Report. https://www.worldbank.org/en/news/press-release/2018/11/13/poor-sanitation-is-stunting-children-in-pakistan---new-world-bank-report
22 When Water Becomes a Hazard: A Diagnostic Report on The State of Water Supply, Sanitation and Poverty in Pakistan and Its Impact on Child Stunting http://documents.worldbank.org/curated/en/649341541535842288/When-Water-Becomes-a-Hazard-A-Diagnostic-Report-on-The-State-of-Water-Supply-Sanitation-and-Poverty-in-Pakistan-and-Its-Impact-on-Child-Stunting

Living standards

In the computation of multi-dimensional poverty, inadequate living standards was found to be the second highest contributor in Pakistan's poverty.[23] At the household level, Pakistan performs relatively better than many other countries in access to electricity (93.5%), improved water sources (86%) and improved sanitation facilities (73%).[24] However, it must be noted that access to electricity does not translate into access to affordable and reliable energy. Secondly, access to improved water sources does not consider the quality of water. Poor quality of water and its scarcity are critical issues for Pakistan with 64% of its population without access to safe drinking water, and 17 million people (6% of population) accessing their drinking water from unimproved or untreated surface water sources. While access to sanitation has gradually improved, twenty-two million Pakistanis practice open defecation and an unacceptable number of children under-five die every day due to poor water and sanitation access. Poor sanitation is also a cause of stunting.

Overcrowding is one of the reasons accounting for low living standards. This is a major issue in Pakistan as more than 4 persons are often cramped in one room. Due to rising housing prices, as much as 41% of the population is affected by overcrowding. Amongst the other indicators of decent living standards, ownership of necessary assets and access to solid cooking fuels are also at a low level. An estimated 75% of the population is deprived in access to solid cooking fuels and 68% do not have two small assets (such as TV, iron, air cooler, bicycle) or one large asset (refrigerator, air conditioner, tractor, computer and motorcycle) and a car in their household.[25] Ehsaas will attempt to improve living conditions of the poorest through actions in Pillar II and IV.

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23 Living Standard indicators included: Improved walls, overcrowded household (4 or more persons per room), access to electricity, access to improved sanitation facilities, access to improved water sources, access to solid cooking fuels, ownership of assets, and land & livestock
24 Pakistan Social and Living Standard Measurement Survey 2014-15, Pakistan Bureau of Statistics
25 Uncensored headcount ratios from the report on Multidimensional Poverty in Pakistan

Pillar IV: Creating jobs and livelihood opportunities

Generating employment opportunities for young individuals and poor and marginalized communities is one of the pillars of the Ehsaas programme. This is envisaged through a three-pronged focus: The Solutions Innovation Challenge policy, the approach to graduating the poor, and through focused attention in a few quick win areas. A focus on jobs for the youth through the *Kamyab Jawan* initiative will have synergy with Ehsaas' fourth pillar.

Solutions Innovation Challenge and value chain building

The Government is determined to work with private sector partners, social enterprises, civil society and incubators to organize innovation challenges to source ideas and identify sustainable partnerships for addressing chronic development issues in a cost-efficient manner (Policy # 81).

The Solution Innovative Challenge will broadly have two categories; one with a **focus on solutions for better delivery of public services and social goods,** irrespective of region, and as a public good. This stream will catalyze and create incentives for private sector to develop products and platforms for the poor, which the market does not have the incentive to create otherwise. For example, reinventing the traditional *Thela* for enhanced income generation; micro-credit facility for daily wage earners; online platforms and digital interfaces for daily wage earners, especially women, to seek livelihood opportunities; sourcing developed online content as a public good for all; new models of innovation incubators that are less reliant on physical infrastructure; rickshaw garbage collector that can create jobs and pursue sanitation objectives in low income communities at the same time; clean cooking stoves to address indoor air pollution, etc. The Cabinet has already approved nine Solution Challenges in August, this year.

The other category involves the creation of **locally-relevant value chains in geographic clusters** (identified by their agriculture output or cultural/artisanal output) for development solutions targeted for lagging districts that suffer from high multidimensional poverty (Policy # 81-87; 104-107; and 109-111). This category will also include locally-relevant infrastructure solutions. The reference to "Union Councils for western CPEC corridor" in the Ehsaas Policy Statement is part of this approach.

Pakistan's **agriculture sector** forms the backbone of the economy. Yet, productivity indicators suggest that yields have stagnated over the past decade in most crops. With little or no incentive for agriculture growth, Pakistan is almost at half the production levels compared to neighboring countries. Middle men (Aarti) are the ultimate winners as their interest is only focused on lending and buy back while remaining outside any tax net. The key to progress is to organize subsistence level producers and connect them with processors as one continuum without involving any middle men.

In Pakistan, some ingredients for the value chain model exist but others need to be created through an enabling policy framework. For example, agriculture value chain processing units could be considered as small and medium enterprises and could potentially be given tax incentives similar to those given to Special Economic Zones. Through an appropriate policy framework, provision of working capital, debt equity and grant equity for startups, value chain building could be facilitated.

The expected outcomes of such a policy measure would lead to increased productivity, increase in the incomes of subsistence farmers in addition to job creation.

It is expected that the creation of value chains will help **farmers with fragmented and small land holdings** (Policy # 104); it can i**ncentivize local manufacturing** of farm equipment, drip irrigation materials and solar equipment (Policy # 106). It can also catalyze **development of warehouses** and mechanisms for warehouse receipt financing (Policy # 109), and can promote **effective husbandry, hay and silage making** (Policy # 107). Such an approach can also provide **market stimulus for livestock and fisheries** in arid zones (Policy # 111). The Government will assist through measures that **reduce the cost of agriculture inputs** by minimizing import duties and taxes (Policy # 110).

