

# Critical analysis of impact of flood on poverty and economic conditions in Pakistan

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## Abstract:

The unprecedented flooding in Pakistan during June-August 2022, which affected 33 million people, exacerbated existing poverty and economic challenges. The floods devastated key sectors, including agriculture, infrastructure, and housing, leading to reduced GDP growth and increased inflation. Rural and urban poverty, worsened by the impacts of climate change and multiple concurrent crises, require urgent interventions. Recommendations for poverty reduction focus on improving rural infrastructure, enhancing agricultural productivity, promoting non-farm sectors, and fostering social mobilization. In urban areas, public-private partnerships, labor-intensive industries, and increased education budgets are vital to reduce poverty. Long-term strategies include fostering climate-resilient agriculture, attracting foreign aid, and improving governance through better coordination between federal and provincial governments. These actions aim to mitigate the economic downturn and restore livelihoods, emphasizing the need for effective disaster recovery and sustainable development.

**Key words:** Floods, Poverty, Agriculture, Infrastructure, Governance

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## *Introduction*

Between June and August 2022, torrential rains and a combination of riverine, urban, and flash flooding led to an unprecedented disaster in Pakistan. According to the National Disaster Management Authority (NDMA), around 33 million people—that is, one in seven—have been affected by the floods, including nearly 8 million displaced. The floods have taken the lives of more than 1,700 people, one-third of whom were children. Rain-induced floods, accelerated glacial melt, and resulting landslides devastated millions of homes and key infrastructure, submerging entire villages and destroying livelihoods. As of October 11, 94 districts were declared "calamity-hit," accounting for more than half of all districts in the country. The majority were in the provinces of Balochistan, Sindh, and Khyber Pakhtunkhwa (KP). Out of the 25 poorest districts in the country, 19 were calamity-affected. The 2022 flooding has further exposed underlying institutional and systemic challenges, including poor urban planning and water resource management, lack of systems for infrastructure maintenance, complex governance, structural inequalities, and limited disaster risk reduction capacity. Simultaneous multiple shocks, including natural hazards, COVID-19, rising inflation, an energy crisis, and fiscal challenges, continue to compound the impacts. Underlying political and economic instability is exacerbating the disaster's impacts and undermining the effectiveness of recovery.

## *Problem Statement*

When Pakistan was already facing dreaded economic challenges in the wake of macroeconomic instability slowing down economic growth, the recent floods of 2022 further exposed the state's economic vulnerabilities. The floods not only destroyed physical infrastructure but also washed away a considerable base of agricultural produce, with significant implications for the poorest and most vulnerable strata of society, leading to an increased incidence of poverty and economic impoverishment. The state's inability to mitigate the impacts of natural catastrophes on the socio-economic indicators of society exists at the normative, operational, and structural levels, which need to be investigated in order to ensure sustainable development.

## *Methodology*

This study has adopted a qualitative method. Secondary data in the form of published reports and presentations from respective departments have been analyzed. Further, qualitative data has been obtained using purposive sampling through semi-structured interviews to gather information regarding the complexities in the mitigation and adaptation processes.

## *Scope of the Study*

This study is restricted to exploring the impact of the flood on poverty and economic conditions in Pakistan by analyzing the policies and projects of the federal and provincial governments. However, due to a scarcity of time, only limited projects of the federal and provincial governments and their line departments have been analyzed to assess their impact on poverty and the economic conditions of the country.

## *Situational analysis*

### **Economy Pre-Flood**

For FY22, real GDP posted a growth of 5.97 percent on account of 4.40 percent growth in Agriculture, 7.19 percent growth in the Industrial sector, and 6.19 percent growth in the Services sector. For FY22, GDP at current market prices stands at Rs. 66,950 billion showed a growth of 20.0 percent over last year (Rs. 55,796 billion). In the dollar term, it remained at \$383 billion.

The per capita income was recorded at \$1,798 in FY22 as compared to \$1676 in FY 21, which reflects an improvement in prosperity due to the fact that economic growth per person improved.



Prior to the floods, Pakistan's economy was facing difficult economic conditions and undergoing adjustment measures to regain macroeconomic stability. Strong domestic demand, coupled with low productivity growth, high world commodity prices, and the global economic slowdown, contributed to severe external imbalances. The current account deficit consequently reached 4.6 percent of GDP in FY22. The fiscal deficit (excluding grants) was also large at 7.9 percent of GDP in FY22. The large current account and fiscal deficits, together with political and policy uncertainty, contributed to a loss of investor confidence, leading to pressures on the exchange rate, foreign reserves, and domestic prices over late FY22.

### Flood Damages

The total damage is estimated at Rs 3.2 Trillion (US\$14.9 billion). The sectors that suffered the most damage is housing at PKR 1.2 trillion (US\$5.6 billion); agriculture, food, livestock, and fisheries at PKR 800 billion (US\$3.7 billion); and transport and communications at PKR 701 billion (US\$3.3 billion).

The province wise damages caused by floods is as under:

Region	Damage	
	(Billion PKR)	(Million US\$)
Balochistan	349	1,625
Khyber Pakhtunkhwa	201	935
Punjab	111	515
Sindh	1,948	9,068
Cross-Provincial <sup>12</sup>	587	2,731
Special Regions <sup>13</sup>	7	32
<b>Grand Total</b>	<b>3,202</b>	<b>14,906</b>

## Housing

The 2022 flooding caused widespread destruction of housing and human settlements, resulting in damages worth Rs. 1200 billion. In the 94 calamity-hit districts, approximately 780,000 houses were destroyed, and more than 1.27 million houses were partially damaged. Rural houses were particularly impacted, and the extent of damage incurred to *katcha* houses has been higher than that to *pucca* houses.

