

COVID-19 – PAKISTAN SOCIO-ECONOMIC IMPACT ASSESSMENT & RESPONSE PLAN

(VERSION 1 MAY 2020)



TABLE OF CONTENTS:

Acronyms

Executive Summary

- I. Introduction
- II. Country Context
- III. Initial Assessment of the Vulnerability
- IV. Initial Response of the Government
- V. Assessment and Response Framework
- VI. Pillar 1. Health First: Protecting Health Systems during the Crisis
Pillar 2. Protecting People: Social Protection and Basic Services
Pillar 3. Economic Recovery: Protecting Jobs, Small and Medium Sized Enterprises and the most Vulnerable Productive Actors
Pillar 4. Macroeconomic Response and Multilateral Collaboration
Pillar 5. Social Cohesion and Community Resilience
- VII. Governance: Mechanism for Delivery Response

ACRONYMS:

ADB Asian Development Bank
BHU Basic Health Unit
BISP Benazir Income Support Program
CMAM Community-based Management of Acute Malnutrition
CRMVI COVID-19's Multidimensional Vulnerability Index
CSOs Civil Society Organizations
EFF Extended Fund Facility
EPI Expanded Program on Immunization
FBR Federal Board of Revenue
FIES Food Insecurity Experience Scale
GAM Global Acute Malnutrition
GBV Gender-based Violence
GCC Gulf Cooperation Council
GDP Gross Domestic Products
HBWs Home-based Workers
HDI Human Development Index
HSD High Speed Diesel
IFIs International Financial Institutions
IPC Infection Prevention and Control
ITC International Trade Centre
LFS Labor Force Survey
LG Local Government
LHV Lady Health Visitor
LHW Lady Health Worker
MHPSS Mental Health & Psychosocial Support Network
MICS Multiple Indicator Cluster Survey
MISP Minimum Initial Service Package
MMR Maternal Mortality Ratio
MNCH Maternal, Neonatal and Child Health
MSMEs Micro, Small, Medium Enterprises
NADRA National Database and Registration Authority
NAP National Action Plan
NGOs Non-governmental Organizations
NNS National Nutrition Survey
NSER National Socio-Economic Registry
PASSCO Pakistan Agricultural Storage and Services Corporation
PDGN Pakistan Dietary Guidelines for Better Nutrition
PDHS Pakistan Demographic and Health Survey
PoEs Point of Entries
POFI Pakistan Overview of Food Security and Nutrition
PoU Prevalence of Undernourishment
PPE Personal Protective Equipment
PSDP Public Sector Development Program
RHC Rural Health Center
SDGs Sustainable Development Goals
SMEDA Small and Medium Enterprise Development Authority
SOPs Standard of Practices
SRHS Sexual and Reproductive Health Services

UHC Universal Health Coverage
USC Utility Stores Corporation
WRA Women of Reproductive Age

EXECUTIVE SUMMARY

The current outbreak of coronavirus (COVID-19) continues to impact the lives of the people in Pakistan. The country has witnessed significant increase in its confirmed cases from the initial two cases on 26th February 2020 to approximately 14,885 as of 29th April 2020.¹ In addition to the risk imposed by the virus to human lives, there is an imminent risk to the social and economic lives of Pakistanis.

The COVID-19 pandemic is expected to regress some of the gains Pakistan has made in poverty reduction and towards social indicators. The poverty rate declined during the last two decades by 40 percent to 24.3 percent in 2015², lifting more than 23 million people out of poverty. However, current estimates by IMF suggest a sharp rise in poverty rates i.e. up to 40 percent.

The real GDP growth is also likely to slow down by around 3 percent for FY2019-20 primarily through a slowdown in the services and manufacturing sectors. The agriculture sector will also be impacted in case the lockdown continues and disrupts the transportation, logistical support, labour for harvest and transport, and access to inputs for the next planting season. As the country is emerging from a macroeconomic crisis, the government has limited fiscal buffers to actively respond to the pandemic.

In the current context, the following groups are particularly vulnerable: i) nearly half of all households in the country rely on agriculture and livestock as their primary and/or secondary source of livelihood; ii) some 22 percent are dependent on wage labour (skilled/unskilled non-agricultural labour, forestry workers); iii) around 62 percent of households in the poorest wealth quintile rely on farm labour and daily wage as livelihood strategies (33 percent on farming - small/medium/large farming, livestock, fishing and agricultural labour) and 29 percent on wage labour (skilled and unskilled non-agricultural work). In addition to these, vulnerable people include those who are experiencing disruption in the provision of essential services. For example i) nearly 42 million school children are not being able to attend their school; ii) almost 17 million children under age 5 are at-risk due to delay or complete miss of their immunization; iii) around 0.47 pregnant women are not properly getting pre-and post-natal care; iv) an additional 2.45 million people, in addition to existing 40 million, who are food insecure; v) around 12 million children who are malnourished and stunted.

As an immediate response to COVID-19, the Federal Government (of Pakistan) has announced a fiscal stimulus of PKR 1.2 trillion, and the provincial governments announced various fiscal measures for their respective provinces. Some of these include expanding the outreach of the Ehsaas emergency programme from 4.9 million to 12 million households and distributing PKR 144 billion at PKR 12,000 per household; providing a cash grant of PKR 158 billion to 3 million daily wagers in the formal sector; allocating PKR 50 billion for providing food items at subsidized rates to poorest people from Utilities Stores; reducing all petroleum products price: instalments of electricity and gas bills payment over three months; strengthening public hospitals' capacity to deal with the pandemic; tax refunds to exporters; and enhancing targets for wheat procurement to inject a cash stimulus to the rural economy.

¹ Government of Pakistan. <http://covid.gov.pk/stats/pakistan>

² World Bank. 2018. From Poverty to Equity - Pakistan at 100. Washington, DC: World Bank.

This situation necessitates the Government to prepare a Response Plan, which enshrines the social and economic wellbeing of the people of Pakistan; a Plan which lays out the multidimensional aspects of the COVID-19 response, with a clear strategy to efficiently and effectively minimize, mitigate and manage the adverse effects of the pandemic. This also means mobilizing technical and financial resources through the government's own sources, donors' assistance and engagement with development partners to define and implement new economic priorities; making precise planning to protect economic activities and jobs; ensuring food security; and safeguarding and protecting social and health needs of the most vulnerable in a cohesive and collaborative manner.

Underpinning this, a COVID-19 Socio-economic Impact Assessment and Response Plan has been developed through a joint effort of the Government of Pakistan, its relevant ministries and the UN agencies. The Plan reflects both a short-term immediate response to cope with the most exigent socio-economic risks and impacts of the COVID-19, along with medium to long-term policy, regulatory and institutional measures to bring a holistic perspective to the response strategy.

This socio-economic response plan consists of five streams of work – an integrated support to protect the needs and rights of people living under the duress of the pandemic, with particular focus on the most vulnerable groups³ and people who risk being left behind. The five streams of work that constitute this package include: i) making essential health services available to those in need and protecting health systems; ii) helping people cope with adversity through social protection and basic services and food security; iii) protecting jobs, supporting small and medium-sized enterprises, and the most vulnerable productive actors through economic recovery programmes; iv) guiding the necessary surge in fiscal and financial stimulus to make macroeconomic policies work for the most vulnerable and strengthening multilateral and regional responses; and v) promoting social cohesion and investing in community-led resilience and response systems. These five streams are connected by a strong environmental sustainability imperative to build back better.

Under the wide stream of response measures, the COVID-19 Response Plan requires a deliberate effort to reach out to the furthest and most vulnerable through economic relief packages and social sector services. Despite this, there remains a challenge for implementers and planners to find innovative technologies, as well as credible partners with outreach for the provision of support to these communities in the most efficient and transparent manner.

³ Vulnerable groups include people living below poverty line, women, children, persons-with-disabilities, elderly persons and other marginalized groups/ people who are at-risk of losing their lives, livelihoods, jobs, fundamental rights and basic facilities, productive assets, food security etc. as a result of COVID-19's health and socio-economic impact. These Vulnerable Groups are defined in-detailed in the Introduction (Targeting) section.

SOCIO-ECONOMIC IMPACT ASSESSMENT AND RESPONSE PLAN FOR COVID-19 PAKISTAN

GOAL

To promote sustainable socio-economic development in Pakistan by minimizing and mitigating the negative impact of COVID-19.