Overall, there is need for **crop diversification** (Policy # 105). Breaking stagnancy of five major crops is an important aspect of productivity. The other option is to substitute major crops with minor/cash crops. The productivity of land and water could be better improved by diversification, by adding/incentivizing high value crops (for example horticulture), import substitution crops (edible oils and pulses), exportable crops in the regional markets and those with best agroeconomic suitability. The stagnant major crops are spread across the agricultural landscape with or without real agro-ecological matching. Recently, the Food and Agriculture Organization and provincial governments have joined forces to redefine Agro Ecological Zones with suitability maps for a large number of crops offering a strong basis to incentivize crop diversification. This could also mean beginning of climate smart agriculture.

Crop diversification will only succeed fully when combined with value chain building efforts and linkage with market outlets where the farmer is not disadvantaged. An important feature for future growth and change would be the provision of data analytics and farm services capacity. There is a clear demarcation of public and private roles here. While the data support and analytics have to begin as a public investment, the service provider has to operate on an entrepreneurship model.

The approach to graduating the poor

The Government's poverty graduation approach combines elements of social mobilization, livelihoods development, and financial inclusion to move households out of extreme poverty and into sustainable graduation. The strategy is to start with social protection but then to move people up the ladder of prosperity, through asset transfers, training, social services and community infrastructure, interest-free loans and links to microcredit, until they are out of poverty.

Those in destitution currently fall between 0-18 on the poverty score card (PSC) and many of them are also beneficiaries of the Benazir Income Support programme, with the PSC of 0-16.17. These households will be provided with assets and interest-free loans that can be used to generate incomes. For those who are on the higher end of the 0-18 bracket and are willing to learn a skill, will be offered the opportunity to receive vocational training.

Researches have shown that it takes approximately 2 years for a household that has been provided with an asset, interest-free loan or a skill to move up the poverty ladder. During this time mentoring and support is very important. It has also been seen that not all households— even once provided assets or skills—can move out of poverty. Therefore, 20-25% of households will always require some form of social protection and hence the relevance of stipends.

The next category of people falls in the 18 to 40 poverty band. They are slightly better off than the poorest and may require financial support to begin their own work. A small capital injection or loan is enough to help them become economically active. They are offered interest free loans

and eligible individuals can take up to three consecutive loans until they graduate beyond the 40 score. Once people graduate beyond the 40 score, they can potentially access and benefit from the conventional microfinance available across the country.

Based on this approach, the Ehsaas National Poverty Graduation Initiative (NPGI) has been launched this year in July. The initiative aims to graduate the poorest households out of poverty and set them on a course of economic and social prosperity. Its components include i) asset transfers; ii) interest free loans, and; iii) vocational and skills training to make assets productive. The graduation initiative aims to reduce dependence of the population at the bottom of the pyramid on government-led social safety nets (BISP, Zakat and Baitul Mal programs) and helps to bring this population into the mainstream of economic development and financial inclusion. The government, in addition to its own funding, is partnering with the International Fund for Agriculture Development (IFAD) and the Asian Development Bank (ADB) in this initiative. NPGI is being rolled out in over 100 districts and will impact 16.28 million people with 50% women, over four years. The initiative also includes youth, persons with disabilities, transgenders, minorities and marginalized communities in lagging districts. Selection of beneficiaries is based on the Poverty Score Card used by the Government.

Creating jobs in quick win areas

Pakistan currently has 67% of its population below the age of 30 years. It is projected that this trend will continue for the next three decades. To harness the potential of this "youth bulge", it is important that quality jobs and productive livelihood opportunities are created. This should be complemented with effective training programmes to equip young individuals with the skills needed for the global labour market, which is transitioning towards the 4th Industrial Revolution.[26] Three areas have been identified as potential quick wins in the Ehsaas framework, in this regard.

Information technology sector

The Information Technology sector (IT) holds huge potential to grow in Pakistan and create jobs for new entrants in the labour market. Ehsaas will seek to strengthen this sector along with developing platforms that can give young individuals the opportunities and skills needed for growth in the changing global economy. IT is a social leveler, because high capital or rent-seeking are not required to create successful businesses. IT can become the leading export sector and drive efficiencies in the economy.

Overall the government is adopting the **architecture-based approach to digitize government**, which will help drive the creation of new jobs, through innovative digital interfaces. By digitization of government systems, better mechanisms will be created enabling citizens to access public services (Policy # 88).

The IT sector has scope to create jobs, not just through the formal IT industry, but also through freelancing, which can provide income to residents of remote and marginalized areas as well, as long as Internet access is available and electronic payments are facilitated. Hence, the policy to increase access to broadband internet services and telecommunication services in unconnected and poor districts through the network of **Universal Services Fund** will help create more jobs as well as provide access to services more broadly (Policy # 91). Overall there would be an emphasis on developing required policies and mechanisms for **promoting start-ups** (Policy #

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26 Klaus Schwab. The Fourth Industrial Revolution. https://www.weforum.org/about/the-fourth-industrial-revolution-by-klaus-schwab

90), specifically, by facilitating electronic payments. **Freelancing can be promoted** to increase employment opportunities for home-based women and other vulnerable groups (Policy # 89).

In this regard and in line with a broader policy objective, there will also be a concerted effort to improve financial inclusion of the rural and unbanked population, as envisaged through '***Kifalat One Woman One Bank Account Initiative'*** (Policy # 29). The Government will also introduce a policy to improve access to handsets within this framework.

