

## **BUDGET SPEECH 2011-12**

**Honourable Mr. Speaker,**

I thank the Almighty Allah for granting me the opportunity to present the fourth Budget of this current democratic Government.

It is an honour for me to be presenting Sindh's fiscal Budget 2011-2012 to my distinguished colleagues in this August House. I am pleased to be presenting this budget free of any new taxes! Mr. Speaker sir, the total Budget outlay for fiscal year 2011-12 is estimated at a record Rs. 457.5 billion. The total receipts are pitched at Rs. 458.4 billion. Thus we are estimating a surplus of Rs. 882 million. The overall development portfolio is an unprecedented Rs. 161 billion.

**Mr. Speaker,**

I thank the Honourable President of Pakistan Mr. Asif Ali Zardari, for his visionary guidance and political sagacity, the Honourable Prime Minister of Pakistan Syed Yusuf Raza Gillani, the Honourable Chief Minister Sindh Syed Qaim Ali Shah, Mr. Altaf Hussain, Mr. Asfandyar Wali Khan, Pir Sahab Pagaro, and late Mr. Ghulam Mustafa Jatoi.

This Budget would not have been possible without the consistent support and invaluable contribution of all the honourable MPAs from the PPP, the MQM, the ANP and the NPP – they have my sincere gratitude. My thanks also to the opposition and to the honourable leader of the Opposition.

Mr. Speaker, Quaid-e-Azam Muhammad Ali Jinnah envisioned a stable democratic, just system for the Nation he founded, and his vision was materialized by Quaid-e-Awam Shaheed Zulfikar Ali Bhutto. Unfortunately, such a sustained system remained out of our grasp. Today, I am proud to say

Mr. Speaker, that for the first time since the tenure of Shaheed Prime Minister Zulfikar Ali Bhutto, a democratically elected government is presenting its 4<sup>th</sup> budget. Previous governments that have completed 5 years have been overshadowed by the specter of military uniforms. It is so heartening to see the spirit of political reconciliation as envisioned by Shaheed Mohtarma Benazir Bhutto and carried forward by President Asif Ali Zardari, both in Sindh and in the Centre, as all major political forces have come together in the interests of the people.

In the past Mr. Speaker, despite Sindh having abundant natural resources and being Pakistan's economic hub and port, the province remained disadvantaged. Despite generating 46% of the country's income tax and 53% of its sales tax revenues, we remained deprived. This was because of mismanagement during previous eras, when sham democracies prevailed. Major political parties were kept away from government, and there was an absolute lack of transparency. Sustainable systems were not developed and funds were not spent in sectors where they needed to be spent in light of people's mandate. Each successive government spent both time and funds trying to sabotage any work the previous had done. This one step forward and two steps back regime has cost the province more than we can ever gauge.

The Pakistan Peoples Party Mr. Speaker, does not believe in this! We believe in the Charter of Democracy signed by Shaheed Mohtarma Benazir Bhutto and a part of our Manifesto. We believe in the politics of inclusion. We believe in the politics of participation. We believe in the politics of reconciliation. With all major political parties of the province on board with us, we have ensured that every step is taken jointly and every decision is made with participation and consensus of all parties involved.

The previous eras however, have wrought damage that cannot be ignored. Added to that, are the various challenges that Sindh currently faces:

A very large proportion of the population is in the 15–40 years age bracket and requires opportunities for quality education, vocational training, recreation and economic activities. This human capital, if properly harnessed, can become the engine of growth for our economy. Otherwise, may become a threat to our security and law& order.

While sizeable natural reserves of different minerals and energy sources exist in the province, the pace of their exploitation has remained slow. Limited technical and financial capacity to undertake huge mining and energy sector projects has remained a major challenge for us.

Sindh has the highest concentration of urban population at 49% as compared to an overall country average of 32.5%, making it the most urbanized province in the country. But this urbanization has come at a rapid pace and has put considerable strain on the existing urban infrastructure.

Poor communication infrastructure is another constraint on our economic development. Last year's devastating floods have aggravated the problem further by damaging the irrigation structures, road networks, schools, health facilities, houses and crops – thus deepening the plight of already affected people.

The macroeconomic situation of the country has remained precarious in recent times; double digit inflation and rising fiscal deficit have been the key problems. In order to arrest runaway inflation, State Bank of Pakistan has been pursuing a contractionary monetary policy. This measure coupled with the increased borrowings of government to meet out its deficit budget has led to crowding out of the private sector. The private sector investments as a proportion of economy are probably at their lowest compared to anytime during last 40 years. This means that there is hardly any job creation in private sector to absorb our ever-increasing number of young population. The result

has been more pressure on the Government to provide employment to the youth, and we are fully cognizant of this responsibility. Employment is connected to survival - Which is why this democratic government is encouraging an employment friendly environment.

However, Mr. Speaker, the picture is far from bleak. And our saving grace are the resilient people of this province. The people who despite floods, hardships and innumerable trials, continue to persevere – and it is their faith and their perseverance that give us, their Government, the strength to continue working for them.

**Mr. Speaker:**

Allow me to give this August house an overview of our performance during the outgoing financial year. The very beginning of this financial year witnessed a catastrophe of such immense magnitude that we were thrown into a tailspin. The floods forced us to regroup and reassess our strategies and priorities. The Honourable Chief Minister Sindh held a meeting at the very first sign of danger, and damage control was made priority. However, this was the worst flood to hit us in recorded history and damage was inevitable.

The event forced us to realign our priorities and revisit our budgetary allocations as we had to divert huge financial resources for flood preparedness, rescue, relief and rehabilitation. Under the able leadership of the Honourable Chief Minister, we took decisions to curtail our non-development expenditure by a sizable amount and to revise our ADP to Rs. 77 billion from the original allocation of Rs. 115 billion. The Super Floods of last summer were unprecedented not only in terms of their volume and duration but also in terms of area and population affected. The short term losses have been estimated, but their long term effects will be visible on our economy and quality of life of our people during years to come. The total affected population

is around 7.5 million people and the affected crop area comes to 2.5 million acres. The economic losses have been estimated at Rs 454 Billion; Agriculture and Housing sector being major affectees with losses of Rs 136 Billion and Rs 134 Billion respectively.

Here I take the opportunity to salute the incredible endurance of the people of Sindh, the support provided by the Federal Government, the Armed forces, the public representatives, and the continuing contribution made by the civil society, which helped the Government of Sindh in orchestrating a coordinated response which ranged from warnings, evacuation, search and rescue, relief and now the early recovery phase. The sustained and selfless support of the people was invaluable in dealing with this catastrophe.

