

Chapter 15 | **BALANCE DEVELOPMENT – FOCUS ON LESS DEVELOPED REGIONS**

Balanced regional development is a key to harmonious and sustainable development of Pakistan. The concept involves maximum utilization of development potentials of all areas including less developed Special Areas (i.e. Azad Jammu & Kashmir, Gilgit-Baltistan and Federally Administered Tribal Areas). These areas are blessed with natural resources which provide a solid base to prosper and progress. To attain the objective of sustainable growth, present government is making all efforts to fully utilize potentials of these areas and to bring these areas at par with other parts of the country.

Development budget for Special Areas is provided as Block Allocation by the federal government, sector-wise allocations are made as per needs and priorities of local administration. These funds are utilized to provide facilities in various sectors i.e. education, health, drinking water supply, agriculture, energy, irrigation, social welfare and for development of infrastructure in these areas. During previous year, various efforts have been made by present government for the development of these areas. Rehabilitation of Temporarily Displaced Persons (TDPs.) remained a major issue. A special package is being implemented in FATA to provide relief and rehabilitate TDPs in their native areas. A major initiative to accelerate developmental activities in Special Areas is introduction of Special Prime Minister's Package for these areas. FATA reforms are a step to address the issue of deprivation and mainstreaming of people of FATA.

Performance review 2016-17

During the period under review 2016-17, efforts have been made by the federal government in collaboration with provincial and local administration to achieve desired developmental targets in Special areas.

During 2016-17, an amount of Rs42.36 billion was allocated for less developed Special Areas. Out of total allocation, an amount of Rs0.36 billion was set aside for projects reflected under Ministry of Interior & Narcotics Control, whereas an amount of Rs42 billion was earmarked as block allocation for development activities in three Special Areas. Out of total allocation Rs42.43 billion were utilized. Details of allocation and utilization are given below:

Agency/Division wise allocations & utilization for 2016-17

(Rs billion)

Agency/ Ministry/Division	Allocation	Utilization	Utilized (%)
Ministry/Division			
Narcotics Control Division (NCD) (Area Development Projects)	0.16	0.23*	144
Interior Division (ICT)	0.20	0.20	100
Sub Total	0.36	0.43	120
Special Areas			
Azad Jammu & Kashmir (Block Allocation)	12	12	100
Gilgit Baltistan (Block Allocation)	9	9	100
Federally Administrated Tribal Area (Block Allocation)	21	21	100
Sub Total Block Allocation	42	42	100
Grand Total	42.36	42.43	100

*Rs. 70 million were taken as Technical Supplementary Grant (TSG) for area development projects under NCD

Funds provided in the form of Block Allocation by federal government were utilized in multiple sectors as per needs of local administrations. During 2016-17, in Azad Jammu and Kashmir, 125 development projects were completed. Through these development activities 200 km of rural, 250 km double lane and 250 km link roads were constructed. 8 tourist resorts, 3 sports stadiums, 2 polytechnic institutes have been established. Electricity connections were provided to 25,000 consumers. Skills trainings were imparted to 600 individuals including 300 women. A total of 70 educational buildings were constructed/upgraded and IT labs were established in 200 middle and high/higher secondary schools.

In Gilgit Baltistan, 403 development projects in various sectors were completed, which include construction of 150 km of shingle, 98 km of metalled roads, 30 bridges and 204 protective bunds, 8 water purification plants, 235 water channels, 34 water reservoirs. In education sector, 32 primary school buildings were constructed, 3 primary schools upgraded to middle level and IT equipment were provided to 9 girls schools.

In Federally Administered Tribal Areas (FATA), ADP 2016-17, the allocated amount was distributed amongst 16 different sectors spread over 7 Agencies and 6 Frontier Regions. FATA Administration has also been facing the challenge of reconstruction and rehabilitation of Temporarily Displaced Persons (TDPs), which remained priority during 2016-17. In wake of operations Zarb-e-Azab and Rah-e-Nijat in North & South Waziristan, considerable damage was done to infrastructure in both areas. An amount of Rs. 100 billion was allocated for rehabilitation of TDPs during the review period. For early delivery of benefits under vision 2025, FATA Administration has declared the 2016-17 as "Year of Completion". As such 83% funds were allocated to ongoing schemes and 524 schemes were completed during the year.