## Transport and Communications

The main impact in this sector (Rs. 701 billion) has been on roads, railways, bridges, and telecommunications infrastructure. Initial estimates suggest that approximately 8,330 kilometers of roads (about 3.2 percent of total in-service roads) and 3,127 kilometers of railway track (around 40 percent of total in-service railways) have been damaged to various extents due to the floods. The railway sector has been the most impacted, given its large pre-flood maintenance backlog. Telecommunications infrastructure damage includes damage to fiber optic transmission lines, feeder cables, and, in some cases, transmission towers.

## Agriculture, Food, Livestock, and Fisheries

The total damage to the above-mentioned sectors is calculated to be 800 billion rupees. Crops contributed to 82 percent of the total damage and losses in the sector, followed by livestock with 17 percent and fisheries/aquaculture with the remaining 1 percent. Around 4.41 million acres of agricultural land have been damaged, and 0.8 million livestock are estimated to have perished. Sindh and Balochistan are the most affected provinces, contributing 72 percent and 21 percent, respectively, to the total value of damage and losses registered in the sector, followed by KP, Punjab, and special regions. The destruction of crops, livestock, and aquaculture infrastructure and assets has resulted in the temporary deterioration of livelihoods, employment, and agriculture-related income, as well as the potential decline of exports of important crops such as cotton and sugarcane.

## Water Resources and Irrigation

The damages incurred by Water Resources and Irrigation stand at Rs. 153 billion. Public assets represent 98.5 percent of the total damage, while private assets account for 1.5 percent. Flood protection infrastructure and irrigation channels incurred the most damage at 36 percent and 32 percent, respectively, followed by drainage systems at 14 percent; dams, headworks, and weirs at 9 percent; and other supporting infrastructure at 8 percent. Overall, the irrigation water supply systems (canals and dams) jointly suffered 41 percent

of the total damage, which, if unaddressed, will adversely affect crop production in the coming production seasons. Contingent upon the recovery of the irrigation and drainage systems, especially in Sindh, low wheat production can be anticipated this year, which could lead to food shortages and high food commodity prices. Poor drainage in Sindh will further reduce crop production. In arid areas covering most of Balochistan, damage to irrigation and water storage infrastructure is causing disruption of irrigation services. Losses to crops due to flooding and inadequate irrigation supplies, siltation, and waterlogging are covered by the agriculture sector.

### **Impact of Flood on Economy**

Overall, the decline in GDP as a direct impact of the floods is projected to be around 2.2 percent of FY22 GDP. Among the major sectors, the agriculture sector value added is projected to decline the most at 0.9 percent of FY22 GDP, with floods causing the most losses to cotton, dates, sugarcane, and rice crops. Around 1 million livestock are estimated to have perished. Furthermore, damage in the agricultural sector is expected to have spillover effects on the industry and services sectors. Flood-related cotton losses are expected to weigh on the domestic textile industry, as local cotton constitutes about half of the industry's required cotton input. Textiles account for around one-quarter of total industry output and more than half of goods exports. Similarly, the local food processing and slaughtering industries will be negatively impacted by the expected reduction in food harvests and reduced supply of livestock. Industrial sector value added is consequently expected to shrink by 0.7 percent of FY22 GDP. Similarly, lower agricultural and industrial activity is likely to weigh on wholesale and transportation services activities, which account for around half of the service sector output. In addition, transportation challenges arising from the loss of critical infrastructure, such as roads and bridges, are expected to disrupt supply and further dampen overall economic activity. Services sector value added is consequently projected to decline by 0.6 percent of FY22 GDP.

The agriculture sector is projected to contract for the first time since FY01 due to the floods. An estimated 9.4 million acres of crops are affected, with significant losses to cotton, date, wheat, and rice crops. More than a million livestock are also estimated to have been lost. Industrial activity is expected to slow. Damages in the agricultural sector are expected to spill over onto the industrial sector. Cotton losses are expected to result in shortages, hindering the domestic textile industry's production. Textiles and apparel constitute around a quarter of total industry output and more than half of goods exports. Similarly, local food industries are likely to face challenges due to the reduction in food harvests and livestock.

The services sector is also forecast to be adversely affected. Lower agricultural and industrial activity is likely to weigh on wholesale and transportation services activities, which account for 50 percent of service sector output. Transportation challenges arising from the loss of critical connectivity infrastructure, such as roads and bridges, are expected to disrupt supply and further dampen overall economic activity.

Inflation is projected to increase. The floods have resulted in lower crop and livestock production, leading to temporary food shortages and transitory spikes in food prices. Transportation difficulties have exacerbated these shortages and disrupted domestic supply chains, contributing to broader inflationary pressures and production challenges.

Current account and trade deficits are expected to increase. Flooding is expected to lead to higher goods imports to mitigate temporary shortages of domestically produced goods, such as food and cotton, while exports, particularly rice and textiles, are expected to decrease.