As the gap between the resources available and the losses sustained was huge, the line Departments and other agencies were advised to formulate a phased approach and to target the critical areas in the first phase. These include restoration of irrigation and road infrastructure, restoring the crop producing capability through dewatering, provision of seeds and fertilizer and cash disbursement through the Watan Card Scheme. The major flood related expenditure include Rs.4130 million for immediate rescue and relief, cash transfers of Rs. 5870 million through Watan Cards, Rs. 6500 million for rehabilitation of irrigation infrastructure (including Rs. 2500 million from the federal government), Rs. 554 million for repair of roads and Rs. 2861 million for providing seeds and fertilizer to growers in flood affected areas (including Rs. 1680 million from the federal government). In total Rs. 20 billion was spent on flood related expenses, an amount that was not budgeted. Despite this huge pressure on our fiscal resources, we expect to limit our actual current revenue expenditure at Rs. 250 billion against the Budget Estimates of Rs. 268 billion. This was done through prudential financial management and by keeping a constant vigil on wasteful expenditure on luxury items. We have, for example, procured far less number of vehicles and air conditioners than their

actual budgetary allocations.

**Mr. Speaker:**

Amidst all this attention and focus on floods, we strove not to lose sight of our priority initiatives. As I earlier mentioned major challenges to our socio economic development, let me now elucidate our strategy to meet those challenges. Following are the priority areas where we have made our major investments and where we plan to divert most of our fiscal resources during the next financial year in order to bring perceptible improvement in the quality of life of our citizens:

- Investment in education, health, women empowerment and vocational training to improve quality of our human resource and to prepare it for increasingly competitive job market
- Investment in energy sector, particularly in Thar coal resource, in order to overcome current energy crisis and to ensure sufficient supply for rapid economic growth
- Investment in Agriculture, Irrigation, Livestock, Fisheries and in improvement of rural areas and secondary cities in order to promote growth of rural economy and to reduce pressure of migration on major cities
- Investment in infrastructure and urban development to improve quality of life of our fast growing urban population

**EDUCATION SECTOR**

“Education is a matter of life and death to our Nation,” said Quaid-e-Azam Muhammad Ali Jinnah. In keeping with his vision, the present

Government understands that if there is any one sector where investments are going to yield the greatest dividends, it is education. Education is where the greatest investment needs to be made. It is where our future lies. The future of our Nation - our children. Considering this fact, we have planned to increase allocation for education sizably at the school level by introducing Minimum Funding Standard for Schools (MFSS). The districts have agreed to prepare school specific budgets following these standards for non-salary component of school budgets. Government of Sindh is supporting this initiative of districts with a tied grant of Rs. 1.79 billion. With the introduction of MFSS, non-salary budget of schools in Sindh would rise from current year's Rs. 830 million to Rs. 3,670 million during next FY; signifying a growth of 342%.

Major reforms in education sector are continuing through the World Bank and European Union assisted Sindh Education Reform Program (SERP), which focuses upon increasing school participation, reducing gender and rural-urban disparities in school participation, increasing retention especially of female students and improving the measurement of student learning. The program has two components of financing, the first component of US\$ 294 million for satisfactory achievement of disbursement linked indicators and 2<sup>nd</sup> component of US\$ 6 million for Technical Assistance. US\$ 205.54 million have been received so far. An Agreement for soft loan of additional US\$ 50 million has been signed during current financial year. Both World Bank and European Union have shown willingness to continue the SERP in the 2<sup>nd</sup> Phase for another three years. We have engaged with international institutions in order to provide quality learning for our people.

The major achievements under this program during outgoing financial are:

- Rehabilitation of 1024 schools through an expenditure of Rs. 2.408 billion.

- Merit & Need Based Recruitment of 8000 teachers
- Distribution of free Text Books amongst 4 million students
- Establishment of 300 schools in previously un-served areas through private entrepreneurship. Another 700 schools would be opened under this initiative during next academic year.
- Release of Rs. 1,078.188 million to 40,249 School Management Committees in order to promote grass root engagement in promotion of education.
- Provision of Rs. 1071.57 million to 380,000 female students at Rs.2400-3600 per annum from class VI to X in order to improve female retention in schools.
- The priority being given to Education sector can be gauged from the fact that total recurrent budget for Education including technical education has increased from Rs. 22.8 billion during outgoing year to Rs. 26.2 billion for FY 2011-12; an increase of 15%. We believe that education is the key to changing the mindsets that have hindered our development.

### **Higher Education:**

**Mr. Speaker,**

Access to education is our constitutional right, and the Government, through its persistent endeavors, has succeeded in establishing new universities at Lyari and Benazirabad. The classes at both the universities are expected to commence from September 2011.



Another major achievement is setting up of two engineering universities; one at Larkana and another at Khairpur. In addition, four Community Colleges in collaboration with IBA Sukkur are being setup at Dadu, Naushero Feroze, Jacobabad and Khairpur. Two Cadet Colleges for girls are being established at Garhi Khuda Bux and Shaheed Benazirabad on the directives of Honourable President besides two more cadet college for boys at Mithi& Kakar.

### **Benazir Bhutto Shaheed Youth Development Program:**

Youth is the voice of tomorrow so we must nurture it today. The Government is entirely cognizant of its duty to mould and prepare the youth for its future responsibilities that will lead us to prosperity. It is thus our priority to invest in our tomorrow.

The BBSYDP was launched two years ago as an initiative for human resource development. It serves the aspiration of the Government of Sindh to train and develop the unskilled, semi-skilled and semi-educated, and further develop the educated youth in employable trades & occupations, to enable them to secure gainful employment and an enhanced level of self-respect. Furthermore, a certain degree of financial security is also provided to such youth by giving reasonable stipends during training.

During the last two years, 80,000 youth have been trained in 356 trades under this program. Under a comprehensive program, 71,000 youth are being trained through various public / private sector establishments, with partial assistance from the World Bank. Valuing the achievements of these initiatives, the Japan Social Development Fund, under the umbrella of the World Bank, has agreed to grant US\$ 2.75 million to impart trainings to 5,050 youth. Moreover, the World Bank has also committed US\$15 million for training 50,000 youth over the next three years.

## **WOMEN EMPOWERMENT**

Women are the backbone of the society. They are the unsung heroes who continue to contribute as silent partners. Both religion and constitution hold women in particular regard. As rightly said, “give me strong mothers and I will give you a strong nation,” this empowerment of women has remained a priority for the Government. Under the ‘Women Economic Empowerment’ initiative, 13,000 women are being trained in stitching-tailoring at 350 village-based training centres in all the districts of Sindh. Likewise, 6,700 women are being trained as Lady Livestock Workers and women haaris have been given tracts of agricultural land. These programs are aimed towards the economic emancipation of women, whom we consider our greatest human resource and guarantors of our national strength.

### **STEVTA:**

The establishment of STEVTA is another major initiative of the present Government for revitalization of Technical Education & Vocational Training (TEVT) sector for Human Resource Development (HRD).

Since its inception, STEVTA has transformed several institutions into Centers of Excellence in partnership with renowned public and private organizations like British Petroleum, Pakistan Air Force, IBA Sukkur, Hunar Foundation, NRSP, PASDEC and SRSO under its policy of Public-Public / Public-Private Partnership.

During the current year, Shaheen Vocational Training Institute (SVTI) at Nawabshah has been established in partnership with Pakistan Air Force. This will create employment opportunities in Pakistan’s Armed Forces for the youth of Sindh.