STRATEGIC OBJECTIVE

Ensure a concerted, collaborative and all-inclusive effort to address the multidimensional impacts of the COVID-19 and to protect the needs and rights of people living under the duress of the pandemic, with particular focus on the most vulnerable groups, and people who risk being left behind.

OUTCOMES

1. Ensuring that essential health services are still available and health systems are protected;
2. Helping people cope with adversity, through social protection and basic services;
3. Protecting jobs, supporting small and medium-sized enterprises, and the most vulnerable productive actors through decent-work and economic recovery programmes;
4. Guiding the necessary surge in fiscal and financial stimulus to make macroeconomic policies work for the most vulnerable and strengthening multilateral and regional responses; and
5. Promoting social cohesion through social dialogue, political engagement and investing in community-led resilience and response systems

A cross-cutting focus would remain on 'building back better', as well as delivering the SDGs in Pakistan. This requires a transformational approach i.e. addressing the root causes and drivers that generate and reproduce economic, social, political and environmental problems and inequities, and not merely their symptoms. It also involves changes in social structures, institutions and relations, including patterns of inequalities related to income, gender, ethnicity, geography that may act as hindrances for people as well as improving natural resource management and addressing climate change.

INTRODUCTION

COVID-19 is one of several emerging infectious disease outbreaks in recent decades with significant public health and economic impacts. The last of these were the influenza pandemics in 1957 and 1968, each killing more than a million people around the world. COVID-19, declared a pandemic by the World Health Organization (WHO) on 11th March⁴, has escalated worldwide - affecting over 2.5 million people in 185 countries/regions, with over 187,000 deaths⁵. While the world is still witnessing its spread, most countries are experiencing direct and indirect impacts of the global pandemic on their economy and society to varying degrees.

The current outbreak of coronavirus (COVID-19) continues to impact the lives of the people in Pakistan. The country has witnessed significant increase in its confirmed cases from the initial two cases on 26th February 2020 to approximately 14,885 as of 29th April 2020 and 327 deaths.⁶ The Case Fatality Rate has gone up to 2.1 while the recovery rate is 22.2 percent. In addition to the risk imposed by the virus to the human lives, there is an imminent risk to the social and economic lives of the people. The country is highly vulnerable due to its geography, as it shares borders with both China and Iran, which have reported large outbreaks. Increased travel resulting from trade, education, tourism, pilgrimage, conflict-displacement and remittance movements between Pakistan and its high-risk neighbours, as well as Saudi Arabia and European countries, has further exacerbated the situation.

The social and economic effects of COVID-19 are being felt with greater intensity across least developed, developing and emerging market economies irrespective of their income level. Most of them will experience a drop in the GDP and losses in employment and income leading to greater poverty, food insecurity and malnutrition. Concurrently, capacities and resources vary across the world to overcome this pandemic and its intertwined health, social and economic impacts.

The public health system of Pakistan is already under stress with a ratio of one doctor to 963 people and one hospital bed to 1,608 people.⁷ The country is facing an acute shortage of more than 200,000 doctors and 1.4 million nurses⁸. The absence of Universal Health Coverage (UHC) further exacerbates the vulnerability of the country's population to the health, economic and social fallouts of this pandemic.

Pakistan, the sixth most populous country in the world, ranks amongst the medium human development countries on the 2019 Human Development Index (HDI), at 152 out of 189 countries. Gender disparities continue, and female labour force participation was only 26.5 percent in 2018. Nationwide, 78 percent of non-agricultural jobs are in the informal economy. Approximately 22 million people occupy these roles, with most of them being women. The majority of an estimated 8.5 million (mostly unregulated) domestic workers are also women⁹.

Real gross domestic product growth decelerated from 5.5 percent in FY18 to 3.3 percent in FY19 as measures were implemented to address unsustainable fiscal and external imbalances, with support from a \$6 billion IMF (International Monetary Fund) Extended Fund

⁴ <https://covid19.who.int>

⁵ John Hopkins Coronavirus Resource Center, <https://coronavirus.jhu.edu/map.html>

⁶ Government of Pakistan. <http://covid.gov.pk/stats/pakistan>

⁷ Economic Survey 2018-19, Ministry of Finance

⁸ The Express Tribune, <https://tribune.com.pk/story/1975950/1-pakistan-facing-acute-shortage-doctors/>

⁹ <https://views-voices.oxfam.org.uk/2017/06/rights-women-pakistans-informal-economy/>

Facility arrangement. Before the outbreak of COVID-19, the economy was expected to pick up moderately, on the back of structural reforms. Over the medium to long term, in order to recover from the impacts of COVID-19 and continue its trajectory towards an upper middle-income country, Pakistan needs to double its private investment rate and investment in human capital, raise more revenue, simplify the business regulatory regime, integrate with global value chains, and sustainably manage its natural endowments.

Country Context in COVID-19's Scenario

The COVID-19 pandemic is expected to regress some of the gains Pakistan has made in poverty reduction. Poverty declined from 64.3 percent in 2001 to 24.3 percent in 2015,¹⁰ lifting more than 23 million people out of poverty in the past 15 years. Significant disparities exist in poverty rates between rural areas (30.7 percent) and urban areas (12.5 percent), with poverty having declined faster in urban areas. Pakistan's poverty reduction efforts have been widely documented. Remittances, safety net transfers, and resilience of a large informal economy have contributed to poverty reduction. However, the challenges of poverty reduction are exacerbated by the current COVID-19 pandemic because of:

- i. A global decline in economic activity and oil prices, which is likely to have an impact on remittances and slow down domestic consumption growth/internal demand;
- ii. Declining demand for Pakistani goods amongst its major trading partners, particularly USA, UK, and Europe;
- iii. Negative impact on the informal sector which provides livelihoods for the majority of the poor and for the segments of population more likely to fall back into poverty;
- iv. Measures aimed at containing the spread of the disease such as closure of construction as well as manufacturing units, closures of restaurants, trading activities etc. are likely to affect both the formal and informal sector the most where capacity to buffer shocks is limited; and
- v. Lower capacity of the poorest households to implement mitigation strategies and to protect themselves from contagion (limited access to water, poor sanitation and overcrowding, financial barriers to exercising preventative health measures).

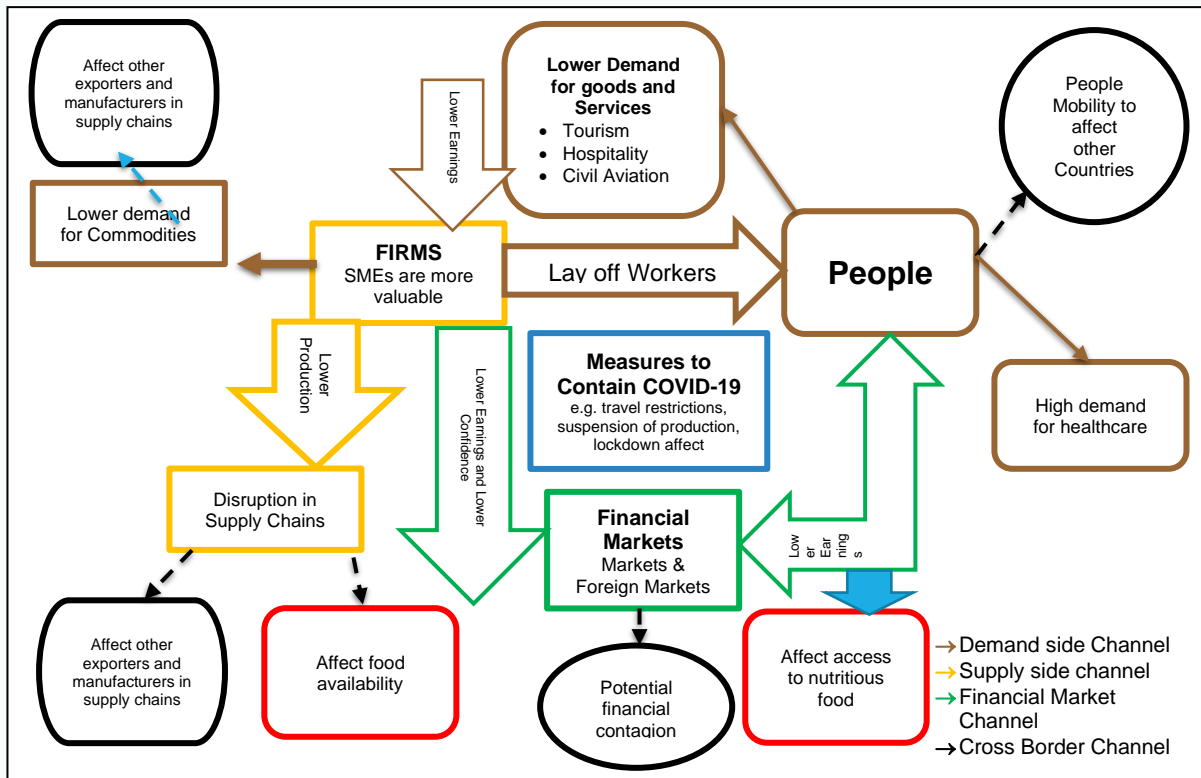
The COVID-19 pandemic is projected to impact real economic growth, affect the government's fiscal position and depress private investment, both foreign and domestic. The pandemic is likely to reduce the real GDP growth primarily through a slowdown in the services and manufacturing sectors. The agriculture sector may also be impacted in case of disruption in the transportation, logistical support, labour for harvest and transport, and access to inputs for next planting season. As the country is emerging from a macroeconomic crisis, the government has limited fiscal buffers to actively respond to the pandemic. The government has committed to a fiscal deficit of 7.3 percent for FY20 under the Extended Fund Facility of the IMF (EFF). It may be difficult to meet the fiscal deficit target because revenue collection is expected to be below targets on account of a slowing economy as well as prolonged shutdown, and due to the need to increase spending on COVID-19 mitigation measures.