Technical and vocational education and training

Promoting technical and vocational education is an important labour market policy that can provide means of self-employment. In this regard, mandatory **skills training** will be introduced in school curricula and 2-year college programmes for provision of TVET knowledge to students (Policy # 92). Additional interventions to promote TVET as a tool for social protection include: rationalizing requirements of 8th class as a pre-condition for enrollment in **TVETA** (Policy #93); decrease in the age of enrollment in TVET institutions from 18 to 15 years in order for students to start skills training immediately after matriculation (Policy # 94); and review of **legislation related to apprenticeship** in the informal sector—a system to formalize arrangements and recognize and certify skills training received from the informal sector (Policy # 95).

The **budget of National Vocational & Technical Training Commission** (NACTTC) will also be increased (Policy # 96). The laws governing **NAVTTC** will be changed to introduce a mandate for curbing illegal Trade Testing Centers that are sending local labour to foreign countries without proper mechanisms, causing exploitation of labour and leading to deterioration in the quality/skill of labour sent abroad (Policy # 97). In addition, steps will be taken to get **international recognition of TEVT courses** offered in Pakistan (Policy # 98). Ehsaas will also seek to orient and inspire adolescent girls in schools and skills training centers towards work readiness and microenterprise development.

Employment opportunities in foreign countries

Pakistan has been exporting a large proportion of its skilled and semi-skilled labour abroad. At a macro level, they contribute to the national economy through remittances. However, at a household level, workers remittances are an important social protection mechanism that help families get out of the poverty and inequality trap. In this regard, promoting manpower export is an important feature of Ehsaas. A **consolidated labour market information system** will be developed by the Ministry of Overseas Pakistanis to transparently promote overseas employment opportunities for migrant workers. The system will provide the required information to avoid exploitation by middlemen (Policy # 99). To make inflow of **remittance easier and cost effective** and for them to contribute to social causes, financial products will be launched (Policy # 101 and 102).

In addition, an accelerated foreign policy drive will be put in place to review **opportunities in neighboring countries**, and other economies, particularly those that need human resource due to an aging population structure, for instance in Japan and Canada (Policy # 100). Investing in nurses is an example of a strategic approach in this regard. Globally, it is estimated that nine million more nurses and midwives are needed by 2030. Beyond overseas needs, a strategic approach to nursing can also impact a triple bottom line in the country. Currently, the doctor-nurse ratio in Pakistan has been 2.5:1 for some time as opposed to the recommended 1:4. A strategic approach to nursing can deliver a triple impact of improving health, empowering women and strengthening local economies.

Employment opportunities through action on climate change

Under the **Ten Billion Tree Tsunami Programme** around 3.29 billion indigenous plants will be added on about one million hectares over the next four years; this coupled with improvements of national parks and effective implementation of wildlife legislations and institutional strengthening is anticipated to provide approximately 1.5 million jobs (policy # 128).

The **Eco System Restoration Initiative,** as a nature-based solution for addressing climate change, will create livelihood opportunities in the environment sector which includes forestry, marine and aquatic resources, fisheries, biodiversity, wildlife etc (Policy # 129).

Legislation to address the menace of polythene bags and their phasing out, is an integral part of the Prime Minister's Clean Green Pakistan Movement; that by itself will create employment opportunities, specifically for rural women in the cottage industry for manufacturing, production and sale of alternate bags (Policy # 130).

The **Electric Vehicle Policy** to ensure introduction and promotion of electric vehicles in the country in a quest to reduce the carbon footprint of ever-increasing traffic. This will be linked with the *"Insaf Rozagar Scheme",* which will also provide subsidies for electric Rickshaws for low income communities (Policy # 131).

The **City/Tehsil level Clean and Green Cities Index** aims to rank cities/tehsils according to the indicators on cleanliness and greenery. CGPI is a composite index of seven pillars: water, sanitation, hygiene, solid water, cleanliness of streets, usability of parks and number of trees. The initiative empowers local councils to monitor and review their cities on set performance indicators and create a healthy competitive environment. The Cities competition is planned to create job opportunities at the local level in environment-specific fields like waste recycling and management, horticultural and nurseries development for plant saplings etc. (Policy # 132).

Transforming the Indus Basin with Climate Resilient Agriculture and Climate-Smart Water Management initiative will increase resilience to climate change among the most vulnerable farmers in the Indus basin and will strengthen the Government's capacity to support communities in adapting to climate change. The project will result in strengthened regulatory systems, adaptive capacity, and will create greater awareness of climate change threats and risk reduction processes, which matter most for poor communities (Policy #133).

Ehsaas: a focus on women and girls

A key focus of Ehsaas is on women and girls and closing the gender gap. The Constitution of Pakistan guarantees equal treatment for citizens irrespective of gender, but this has not yet fully translated into equality of status or opportunities, or access to resources, especially for poor women, whose mobility, choice and visibility is severely constrained. Over 70% of women are not allowed to leave the home to visit a bank, attend an NGO meeting, go to a job, or pursue education without permission,[27] and almost 59% of women in the poorest wealth quintile in Pakistan do not have a say in their healthcare, for example.[28] Only about one third of rural women (35%) are literate and fewer than one in ten BISP beneficiaries are literate. Women's labour force participation is about 26% compared to 86% for men. For most rural women, their place of work are farms, or their own residence and farm work is seen as an extension of their domestic responsibilities. Only 6% rural women work outside the home in a shop, business, office or industry setting.[29] The vast majority of women are financially excluded and there is a major gender gap in access to financial services. Only 7% of women (versus 20% of men) are financially included, and even fewer poor women. One of the direct consequences of this gap is an overburden of malnutrition amongst women and girls compared to men and boys. Addressing this effectively will have a significant impact on breaking the intergenerational spiral of poverty and malnutrition.