The STEVTA's project for upgradation of 10 more institutions into State of the Art facilities shall be completed by December, 2011. These Model Institutions, located in all the 05 regions of the province shall provide quality training opportunities to the youth of Sindh in remote areas.

The World Bank is extending 03 year assistance to STEVTA through "Sindh Skill Development Project" (SSDP) for introduction of 70 demand driven programs for increasing employability of the youth. This will be a step forward towards creating a profession oriented environment.

### **HEALTH SECTOR:**

Health continues to be a central and prime priority of our Government, as we strongly believe that the welfare of the people flows from investing in the health of the people, and for coming year, the Health Development Budget has been increased substantially. This year Rs 6.3 billion were kept in the ADP for health sector, but due to floods allocation was revised at Rs. 4.095 billion. For the next year Rs. 6.9 billion have been allocated for schemes of health sector.

### **Our major initiatives in health sector are:**

On the directives of the Honourable Chief Minister, Hepatitis Prevention and Control Program was initiated in Sindh in 2008 with the allocation of Rs. 2.704 billion. Rs. 850 million were released for this program during the outgoing year through which 4000 patients of Hepatitis B, 40,000 patients of Hepatitis C, 300 patients of Hepatitis D and 1415 prisoners were treated.

Under Expanded Program of Immunization EPI more than 1.1 million children up to the age of 23 months were given vaccination.

Polio free Sindh is another target of the Government. Coverage of this program in Sindh is 95%. For achieving 100% coverage an amount of Rs. 50 million was allocated in the current year and 15 rounds were conducted.

In order to control another deadly disease of TB a program at cost of Rs. 647.00 million was initiated. This year an amount of 109.941 million was released for this program.

Other achievements in health sector are:

- Establishment of two Medical Universities; one at Larkana and other at Shaheed Benazirabad
- Establishment of Shaheed Benazir Bhutto Lyari Medical College
- Establishment of Cardiac Institute at Lyari
- Establishment of Cardiac centre at Landhi town

Development expenditure on Health Sector:

For Up gradation and improvement of the Civil Hospital Karachi, Rs.159.101 million were released this year.

For providing better health services to the people of Lyari, a scheme for “Revitalization & Revamping of Lyari General Hospital” at the cost of Rs. 253.876 million is under implementation for which Rs. 50.399 million were released this year.

For the establishment of Anti Rabies (ARV) and Anti Snake Vaccine (ASV) laboratory at Peoples Medical College Hospital District Benazirabad

at Nawabshah and Sakrand cities a scheme at a cost of Rs. 200.33 million is under implementation. For early completion of the laboratories Rs. 40 million were released this year.

Construction of a trauma centre on Indus Highway is the urgent need and for this purpose a Trauma centre is being constructed at Sehwan at a cost of Rs. 45.548 million. For early completion of this Trauma centre Rs. 40.548 million were released this year. Besides for up gradation of Casualty department at Liaquat university Hospital Rs. 48.922 was released this year.

Based on WHO Global Malaria control Action Plan 2008 for Malaria-free world which aims to prevent 4.2 million deaths from malaria by 2015 “Strengthening of Roll back Malaria Initiative” is under implementation at a cost of Rs. 441.739 million and for this program Rs. 80 million were released during this year.

Government has initiated a massive program for Up gradation of Taluka Hospitals of the new Districts of Tando Mohammad Khan Thando Allahyar, Jamshoro & Matiari to the level of District Head Quarter (DHQ) Hospitals at the cost of Rs. 1.204 billion and for this purpose Rs. 156.207 million were released this year. Similarly for “Expansion and Improvement of DHQs Hospitals at Badin, Khairpur, Shikarpur & Mithi Rs. 500 million were released this year.

### **People’s Primary Healthcare Initiative (PPHI)**

The People’s Primary Healthcare Initiative (PPHI) Sindh, which has now been expanded to nineteen districts of the province on the directives of the Chief Minister, has been a major contributor in improving the quality of health service delivery in rural areas of the province.

Under this initiative,

602 Health facilities which were either closed or not functioning or under illegal occupation have been repaired, improved and made functional

410 lady doctors along with 300 Midwives have been especially recruited to serve the female population of the rural areas to address maternal health problems. As a result, patient turn over in public health facilities in nineteen districts has increased from 5 million to about 22 million patients in four years

The future schemes of the program include:

The number of currently functional 28 round the clock maternity homes with facilities of mini labs, ultrasound, ambulances and generators will be increased to 100.

The expansion in cold chain facilities along with strengthening of routine immunization.

## **ENERGY:**

Energy needs continue to grow as its demand increases with each passing day. The Government realizes the need to fulfill this demand and our major focus in energy sector has been on Thar Coal as we believe that development of Thar coal is the most viable option for ensuring energy security for the country. Thar coal reserves of 175 billion tons are ample for provision of cost-effective energy for centuries, besides having potential for producing a range of petro-chemical products.

**Mr. Speaker and the Honorable members of this August House:**

Our government can justifiably take credit for bringing Thar coal development to life after years of dormancy. Shaheed Mohtarma Benazir Bhutto first envisioned the potential of coal and encouraged foreign investment, but the subsequent government put the project on the back burner. In 2001 the Shenhua group of China was invited, but driven away after bickering over tariff differential of a fraction of a cent with NEPRA.

In 2008 when this Government came in, we constituted the Thar Coal and Energy Board. Initially, due to prior bitter experiences, foreign investors were unwilling to look at Thar coal, despite us having the largest reserves and inviting international competitive bidding. We were thus, despite our financial constraints, forced to participate ourselves, in a joint venture partnership with Engro, as there were no other major bidders. Even the Chinese, who are currently the biggest players in coal mining and were otherwise, participating in other projects in Pakistan, refused to participate in the first international competitive bidding in 2008. However, through concerted and sincere efforts of this government, I am pleased to say that we have succeeded in regenerating foreign interest in this vital project. Recently in another international competitive bidding, two Chinese companies, an Australian company, and Pakistan's largest petroleum sector company Pakistan Petroleum Limited participated. As a result, two Chinese companies have been selected to undertake coal exploration, power generation and establishing petro chemical complex at two blocks of Thar, which were recently put for International Competitive Bidding. This development has brightened the prospect for bringing in much needed international investment for development of this resource.

Some key achievements of outgoing year with regard to Thar coal were:

The bankable feasibility study for JV project of Government of Sindh and Engro Group being executed through SPV of Sindh Engro Coal Mining Company was created to boost the potential in a record period of 8 months. The GOS/GOP has included this project in the list of projects to be taken up with the Pak-China Joint Energy Working Group (JEWG), which was formed during the last visit of Prime Minister of Peoples Republic of China to Pakistan. Leading Chinese companies have shown strong interest in executing this project. As soon as the financing is arranged under the JEWG, the project would go into execution. The mining and power generation from this project is expected in 2015-16 depending upon the financing arrangements for the project.