The initial measures to contain the spread through quarantines, travel restrictions, and lockdowns of cities has resulted in a reduction in aggregate demand with an impact on the service sector, including tourism, retail, hospitality, and civil aviation. International demand for commodities also fell, especially for oil, further contributing to economic and financial uncertainty and instability. Depressed domestic consumption, a fall in remittances, and a

¹⁰ World Bank. 2018. From Poverty to Equity - Pakistan at 100. Washington, DC: World Bank.

reduction in global demand is leading the private sector to delay or cancel investment plans (see Figure 1).

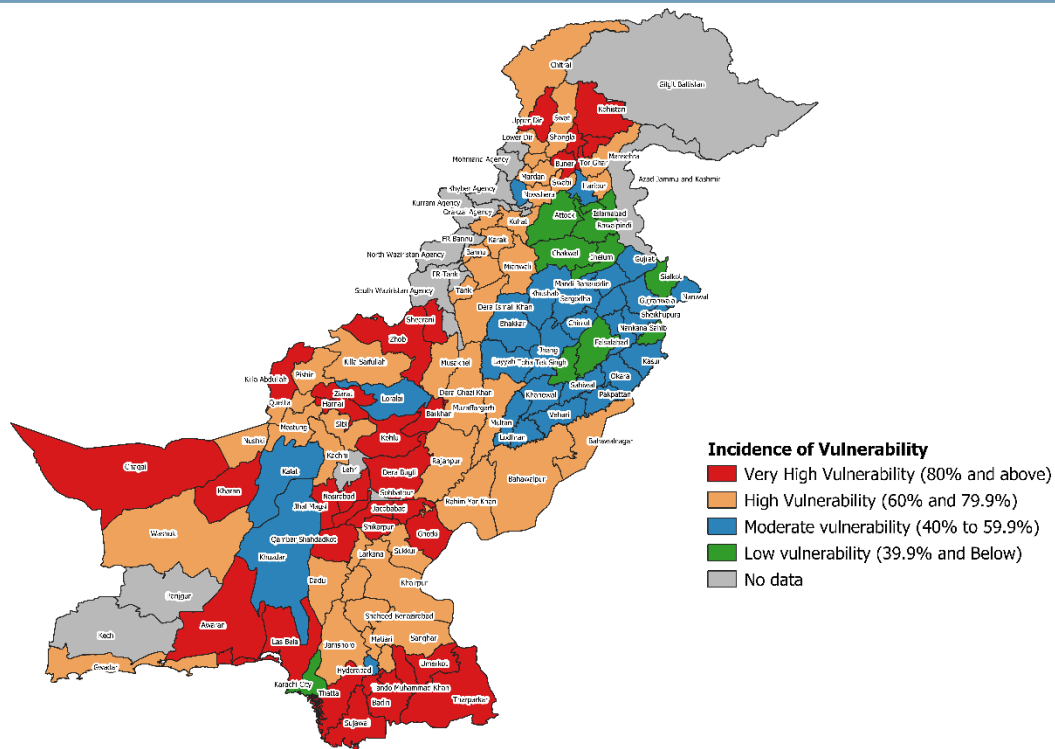
Figure 1: Channels of COVID-19's Impact on the Economy



COVID-19: Vulnerability Assessment

The COVID-19's Multidimensional Vulnerability Index (CRMVI) provides a quick snapshot of geographical as well as sectoral vulnerabilities in Pakistan (Map 1)

Map 1: COVID Response Multidimensional Vulnerability Index (CRMVI) at District



Source: UNDP calculations based on PSLM 2014/15 data

Geographical analysis

- National level.** Around 126.6 million people (including those from ICT and the Newly Merged Districts) are vulnerable to COVID-19. On the positive side, this is the worst case scenario; this number can reduce substantially if the outbreak is curtailed. Even so, one quarter of the households (around 49 million people) in Pakistan are estimated to be moderately or severely food insecure¹¹. This number can only increase with the additional shock of COVID-19.
- Rural-Urban.** At both national and provincial levels, rural areas have both higher MPI and CRMVI, a higher number of food insecure districts and a higher share of multi-dimensionally vulnerable population. Urban areas, although starting from lower MPI and CRMVI, face a massive increase in their CRMVI, which is commensurate with the possibility of higher contagion risks in urban areas, loss of employment and, thus, income. Lack of access to health and other public services are realities that affect both rural and urban areas
- Provincial level.** Punjab and Sindh may experience the highest increase in multi-dimensionally vulnerable populations. Given the high population density in these provinces in both rural and urban areas, the indicators that contribute the most to the CRMVI of Punjab and Sindh include overcrowding and higher dependency ratio. Other indicators that define contribution to CRMVI include, lack of human capital (years of schooling), fewer people earning more than minimum wage, and deprivation in livestock possession as an alternate means to earn a livelihood. This is coupled with a high incidence of food insecurity in many districts. Balochistan and KP may experience a lower increase in

¹¹ Based on FIES.