The fiscal deficit is expected to widen. Fiscal expenditures are likely to increase with flood relief, recovery, and rehabilitation efforts, while revenues are expected to be dampened by a contracting tax base, suspension of some food import duties, and slower overall activity. Despite the direct flood effects, the current account deficit is projected to narrow in FY23 after considering slower economic activity and the import management measures. The fiscal deficit is estimated to contract in FY23 when accounting for fiscal consolidation efforts in light of the current economic imbalances.

### **The 2022 Floods and Pakistan's Exports**

Pakistan's exports are likely to be significantly impacted by the floods. The catastrophic floods are expected to negatively impact Pakistan's exports through two main channels: the destruction of crops and connectivity infrastructure. The destruction of crops reduces the supply of rice – which is a key agriculture export – and decreases the availability of cotton, which is a key input into textiles, another major export. In addition, the floods have also led to the destruction of connectivity infrastructure, increasing production costs for exporters and curtailing production. The potential foreign exchange losses resulting from the floods may therefore be substantial, with agriculture accounting for almost a quarter of goods exports, and with textiles and apparel (nearly all cotton-based) accounting for around half of goods exports. In addition, there may be persistent adverse effects on export competitiveness associated with the loss of global market shares.

## **Effects through the Destruction of Crops**

**Rice:** Exports of rice had reached a historical record of USD 2.5 billion in FY22, up 23 percent from FY21, driven by a 32 percent increase in export quantities. Although the major sowing area for Basmati is Southern Punjab, which is not as severely affected by the floods as Sindh, estimates from the Rice Exporters Association of Pakistan place the rice production losses due to the floods at about 20 percent, contributing to lower rice exports.

**Cotton:** The estimates of flood-related cotton crop losses range from 11 percent to up to 36 percent. Given current trends in global demand for textiles, the sector can expect to import close to 5 to 5.8 million bales of cotton, an increase in a range from 11 to 28 percent, to mitigate the domestic shortfall. However, smaller-sized mills are particularly reliant on domestic supplies and unable to fully substitute with imports. Accordingly, overall textile production may decline, consequently contributing to lower textile exports.

## **Effects through Destruction of Connectivity Infrastructure**

The floods have also severely affected infrastructure linking the Karachi port to the spinning mills in Punjab, disrupting textile production. With about 70 percent of the spinning mills located in Punjab, and a substantial portion of cotton inputs being imported via the Karachi port, the roads linking the port and the spinning mills are important for the efficient transportation of cotton. The floods have damaged portions of the routes connecting Karachi with Hyderabad, Sukkur, and Lahore. Anecdotal evidence indicates that transportation time is now 4 to 5 times longer, with implications both on transport costs and on truck availability. Interviews with key industry players reveal that up to half of Faisalabad's spinning mills are currently closed due to a combination of factors, including a lack of inputs to process, alleged challenges to obtaining open letters of credit to import machinery or parts, and a reduction in orders.

## **Pre-Flood Poverty Outlook**

The Government of Pakistan has adopted a consumption-based approach to measure poverty, which is calorie- and consumption-based. Absolute poverty is estimated after converting the household consumption level as per recommended nutritional requirements of 2350 calories per person per day and providing an almost equivalent amount for other basic needs. Poverty remained at 21 %, with 50 million people below the poverty line.



## Post-Flood Prediction

The impact on household welfare will come through at least four channels: (i) loss of household income and employment/livelihoods due to destroyed harvests, killed livestock, or inactivity of businesses; (ii) loss of assets, including homes, livestock, productive equipment, and household durables; (iii) rising food prices due to shortages of food arising from lost food stocks and poor harvests; and (iv) loss of human capital, given the significant threat of disease outbreaks, food shortages, and prolonged school closures, with attendant learning losses. The disaster will have a profound impact on lives and livelihoods. Preliminary estimates of the PDNA suggest that the national poverty rate will increase by 3.7 to 4.0 percentage points, pushing between 8.4 and 9.1 million people into poverty as a direct consequence of the floods. Similarly, multidimensional poverty will increase by 5.9 percentage points, meaning that an additional 1.9 million households will be pushed into non-monetary poverty. Beyond the national average, poverty in Sindh would increase by between 8.9 and 9.7 percentage points, and in Balochistan by between 7.5 and 7.7 percentage points. Moreover, the depth and severity of poverty will increase for households that were already poor prior to the floods. The poverty gap has substantially increased, with the number of extremely poor people living more than 20 percent below the poverty line increasing from 18 to 25–26 million.

## Institutional Response

### Federal Ministry of Poverty Alleviation and Social Security Nets BISP

BISP is dedicated to fighting poverty by employing multiple social protection instruments designed to bring a sustainable positive change in the lives of persistently excluded and deprived families. The eradication of poverty and elevating the status of marginalized and underprivileged sections of society, especially women, through the establishment of a comprehensive Social Protection Net. The Program was established through an Act (ACT NO XVIII 2010) of Parliament and works under the executive patronage of the Prime Minister of Pakistan and the chief patronage of the President of Pakistan.