The test burn at Underground Coal Gasification (UCG) project in another block of Thar, being spearheaded by Dr. Samar Mubarakmand is expected during coming financial year. After successful testing, the project will be scaled up to produce 2x50MW electricity.

We have also made serious efforts to provide critical infrastructure for development of Thar coal. Scheme for bringing water to Thar from Makhi Farash has been approved by ECNEC, feasibility studies for effluent disposal and laying of broad-gauge railway line are to be completed in June, 2011. Work on improvement and widening of road for movement of heavy machinery from Karachi-Hyderabad-Mirpurkhas-Digri-Naukot-Mithi-Islamkot is expected to start in next FY. According to rough calculations, an amount of US \$ 1.20 billion is needed over a period of next five years to develop the required infrastructure for Thar.

### **Wind Energy:**

Serious efforts are also in place to exploit the Gharo-Keti Bandar wind corridor. During Chief Minister's recent visit to Korea an MOU to generate



2000 MW of wind energy was signed with Korea Southern Power Company.

### **ELECTRIC POWER:**

The issue of Electric power is of great priority for us here in Sindh – Electricity is an essential requirement and given that there is an exponential increase in demand the generation of power to meet our current and future needs, be they domestic or industrial, is the prime objective of the Sindh Government. Following the 18th amendment in light of the Government's commitment to empowering the federating units, the CCI has given principle approval to the removal of a limit on the ceiling of 50 MW which was earlier set at which provinces could construct power plants. The Sindh Government has signed a letter of intent with the Three Gorges Project Corporation, China's premier electricity producer, to help explore the hydel potential in Sindh, and in light of this understanding, a team from CWE, a subsidiary of the Three Gorges, recently visited Sukkur Barrage to gauge the potential for constructing a power plant. Other sources of power generation are also being explored to best harness Sindh's potential and capabilities.

Simultaneously, village electrification programmes were carried out under the Government's pro-people policy, as 446 villages have been provided electricity during current FY while the process for providing it to 350 more villages is underway. In total, 1551 villages have been provided electricity since the people's government came to power. It is this Government's priority to ensure that every home is a lit home. Although Mr. Speaker, it is a big challenge, given that the previous government failed to take any measures to increase generation of electric power, we feel that this issue must be dealt with on war footing.

## **OIL AND GAS:**

In light of the 18th amendment the induction of sub-article 3 to article 172 “(3) Subject to the existing commitments and obligations, mineral oil and natural gas within the Province or the territorial waters adjacent thereto shall vest jointly and equally in that Province and the Federal Government.” encouraged direct involvement of Provinces in issues pertaining to oil and gas in their respective areas. Sindh welcomed this amendment to the Constitution and has engaged in the formation of a joint mechanism with the Federal Government, to ensure implementation of the Amendment.

The Sindh Government has actively initiated the process of creating its own structure for oil and gas and this exercise is currently being carried out within the Electric Power Dept. As a federating unit, Sindh is the greatest contributor of gas, as we produce 70% of the gas that is consumed all over Pakistan. Last year, in light of this, Sindh was successful in achieving the production bonus from the Federal Government, and the practice has continued in the current year. The people of Sindh have every right to be compensated for the great contribution they make by sharing the resources available within Sindh, and their democratic government of today has at every step, ensured that the rights of Sindh are safeguarded.

## **INFRASTRUCTURE:**

**Mr. Speaker,**

It is to our credit that in addition to routine public sector development expenditure on infrastructure, the Government succeeded in leveraging private sector resources for building infrastructure through its Public Private Partnership initiatives. By promulgating the Sindh Public Private Partnership Act 2010 and PPP Policy Guidelines, a legal and institutional framework has

been created which provides basis for initiating PPP ventures through a competent legal ambiance.

Important projects under this initiative are:

### **Hyderabad Mirpurkhas Dual Carriageway**

The project reached its financial close during the outgoing financial year.

The construction is in full swing and 40% of the work has been completed.

The expected date of completion is April 2012. Tremendous social, economic and commercial benefits will accrue once the project is complete.

For instance:

- Project will connect important cities & Hyderabad, Tandojam, Tando Allahyar, Mirpurkhas (agricultural hub of province) and furthermore it will also contribute towards swift communication between financial hub & strategic corridors of the country like Karachi and Thar Coal fields;
- Project will trigger massive economic growth by complementing the Agro based economic activities of the region such as food processing, cold storage and other small and medium size enterprises;
- Drastic reduction in travel time from 84 minutes to 42 minutes;
- Per year fuel saving of Rs. 820 Million is estimated;
- Estimated job creation of 5000 direct job and 22000 indirect job opportunities;
- Besides the project is expected to generate around 30 Billion rupees in various taxes and rates over the concession period;

- Operations & Maintenance as per International standards by the Concessionaire for 30 years;
- Concessionaire will replant 100,000 trees along road side to mitigate the adverse environmental impacts of 2040 felling trees.

Other major infrastructure projects which are in the pipeline in PPP mode are Hyderabad-Badin Road Project, Sindh Road Network Master Plan which includes 700 km long road network, Keenjhar Lake Resort Development Project and Gorakh Hill Project. The feasibilities of these projects are at different stages of completion and these will be ripe for bidding during the next financial year. The Government has earmarked allocation in Viability Gap Fund and Project Development Facility for making these projects viable for investors.

### **Agriculture:**

We owe a great deal to the farmers of Sindh since agriculture is the backbone of our economy. Owing to the farmer friendly policies of the Government, production of major crops has increased by 6 lac metric tons as compared to last year. We have witnessed a bumper wheat crop this year. As compared to last year's 3.7 million metric tons, this year's crop yield is estimated to be 4.22 million metric tons. As a result, Sindh is expected to go into export of wheat for first time in its history. Further, in order to develop the existing storage capacity of 0.7 million tons, Food Department has signed an agreement with International Finance Corporation in December 2010 for construction of Modern Grain Storage Facilities (silos) of the capacity of 500,000 tons. The IFC along with international and local consultants will provide financial advisory services. Other major initiatives taken by provincial government in Agriculture sector are:

- Provision of 4736 tractors to farmers at subsidized rates
- Distribution of 48,806 MT of wheat seed and 31,527 bags of Urea fertilizer free of cost to farmers in flood affected areas during Rabi season 2010-11.
- Provision of Agriculture implements worth Rs. 150 million and 250 laser land leveling equipments to growers of up to 25 acres at 50% subsidized rates.
- 500 watercourses under Sindh On-Farm Water Management Project have been improved

## **LIVESTOCK SECTOR**

A major initiative in the Livestock Sector has been the establishment of the Sindh Dairy & Meat Development Company with a seed money of Rs.500 million as an independent, not for profit organization to work for the uplift of livestock sector through provision of extension services; establishment of micro-credit, micro-enterprises; and research & development. Its target is the small livestock farmer.