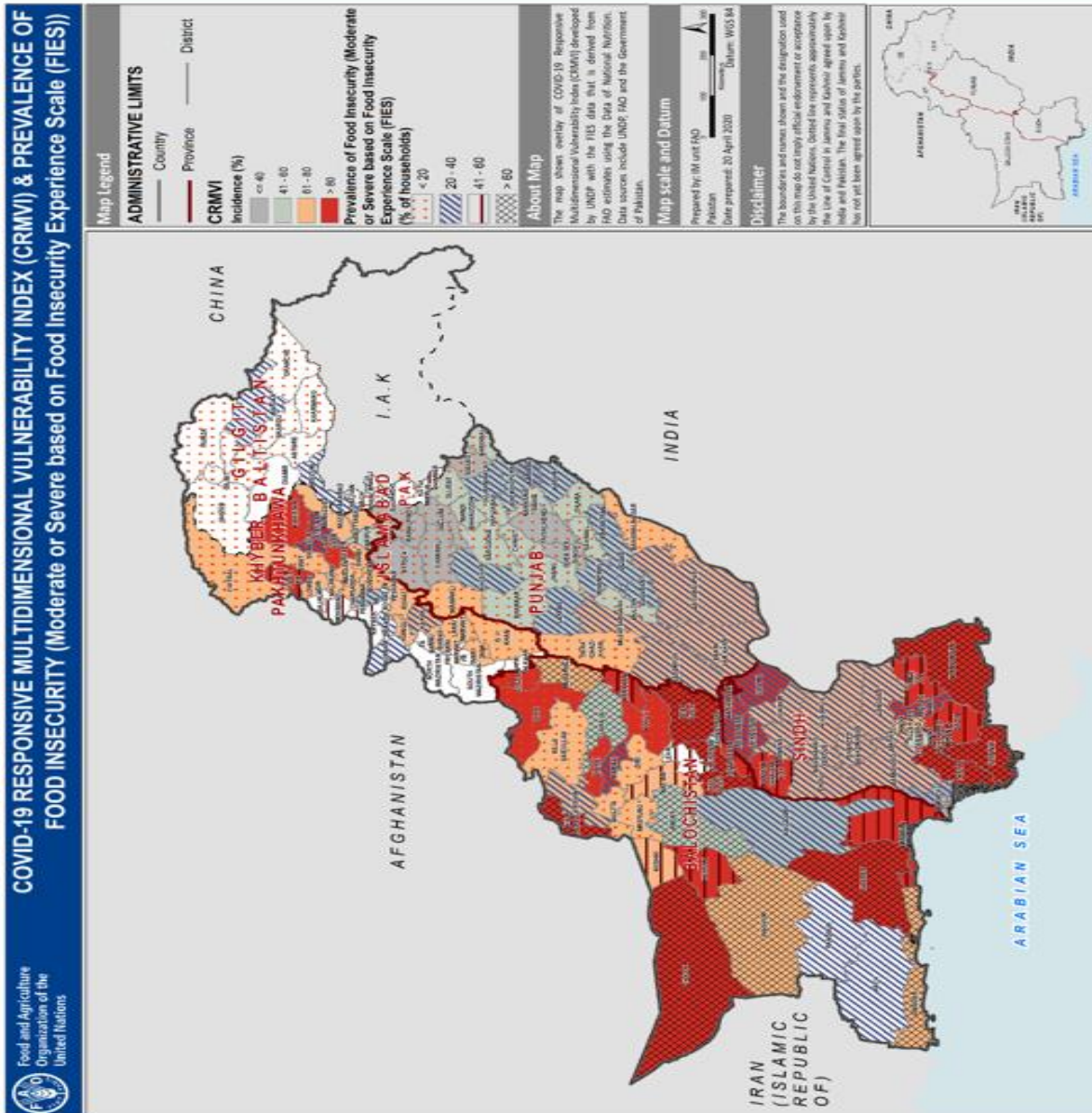
vulnerable populations, but they are already home to a population that has higher multidimensional poverty and food insecurity, including a substantial refugee community.

- **District level.** 34 districts fall in the bracket of Very High Vulnerability, and 43 in High Vulnerability, which account for a total of 67.8 million population. The highest increase in vulnerable populations may be seen in 7 districts, namely, Islamabad, Karachi, Lahore, Rawalpindi, Jhelum, Attock and Gujranwala, which account for a total of 15.5 million population. According to the FIES estimates, 17 districts in the country are in the bracket of Very High Food Insecure and 16 in the bracket of High Food Insecure districts. The Very High Food Insecurity is where the percentage of moderate or severe food insecure households is greater than 60 percent, whereas the High Food Insecure districts are those where the percentage of food insecure households is between 40 to 60 percent.

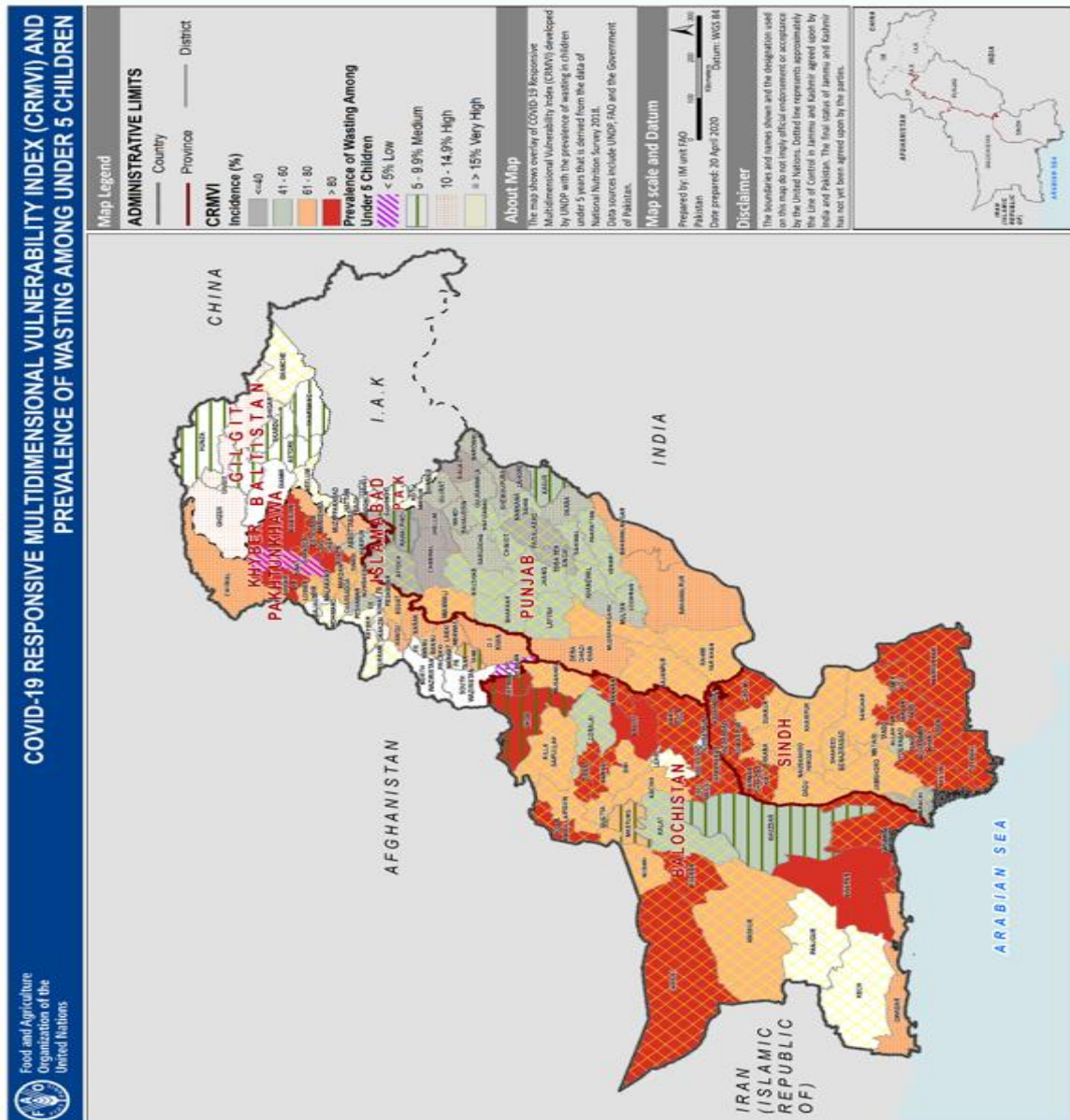
Sectoral/ Indicator-level Analysis

The CRMVI analysis was also compared with other indicators through a multi-criteria analysis, which included food insecurity, wasting and occurrence of natural shocks to determine vulnerability in comparison to other indicators. The analysis reveals the following results:

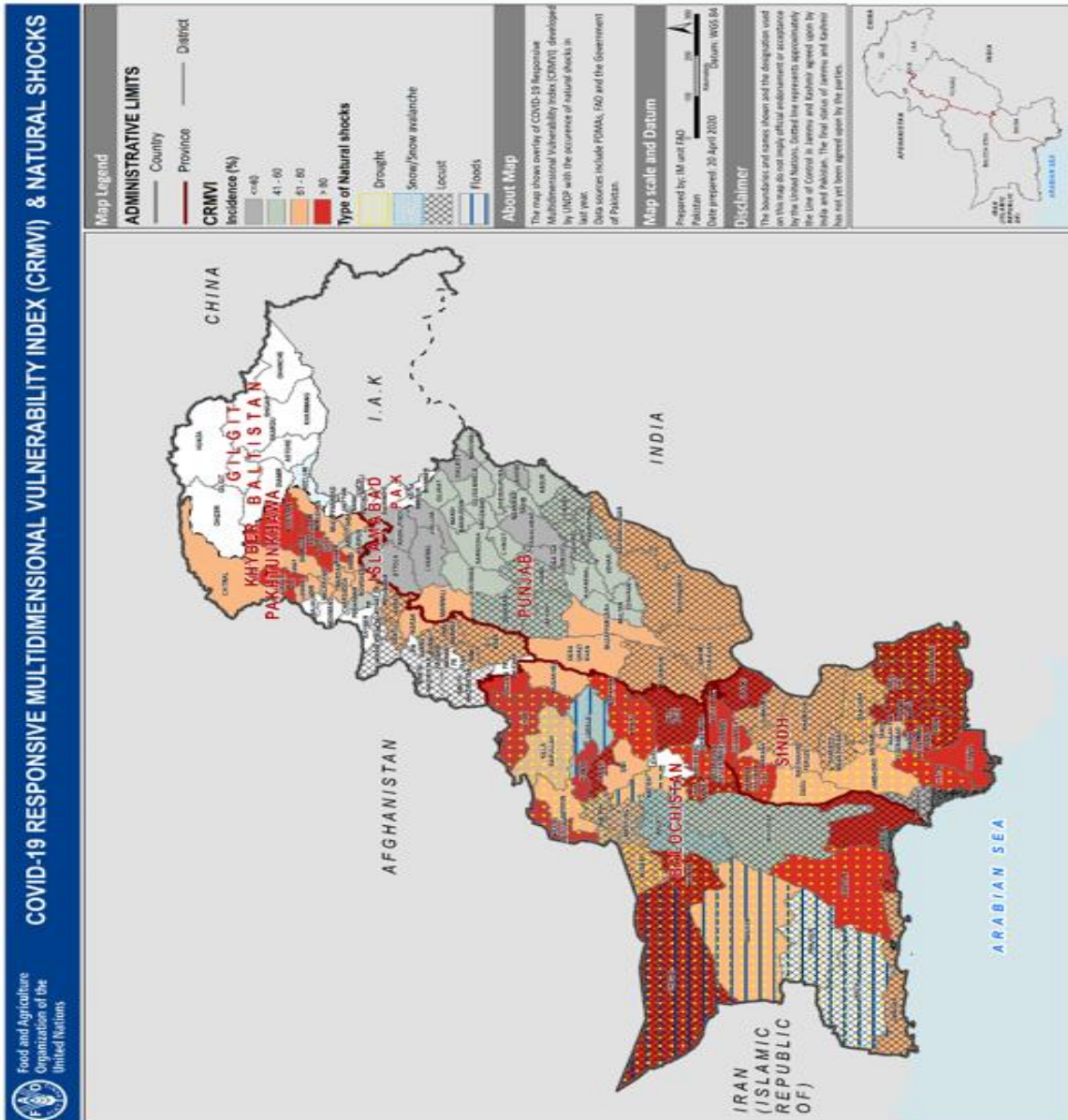
Food insecurity and CRMVI: Most districts had a direct relationship between high incidence of food insecurity and CRMVI. This implies that the districts having a low CRMVI also have lower percentage of food insecure households, and districts with a higher CRMVI have higher percentage of food insecure households. However, some districts in Balochistan, Punjab and KP have high CRMVI incidence but lower food insecurity.



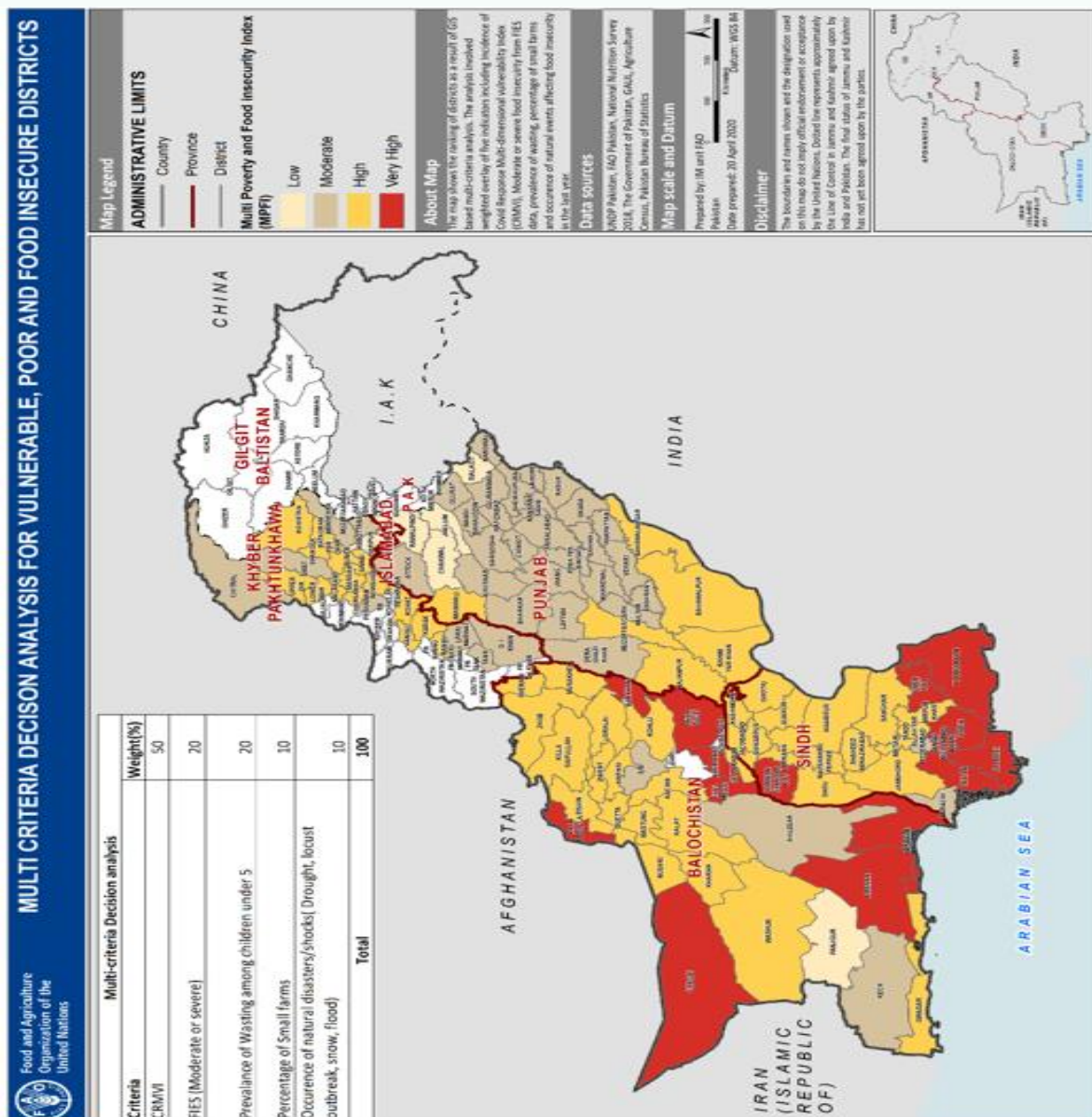
Wasting and CRMVI: The majority of the districts with a higher incidence of CRMVI also have higher prevalence of wasting among children under 5. However, the prevalence of wasting is also higher in several districts with low to medium CRMVI such as districts in northern Punjab. This is another important aspect to carefully consider in designing interventions and targeting communities/populations.



Natural shocks and CRMVI: Except for the districts in northern Punjab, most of the districts with higher CRMVI incidence have experienced one or more natural shocks/disasters recently. This means that poverty and food insecurity levels in the districts already classified as vulnerable in terms of CRMVI may get worse due to COVID-19 on account of natural shocks that have recently impacted the resilience of these communities and with further deterioration of nutrition.



In addition to the analysis of vulnerability through overlaid maps, a multi-criteria analysis was also performed to more precisely map vulnerabilities, keeping in view the food insecurity indicators. The additional key indicators included food insecurity based on Food Insecurity Experience scale, prevalence of wasting among under 5 children, percentage of small farms and occurrence of natural shocks/emergencies such as locust outbreaks, droughts, floods and snow/avalanches in the previous year. As a result, the map below was produced, which shows the vulnerabilities in relation to CRMVI and food insecurity indicators.