### BISP BUDGET

Approved budget for FY -2022-23 = 364.078 million

## **BISP PROGRAMS**

### **BENAZIR KIFALAT PROGRAMME (UCT)**

The Unconditional Cash Transfers (UCT) Program, the core program of BISP, was initiated in 2008. The short-term objective of the program was to cushion the adverse impacts of the food, fuel and financial crisis on the poor, but its broader objective is to meet the redistributive goals of the country by providing a minimum income support package to the chronically poor and those who are more likely to be affected negatively by future economic shocks

### **BENAZIR TALEEMI WAZAIF**

Benazir Taleemi Wazaif is a Conditional Cash Transfer Program for education of children of BISP active Kifalat beneficiaries up to higher secondary level. Through additional cash incentives beneficiaries are motivated to get their children enrolled in schools/colleges and discourage dropout rate by ensuring retention.

### **BENAZIR NASHONUMA**

Pakistan's high rates of malnutrition (40.2% stunting, 28.9% underweight, and 17.7% wasting) are indicative of an on-going child nutrition crisis. Such levels of malnutrition rank Pakistan the second-highest burden country in the region. The first 1,000 days of a child's life are a window of opportunity to lay a strong foundation for later achievements. This timeframe is a period of enormous change characterized by a high degree of plasticity in the child's neurological development. Investments in the early years of life are the foundation of human capital, and human capital is a key driver of economic development in the modern economy.

To address the stunting prevention during the first 1000 days' window of opportunity, BISP has designed a Conditional Cash Transfer intervention to increase the uptake of Health and Nutrition services of its beneficiaries. The design of Nashonuma Program was approved by the Technical Design Committee of the BISP Board and was reviewed by the BISP Board during its 34th meeting.

### **FLOOD RELIEF CASH ASSISTANCE PROGRAM**

Federal Government has increased the amount of Flood Relief Cash Assistance Package from Rs.28bn to Rs.70bn for the flood affected families across the country. The financial assistance of Rs. 25,000 per family is being disbursed through Benazir Income Support Program (BISP) in a transparent manner.

Not only in Balochistan, Sindh, Khyber Pakhtunkhwa and Punjab but now Benazir Income Support Program has also started the disbursement of Rs.25000 to flood affected families of Gilgit Baltistan as well. The aim is to extend the scale of program in order to reach out the maximum population affected by the recent floods for provision of the financial assistance.

#### **FLOOD RELIEF PACKAGE 19 AUGUST 2022 ALL OVER THE COUNTRY**

Province	Generated Beneficiary	Generated Amount	Total Withdrawal Beneficiary	Total Withdrawal Amount	Today Count of Withdrawal	Remaining Bene	%age Served
BALUCHISTAN	241,063	6,026,575,000	221,669	5,541,725,000	43	19,394	91.95%
SINDH	1,862,041	46,551,025,000	1,829,529	45,738,225,000	47	32,512	98.25%
KHYBER PAKHTUNKHWA	315,773	7,894,325,000	306,260	7,656,500,000	13	9,513	96.99%
PUNJAB	340,252	8,506,300,000	331,193	8,279,825,000	26	9,059	97.34%
GILGIT BALTISTAN	472	11,800,000	471	11,775,000	1	1	99.79%
<b>Total</b>	<b>2,759,601</b>	<b>68,990,025,000</b>	<b>2,689,122</b>	<b>67,228,050,000</b>	<b>130</b>	<b>70,479</b>	<b>97.45%</b>

#### **BISP PROJECT UNDER MINISTRY OF POVERTY AND ALLEVIATION SOCIAL NETS**

##### **SWOT ANALYSIS**

##### **STRENGTHS**

- SDG No. 1, an international obligation
- Payment transferred directly to the beneficiaries' accounts
- Payment can be made from anywhere, anytime
- Change in the social and financial functionality of women

##### **WEAKNESSES**

- 95% of the cash grant beneficiaries find the grants unhelpful in meeting their expenditures
- 50% of beneficiaries complain about corruption in the system when receiving grants
- Increase in dependence on government grants
- Lack of long-term and permanent solutions to the problem
- Support for political party cadres

- Coordination issues among different stakeholders, such as Zakat and Bait ul Mal
- Complex transactions such as ID card registration and enrollment in the ECP voter list, etc.

## **OPPORTUNITIES**

- Expansion of the program
- The data obtained from BISP beneficiaries can be utilized for many other purposes
- These funds can be used for skill development for deserving beneficiaries

## **THREATS**

- Provincial program integration
- Flawed payment system to beneficiaries
- Online financial frauds
- Unawareness among beneficiaries

## **Pakistan Baitul Mal**

Pakistan Bait-ul-Mal (PBM) is an autonomous body constituted in 1991 through an Act of Parliament. The purpose of its creation was to help the poor, not to run the government. PBM has significantly contributed to poverty alleviation through its various projects, including aiding the poor, widows, orphans, patients, and other needy persons, with an emphasis on rehabilitation.

## **BUDGET**

2022-23: Rs 6,040 million

## **FLOOD RELIEF PROGRAM**

Pakistan Bait-ul-Mal (PBM), in collaboration with KSRelief, distributed mosquito kits, tents, and ration bags among flood-affected families worth Rs 50 million.

## **Pakistan Poverty Alleviation Fund**

The Pakistan Poverty Alleviation Fund (PPAF) is the leading institution focused on eliminating poverty in Pakistan.

As one of the largest establishments spending on the poor, PPAF facilitates public-private partnerships with the mutual goal of achieving social and economic change in Pakistan by addressing the multi-dimensional issues of poverty. Established by the Government of Pakistan as an autonomous, not-for-profit company, PPAF began operations in 2000. To date, it is working across 130 districts in the country with 130 partner organizations. PPAF has disbursed USD 2 billion through grants and financial services in various programs targeting vulnerable communities and areas of the country.