To achieve the objective of empowering the people of less developed areas, FATA reforms have been approved by the Cabinet. The reforms recommend; integration of FATA with the province of Khyber Pakhtunkhwa (KPK) and a multi-sectoral reform package including a 10 year socio-economic development plan for FATA.

In addition to Block Allocation, four Area Development projects are being implemented under Narcotics Control Division (NCD). These schemes aim to eliminate poppy cultivation and other illicit trades in remote areas, through making these areas accessible to local administration. Under these projects, 52 km rural roads, 13 irrigation schemes, 48 water supply schemes have been constructed and agricultural inputs have been distributed among the farmers.

Outlook 2017-18

A number of steps have been taken to ensure maximum decentralization of administrative & financial powers. During 2017-18, priority is accorded to those ongoing schemes/ projects which are near completion in various sectors, to ensure that the benefits of these projects should reach the people.

The plan envisages, the development of infrastructure & strengthening of local institutions to develop the capacity of local administration. Economic potential in areas of hydropower, minerals, tourism, agriculture, fisheries & forestry will be utilized to ensure sustainable development. Efforts are made to accelerate development process in Special Areas. A major initiative by the federal government is introduction of Prime Minister's Special Package for these areas. The package includes; a special allocation of Rs12.5 billion for development activities (Rs2.5 billion for FATA, Rs5 billion to AJ&K and GB each). This amount will be provided over and above the block allocations.

Programmes

The development programmes for 2017-18 proposes Rs46.08 billion for Special areas (FATA, AJ&K and GB). Out of proposed allocation, an amount of Rs45 billion has been earmarked as block allocation. Local administration is authorised to allocate funds to respective sectors according to the needs. An amount of Rs1.08 billion has been set aside for Interior & Narcotics Control Divisions. In addition, Rs90 billion have been allocated for rehabilitation of TDPs. Details of proposed allocations for various agencies are given below:

Agency-wise allocations for 2017-18

(Rs billion)	
Agency/ Ministry/Division	Allocation 2017-18
Ministry/Division	
Narcotics Control Division	0.08
Interior Division (ICT)	1
Sub Total	1.08
Special Areas	
Azad Jammu & Kashmir (Block Allocation)	13
Gilgit Baltistan (Block Allocation)	10
Federally Administrated Tribal Area (Block Allocation)	22
Total (Special Areas)	45
Grand Total	46.08

In Azad Jammu and Kashmir, 100 km of rural, 125 km double lane & 478 km of link roads will be constructed, 2100 entrepreneurs are targeted to provide credit assistance, 1 polytechnic institution, two rescue 1122 centers and 121 buildings of educational institutions will be constructed/up-graded. 200 IT labs will be established in Middle, High/Higher secondary schools and skill trainings in various disciplines will be imparted to 600 individuals including 300 women. Two sports stadiums and 10 tourist resorts are planned to be developed at potential sites. Moreover electricity connections will be provided to 6700 consumers. Agricultural inputs and micro credits facilities would be provided to farmers to increase productivity in agricultural sector.

In Gilgit Baltistan, 80 km blacktop, 100 km shingle roads and 30 bridges are to be constructed. In education sector 57 projects are targeted for completion during the year, these projects includes construction/up-gradation of schools, colleges and 6 I.T labs will be established. 25 KM irrigation channels are to be constructed and 15 KM existing channels will be improved / repaired. In energy sector 33 number of hydro power projects will be completed, and 7000 km distribution lines would be laid down. 19 projects in health sector are targeted for completion during the year.

In FATA, the funds allocated through block allocation will be distributed amongst 16 different sectors spread over 7 Agencies (Bajaur, Khyber, Kurram, Mohmand, North & South Waziristan and Orakzai) and 6 Frontier Regions (FR Bannu, D.I. Khan, Kohat, Peshawar, Tank and Lakki Marwat). Moreover, FATA administration is also dealing with reconstruction of damaged infrastructure due to the prevailing insurgency and rehabilitation challenge of Temporarily Displaced Persons (TDPs) in FATA. Mega project of Mohmand Marble City (MMC) under China Pakistan Economic Corridor (CPEC) has been initiated. In 2017-18, feasibility study of two industrial states in South Waziristan and frontier region Kohat will be completed.