Ehsaas will seek to link to existing and emerging livelihoods and community level programmes in ways that promote diverse income opportunities and enhance women's control of resources in the household. The entire Ehsaas agenda is therefore, heavily skewed towards the uplift of poor women, from 6 million women who will benefit from *Kifalat* to preferential support for women through Tahafuz. More than 50% of the education vouchers and scholarships will be for women. A second chance program will be introduced for girls. Insaf Card covers health conditions for women, preferentially.

Not just health and education, but jobs and economic empowerment are crucial for poor women. In this regard, the graduation initiative preferentially serves women. Through the labour study group the government will explore ways to recognize the work of rural women, pave the way for equal wage and cover domestic work under legislation. In addition, a policy is being developed to ensure that women have joint ownership of houses in each of the new housing schemes the government is supporting (Policy # 112). Regular monitoring and evaluation of results across the Ehsaas framework will be gender-disaggregated and will seek to capture the impact on women's empowerment. These data will be used to inform any needed reforms in the future. Programme criteria and design will be reviewed on a regular basis, and the results will be used to identify potentially adverse effects and unintended negative consequences for women and girls.

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27 Pakistan: Country Gender Assessment - Overall Gender Analysis.
https://www.adb.org/documents/pakistan-country-gender-assessment-overall-gender-analysis
28 UN Women. Gender equality in the 2030 Agenda for Sustainable Development.
http://www.unwomen.org/en/digital-library/publications/2018/2/gender-equality-in-the-2030-agenda-for-sustainable-development-2018.
29 https://karandaaz.com.pk/

Cross cutting factors

As acknowledged in the initial Ehsaas Policy Statement,[30] the success of this wide-ranging plan with transformational potential will hinge on two factors; the **effectiveness of population control measures**, and the **quality, integrity and speed of implementation**. The latter is deeply interlinked with governance effectiveness. Therefore, even before the launch of this strategy, the Ehsaas Governance and Integrity Policy was released.[31] Efforts are currently ongoing aimed at institutionalizing measures to strengthen governance and systems of organizations that are involved in implementing Ehsaas under the newly established Division of Poverty Alleviation and Social Protection. The policy will be refined over time and its remit will also be extended to other ministries, divisions and organizations implementing Ehsaas (Policy # 115).

The other major underlying cross-cutting factor on which the success of this plan hinges is **population**. By 2050, the country's population is expected to surpass 350 million people. This level of population growth is simply not sustainable. Pakistan's high population growth rate is one of the persistent development challenges for Pakistan. It has already eaten into the modest socio-economic development gains made over the last few decades. This needs to be urgently addressed. However, there is no single factor or breakthrough that is likely to catalyze the needed change. This has to be a multi-sectoral response. Science and evidence-gathering are keys to change. A full range of policy levers, from soft to hard, are needed. To drive this change, the Government has established a Population Task Force under the direct supervision of the Prime Minister's Office, predicated on the understanding that population is the denominator of poverty alleviation (Policy # 113).

Pakistan has been prophesized as one of the top 10 global warming hotspots.[32] The impacts of climate change are becoming painfully palpable in the form of rainfall anomalies, unprecedented flash floods, and severe drought.[33, 34.35,36] As an agrarian society, Pakistan is sensitive to climate change and its impact is disproportionality borne by the poor. They are more vulnerable because of their high dependence on natural resources, and their limited capacity to cope with climate variability and extremes. Climate change thus creates a range of human security implications, especially for the poor. The Ministry of Climate Change is spearheading a range of initiatives to address this challenge. Details about these initiatives have been discussed above.

30 Prime Minister's Policy Statement on Ehsaas. http://pmo.gov.pk/documents/Ehsaas-Prime-Ministers-Policy-Statement.pdf accessed July 21, 2019
31 Ehsaas Governance and Integrity Policy. http://pmo.gov.pk/documents/Ehsaas-Governance-Policy.pdf August 3, 2019
32 United Nations. Climate Reports. https://www.un.org/en/climatechange/reports.shtml
33 Zahid M, Rasul G. Changing trends of thermal extremes in Pakistan. Climate Change 2012. http://www.researchgate.net/publication/254451065_Changing_trends_of_thermal_extremes_in_Pakistan
34 Omar Shabir. A summary case report on the health impacts and response to the Pakistan floods of 2010. Plos April 2013
35 Kirsch TD, Wadhwani T, Sauer L, Doosey S, Catlett C. Impact of the 2010 Pakistan Floods on Rural and Urban Populations at Six Months. PLoS Curr 2012 22; 4: e4fdfb212d2432.
36 Marshall, M. Frozen jet streams links Pakistan floods, Russian fires. New scientist 2010.

Partnerships

Pakistan's devolved governance structures require an integrated approach that draws on all tiers of government to effectively implement Ehsaas. Therefore **across-the-government-tiers partnership is necessary for the implementation of Ehsaas.**

Within-government multi-sectoral collaboration is critical for the success of Ehsaas. A popular misconception is that the Government is one entity, which is not the case. As an archipelago of many ministries, agencies and departments (which often have overlapping jurisdictions and/or competing interests) a government is challenged even if formed by one political entity. The irony is that the solution to most problems faced by governments today lie in inter-sectorial action.[37] Since Ehsaas is by design, a multisectoral programme an elaborate mechanism has been drawn up to coordinate and use "coordination" as a mechanism to pursue implementation across many sectors, which drive towards common objectives.