### **BUDGET**

FY 2022-23: Rs 2000 million

### **PPAF's Response to the Floods**

- This year, Pakistan received unprecedented rainfall, equivalent to nearly 3 to 5 times the national 30-year average, inundating one-third of the country and causing massive devastation to the lives and livelihoods of the people. PPAF was among the early responders, launching its Emergency Flood Relief Programme with an initial allocation of PKR 250 million in early August. The program aims to meet the immediate needs of the flood-affected population in the poorest communities, improve their coping capacities for early recovery and rehabilitation, and strengthen their resilience to climate-induced disasters. PPAF is assessing the evolving needs in the affected areas to scale up its response for early recovery and rehabilitation. The program will expand its outreach to help these communities with livelihood restoration, construction of damaged houses, rehabilitation of water supply schemes, health facilities, and community infrastructure such as damaged roads and drainage systems.

### **Pakistan Flood Relief Plan 2022**

The Flood Relief Plan (FRP) focuses on the needs of 5.2 million people, with life-saving response activities amounting to USD 160.3 million. These activities cover food security, assistance for agriculture and livestock, shelter and non-food items, nutrition programs, primary health services, protection, water and sanitation, women's health, and education support, as well as shelter for displaced people.

The FRP highlights the main humanitarian needs, the efforts and steps taken by the Government of Pakistan to handle these challenges in collaboration with the UN and other partners, and sets out a well-coordinated and inclusive plan of action to respond to the needs of the affected people. The FRP is holistic, with a multi-sectoral approach covering the thematic clusters of food security and agriculture, health, nutrition, education, protection, shelter and non-food items, water, sanitation, and hygiene. Moreover, Pakistan continues to host more than 3 million Afghans with generosity and compassion. At least 421,000 refugees living in flood-affected areas are included in the FRP.

## **SEHAT-CARD (HEALTH DEPARTMENT KP)**

### **SWOT ANALYSIS**

#### **STRENGTHS**

- Universal health coverage bill 2022
- SDG No. 3, an international obligation
- Positive public perception
- Vision 2025
- Concept of a welfare state

#### **WEAKNESSES**

- Private hospitals included
- Delayed payments
- Government hospital capacity issues
- Fake cases
- Weak complaint redressed system

#### **OPPORTUNITIES**

- WHO financial support
- NGO support, both national and international
- Engagement of the elite/rich class of society

#### **THREATS**

- Uncertain economy
- Corruption
- Weak social and political culture
- Bad governance

## ***EETH ANALYSIS***

### **Enhancement of Strengths**

- The legal framework can be strengthened with appropriate rules and regulations
- Increase awareness among citizens about the Sehat Card process
- Raise awareness about Sehat Card usage through social and educational institutions

### **Elimination of Weaknesses**

- Strengthen the evaluation and monitoring system for private hospitals
- Eliminate delayed payments through a robust payment system
- Improve government hospital capacity through human resource development and infrastructural improvements

### **Taking Advantage of Opportunities**

- Utilize WHO financial support for sustainable universal health coverage under SDGs
- Acquire NGO support through participation for mutual benefits
- Engage the elite and rich class of society to maximize benefits for the sake of humanity

### **Hedge The Threats**

- Increase the health sector's share by reallocating funds from less important sectors to ensure adequate funding
- Implement a strong payment system to minimize corruption
- Address weak social and political culture through health education, awareness, and involving the political class for this national cause

## **AGRICULTURE AND LIVESTOCK DEPARTMENT KP**

### ***SWOT ANALYSIS***

#### **STRENGTHS**

- Climatic environments are suitable for all types of crops
- National food security is the government's aim
- Provides employment for people
- Main provider of subsidies

- Main provider of raw material to the industry

## **WEAKNESSES**

- Lack of mechanical cultivation
- Soft target for floods and pre-flood repairs of Nallahs
- Lack of crop variety with adaptability to climate change
- High urbanization growth

## **OPPORTUNITIES**

- Donor funding
- Research-based farming
- Access to farmers' markets
- Value addition—many uses for one crop

## **THREATS**

- Climate change
- Soil erosion and biodiversity loss
- Sustainability of agricultural programs
- Encroachment on agricultural land
- Crop pests and diseases, particularly locusts

## ***EETH Analysis***

### **Enhancement of Strengths**

- Qualified human resources
- Development of irrigation systems
- Modern knowledge of technical farming
- Focus on cash crops/edible oil seeds

### **Elimination of Weaknesses**

- Encourage brainstorming among farmers
- Improve water management, specifically for flood situations
- Minimize urbanization

### **Taking Advantage of Opportunities**

- Seek donor funds
- Adopt crops adaptable to climate change
- Increase research in agriculture



## **Hedge The Threats**

- Mitigate greenhouse gas emissions
- Use climate-resilient crop varieties
- Control crop diseases
- Minimize pesticide use

## **CSOs**

Disasters are overwhelming situations where the local population becomes helpless. As a result, other stakeholders come to the aid of the affected community. These actors include government institutions, local communities, national and international organizations, the affected population, and Civil Society Organizations (CSOs). The role of CSOs is becoming increasingly recognized and acknowledged globally. In cases of floods, CSOs and other NGOs play a critical role in helping flood victims. Below are some of the most important and active Civil Society Organizations:

### **Alkhidmat**

Alkhidmat Foundation Pakistan is one of the leading non-profit organizations, fully dedicated to humanitarian services since 1990. Alkhidmat's workers and volunteers continue to work tirelessly for the relief of affected people across Pakistan and worldwide.

