# Poverty & Food Security

## Food Security in Domestic Context

### Project to Reduce Rural poverty Planned

The Punjab government is launching later this year a project to reduce rural poverty and increase the incomes of 80,000 poor households in four selected districts. The International Fund for Agricultural Development (IFAD) has agreed to co-finance the project costing 52.5 mil lion dollars. The Punjab government will make a contribution of 12.46 million dollars. The sources said the project would work in 40 union councils in the districts of Bahawalpur, Bahawalnagar, Muzaffargarh and Rajanpur, where the total rural population is estimated at 8.3 million comprising 1.4 million households. The IFAD executive board is scheduled to consider and approve the project in September. The project is expected to assist with asset creation and introduce a range of technological innovations to enhance land productivity and fertility, reduce production costs and provide access to improved services and skills for the poorest communities.

The project will have two components: the livelihood component will consist of an integrated package of funding for micro-health insurance, productive assets creation, skills development, and access to community infrastructure and services. The aim is to lay a foundation for productivity enhancement and increase the incomes of poor households on a sustainable basis. The component of agriculture and livestock development will focus on agricultural and livestock productivity as a means of poverty alleviation. It will provide productivity enhancement packages to boost crop productivity, building on successful experiences of the Punjab Agriculture Department; direct support for priority agriculture and livestock activities with recognised potential for improving income generation and food security, such as off-season vegetables and dairy farming and capacity-building for local women in livestock management. The project is aligned with the national poverty alleviation strategy and the government of Punjab's provincial economic development and poverty alleviation strategy. It is also consistent with the IFAD strategic framework 2007-10 and the country strategic opportunities programme approved in April 2009. The project's primary innovation is the use of a poverty scorecard ranking methodology to more accurately identify target households. The recent increase in the international prices of food commodities has had a significant impact on Pakistans poor people. It is estimated that about 17 million people have joined the ranks of the 60 million people who are food insecure. And many more are at risk. About half of the country's population lives in a condition of food insecurity.

**[Dawn – July 5, 2010]**

### Progress towards MDGs Doubtful in Absence of Reliable Poverty Figures

An institution of the Planning Commission has completed a report about progress towards millennium development goals, but its findings remain doubtful in the absence of reliable poverty figures. The report has been finalised after an endorsement of the consultant hired by the Planning Commission and it is now awaiting the nod of the government for formal launching. We expect that the progress report on MDGs will be launched after approval of the government in August, a senior official told. The report has been prepared by Planning Commission s Center for Poverty Reduction and Social Policy Development (CPRSPD), a joint venture of UNDP and PC. A renowned economist from Karachi gave final touches to it. The government had agreed to come up with a progress report after every two years in order to track Pakistan s progress towards MDGs. One of the most important goals is to reduce poverty by half by 2015 from the level of 1990. The last report was issued in 2005-06. The next report should have been issued in 2007-08, but the government failed to do so. Progress towards the goal of halving poverty cannot be verified because no one knows the exact level of poverty in the country. There were controversies about the level of poverty in Pakistan throughout the 1990s, as different authors and institutions estimated different levels of poverty. Every government chose to use the poverty figure that suited it. The previous government established with the help of UNDP a Centre for Research on Poverty Reduction and Income Distribution (CRPRID) in the Planning Commission in 2002, which has now been converted to CPRSPD, to remove the controversies surrounding the poverty level. Instead of removing existing controversies, the institution has generated more as its results have been challenged by donors and independent analysts. The CRPRID has not been able to carry out an objective and fair analysis of poverty because its directors are under the influence of authorities in the Planning Commission and the Finance Division. Now the Planning Commission is contemplating various options to bring changes in the methodology for calculating the poverty figures. A consultative workshop was held a few months back by the PC high-ups on poverty level. The last report on MDGs was prepared on the basis of Core Welfare Indicator Questionnaire (CWIQ) portion of the Pakistan Social and Living Standard Measurement (PSLM) survey. The last report comprised comparison among the districts on various social indicators.

**[The News – July 30, 2010]**

## Poverty on the Rise, Concedes Finance Ministry

The Ministry of Finance on conceded that poverty was on the rise in the country after increased prices of POL products and food commodities in international market since 2008, although no official survey was done in last three years rule of the PPP-led regime on the issue. “We do hope that the macroeconomic stability has been reversed on path of prosperity that will now help dent the increasing prevalence of poverty,” Sajjad Ahmed Sheikh, National Project Manager of Poverty Reduction Strategy Paper (PRSP) Secretariat, Ministry of Finance, said on the occasion of launching annual progress report of PRSP-II for 2008-09 during a dissemination workshop. Participants of the workshop raised questions that despite increase in poverty related expenditure in recent years the number of people living below the poverty line increased to the range of around 40 to 50 million out of the total 170 million population. There is lag between expenditure in the name of poor and its actual outcome and there is need to come up with accurate answers, they said. The PRSP Secretariat of the Ministry of Finance along with Ministry of Education has decided to conduct analysis by approaching people at grassroots level to determine the reasons for declining trend in primary enrolment rate from 56 percent to around 55 percent in latest Pakistan Social and Living Standard Measurement (PSLM) survey. The same exercise will be done to determine facts related to health indicators.