Partnership also has another dimension, an inter-sectoral dimension outside government, or the multi-stakeholder dimension. With scarce resources at hand, Government on its own cannot implement a Programme on such a large scale. Strategies to implement Ehsaas must be implemented in partnership with the **private sector, civil society, the United Nations Pakistan team in Pakistan, Multilateral Financial Institutions, and national and international development partners**. These institutions need to continue complementing the efforts of the Government. The available resources they have, combined with expertise on logistics, data and coverage, can provide an added benefit for out-reach and advocacy to reduce poverty, especially in the districts that are lagging in human and economic development. A new policy and "framework of commitments" will allow partners to make commitments linked to the pillars and targets of Ehsaas (already referred to as Policy #117).

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37 Sania Nishtar. Reflections from my tenure as Minister. The Lancet 2014
https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(14)61284-8/fulltext?code=lancet-site

Financing strategy

An integrated strategy is envisaged for financing Ehsaas. It is important to coordinate diverse funding sources and development efforts of multiple stakeholders. The four main sources of finance that will be leveraged for Ehsaas include the following:

Public financial resources

The Government has allocated significant funding for the Safety Nets (Pillar II) of Ehsaas despite a financially austere environment in its Budget 2019/20. The Government will not only allocate additional amounts of resources, but it will also ensure effective use of current allocations so that the impact of public expenditure can be increased. This will be achieved by establishing concrete short- and medium-term targets, prioritizing areas and sectors for development, coordinating resource flow through the newly formed PASSD, and largely by ensuring the implementation of the **Governance and Integrity Policy** in earnest (Policy # 115).

One of the tools to ensure and support this effort is the use of 'expenditure tracking' that is, to confirm that resources are flowing into priority areas for development and yielding maximum returns. The Government of Pakistan is currently tracking public expenditure on climate change using the online system of the Controller General of Accounts (CGA). The same CGA systems and records will also be used to track public expenditure by the new Division.

Public expenditures are also proposed to be tracked at the provincial level to ensure that the most deprived and lagging districts of Pakistan are receiving the highest share of resources. A comprehensive and well-designed formula of National and Provincial Financial Commission Award, once developed, is envisaged to align resource allocation to multidimensional poverty at provincial and district level.

Financing for development through private sector

The private sector has an important role to play in social development as it holds both financial and technical resources that can be leveraged for development. The Solutions Challenge policy will be deployed to tap into private capital for social development. Through their capacity to innovate and build value chains, the private sector can support the government by achieving social and economic development goals.

Ehsaas will explore a number of innovations to tap private resources: for example, the blended financing model of engagement, through which governments invest public resources for incentivizing private sector to engage either as an "impact investor" in social development projects or as a true partner as envisaged in the Solutions Challenge Policy. It will be explored if public resources can be used either for equity investment in social enterprises, or to serve as a guarantee against some minimum returns on private investment. Around the world, these models have been successful in setting up social enterprises, which bring both social and economic returns. Pooling public-private resources to achieve social and economic returns is another model that could potentially be tapped by Ehsaas in an evidence- and rule-based manner. Appropriate capacity, transparency and safeguards against conflict of interest would be critical in this regard.

Impact bonds are also a way to attract investors that are interested in achieving both social and financial returns. The Government may also issue social impact bonds on which, returns can be linked to the achievement of certain social outcomes. The public-private partnership authorities

will facilitate this process by connecting public institutions to private investors and corporations and facilitating dialogue for development of feasible and attractive investment tools such as social impact bonds.

To develop a strategy on innovative financing tools, the Government is establishing a working group that will bring together relevant ministries, public institutions, civil society organizations, development partners, and private organizations and investors to develop new models of innovative financing to mobilize additional resources and create **fiscal space for pro-poor investments** (Policy # 10).

In addition to these innovative models, the Government will work with private sector partners to use funds allocated for corporate social responsibility and philanthropy in a meaningful and rule-based manner. Currently, **Corporate Social Responsibility** forms only a small pool of resource that cannot yield results at scale. The government will facilitate in coordinating allocation of CSR to achieve priority targets of Ehsaas. A new policy and "framework of commitments" will allow partners to make commitments linked to the pillars and targets of Ehsaas. Guidelines on CSR will be developed to promote voluntary expenditures and its alignment to priority sectors (Policy # 11). Private sector will be a key partner of the Government in design and implementation of the financing strategy for the Ehsaas programme. The voluntary guidelines on reporting of CSR initiatives will be updated along with the Securities and Exchange Commission of Pakistan. The objective will be to design guidelines that can help private companies align their voluntary CSR expenditure to priority Ehsaas goals.

Diaspora funding

Pakistani emigrants make up the world's 7th largest diaspora, according to the World Bank, with almost 7.6 million Pakistanis having immigrated for employment. The remittances sent each year by the diaspora has contributed significantly to Pakistan's economic development. The Pakistani diaspora also frequently engages in initiatives that support national causes through philanthropic giving. Their contributions make a sizeable contribution towards social well-being. The Government of Pakistan will engage with millions of Pakistanis living abroad through a diaspora funding mechanism and "framework of commitments" initiative linked to the objectives of Ehsaas so that Pakistani diaspora can transfer philanthropic contributions and support Pakistan's effort to provide social protection to the poor and address multidimensional poverty.

Official Development Assistance

The net official development assistance (ODA) received by Pakistan in 2017 was only 0.17% of the Gross National Income (GNI). The amount of ODA received by Pakistan has declined from 10.4% of GNI in 1963 to a meagre 0.17%. The decrease in aid coupled with extremely high rise in population means that aid is very thinly distributed across the population.