Alkhidmat Foundation has also set up special Disaster Management Cells across the country to ensure immediate rescue and relief facilities in any unfortunate situation. At the earliest stage, these cells have been given the status of an independent department at both central and provincial levels.

Since its establishment, Alkhidmat Disaster Management has been the most visible across the globe during emergencies, disasters, earthquakes, floods, and other crises. Alkhidmat was on the frontlines during the 2005 deadly earthquake, the 2010 floods in Pakistan, and again during the 2022 floods. It provided PKR 10 billion in relief goods and succeeded in saving thousands of lives across the country.

During the 2022 floods, more than 60,000 volunteers participated in relief and rescue work, using rescue vehicles, ambulances, and motorboats in flood-affected areas across the country. Alkhidmat Disaster teams and volunteers provided shelter in Alkhidmat Tent Villages, cooked food at Alkhidmat Kitchens, dry rations by boat, clean drinking water through Mobile Water Filtration Plants, medical aid through Mobile Health Units, and education via Temporary Learning Centers.

They also set up 6 field hospitals in the affected areas, offering general medical check-ups, day care services, maternity services, and free medicines. Hygiene kits containing soap, toothbrushes, toothpaste, cups, first aid medicines, water purification tablets, and sanitary pads for women were also distributed.

### **Helping Hand**

Helping Hand for Relief and Development (HHRD) is a global humanitarian relief and development organization responding to human suffering in emergency and disaster situations around the world. In addition to emergency relief efforts in natural or man-made disasters, HHRD also works on long-term relief and development programs. HHRD has been registered as an International NGO in Pakistan since 2005.

#### **Mission:**

HHRD is committed to serving humanity by mobilizing resources for people in need. The organization strives to provide immediate disaster response and effective programs in areas of suffering, for the pleasure of Allah.

#### **Vision:**

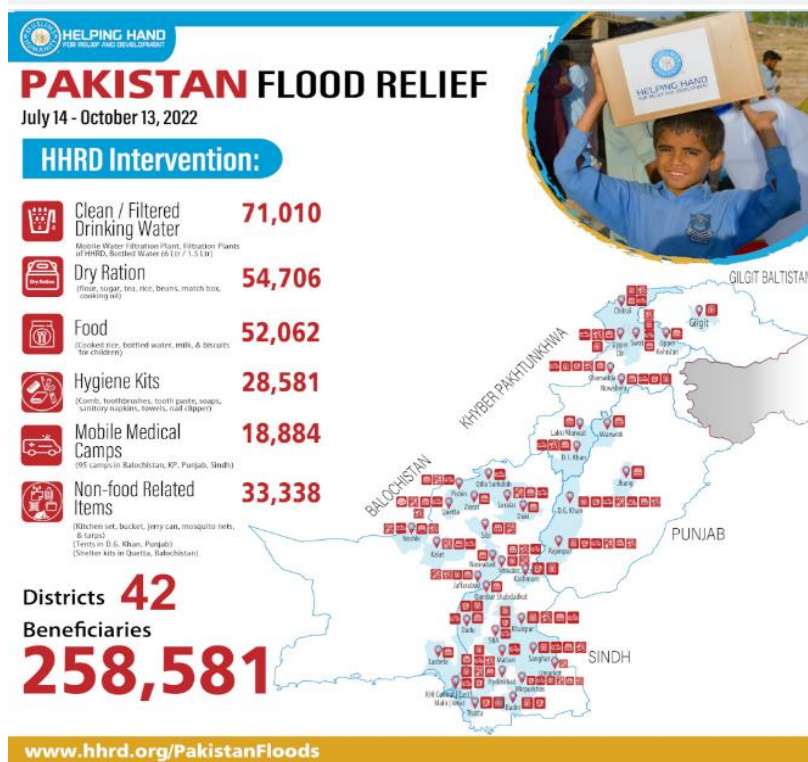
HHRD aims to be a leader in empowering lives, creating opportunities, and strengthening the bond of humanity.

#### **HHRD Serves:**

HHRD serves humanity regardless of race, gender, ethnicity, class, location, religion, color, cultural diversity, or social background, with a special focus on countries where the majority of the population lives below the poverty line.

#### **HHRD Works:**

HHRD works globally, focusing on countries with populations living below the poverty line. Its partners range from small community support groups to national alliances and international relief organizations.



### GAP Analysis

All the federal and provincial departments as mentioned above like NDMA, PDMA and DDMU, Ministry of poverty and alleviation, BISP, Baitul Mal and Pakistan poverty and alleviation fund and all the provincial departments work for the same cause but lack of coordination among federal and provincial governments and also lack of coordination among departments of provincial governments and their policies and projects require a collective and integrated approach of both governments in this regard.