Another major initiative is a mega project for establishment of a model Dairy Village & Meat Processing Zone at Bhambhore in District Thatta. The site is to be established over 1300 acres. The project is being developed as a self sustaining facility with its own infrastructure of Milk Processing Plant, Chilling Units, Feed Mills, Livestock Mandi, Fodder Market, Slaughter House, Meat Processing Plant etc. The project would target the local as well export markets for both dairy products and Halal meat. The allocation for this project for FY 11-12 is Rs 1000 million.

The Department's future Work Plan includes establishment of a disease free zone in eight selected districts, genetic improvement through use of embryo transfer technology, establishment of model veterinary clinics in six districts, up gradation of diagnostic facilities, and surveillance and control of all bacterial, parasitic, and zoonotic diseases.

## **FISHERIES SECTOR**

For welfare of fishermen, 10591 welfare cards were issued through which they are empowered to fish in public waters without interference of middle men / contractors. 1.2 million fish seed were provided and fishermen at Manchar Lake were provided housing facilities.

Other initiatives in the sector include:

Renovation & Rehabilitation of the Karachi Fish Harbor to modernize the harbor and bring it in conformity with the EU standards for lifting the ban on export of fish products to EU countries. The funds spent on this activity during the year are Rs. 172 million.

Revision of Fishing industry in rural Sindh by installation of Floating Jetties & Landing Infrastructure at six selected sites in Thatta & Badin; Work on three out of six sites was undertaken in the last financial year and the next three sites would be done in the current financial year.

Acquisition of 20000 acres of land along the coast in Thatta & Badin for promotion of Aquaculture. The land would be given on lease according to an investor friendly policy.

## **Access to financial capital for under served – The Sindh Bank:**

During the year, Government of Sindh has successfully established The Sindh Bank Limited. The plan for establishing the Bank was envisaged by Shaheed Mohtarma Benazir Bhutto in the early 1990s, with a view to provide credit facilities to the hitherto neglected borrowers from small businesses and farmers and for providing banking services to far-flung areas of Sindh. However, it was felt that, due to the long delay in setting up the bank, a full-fledged commercial bank should be established. Thus it was decided that the bank has also to service the needs of a wide spectrum of retail and business depositors & borrowers and to be fully equipped to cater to the commercially important areas of trade and project financing. We were also cognizant of the due role the bank would play in social and economic uplift by participating in schemes for extending small loans including tractor loans to farmers, loans to students for post-graduate studies and to small & medium size enterprises.

The Sindh Bank was inaugurated at Naudero by the Honourable President of Pakistan, Mr. Asif Ali Zardari on 26<sup>th</sup> December 2010. The Bank Limited has obtained all necessary licenses from the State Bank of Pakistan and has been accorded approval to establish 50 branches by the end of this calendar year, out of which 5 have already been made functional. 10 more branches are planned for establishment by end June 2011 and another 6 by end July 2011. By end of this year we will inshaAllah have 50 branches operational. The Bank has been assigned an AA rating by JCR-VIS credit rating agency.

The Bank has already started contributing to the needs of the people of this province. They have initiated the Benazir Zarai Card scheme for small farmers, launched in Naudero by the Honourable President on 4<sup>th</sup> April 2011. The Bank has participated in the Sindh Government tractor scheme for farmers, started the student loan program and providing internet banking and web based utility payment to its customers.

It gives me immense pleasure to inform this august house that Sindh Bank has, on 31<sup>st</sup> March 2011, posted a net income of Rs.451.240 million as against expenses of Rs. 68.767 million depicting a pre-tax profit of Rs 382.473 million for just 3 months of operations. The bank management is expecting a profit of Rs. 1500 million in its first year of operation.

### **Financing Strategy for long term liabilities of Government:**

Over the last several years, there has been a steep increase in pension liabilities of the Government of Sindh due to the accelerated pace of retirements of the employees inducted in the 1970s and 80s and also because of a series of pension increases during the last few years. However, hitherto there hasn't been a clear policy on how to finance this increasing liability, the quantum of which has been assessed by actuarial experts to have reached a massive Rs 518.273 billion as of 30<sup>th</sup> June 2010. In this regard, we are pleased to inform that from this year, the Government of Sindh has adopted a formal long-term policy of setting aside amounts equal to 2% of the gross provincial revenues into an already established Pension Fund with a mandate to gainfully invest these amounts and the laid down policy of not to use accumulated balances for any other purpose. Simultaneous to this strategy, the Government of Sindh has also taken a policy decision to address the build-up of liabilities owed towards its employees' General Provident Fund contributions, amounting to Rs 43.903 billion as of 30<sup>th</sup> June 2010. It has been decided that from this year, the actual expected contribution from employees shall be gainfully invested in a separate fund, which shall be used to retire this liability only when the fund has accumulated enough balances to match the liabilities.

These policy measures shall gain more importance in the coming years as a sizeable number of Government of Sindh employees are due for retirement over the next 5 – 10 years and shall increase the pension and GP fund



obligations considerably, resulting in immense budgetary squeeze if not addressed satisfactorily at present.

### **Urban Development:**

Government continued to finance special packages for major cities and towns of the province in addition to the regular schemes executed in urban areas.

### **Karachi Package:**

Funds amounting to Rs. 825 million were spent on this package during the outgoing year for 10 schemes of road and flyovers. An allocation of Rs. 2000 million has been made for major development schemes under Karachi Package for next financial year.

### **Hyderabad Package:**

Rs. 600 million were spent on this package during the outgoing year on 3 schemes pertaining to roads, water supply and sanitation. An allocation of Rs. 1000 million has been kept for this package for next FY.

### **Lyari Development Package:**

Rs.660 million were spent on 51 schemes in sectors including roads, water supply, sewerage, parks and playgrounds. Another Rs.1300 million were spent on financing schemes for Kemari, Malir and rural Karachi. The allocation for next FY is Rs. 800 million for Lyari Package and Rs. 1400 million for Kemari, Malir and rural Karachi packages.

**Larkana Development Package:**

Rs. 1200 million were spent on this package during outgoing FY, while an allocation of Rs. 2000 million has been made for next FY which will be spent on schemes pertaining to roads, water supply, sewerage and buildings.

**Benazirabad Development Package:**

The expenditure during outgoing FY on this package was Rs.1303 million while allocation for next FY is Rs. 2000 million which will be spent on schemes pertaining to roads, buildings, drainage and parks.

**Sindh Cities Improvement Program:**

Another major initiative in urban development which began during outgoing FY is ADB assisted SCIP. North Sindh Urban Services Corporation (NSUSC) has been established under the aegis of this program. Under Phase-I, NSUSC has taken over the water supply, sewerage and solid waste management services in six northern cities of Sindh. In the next Phase the program will be extended to include six more cities of central Sindh. The program is designed to ultimately serve 20 secondary cities of Sindh. The major initiatives targeted to be undertaken during next FY under this program include:

Solid waste management vehicles & equipment for all six TMAs, costing approx. Rs. 325 million will soon be in the cities.