National Project Manager of PRSP Sajjad Ahmed Sheikh, who earlier worked as poverty expert in Nepal, revealed during the deliberations that the PSLM data was not shared by Federal Bureau of Statistics (FBS) despite repeated requests and this fact that the questionnaire of the survey were basically designed to determine the outcomes of PRSP interventions of the government. The participants of dissemination workshop of annual progress report PRSP-II also objected by raising questions that whether social sector intervention was the responsibility of federal or provincial governments in the aftermath of 18th Amendment. Nauman Ghani, monitoring and evaluation expert in PRSP Secretariat, recommended in his presentation that there was need to put in place social sector regulatory mechanism in order to ensure effectiveness of government sponsored interventions programmes such as Benazir Income Support Programme (BISP), Zakat, Pakistan Baitul Mal, Punjab Food Support Programme, Punjab Sasti Roti Programme and microfinance programmes. Dwelling upon the challenges faced by PRSP targets, Nauman Ghani said that the process to identify poor is underway from the poverty scorecard survey and the government will have to determine that at what level it considered poor who would deserve government assistance under BISP. Sharing detailed analysis of pro poor expenditures for 2008-09, the PRSP report states that the major portion of intervention through government sponsored schemes were spent under BISP as its share stood at 35 percent, Punjab Food Support Programme 25 percent, Zakat 14 percent and 5 percent each by Workers Welfare Fund and EOBI. It also pointed out that after launching of BISP the beneficiaries of Pakistan Baitul Mal declined by 45.5 percent and Zakat by 25.4 percent. Nauman Ghani also stated that the interest rate charged by microfinance institutions was standing in the range of 10 to 25 percent depending upon different institutions in the sector.

**[The News – July 20, 2010]**

## Sugar Price at USC Outlets Increased by Rs10/kg

The government has increased the price of sugar by Rs 10 per kilogramme (kg) to Rs 55 per kg at all Utility Stores Corporation (USC) outlets with immediate effect. The decision was taken by the ministerial committee set up by the Economic Coordination Committee (ECC) in a meeting held under the chairmanship of the minister for industries and production. The committee decided that the sugar price differential in the open market and at USC outlets would not be more than Rs 10 per kg in Islamabad, Lahore and Karachi. The sources said the meeting was informed that the Trading Corporation of Pakistan (TCP) was yet to receive billions of rupees from the Finance Ministry against subsidies provided on sugar at USC outlets. Senior officials of the ministry informed the meeting that the government did not have funds to provide the subsidy to the TCP, and in order to pay the amount, the government had to either cut the PSDP allocation or reduce salaries of government employees. The committee also decided that the provinces would get 100,000 tonnes of imported refined sugar each from the TCP. ijaz kakakhel

**[Daily Times – July 27, 2010]**

## NEPRA Raises Power Tariff by 64 paisas per Unit

The National Electric Power Regulatory Authority (NEPRA) has once again increased power tariff by 64 paisas per unit on July 26. NEPRA has issued a notification in this regard. According to NEPRA sources, the power tariff was raised under the fuel adjustment mechanism, and would be implemented from August 1. Consumers would have to bear the additional fuel surcharge in their electricity bills of August. The National Electric Power Regulatory Authority (NEPRA) had earlier notified an increase in power tariff as recently as June, when it also hiked up the electricity tariff citing fluctuations in the international price of fuel. The sources said the Central Power Purchase Agency (CPPA) had recommended the increase in power tariff by Rs 1 to Rs 2. However, NEPRA approved a 64-paisa increase under the fuel adjustment. The increase would be applicable to all distribution consumers. NEPRA had earlier refused to pass on the burden of a fine incurred over non-payment to the consumers and had directed that line losses be borne by distribution companies and CPPA. An earlier raise in power tariff in June was applied from the month of May.