Following is the General GAP Analysis:

Sr.No	Current status	Desired goal	Activity needed
1	Lack of coordination among federal & provincial departments. No uniform Disaster Management poverty alleviation Policy in the country from the national level to the district and community levels.	A strong forum is required to integrate all the activities of Federal & provincial department especially Disaster Management and poverty alleviation Policies from the national level to the district and community level dealing with and disaster management, poverty and economic crises.	A coordination committee at federal level may be notified under the chairmanship of PM comprising of all the chief ministers and Chief secretaries. Pre-flood calamity should be adopted instead of post flood approach.
2	Natural disasters are handled at national level by NDMA and at provincial level by PDMA. However, the disaster management institutions are not yet established at local level	A strong DDMU may be functionalized as per NDMA and PDMA Acts.	A coordination committee at provincial level under the chairmanship of CM and Chief secretary, Commissioner and concerned Secretaries may be notified to deal with issue on priority basis.
3	In the current floods, rescue operation was extremely difficult because of the lack of professional expertise, specialized machineries, equipment and limited internal capacity.	A strong PDMA at provincial level and DDMU at district level with fully equipped experts and professionals of Disaster management experience and procurement and proper Ware houses at Zonal or district level is desired.	Rescue 1122 must strongly coordinate with PDMA for rescue 1122. Trained Experts/professionals of Disaster Management may be recruited on posts of DDMO BS-18 and Zonal or if possible, District Ware houses may be established at Zonal or district level. A procurement specialist may be recruited at PDMA to deal the procurement issues.
4	BISP, BAITUL MAL, ZAKAT AND SEHAT-CARD work for poverty individually.	All must share data regarding beneficiaries in order to avoid duplication.	An integrated digitized system by the federal government/provincial government for transparency.
5	All departments have their own mechanism for identification of beneficiaries.	A unified approached for identification of beneficiaries is desired	A single mechanism for identification of beneficiaries is supposed to be devised Ministry of poverty

6	All departments have different packages for disbursement among beneficiaries	A unified package of all federal and provincial department is desired.	A single package for deserving beneficiaries must be devised by ministry of poverty and alleviation department with consultation of all other federal and provincial departments
7	All the federal and provincial departments, and again different provincial departments in the province follow their own departmental policies and projects regarding poverty alleviation without having integrated consensus on major procedures.	An integrated approach regarding policies and projects towards poverty and economic conditions of the people of all departments (federal & provincial) is desired	A consensus regarding integration of federal and provincial policies and project must be sought through Coordination committee as mentioned at serial no. 1 above

### GAP ANALYSIS OF SEHAT-CARD (HEALTH DEPARTMENT)

Sr.No	Current status	Desired status	Activity needed
1	Only to 7.7 million families	Whole poor population	Enhancement of funds
2	Poor capacity of govt hospitals	In all govt hospitals	Development of infrastructure and human resource of govt hospitals
3	Poor complaint registration and redressal system	Up to the satisfaction level of the beneficiaries	The system must be modernized and digitalized.
4	Delayed payments	Smart payment	Robust payment system via proper mechanism
5	Government funded program	Involvement of NGOs	WHO Support

### GAP ANALYSIS OF AGRICULTURE AND LIVESTOCK DEPARTMENT

Sr.No	Current status	Desired Status	Activity need
1	Traditional farming	Modern mechanical farming	Awareness through farm centers for farmers
2	Lack of variety of crops	Focus on suitable crops	Those crops which have more adaptability with the environment
3	Urbanization at high pace	More production from agriculture land	Stop mushroom growth of housing societies
4	Majority land is rain fed	Development of irrigation system	Construction of dams

5	Climate change effects the standing crops	Food security	Climate resilient variety seeds should be used
6	Short of funds	Proper funds required	Prioritization of utilization of funds for the sector and involvement of donors as well the Paris agreement
7	Lack of experts in agriculture sector	Research based farming is needed	Incentives to the expert for attraction.

### *Conclusion*

Before the floods the country was already facing severe poverty and economic crises due to corona, Russia-Ukraine war, and energy issues. After the floods, this poverty and economic conditions are going to be aggravated due to severe damages to infrastructure, agriculture sector and housing.

Due to damages done to the above different sectors, the economy which was at 6% have been reduced to 2% and inflation which was at 26% before the flood is going to be increased from this percentage in future due to low production of agricultural products and repair of damaged infra-structure. This will contribute to high inflation rate in future which will ultimately lead to an increase in poverty and aggravate the economic crises coming ahead.

### *Recommendations*

#### **For Reduction of Rural Poverty:**

1. Improvement of rural infrastructure and promoting health and education. The primary driver of rural poverty is considered to be the lack of infrastructure and domestic asset acquisition. The rural population's life is directly hampered by the lack of available infrastructure, which includes housing, water access, toilet access, educational institutions, hospitals, markets, road networks, and so forth.
2. Promoting efficient and sustainable agricultural growth to raise the income of small farmers. The living standards and incomes of the rural population, to which most of the poor belong, must be increased. The most effective way to do this is to enhance agricultural productivity through the use of hybrid seeds and the latest mechanization techniques, including livestock. The main instrument that has been used for this purpose is easing the credit constraint and extending commercial bank loans to small farmers.

Over the last five years, bank lending to agriculture, particularly to small farmers, has multiplied manyfold. However, more efforts need to be made in easing the availability of flexible loans to farms and specially to tenants.