Initial Response of the Government

The Government of Pakistan as well as the provincial governments responded quickly to the pandemic. The immediate response required to successfully contain the spread and limit impact of the virus disrupted economic activity and social movement. All educational institutions have been closed until May 31, 2020. This could reverse hard-won gains in learning results and diminish access for the most vulnerable groups who lack connectivity, negatively impacting those already at the margins. School closures also impact households as they need to adjust to new childcare responsibilities for children who are now home, and within households this will impact women in particular with additional chores. Social norms are not supportive of women’s involvement in economic activities outside of their homes and this forces them to either fall back into the informal sector - which is already a woman-dense sector - and rely upon mostly home-based unskilled or low skilled vocations, , or to simply not be a part of the wider economy at all.

The federal and provincial governments are encouraging social distancing measures, limiting public activity, and enforcing a mandatory shut-down. While necessary, these measures will have an impact on firms and household incomes; hitting those operating in the informal economy and the daily wagers particularly hard. Incentives to adhere to the containment measures as well as financial support to access medical care will be necessary, particularly for poor and vulnerable households. Extreme restrictions in the movement of people in areas seriously affected by the virus will need to be accompanied by measures to ensure continued production of and access to food supplies.

Federal and provincial governments are ramping up the response to the pandemic since March 13, 2020. The immediate response so far has included grounding of domestic and international flights and closures of land point of entries (PoEs). Quarantine camps have been set up to monitor travelers returning from Iran, and additional isolation facilities are being set up in the provinces. Education facilities have been closed, public communications from the Government are being transmitted, measures are underway to create fiscal space, and the State Bank of Pakistan has waived all charges on online fund transfers.

The Government has also notified the National Action Plan (NAP) for COVID-19. The NAP aims to: (i) contain and respond to the outbreak in a timely and efficient manner; (ii) prioritize financial resources and increase the domestic and international investment for country emergency preparedness; and (iii) implement emergency preparedness actions by strengthening inter-sectoral collaboration with government sectors, private sector and civil society at the provincial level. The plan covers planning and coordination mechanisms, laboratory support, food security, logistics, communication, infection prevention and control at PoEs and health facilities, trainings for health workers, human resource management, quarantine preparedness, isolation hospitals, surveillance, reduced community exposure, and monitoring and evaluation. A National Emergency Coordination Committee and Command and Control Centre has been established at the national level with provincial representation and relevant stakeholders (Ministries of Finance, Interior, Planning, Foreign Affairs, Health, Pakistan Army, National Disaster Management Authority, National Institute of Health etc.) to monitor the response. The Prime Minister chaired a meeting of the National Security Council on March 13, 2020 to ensure implementation of the nation-wide response and addressed the nation on March 17. A COVID-19 Secretariat has been set up at the Planning Commission to help with a coordinated economic and social response to COVID-19.

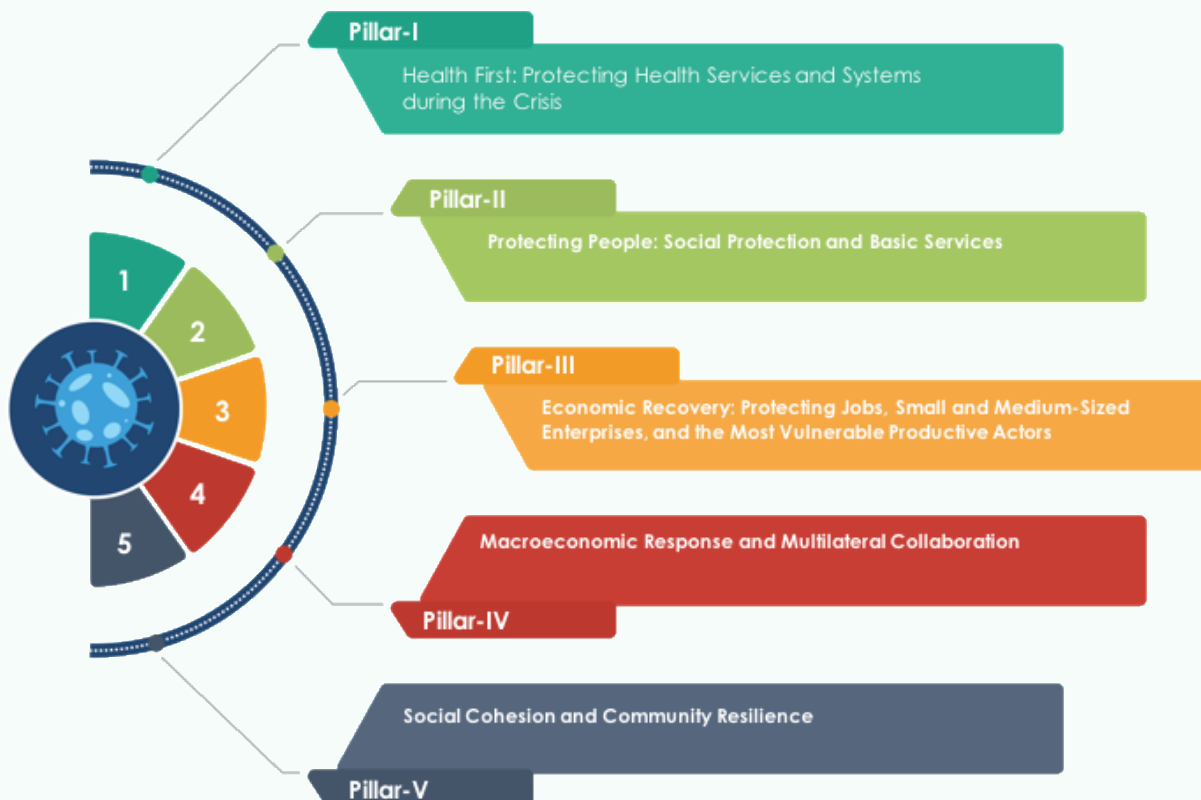
To mitigate the socio-economic impact of COVID-19 in the immediate, the Federal Government has announced a fiscal stimulus of PKR 1.2 trillion and the Provincial Government announced various fiscal measures including: (a) expanding the outreach of Ehsaas Cash Grants from 4.9 million to 12 million households and distributing PKR 144 billion at PKR 12,000 per household; (b) Providing a Cash Grant of PKR 158 billion to 3 million daily wagers in the formal sector at PKR 175,000 per worker per month for 3 months; (c) allocating PKR 50 billion for providing food items at subsidized rates to poorest people from Utilities Stores; (d) Reducing all petroleum products price; (e) instalments of electricity and gas bills payment over three months; (f) strengthening public hospitals' capacity to deal with the pandemic; (g) tax refunds to exporters; and (h) enhancing targets for wheat procurement to inject cash stimulus to rural economy. In addition, the Provincial Governments have also announced small financial packages for the poorest of the poor. However, these measures may not be sufficient to mitigate the short-term to long-term impact of the virus, should the pandemic and current shut-down extend beyond a period of three to four months.

Socio-Economic Impact Assessment

While IFIs have been projecting their estimation of the macroeconomic impact assessments of the COVID-19 pandemic on the global and Pakistani economy, it was pivotal to rapidly assess the socio-economic implications of the COVID-19 outbreak in Pakistan. This will help facilitate the government to make evidence-based and informed decisions to address the challenges confronting its most vulnerable and marginalized sectors and population, re-strategizing its focus and interventions towards SDGs and in 'building back better' than before. It is important to note that the socio-economic impact assessment, analysis and corresponding recommendations are preliminary because of the rapidly changing situation.

Framework

The Framework for Impact Assessment and Response Plan takes guidance from the UN framework for the immediate socio-economic response to COVID-19. It is based on five pillars, anchored in the core objectives and principles of saving lives, and protecting rights of people living under the duress of the pandemic with particular focus on the most vulnerable countries, groups, and people who risk being left behind.