To generate high returns from ODA investment, the Ehsaas Strategy aims to align and coordinate resources under ODA to priority areas that can generate high returns; knowledge partnerships will be the priority under Ehsaas. The international development partners have the technical capacity and the network to connect the Government of Pakistan with internationally available technical expertise across different sectors. Leveraging on their experiences across different countries and alliances with various organizations, the Government aims to work more closely with international development partners for strengthening the design of policies and solutions. Market driven sustainable solutions will be developed to maximize returns on investment in social safety net programmes through the support of donors and development organizations working in Pakistan.

Appendices

Appendix A: Ehsaas Governance and Integrity Policy

Ehsaas Governance and Integrity Policy for ancillary organizations of the Poverty Alleviation and Social Safety Division

All ancillary organizations of the Poverty Alleviation and Social Safety Division (PASSD) are directed to comply with the following governance parameters. The purpose is to build systems that limit opportunities for corruption, and to promote efficiency, transparency and accountability for results and compliance with rules. These measures are meant to make organizations involved in delivery of welfare, effective and responsive to the needs of those who they are meant to serve, and to ensure rule-based control on the use of public resources.

1. All organizations must comply with the stipulations of their respective legal instruments/governing law. Public sector companies need to comply with Public Sector Companies Corporate Governance Rules 2013 (amended in 2017). A **governance roster** should be developed to ensure that the Board is convening, at a minimum, as required by law.

2. **Board sub-committees** on Finance, Human Resource and Audit must be constituted and should be enabled to meet regularly to thoroughly debate agendas before they are brought to the Board. Organizations having a budget of one billion rupees or more should also establish the Board Risk Assurance sub-committee.

3. The organization must have a board-approved **conflict of interest policy** applicable to members of the Board, management, employees, consultants and anyone acting on behalf of the organization. Such a policy should clearly lay down circumstances where a person may be deemed to have actual or potential conflict of interest, and the procedure for disclosing such interest. All board members must be required to sign conflict-of-interest declarations every year. At every board meeting, it should be affirmed by board members that there has been no change in their status. The Conflict of interest policy should be duly enforced. When a person has a Conflict of Interest related to an agenda item to be discussed, that person must remove him/herself from any discussion, decision or action related to that agenda item. A "register of interests" should be maintained.

4. **Certifications** should be offered to board members under an appropriate program, e.g., through the Pakistan Institute of Corporate Governance to ensure that board members are well conversant with their role.

5. Each organization should develop **clearly laid out policies** for each functional area with regard to project operations, administration, financial management, risk management, human resource management, procurement management, monitoring and evaluation and internal audit and others that may be relevant (e.g. with regard to the organization's oversight, and normative roles). Each policy should be approved by the Board and should be clearly posted on the organization's website. The covering page of each policy should have a document control list. An organization-wide timetable of policies should denote date of approval, version, the term for which policies are effective, and timeline to commence process for renewal.

6. The Board should establish appropriate arrangements to ensure it has **access to all relevant information** (audit reports, third party assessments of any kind), advice and

resources necessary to enable it to carry out its role effectively. Significant issues should be placed before the Board for its information and consideration, in order to formalize and strengthen the decision-making process.

7. Each organization must have a board-approved **Whistle Blowing Policy** and develop a plan to communicate it to staff, effectively. The policy should be clearly accessible through the website and social media channels.

8. Each organization should develop a **Gender Policy** and integrate the gender perspective in every aspect of governance, the process of policy formulation, operational functioning and in data capturing.

9. In line with the provision of "The Protection against **Harassment of Women** at the Workplace Act 2010" all the organizations are required to adopt an Internal code of conduct and a complaint/ appeal mechanism aimed at establishing environment free of intimidation and abuse. In pursuance of subsection (1) of Section (3) of the Act, the competent authorities must constitute an inquiry committee to address all such harassment related complaints.

10. A comprehensive **Risk Register and risk assurance and management objectives** should be developed for each organization, which define risks; their category (operational, financial, reputational, legal etc.) and the means of risk mitigation. Organizations should be able to identify and respond to changing and emerging risks. Risks should be categorized as high, medium and low so that tracking of high risks can be done on a priority basis. Assurance arrangements including but not limited to internal audit, external audit, IT audit, review of policies, impact assessments, spot checks, cash-flow tracking exercises, procurement reviews, beneficiary feedback etc. should be applied depending on the nature of risks. Necessary risk mitigating actions should be mapped on a detailed workplan with specific timelines and accountabilities with regard to implementation. This should include error fraud and corruption-related risks, and encompass prevention, detection, deterrence and monitoring-related risks.

11. Every organization must have an adequately-staffed and qualified **Internal Audit** department/team that should be given sufficient financial resources and unlimited access to information and records. Internal audit should develop a risk-based audit plan. The head of the internal audit department should report to the Board Audit Committee chair, and not to the management and his/her Annual Confidential Report should be written by the chair of the Audit Committee.

12. **IT security department** must be developed in organizations involved in digital transfer of benefits to beneficiaries, to ensure data integrity and to hedge against abuse and hacking. Holistic security controls must be developed as per international security standards with regard to IT infrastructure, IT application, databases, and cyber security vigilance.

13. An **Accountability and Integrity Officer** must be appointed in every organization and should be given the mandate to monitor the Risk Register, maintain the conflict of interest log, follow-up progress made against recommendations of internal and external auditors and third-party monitoring agents. That person should report to Audit Sub-Committee of the Board on quarterly basis.

14. Every organization should have a mandatory **external audit** of financial statements by an external audit firm in addition to the audit conducted by the Auditor General of Pakistan on an annual basis.