3. Creating an enabling environment for the rural non-farm sector to enhance employment and incomes.
4. Improving the effectiveness and governance of rural institutions through decentralization and strengthening local demands.
5. Empowering the poor and protecting the most vulnerable through social mobilization, safety nets, and facilitating access to productive assets for income-generating activities.
6. Creating employment opportunities in rural areas must be a priority. In most cases, migration from rural areas to urban areas is the reason for the rise in poverty in urban areas. The higher wage differential between rural and urban areas and the higher probability of obtaining a job in urban areas drives migration. To reverse migration, it is important to reduce the wage differential.
7. Educating the children of rural areas by increasing the number of schools and giving incentives to the staff.
8. Ensuring basic health facilities. Healthy development must be prioritized, not just physically but also mentally, with a special focus on infrastructure and service delivery of health facilities to pregnant women and children, ensuring their healthy growth to improve the future generations' well-being.
9. A shift of all those facilities provided to urban areas to rural areas is the need of the time, which can improve the poverty level in rural areas. Rural growth centers must be established in order to stop rural-urban migration. These growth centers can help create more job opportunities within the district and can be instrumental in introducing the charm and attraction of urban cities, which is one of the reasons for rural-urban migration. SMEs must also be encouraged, as they can make a valuable contribution not only by generating employment but also by building the capacity of locals.
10. Provision of water for irrigation through tube-wells and the construction of dams wherever possible.
11. The government should provide a plan to CSOs for working in rural areas to provide and promote the basic needs of the people.
12. Provision of subsidized seeds and fertilizers to rural areas. Hence, it is essential to have a dedicated allocation for Rural Development programs.
13. The community may be incentivized regarding tree plantation.
14. Provision of cattle and short-term loans for the development of livestock to the local community.

### **For Reduction of Urban Poverty:**

1. Unemployment is correlated with rural-to-urban migration, which is a major reason for poverty and the lack of job availability in urban centers. This could be controlled through various interventions, such as the creation of rural growth centers in rural districts. Jobs should be created on the basis of a quota, with strict employment policies in the region of birth of the employee.
2. Public-private partnership-based initiatives must be carried out in industries like construction, housing, education, health, and transportation. These industries are interlinked with each other; for example, housing alone supports more than 80 different sectors, providing significant jobs in the labor market. Through this intervention, unemployment can be reduced to some extent. Employment can also be increased by establishing labor-intensive industries. Most of the poor in urban areas are low-skilled and engage in petty services or subsistence activities; hence, labor-intensive industries must be promoted by the state to secure their share.
3. Since budgetary allocation is an important element, the fiscal budget allocation for education, which has only increased slightly each year, has reached just 2.2 percent of the US\$ 320 billion economies. Countries like Afghanistan, Tanzania, Vietnam, and India spend more than 4 percent of their GDP on education alone, despite having similar dynamics, and none are considered developed economies. Therefore, it is essential for Pakistan to allocate at least 4-5 percent of the budget specifically for education.
4. Currently, the development of public sector education and its infrastructure is mostly associated with rural development. However, it is equally important for urban development as well. Awareness campaigns must be conducted regularly, not only in rural areas but also in urban districts. The head of the household or the breadwinner is responsible for the upbringing and encouragement of their children. Therefore, awareness campaigns must be rolled out regularly within the community and among household heads to emphasize the importance of education for them and their families.
5. Population explosion is also a significant contributor to both rural and urban poverty. Much more needs to be done to control the birth rate in the region. Since land space is limited, and with each percentage increase in population rate, the demand for food, shelter, and other necessities rises, this leads to a shortfall in resource allocation. Furthermore, this also leads to the concept of diminishing marginal productivity, especially in agriculture, which employs almost 40 percent of the total participatory labor force, leading to reduced wage rates and returns.



6. The minimum wage rate must be significantly increased to at least \$180 (Rs. 25,000) per month or \$2,160 per capita per annum. Since increasing inflation and dollar price hikes have squeezed the purchasing power of the common man, it is essential that not only inflation be controlled, but also that a justifiable compensatory wage rate is offered, so that it can at least offer some relief and contribute to reducing poverty at the state level. Wage-flooring must also be ensured by the state; the minimum wage rate for a Master's degree or above must not be equivalent to that of a Matric or Intermediate-qualified individual. By creating such wage slabs, this will eventually increase the demand for higher education and encourage longer schooling among the masses to acquire a more remunerative job. This practice needs to be enforced at the state level, both in public and private organizations. This approach will work on a dual basis, as it will not only increase the drive for higher education but also produce a more specialized workforce in the future.

### **General Recommendations:**

From the above analysis, it is concluded that major sectors have been damaged due to the heavy floods this year. However, those sectors that directly contribute to economic growth and poverty alleviation, such as agriculture, irrigation, and health, have been severely impacted.

1. Agriculture is the most important sector contributing significantly to exports; therefore, reallocation of resources from less important sectors towards agriculture is essential.
2. Foreign donors may be attracted to poverty alleviation programs in the agriculture sector.
3. Civil society may be involved in poverty alleviation programs such as BISP, Sehat-Card, Zakat, etc.
4. A proper monitoring system must be devised to monitor and ensure the transparency of poverty alleviation programs.
5. Climate change-resilient crops or seeds are recommended and should be introduced to farmers.
6. The government must keep itself updated and predict future crop demands and accordingly advise farmers to grow those crops annually.
7. Coordination between the federal and provincial governments must be ensured.
8. BISP and other provincial and federal institutions should focus on skill development along with cash disbursement to increase the earning power of the public.

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