Implementation of this Framework and the related Plan requires contextualizing and adapting to the situation that has emerged as a result of COVID-19 by:

1. **Switching to the emergency mode** by ensuring an adequate and effective *rescue* (saving lives) and *relief* (economic packages) plan through its COVID-19's National Action Plan and annual development plans (Pillar-1&2). This also means:
 - a) maintaining essential life-saving health services along with a complementary effort targeting health systems recovery, preparedness and strengthening with a focus on primary health; and

- b) scaling-up and expanding resilient and pro-poor social protection systems including provision of essential food and nutrition, water and sanitation, education and protection services, with a focus on infants, children, women and other vulnerable populations.
2. **Developing a resilient economy** by protecting jobs, micro, small and medium-sized enterprises, and the most vulnerable productive actors through public sector development, policy and regulatory measures. (Pillar-3). This also means:
 - a) increasing public-sector investment in labour-intensive development schemes (cash-for-work) for immediate, short-term job creation in sectors of high priority such as agriculture, rural infrastructure development etc.; and
 - b) introducing incentives for vulnerable productive sectors and SMEs through policy, regulatory measures and financial packages (subsidies, interest-free loans, tariffs rebates etc.) to protect and sustain private sector jobs, enterprises, domestic productions and exports.
 3. **Managing a fiscal and financial surge** through efficient financial and resource planning, management and mobilization for the response to COVID-19 and other development priorities (Pillar-4). This also means:
 - a) estimating the potential impact of COVID-19 and its financial implications, identifying macroeconomic policy options and other administrative measures to create fiscal space for financing COVID-19's response, and identifying COVID-19 response priorities for allocation of financial, budgetary resources;
 - b) introducing measures for promoting global partnerships, private sector engagement and development cooperation to mobilize and leverage financial, technical and advisory support to implement the public-sector development plans, particularly the response to COVID-19; and
 - c) promoting efficiency-saving measures including austerity measures, negotiation for rescheduling of debts, deferment of debt servicing, etc.
 4. **Inculcating principles of social cohesion and community resilience** in the overall public sector development planning and for the socio-economic response to COVID-19 by establishing systems and processes through which citizens and communities can participate in and benefit from public sector development programmes. Specifically, this means:
 - a) introducing well-tailored social dialogue and political engagement, grounded in fundamental human rights such as peaceful assembly, freedom of association and the right to collective bargaining, freedom of expression, access to information, gender equality and the inclusion of women, non-discrimination, amongst others.

The COVID-19's Socio-economic Impact Assessment and Response Plan includes:

- **Short-term measures**, to minimize, manage and mitigate the adverse, most pressing, and urgent impacts of COVID-19 on the lives and livelihoods of the people including their access to essential services and fundamental rights.
- **Medium to long-term measures**, to ensure a structural response - offering sustainable development and 'building back better' than before – to address the negative impacts of COVID-19. These include policy, regulatory and institutional measures as well as social and economic transformation.

Who should benefit – targeting?

The at-risk and most vulnerable population should be targeted through public sector COVID-19 response and the development plans. This includes:

Children, who are highly vulnerable and at-risk because of factors such as:

- discontinuation of education and or learning opportunities (short, medium & long-term);
- food shortage/security, resulting in malnutrition;
- domestic violence, abuse and child labour.

Women, who are also vulnerable and at-risk because of factors such as:

- discontinuation of reproductive, maternal and other healthcare (short, medium & long-term);
- losing access to direct economic/income opportunities (home-based workers, paid-workers, agriculture-sector employment etc.)
- food shortage/security, resulting in malnutrition and increased household management pressure;
- domestic violence, abuse and forced labour.
- increased demand for unpaid care responsibility at home due to lock-down, social distancing, isolation, school closures, reduced basic services and work-from-home arrangements.

Older persons and persons-with-disabilities, who are also vulnerable and at-risk because of factors such as:

- disruption in accessing essential and life-saving health services
- poor access to basic health and other social-sector services
- lack of access to social protection, including a community-based support system.
- food shortage/security, resulting in malnutrition and increased household management pressure.

Poorest of the poor, who have limited or no skills, no savings, are dependent on daily wages, and are at-risk because of factors such as:

- reduction in economic activities, especially in sector such as contribution, transportation, agriculture, trading etc. and limited income-earning opportunities.
- engagement in informal sector, with no CNIC social security or any other registration to participate in and benefit from social protection packages.
- further food shortage/security, resulting in malnutrition
- lack of legal identity, nationality and/or registration, especially for refugees and migrants

These vulnerable populations need to be protected during the response to COVID-19 and public sector development planning through sectoral interventions involving the development of education, health, agriculture, industry, trade, etc.

PILLAR 1: HEALTH FIRST: PROTECTING HEALTH SERVICES AND SYSTEMS DURING THE CRISIS

The COVID-19 pandemic is the “defining global health crisis of our time”. Since its emergence in December 2019, the virus has spread to every continent with its incidence and related mortality on the rise around the globe. Countries are trying to slow the spread of the disease by adapting different strategies, including lockdowns, testing, isolation and treating patients along with other mitigation strategies in order to give breathing space to their health systems in order to deal with this crisis. The pandemic is crashing the already fragile health systems of developing countries and is a serious threat to even more developed countries because of its high reproducibility and complex nature.

The Government of Pakistan and its partners are trying their best in controlling and managing the COVID-19 pandemic as per WHO protocols, but the challenge is very complex. The situation is getting worse over time, as the country has witnessed significant increase in its confirmed cases from the initial two cases on 26th February 2020 to approximately 14,885 as of 29th April 2020 and 327 deaths¹². The health system is being overwhelmed by the COVID-19 outbreak, and there is a critical need to maintain essential life-saving health services even while addressing the pandemic. This also requires making difficult decisions to balance the demands of responding directly to COVID-19, while simultaneously maintaining essential health service delivery, and mitigating the risk of system collapse.

The healthcare delivery system of Pakistan consists of public and private sectors. The private sector provides services through major hospitals, individual practicing specialists and general practitioners, NGOs and philanthropic organizations along with the hakeems, homeopathic and traditional healers. Since the 18th Amendment, the Public sector is governed by the provincial Governments with some support and guidance from the National level. In parallel, the Ministry of Defence runs military and Cantonment Board hospitals. The range of health services that are being provided through the government include promotive, preventive, curative and rehabilitative health care services.

¹² Government of Pakistan. <http://covid.gov.pk/stats/pakistan>

Health Statistics

Pakistan shares an equal burden of communicable (40 percent) and non-communicable diseases (49 percent), along with injuries which comprise of road traffic injuries and other intentional and unintentional injuries (RTA=14.2 per 100,000 and 6 percent of all deaths). About 50 percent of all the deaths are attributed to NCDs.

The weak institutional and community resilience is compounded by the per capita spending on health, which stands at \$45, of which 70 percent constitutes out of pocket payments, as well as an insufficient health workforce. The essential health workforce (physicians, nurses, Lady Health Workers and community midwives) in Pakistan is 1.45 per 1,000 population (WHO, 2017; World Health Statistics Monitoring Health for SDG 3). This is below the threshold of 4.45 per 1,000 population. There are 0.6 hospital beds per 1,000 population. Over 50 percent of the population seeks health services from private providers. The limited availability of lifesaving emergency obstetric and neonatal care is evidenced by high lifetime risk of maternal death, which is at 1 in 180 (the third highest in the Asia Pacific region, with an estimated number of maternal deaths of 8300 in the country) and the maternal mortality ratio of 140 per 100,000 live births, with wide variation between provinces.

Pakistan has a birth cohort of 6 million children annually, out of which only 66 percent (approximately 3.4 million) are fully immunized. Only 49 percent of the children in the poorest wealth quintile received Penta 3/DTP-3 vaccine compared to 91 percent in the richest wealth quintile. Around 400,000 children annually never get any vaccines and are called 'zero dose' children. Pakistan still has cases of polio and in 2019 there was a surge in these, with confirmed cases standing at 146. All these might contribute to an impending outbreak of vaccine preventable diseases like measles, typhoid and polio. The country has already reported around 4500 suspected cases of measles from January to March 2020 and 146 confirmed polio cases. Pakistan has high under five mortality (74 per 1000 live births) and infant mortality (62 per 1000 live births), out of which around 50 percent is contributed by new-born mortality (42 per 1000 live births). The most common causes of death are due to new-born cases, including pneumonia (19 percent), diarrhoea (11 percent) and associated malnutrition. Findings of the National Nutrition Survey 2018 reflect that nearly 40.2 percent of children under 5 are stunted, 28.9 percent are underweight, and 17.1 percent are wasted. The proportion of overweight children under five is 9.5 percent.

Maternal undernutrition contributes to 800,000 neonatal deaths annually, and stunting, wasting, and micronutrient deficiencies are estimated to underlie nearly 3.1 million child deaths annually. The under 5 mortality rates is 69.3, and the infant mortality rate and neonatal mortality rate is 42 per 1,000 live births. Life expectancy at birth is 66.95 years.