Larkano wastewater management plan being executed at the cost of Rs. 260 million. Khairpur wastewater management plan being executed at the cost of Rs. 200 million

Rehabilitation of 3 water treatment plants at Sukkur and Khairpur costing Rs.

620 million. Design work for Sukkur water supply is under way.

Four Land-Fill sites will be constructed at Rohri, Shikarpur, Khairpur and Larkano – conforming to international standards

### **ZULFIKARABAD:**

To arrest the haphazard and ill planned expansion of Karachi due to growth of city at a rapid pace, the Government has planned the development of a new city along the coastal belt of Thatta district. Inspired by projects like Gurgaon, Iskandar Malaysia and the Masdar Initiative, the development of Zulfikarabad offers a tremendous opportunity for the Government, working in tandem with the private sector, to drive reforms and innovation in delivery systems, local government, physical planning, infrastructure development and environmental protection. Over 325,000 acres of land have already been allocated for the new city. The Master Plan for the city is being prepared by Zulfikarabad Development Authority and Sindh Land Development and Management Company (SLMDCL) is seeking JV partners from the national and international community to develop this project.

### **Housing for Poor:**

Government of Sindh has taken yet another major initiative in the shape of establishment of Sindh Land Development and Management Company (SLMDCL). The company is intended to act as a fully functional one – window operation facilitating all aspects of project development in the real estate sector, from conceptualization to implementation stage, developing highly value added projects which not only boost investor confidence but also result in the achievement of the government's socioeconomic objectives bringing about increased prosperity to the province.

Under Presidential directives, the Government of Sindh has conceived a low-cost housing scheme for the marginalized section of the society, to be developed through SLMDCL. A piece of land measuring 450 acres in the Hawkes Bay area of Karachi has been allotted free of cost in the name of the project. The project envisages the development and delivery of approximately 10,000 plots (120 sq.yds each – amounting to approximately 250 acres) to poorest of the poor. There would be minimal development expenditure on the part of Govt. of Sindh as SLMDCL would be cross-subsidizing most of the development cost of 450-00 acres (10,000 plots) by utilizing the remaining 200-00 acres of land. This scheme is planned to be replicated in other major towns of the province where 50,000 plots of 80 sq. yds each would be provided to poorest segments of society. An allocation of Rs. 2000 million has been made for the purpose in the ADP 2011-12.

#### **Sindh Board of Investment Initiatives:**

Under the aegis of SBI, a series of promotional activities were undertaken to showcase Sindh's economic potential. Sindh Investment Conference SIC 2010 was hosted to highlight Sindh's competitive advantage and a Livestock Dairy and Fisheries Exhibition & Seminar 2011 was held to exhibit a comprehensive range of technical, business and financial information of these sectors. An International Halal Conference was also held during outgoing financial year to devise regulatory framework for exporting produce from these sectors.

Education City is being developed for investment in human capital of the country. Renowned local and foreign institutions have committed to develop state of the art academic campuses to impart quality education to our young promising population. A Marble City in Karachi, to provide state of the art infrastructure, common training and processing facilities, exhibition area and a host of other facilities, has also been planned. An industrial Special Economic Zone to be developed as an expatriate enclave where industries from developed

countries can relocate themselves for cheaper raw material and affordable manpower is another key initiative.

**Other Significant Initiatives:**

**Raise in Pay, Allowances and Pension of Govt. Employees:-**

Keeping in view the decision of Federal Government, it is proposed that Government of Sindh may adopt the same measures for increase in pay, allowances and pension of its employees.

**Promotion of Health Sector:**

**Mr. Speaker,**

I would also like to mention here, the proactive approach adopted by Government of Sindh to resolve the problems of young doctors. By timely engaging the representatives of young doctors, we avoided the conflicts that took place in other provinces on the same issue. The Committee constituted by the Honourable Chief Minister had several rounds of dialogues with representatives of young doctors and worked out a comprehensive, reformative and adequate pay packages for medical doctors working in government medical facilities. The proposed package includes increase in stipend of House Job Officers from Rs.12,000/pm to Rs.24,000/pm, while the stipend of PGs is proposed to be increased from Rs.12,000/pm to Rs.42,500/pm. Additional pay of Rs.15000 to medical officers of BS-17 and Rs. 10,000 for medical doctors of BS 18-20 is also proposed. Non-Practicing Allowance for doctors in BS-17 &18 is proposed to be increased from Rs.500 to Rs.4000 and for doctors in BS-19 &20 to be increased from Rs.700 to 6000. In order to encourage doctors to serve in rural areas, it is proposed to offer special and reformative package of Rural Incentive Allowance of Rs.6000 and Rs.8000 to doctors in BS-17&18

and BS-19 &20 respectively. In recognition of laborious nature of job in casualty and trauma centers, it is proposed that Casualty Allowance of Rs.6000 per month to casualty medical officers and senior casualty medical officers may be allowed. The doctors treating patients of infectious and contagious disease such as TB Swine flu, Bird flu, etc. are proposed to be allowed Rs.6000 per month as Hard-work Allowance. Further, a compensatory package of Rs.1,500,000 for a family of doctors who fall victim of target killings and infectious diseases is proposed. The overall impact of these proposals is estimated at Rs. 2.9 billion.

Another key initiative taken to redress the longstanding grievance of medical doctors is implementation of Four tier and Three tier formula under which 1500 doctors of general cadre, dentist and specialist cadre are being promoted.

These incentives will increase the motivation level of doctors working in public sector hospitals and will better the quality of health services being delivered to citizens of this province.

### **Financial Autonomy at Police Station Level:**

In order to improve the condition of police stations, eliminate extortionist Thana Culture, and enhance accountability and responsibility for better Law and Order Situation and relief for public, Finance Department in consultation with Sindh Police has decided to create new cost center/DDO at the level of Police Stations so that police stations may become financially autonomous for utilization of operational funds. This will not add any financial burden on the public exchequer; but will rather place establishment and operational funds at the disposal of Station House Officer or SDPO for proper utilization of funds.

In budget 2011-12, 41 new cost centers/DDO at Police Station level are being created in the first phase and in the next phase all 692 Offices of Sub

Divisional Police Officers and Police Stations in Sindh will be provided separate budget by splitting the existing cost centers. This initiative will place funds for establishment, POL, repair & maintenance, uniform, feeding charges, drugs and medicine and purchase of stationery at the disposal of Police Stations.

### **Facilitation to Judiciary**

Law and justice is another key area where we need to divert our resources in order to improve quality of life of our people. The allocation for judiciary has increased from Rs 2.49 billion during outgoing financial year to Rs. 3.38 billion for the next financial year; an increase of 35%. The increased expenditure will be incurred on creation of 190 new posts and purchase of physical assets and transport for judicial officers.

### **Devolution:**

As a result of 18<sup>th</sup> constitutional amendment, the concurrent legislative list of the Constitution has been abolished and the functions of 18 divisions are being devolved to Provincial governments.