15. To strengthen **fiduciary systems and financial management** and to institutionalize risk management and assurance, appropriate accounting systems must be put in place. Financial management policies should provide process-level guidance. Segregation of duties among ordering, receiving, recording/payment processing and bank reconciliation processes should be ensured. Delegation of Powers should be defined for different operational activities. Payments should be processed after checking evidence of approval of activity from competent authority as per delegation of power, availability of budget, three-way match of (i) Purchase Order/Contract, (ii) Goods Receipt Note/Service Completion Certificate and (iii) Invoice.

16. To **strengthen procurement systems**, a comprehensive procurement manual providing procedural level guidance should be developed in line with Public Procurement Regulatory Authority Rules. Annual procurement plan should be approved by principal accounting officer. A Procurement committee should ensure transparency in procurement transactions and in dealing with the suppliers.

17. To **promote transparency**, each organization must publish its audited entity/project financial statements, annual progress reports, applicable policies and procedures on their websites. Letters to the Board and letter to the management by the Auditor should also be made accessible. Competition should be encouraged in procurement/recruitment processes. Recruitments/procurements must be carried out on the basis of clear and appropriate rules and procedures that are applied consistently to all potential candidates/bidders.

18. In order to promote a **culture of evidence-based decision-making**, appropriate information systems should be deployed (Management Information Systems) and relevant, reliable, accurate and up to date information should be presented to Senior Management/Board/Sub-committees of Board for decision making. Monthly financial and progress reports should be presented to senior management and quarterly financial and progress reports should be presented to Finance and Programme Sub-committees of the Board respectively.

19. Efficient and effective rule-based control on government functioning is necessary in an environment where predatory behaviours loom large. Bureaucrats and staff should be encouraged to conform conduct and decision-making to stated norms in order to avoid arbitrariness. **Integrity and rule-based functioning** should be honoured and rewarded by the Board.

20. Each organization must have legally enforceable **conduct rules,** also comprising principles of behaviour for staff. Their legal obligations should be binding and clear and these should be duly communicated to the staff. The rules should be placed on the website.

21. **Training** must be introduced for staff in the area of prevention, detection, deterrence and monitoring of error, fraud and corruption.

22. **Human resource hiring, and deputations** should be pursued through an open competitive basis without exceptions and should be rule based. The HR Committee of the Board should oversee resource hiring.

23. A formal **handover process** should be developed for outgoing Board, and senior management to enable smooth transition of responsibilities so that strategic policy and tactical positions are communicated to the successor Board/staff.

24. Every organization should have a **detailed itemized, department-wise weekly work plan** with responsibilities and accountabilities clearly defined for delivery and KPIs linked to delivery on workplans.

25. Each organization should fully convert **to e-office and maintain and electronic trail of communication** by the end of September and, amongst other things also draw on this tool for reporting on HR performance.

26. Engagement with the private sector and donation acceptance should be in compliance with **PASSD's private sector engagement and donation acceptance policy.[38]**

27. **Service level agreements** are mandatory in contracts with organizations that are involved in servicing the poor. Special attention must be given to other instruments for quality control.

28. Organization's involved in providing assistance to beneficiaries must develop **effective complaints management and grievance redressal** systems. This should also encompass complaints of embezzlement and fraud.

29. All civil society entities partnering with PASSD and its ancillary organizations need to be certified by **Pakistan Centre for Philanthropy** (PCP). PCP conducts performance evaluation of Non-Profit Organizations on behalf of Federal Board of Revenue (FBR) and certifies that non-profit organizations meet with the desired requirements of certification standards (notified by FBR) in the areas of internal governance, financial management and programme delivery.

30. Selection of beneficiaries must be strictly **rule based.**

31. Every organization must develop a **monitoring and evaluation** mechanism, with related metrics and the independent means of their verification. Implementation research and process learnings for policy must be institutionalized, whereas third party impact evaluations must be planned in an experimental/quasi experimental design to gauge the impact of the organizations and their projects on hard social outcomes.

This governance note constitutes initial guidance from PASSD to its ancillary organizations. PASSD will continue to refine this policy note based on lessons leant to make it more robust. To support the implementation of this policy, PASSD has appointed a governance focal person who will facilitate implementation of this Policy[39.] PASSD will also strive to aim for economies of scale, through centralization of certain specialty functions; in addition to efficiency and cost saving, this will enable development of centers of excellence within organizations of the Division, e.g. for procurement, IT platforms, complaints management, strategic communications etc.

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38 Will be released shortly
39 Notification number F.4(2)/2019-(A-IV)-471, dated June 2

Appendix B: Immediate actions, Safety Net pillar

The following measures are underway and will be completed in 2019:

1. Develop the Ehsaas strategy—the first coordinated whole-of-government approach to addressing poverty and inequality
2. Develop the Ehsaas Governance and Integrity Policy and develop a mechanism to ensure compliance
3. Establish the Ehsaas Implementation Committee and institutionalize weekly meetings of the committee to ensure effective implementation
4. Develop other institutional arrangements relevant for implementing Ehsaas— Steering Committee, needed expert groups; and monitoring and coordinating mechanisms
5. Establish a Communication Strategy for Ehsaas
6. Constitute the Ehsaas Communication Committee to enable "public benefit" communication, and institutionalize regular meetings
7. Develop the Ehsaas Gender Policy to support the economic empowerment of women
8. Develop the Ehsaas One-Window Social protection policy and commence selected operations
9. Accelerate reform measures within organizations implementing Pillar II to ensure better targeting, increased budgetary allocation, enhanced coverage, reduced fragmentation and improved governance of social safety nets
10. Establish a framework of "pledges and commitments" to enable private sector, civil society, development partners and individuals to contribute to Ehsaas' priority targets
11. Launch and commence implementation of federally-led interventions by the Division of Poverty Alleviation and Social Safety
12. Accelerate the development of the unified National Socioeconomic Survey (NSER) for better targeting
13. Commence planning for making the NSER live
14. Accelerate development of the *Kifalat* programme in BISP, inclusive of governance and integrity reforms, institutionalization of financial and digital inclusion and horizontal and vertical expansion of the cash transfers
15. Complete the procurement process involving hiring of banks to build the digital payment backbone for *Kifalat* One-Woman One Account Initiative
16. Plan and launch the programme to enable access to specialized nutrition food for mothers and children up to 2 years
17. Plan and launch a Food ration/langar scheme as a response to the post-budgetary economic hardship
18. Complete design to integrate services of all field operations of PASSD ancillary organization (BISP and PBM) including ways to transform these into 'IT hubs'
19. Upscale Education Conditional Cash Transfers in lagging districts