**[Daily Times – July 27, 2010]**

# Food Security in Regional and Global Context

## Food Security should be a Priority: ADB

"Asia's rebounding economies must boost investment in agriculture in order to tackle widespread hunger and cushion billions of people from future spikes in food prices," said the main speakers at a food security forum at the Asian Development Bank (ADB) on july 7. "Achieving food security at regional, national and household levels has long been a struggle for the region, even during the best of economic times," ADB President, Haruhiko Kuroda, said in a speech to policymakers, development experts and representatives from the public and private sectors at the Investment Forum for Food Security in Asia and the Pacific. He said that a sustainable and balanced rebound in Asia, coupled with the hard lessons we learned during the 2008 food crisis, presents us with a golden opportunity to harness our collective resources in order to achieve food security. Co-organized by ADB, the Food and Agriculture Organization of the United Nations (FAO), and the International Fund for Agricultural Development (IFAD), the forum aims to identify barriers to achieving food security and explore a range of opportunities to overcome them. In a video address to the forum, FAO Director-General, Dr. Jacques Diouf, estimated that food production will need to double in the developing world by 2050 in order to feed the growing population. "A production increase of this magnitude will require the developing world alone to invest over $200 billion per year in agriculture till 2050, of which almost $120 billion would have to be invested in the Asia-Pacific region alone," He added IFAD President, Kanayo Nwanze, said in his video remarks that there is significant potential in Asia and the Pacific to raise agricultural productivity and food production. "This can be done by improving crop management, expanding the use of modern varieties, strengthening rural infrastructure and improving post-harvest technologies," Nwanze said, adding that adequate funding for research and development must also be provided. ADB, based in Manila, is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, it is owned by 67 members – 48 from the region. In 2009, it approved a total of $16.1 billion in financing operations through loans, grants, guarantees, a trade finance facilitation program, equity investments, and technical assistance projects. ADB also mobilized co financing amounting to $3.2 billion.

The Food and Agriculture Organization (FAO) of the United Nations leads international efforts to defeat hunger. Serving both developed and developing countries, FAO acts as a neutral forum where all nations meet as equals to negotiate agreements and debate policy. FAO is also a source of knowledge and information. It helps developing countries and countries in transition modernize and IFAD: improve agriculture, forestry and fisheries practices and ensure good nutrition for all. Since our founding in 1945, we have focused special attention on developing rural areas, home to 70 percent of the world's poor and hungry people. The International Fund for Agricultural Development (IFAD) works with poor rural people to enable them to grow and sell more food, increase their incomes and determine the direction of their own lives. Since 1978, IFAD has invested over US$12 billion in grants and low-interest loans to developing countries, empowering more than 350 million people to break out of poverty. IFAD is an international financial institution and a specialized UN agency based in Rome the UN's food and agricultural hub. It is a unique partnership of 165 members from the Organization of the Petroleum Exporting

Countries (OPEC), other developing countries and the Organisation for Economic Cooperation and Development (OECD).

**[Daily Times – July 8, 2010]**

## New Poverty Index finds Indian States Worse than Africa

More people are mired in poverty in eight Indian states than in the 26 poorest African countries, according to a new UN-backed measure of poverty. The Multidimensional Poverty Index (MPI) looks beyond income at a wider range of household-level deprivation, including services, which could then be used to help target development resources. Its findings throw up stark statistics compared to regular poverty measures.

The study found that half of the world's MPI poor people live in South Asia, and just over a quarter in Africa. There are 421 million MPI poor people in eight Indian states alone Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttar Pradesh, West Bengal and 410 million in the 26 poorest African countries combined. The researchers said that the extent of poverty in India had often been overlooked, by figures comparing percentages of poor people in countries as a whole rather than sheer numbers. According to the index, 64.5 percent of people in sub-Saharan Africa are MPI poor. In South Asia, 55 percent of people are MPI poor. Both figures are higher than the number considered extreme income poor living on less than 1.25 dollars per day. The new index was created by the Oxford Poverty and Human Development Initiative at Oxford University in southern England, and the Human Development Report Office of the United Nations Development Programme. “Our measure identifies the most vulnerable households and groups and enables us to understand exactly which deprivations afflict their lives,” said OPHI director Sabina Alkire. “The new measure can help governments and development agencies wishing to target aid more effectively to those specific communities.”The MPI will be used in the forthcoming 20th anniversary edition of the UNDP Human Development Report. It supplants the Human Poverty Index, which has been used since 1997. The index takes into account that people living in MPI poverty may not necessarily be income poor: only two-thirds of Niger's people are income poor, whereas 93 percent are poor by the MPI, it found. It also showed that “multi-dimensional poverty” varies a lot within countries. In Delhi, 15 percent of people are MPI poor, compared to 81 percent in the northeastern Indian state of Bihar.

**[Dawn – July 23, 2010]**