After detailed deliberations on the modalities for financing these devolved functions, the CCI took the following decisions in its meeting held on 28<sup>th</sup> April 2011:

- The Current Expenditure of devolved institutions/ organizations/departments shall be borne by Provincial Governments beyond 30<sup>th</sup> June 2011.
- Federal Government will provide funding for the vertical programs agreed by both Federal and Provincial Government except Ministry of

Food and Agriculture. Finance Division is of the view that these projects are of physical nature and create assets for the Province, therefore these may be funded by the province itself.

- With regard to the Population Welfare Programme, Federal Government agreed in principle to fund the program, since Project life will expire on 30<sup>th</sup> June 2011. Further funding will be subject to approval from ECNEC.
- The issue of funding for HEC related expenditure both current and development would be decided later, when a decision with regard to devolution of HEC is taken. For the time being the status quo shall be maintained. Province would be at liberty to continue or otherwise, the Province specific projects from its resources.
- Funding for implementation of President's/ Prime Minister's directives shall continue to be made by the Federal Government.
- Government of Sindh has kept an allocation of Rs. 1 billion to meet the cost of current expenditure of the devolved institutions/organizations/departments from 1<sup>st</sup> July 2011.

**Mr. Speaker,**

**Let me present the Revised Estimates 2010-11 before the House.**

The Budget of 2010-11 was the first budget after the historic NFC Award of 2010, which was a true representation of the feelings of people from all Provinces. People who do not fully understand the dynamics of the NFC Awards argue that Sindh has not benefited from the Award. I want to put their



minds to rest with the budget numbers that I am now going to explain.

The Revised Estimates of Receipts from Federal Divisible Pool are Rs. 199.03 billion as against Budget Estimates of Rs.207.3 billion. Revised Estimates of Straight Transfers are Rs.61.5 billion as against Budget Estimates of Rs.51.2 billion. The Grant to offset losses of abolition of OZT of Rs. 5.6 billion is revised to Rs.5.5 billion. The total Federal receipts for the outgoing year are estimated at Rs. 266.03 billion. As compared to this the total Federal receipts in the year prior to the new NFC Award were Rs. 199 billion. So for the disbelievers, Sindh as a result of the new NFC Award received 34% more in 2010-11 from the Federal government, as compared to the previous year.

A landmark achievement of the NFC Award for Sindh was that we achieved the right for collection of sales tax on services. We also managed to include service taxes which were till then being collected by the Federal Government erroneously in the Excise mode, thus depriving the provinces of their due shares of this tax. The Sindh Revenue Board was constituted, but the collection of Sales Tax on service by the province could not materialize due to certain disputes with the Federal Government and the other provinces. We therefore allowed the Federal Government to collect the sales tax on services, while closely monitoring the collection ourselves. We will inshaAllah get approximately Rs. 19.5 billion under this head from the Federal Government in 2010-11. As compared to this we got only Rs. 8.1 billion as Provincial Sales tax on service in 2009-10 including tax collected in CE mode. Thus the NFC Award increased our collection for Sales tax on service by 140%. I am confident that these explanations, and the figures that speak for themselves, will silence the detractors of the new NFC Award.

As against the Budget Estimates of Rs. 50.5 billion, Provincial Tax and Non-tax Receipts are revised down to Rs. 45.1 billion, indicating 13 per cent increase from revised estimates for last FY.

The Current Revenue Expenditure for 2010-11 has been revised upward at Rs.281.237 billion as against Budget Estimates of Rs.268.267. The increase is mainly due to outside budget expenditure for flood related activities. The revised figure for current capital expenditure is Rs. 20.488 billion against the budget estimate of Rs. 18.898 billion.

### **Budget Estimates for Fiscal Year 2011-12**

Estimated Revenue Receipts from Federal Divisible Pool for Financial Year 2011-12 are Rs. 251.9 billion, which is a 21 per cent increase over Budget Estimates of 2010-11. Receipts under Straight Transfers are estimated at Rs.53.4 billion, which is marginally higher than last year's Budget Estimates of Rs.51.2. Provincial own receipts are estimated at Rs.79.9 billion. The estimates for Provincial own receipts include collection of Sales Tax on Services, which will inshaAllah be collected by the Government of Sindh from next Financial Year.

The Current Revenue Expenditure for Financial Year 2011-12 is estimated at Rs.283.147 billion, which is only one per cent increase over the Revised Estimates of Rs.281.237 billion for FY 2010-11. This time, we have made very conservative estimates keeping in view the financial position of the Province. The Current Revenue Expenditure of province has actually decreased from Rs. 147.451 billion for outgoing financial year to Rs. 146.276 billion for coming financial year. The share of local governments has increased from Rs. 120.815 for outgoing financial year to Rs.135.171 billion for FY 2011-12. The share of Local Governments includes District ADP (Estimated to be over Rs.20 billion), which is reflected on Current Revenue Expenditure in Provincial Budget.

**Mr. Speaker**

Till a few years ago, the members of this August house would learn of the government policy for the upcoming year's budget on the day the finance minister presented the budget in the Assembly. That began to change last year, when presentations were made by each department to the respective Standing Committee of the Assembly, prior to the budget presentation. We did the same this year and in addition, I had the honour of briefing the learned MPAs from all parliamentary parties including PPP, MQM, PML-F and ANP on budget procedures and proposals. Budget Estimates and Revised Estimates for receipts and expenditure for the current financial year were shared, and MPAs were also briefed on proposed ADP by the Planning & Development Department. The entire thrust of holding discussions with Parliamentary Parties was to involve parliamentarians in the budget making process as a pre-budget exercise.

During the current financial year, Standing Committees held meetings at a belated stage of the budget making process. I therefore propose before this August house that henceforth, meetings of Standing Committees on budget proposals of Administrative Departments may be scheduled before the month of September, as Budget-making process in Finance Department starts from September every calendar year. This will have manifold advantages, which are:

- Standing Committees will scrutinize the budget proposals of Administrative Departments and make recommendations before the Administrative Departments send their proposals to the Finance Department
- Administrative Departments will handle the budget-making process more effectively
- Administrative Departments will submit budgetary returns to Finance Department in time

- Above all, by involving the public representatives in the process, better budget proposals will be prepared to meet the expectations of the people of the Province
- Similarly the administrative departments may also be required to discuss their proposals for Excess and Surrenders and additional demand with the respective Standing Committee before they submit them to the Finance Department

This new tradition of engaging parliamentarians in the budget making process will be a leap forward in the democratic history of Sindh and Pakistan. We expect this tradition to be institutionalized and emulated in the years to come. Therefore Mr. Speaker, I propose that this exercise be formalized by incorporating it in the Rules of Procedure of the Provincial Assembly of Sindh, thereby ensuring its permanence.