20. <u>Develop policy to coordinate, regulate philanthropic support by civil society</u> and private sector including for orphanages.
21. <u>Develop policy for the differently-abled</u>, develop <u>oversight committee</u> and commence coordination and monitoring of policy
22. Initiate reform process of Pakistan *Bait ul Mal's* <u>schools for marginalized children</u>
23. <u>Set up and launch the National Poverty Graduation Initiative</u> and consolidate fragmented government resource envelopes into a single consolidated programme
24. <u>Launch Solutions Innovation Challenges</u> to develop solutions for poverty at scale by identifying private sector partners through a competitive process
25. <u>Establish the board of the Trust for Voluntary Organizations</u>, to establish a new institutional window of support for the most marginalized
26. <u>Develop and launch the District Development Portal</u> and disseminate data widely to influence decision making
27. <u>Commence planning to launch Ehsaas TV</u> to promote poverty-alleviating online resources and to create awareness about new initiatives, details and ways of accessing them
28. <u>Establish the precision safety net, "Tahafuz"</u> to protect individuals from catastrophic risks and open the Tahafuz window for health assistance for those that do not have Insaf Card
29. Develop a merit and needs based <u>undergraduate scholarship</u> programme
30. Expand the health insurance scheme (<u>Insaf card</u>)
31. Establish the <u>Labour Expert Group</u>, publish report and develop a new policy to document the informal sector and plan to incrementally bring them into the social security net
32. Develop a <u>Framework of Agreement Between Federal Agencies</u> responsible for implementing Pillars I, II and IV of Ehsaas (except the National Poverty Graduation Initiative, which is a mandate of PASSD)
33. <u>Engage provincial cabinets</u> and catalyse the creation of <u>provincial Ehsaas frameworks</u>

Appendix C: Ehsaas M&E framework to track implementation

EHSAS Monitoring, Evaluation and Research Framework

Goal/Statement		Logical Matrix										Monitoring Matrix								Evaluation and Research Matrix				
		Definition (how is it calculated)	Unit and Range	Data Source (how will it be measured/collected)	Frequency (how often it will be measured/collected)	Responsible (who will measure it)	Reporting (when and where it will be reported)	Risks and Assumptions	Lead Ministry/Department	Implementation Modalities		Baseline (2018)	Milestone 1 (Dec 2019)	Milestone 2 (Dec 2020)	Milestone 3 (Dec 2021)	Milestone 4 (Dec 2022)	Target (Dec 2023)	Proposed Evaluation OR Research Topic/Question	Possible indicators	Type of Evaluation OR Research	Likely source of data	Methods and techniques for evaluation (optional)
Outcome	Outcome Indicator - What changes are anticipated as a result of the program activities										Planned											
											Achieved											
											Source											
Output	Output Indicator (what will the program do and who is the target group)											Proposed Evaluation and Research Questions						Proposed Evaluation and Research Questions	Possible indicators	Type of Evidence	Likely source of data	Methods and techniques for evaluation
											Planned											
											Achieved											
											Source											
Activities	Activities Indicator (what inputs are required to achieve the outputs)											Proposed Evaluation and Research Questions						Proposed Evaluation and Research Questions	Possible indicators	Type of Evidence	Likely source of data	Methods and techniques for evaluation
											Planned											
											Achieved											
											Source											

Appendix D: Acronyms

AT	Assistive Technology
ADB	Asian Development Bank
BISP	Benazir Income Support Programme
CPEC	China Pakistan Economic Corridor
CSR	Corporate Social Responsibility
EOBI	Employees Old Age Benefit Institute
GB	Gilgit Baltistan
GER	Gross Enrollment Ratio
HDI	Human Development Index
ICT	Islamabad Capital Territory
IFAD	International Fund for Agriculture Development
IT	Information Technology
KP	(Province of) Khyber Pakhtunkhwa
KP-NMD	(Province of) Khyber Pakhtunkhwa and newly emerged districts
MPI	Multidimensional Poverty Index
NADRA	National Database Registration Authority
NAVTTC	National Vocational and Technical Training Commission
NNS	National Nutrition Survey
NCD	Non-communicable disease
NFC	National Finance Commission
NPGI	National Poverty Graduation Initiative
ODA	Official Development Assistance
OPHRD	(Ministry of) Overseas Pakistanis and Human Resource Development
PASSD	Poverty Alleviation and Social Safety Division
PBM	Pakistan Bait ul Mal
PKR	Pakistan Rupee
PFC	Provincial Finance Commission
PPAF	Pakistan Poverty Alleviation Fund
PSDP	Public Sector Development Programme
SDG	Sustainable Development Goals
SNF	Specialized Nutrition Food
TVO	Trust for Voluntary Organizations
TVET	Technical and Vocational Training
UNCRPD	UN Convention for the Rights of Persons with Disabilities

Acknowledgements

Section will be completed after the on-line consultation