### **Agriculture Income Tax:**

As I had mentioned at the beginning of my speech Mr. Speaker, this is a Budget with no new taxes. The tax on Agricultural income is one that is much debated and misunderstood. Those criticizing us for taking a back seat in terms of Agriculture Income tax are perhaps not aware of the historic decision taken by Shaheed Prime Minister Zulfikar Ali Bhutto of taxing "agricultural income" through Finance Act 1977. The law, passed by Federal Parliament, was thwarted by the dictator, General Ziaul Haq, who overthrew a legitimate government on July 5, 1977. Now collected under the Sindh Land Tax and Agricultural Income Tax Ordinance 2000, considerable problems have been faced in the collection of this tax. The major cause behind this is devolution. Over the past ten years, lesser control over revenue officers has led to collections going down by 50%.

In an effort to find a way forward, we held numerous meetings with stakeholders including representatives from the Sindh Chamber of Agriculture and the Sindh Abadgar Board, the Revenue Department, and the Agriculture department. A way to tighten the net was sought. Through concentrated efforts, for the first time this year, our collection targets of Rs. 300 million will be achieved. And for the next financial year, we have set a target of Rs.500 million and are hopeful that that too will be achieved.

### **ADP 2011-12**

The development programme for 2011-12 has been made in line with the vision and directives of the Honourable President, Mr. Asif Ali Zardari. Accordingly, an attempt has been made to move away from ‘Development by Schemes’ to ‘Development by programmes’. The first step in this direction was to rationalize the Annual Development plan by ensuring that resources are not spread thinly across a large number of schemes and the practice of schemes being kept ‘alive’ through token allocations is discontinued.

As a result of this rationalization process, the total number of schemes that will not be included in ADP 2011-12 equal 710, which is 40% of the 1766 schemes in ADP 2010-11. Because the amounts in these schemes are small, the savings are just about 3% of the (original) size of ADP 2010-11. However, these exclusions have created a degree of fiscal space for new schemes in ADP 2011-12. The process of rationalizing the ADP is continuing and, with full funding provided to schemes that have spent 75% or more, it is expected that about 250 schemes will be completed in 2011-12 and not included in ADP 2012-13. In general, higher allocations have been made for schemes that can be completed within the next 18 months.

Additional steps towards rationalizing the forthcoming ADP include:-

- Not including road schemes that are 2 km or less in length
- Not including schemes where allocation is less than 10% and
- Not including schemes where a number of schemes have been lumped together as one scheme, with token allocation for each.
- Not including, in general, office buildings, community halls, or stadiums, as these projects block scarce resources and do not contribute directly to income generating development.

The sectors that have been prioritized in terms of allocations are:-

- Agriculture
- Livestock
- Water & Drainage (Irrigation)
- Transport & Communications
- Industries
- Education
- Health
- Thar Coal
- Housing & Village and Town Rehabilitation

Sindh is deficient, relative to Punjab and Khyber-Pakhtunkhwa, in terms of infrastructure development. As such greater attention is being paid to physical infrastructure. This is indicated by the fact that over 60% of the ADP is devoted to economic and social infrastructure projects, followed by production sectors.

### **Salient Features of Development Budget of Government of Sindh, 2011-2012**

The total development outlay of the province for the fiscal year 2011-2012

is Rs. 161 billion. Rs 111 billion will be provided through provincial government's own resources while another Rs. 20 billion will be provided through Foreign Project Assistance including Rs 10.7 billion for ADB assisted Flood Emergency and Reconstruction Program (FERP). Rs.9.7 billion will be provided by Federal Government for federally assisted projects and Rs. 20 billion will be the size of the development schemes proposed to be executed by district governments.

Our focus remains on rehabilitation of flood affective villages. A major scheme for rehabilitation of 200 flood affected villages consisting of 40,000 houses has been included in the ADP and an allocation of Rs.2000 million has been kept for the purpose.

Another scheme for rehabilitation of flood affected towns at a cost of Rs. 5000 million has been included in ADP 11-12. The allocation for this scheme during coming financial year is Rs. 2000 million. These initiatives clearly demonstrate our commitment and resolve to resettle each and every individual of this province affected by floods.

Since the floods have caused major damage to the road network in the preceding year, we have made a substantial allocation of Rs. 11000 million for road sector which is 7.2 % of overall development budget.

Education Sector, as already emphasized, remains our important priority. An amount of Rs 7733 million which is 5.1% of the overall development budget has been allocated for this sector.

Health sector receives an allocation of Rs 6930 million which is 4.5% of the overall development budget. Rs 1000 million has been allocated against the ongoing scheme, Prevention & Control of Hepatitis in Sindh, which shows the serious concern of the present government for this disease which has acquired

epidemic proportions in rural Sindh.

Funds amounting to Rs 3,710.937 million have been allocated for the Energy sector. Village Electrification Program in Sindh (phase iii) has been allocated Rs 1000 million while Rs 1100 million have been allocated for provision of Gas to villages and towns in Sindh.

To boost agriculture sector, which is inclusive of food, livestock and fisheries, funds amounting Rs 6053.103 million have been allocated which is 3.9% of the overall development budget. To facilitate farmers, Rs 1145.506 have been allocated for the ongoing scheme, Provision of Assistance to Farmers on Purchase of 3000 Tractors (phase ii). A scheme for Establishment of Bhambore Dairy Village & Processing Zone for Meat Animals with Public Private Participation at District Thatta has been provided.

Lack of availability of potable water has caused our people to suffer from water borne diseases like Hepatitis, Gastroenteritis, Cholera, Typhoid, and kidney infections, etc. To ensure clear drinking water facility for people of this province, a scheme to establish clean drinking water Hubs has been included in the next ADP.

InshaAllah, this initiative will not only ensure provision of safe drinking water to the people but will also help in curtailing expenditure on water borne diseases.

### **MPA Priority Program:**

The allocation for MPA Priority Program during outgoing FY was Rs. 4060 million out of which Rs. 3239 million were released. This shows that despite severe constraints on fiscal resources, Government gave priority to this program as it understands the importance of elected representatives' role in development. The releases for overall development portfolio were curtailed



substantially in the aftermath of floods but for MPA Priority Program the releases stand at a healthy 80% of their allocation. And for the coming fiscal year the allocation for MPA priority program has been increased substantially to Rs. 7720 million.

Thank you Mr. Speaker, for allowing me to present the Sindh Budget 2011-12.

I thank the people of Sindh who have stood by their elected Government and guided us at every step. This Budget is a reflection of their aspirations; a testament of their hopes; and evidence of the trust they've laid in their representatives.

Countless hours of hard work have been put in by the employees of the Finance department of the Sindh Government, who have striven to prepare this document – for which I thank them. I also thank the Planning & Development department who had to endure the pressure that we exerted on them to complete the budget exercise on time. In addition, I want to thank the Federal Finance Division for their support.

This year's Budget has been achieved in the spirit of reconciliation and participatory politics, aimed towards the establishment of a just, equitable, egalitarian society. Today Mr. Speaker our institutions have been strengthened and systems established. Our media stands vibrant and our people empowered. Today Mr. Speaker, we all stand together. United. Reconciled. For Sindh. For Pakistan. And together we must endeavour to counter the perceptions that hinder the achievement of our common aspiration – that of an indomitable and progressive Pakistan.

Pakistan Paindabad!