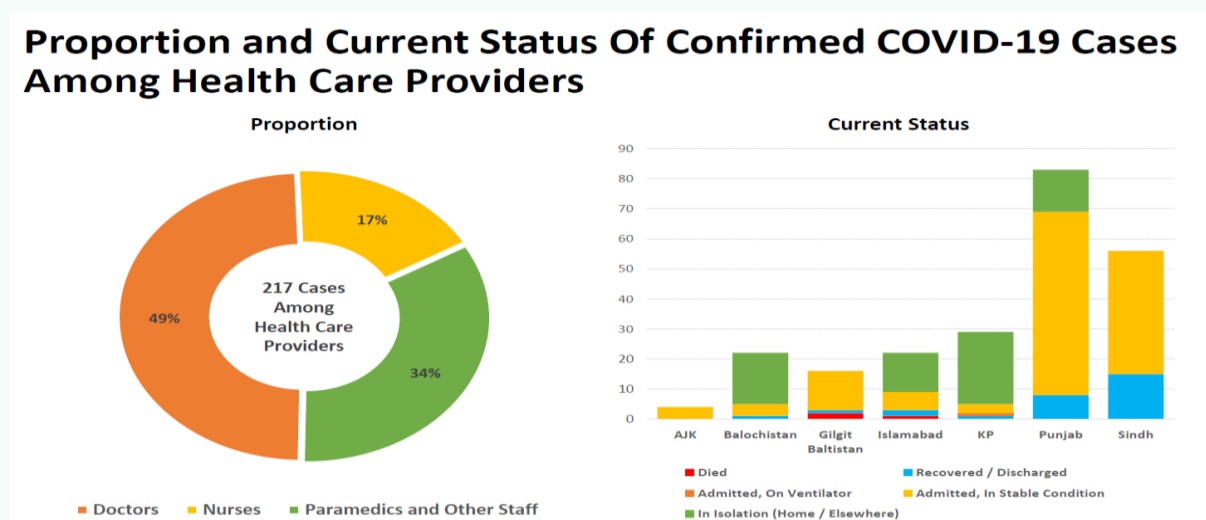
Impact on Essential Healthcare Services

The COVID-19 pandemic will have an impact at multiple levels. At the health system level, the Out-Patients Departments (OPD) are closed, and the focus is only on emergency or COVID-19 cases. We may see shortages of essential medications due to disruptions in supply chains overall. Health care providers diverted to help address the pandemic while also being most at risk of acquiring the disease. Places like Pakistan that already have a limited number of health care providers are seeing an extreme strain on capacity to serve patients, especially for non-emergency care. Due to social distancing and the imposed lockdown, the role of community health workers has been undermined. This is coupled with the diversion of financial resources to the COVID-19 response, which would take funding away from basic health, immunization and reproductive health programs and decrease access for patients who rely on free or subsidized care. Therefore, it is key to link up with primary health care including community

health workers to identify the most vulnerable groups to supply them with necessary information and supplies at their doorstep.

The health sector workforce including doctors from the public and private sectors, nurses, paramedics, pharmaceutical experts, and lab technicians are at the forefront of the coronavirus response. The workforce is facing disruptions and the closure of the health care system for non-COVID related illnesses like elective care, routine immunization, and maternal and childcare in many locations. Women represent a sizable proportion of the health and social sector workforce and special attention should be given to how their work environment may expose them to various risks and discrimination. Around 217 members of the health workforce are already infected with COVID-19 in Pakistan¹³.

Figure 1.1 Proportion and Current Status of Confirmed COVID-19 cases amongst Health Care Providers.



A triage system and fever clinics will be established in PHC facilities. Various quarantine facilities have already been established in communities where suspected patients are kept until the confirmations of their test results. Strict Infection Prevention & Control measures are required in these quarantine centres, which may otherwise be a source of spreading infections. Isolation facilities for pre-symptomatic and mildly symptomatic COVID-19 patients should be established and run by PHC health care workers. Secondary care on rota, with timely referral to tertiary care should also be made.

Tertiary care acts as a referral facility to receive patients from secondary care hospitals situated in the districts. However, in practice people use it as a first point of contact for essential health services. All these hospitals are busy and dedicated to COVID-19 patients and have stopped elective services. Private hospitals and clinics are also closed. The Supreme Court of Pakistan has now given a judgment to open elective services all over Pakistan. There are reports that private hospitals and clinics which according to some reports provide 70 percent of all health services have restarted work. This will provide access to essential services. At the same time, however, strict IPE measures should be ensured.

Suggested Response Measures

Short-term Measures

¹³ National COVID Update – NEOC, 21 April Data

- The essential services provided by the primary health care facilities i.e. basic health units (BHUs) and rural health centres (RHCs) should continue including MNCH, family planning, immunization, emergency curative services, specific mental and oral health services, screening of various health conditions in the community, health education and promotion, pharmacy, limited lab and diagnostic and referral services, using proper PPE and establishing and maintaining IPC principles.
- Similarly, private hospitals and clinics should reinstate their essential services, with strict IPE measures in place.

Medium to long-term Measures

- Alternate options to OPD need to be seriously explored. This may include effective use of telemedicine and helplines from both public and private general practitioners to see non-urgent, diagnosed patients. It is critical to have credible information made available through government channels to prevent anxiety, panic and misinformation in the community.
- Work must be done to create resilient health systems – better than before - so that health infrastructures, human resources, and supplies and information are developed and managed as a part of preparedness for health.
- Establish open-access database on scientific research results, data, educational resources and technological innovations.

Impact on Immunization Services

Immunization services are already disrupted due to the COVID-19 outbreak. The ongoing lockdown and flight restrictions not only in Pakistan but also in countries where vaccines are produced will create some gaps in the stock of essential vaccines and lead to the disruption of immunization services. Currently, the immunization services are being provided only from fixed sites and outreach services have been stopped due to lockdown, community transmission of COVID-19 and unavailability of basic PPE for vaccinators.

Even so, around 400,000 children annually never get any vaccines and are called 'zero-dose' children. Pakistan still has cases of polio and in 2019 there was a surge in these, with confirmed polio cases standing at 146. All these might contribute to an outbreak of vaccine preventable diseases like measles, typhoid and polio. The country has already reported around 4500 suspected cases of measles from January to March 2020 and 146 confirmed polio cases¹⁴. Pakistan has high under five mortality (74 per 1000 live) and infant mortality (62 per 1000 live births), out of which around 50 percent is contributed by newborn mortality (42 per 1000 live births)¹⁵. The most common causes of deaths are due to newborn cases, such as pneumonia (19 percent), diarrhoea (11 percent) and associated malnutrition.

The Maternal Mortality Ratio (MMR) of Pakistan is around 140 per 100,000 live births. Every year around 5,600 Pakistan women die in association with pregnancy and childbirth. In addition, the health sector is characterized with a high and equal disease burden of infectious and non-infectious diseases. The capacity to address the coronavirus is likely to deplete existing health system capacity and resources, depriving thousands of young children and adolescents from accessing basic health care.

Suggested Response Measures

¹⁴ National EOC Surveillance data March 2020. (https://en.wikipedia.org/wiki/Polio_in_Pakistan)

¹⁵ Pakistan Demographic Health Survey 2017 -2018

Short-term Measures

- Following containment of the disease, it will become necessary for the government to restart immunization drives for children as quickly as possible and ramp-up efforts to maintain a high immunization cover and tackle malnutrition, especially in girls. The vaccinator/midwife/LHV should offer immunization services as per the National EPI Policy, and under strict infection prevention controls as defined by the WHO.
- Launch media awareness campaigns for parents and families on regular and timely immunization for children.
- Continue to assess and track child immunization statuses and vaccinating schedules and engage in proactive follow-ups with parents to ensure the regular immunization of children.

Medium to long-term Measures

- Invest in mobile clinics to deliver immunization and health services where most needed; could also erect semi-permanent structures for COVID-19 outreach (such as refurbished containers, schools and telemedicine)
- Ensure procurement, inventory and supply chain of vaccines, especially in anticipation of an increased demand for vaccination post- lockdown.
- Ensure that disease surveillance, early detection and case reporting system continue to work.

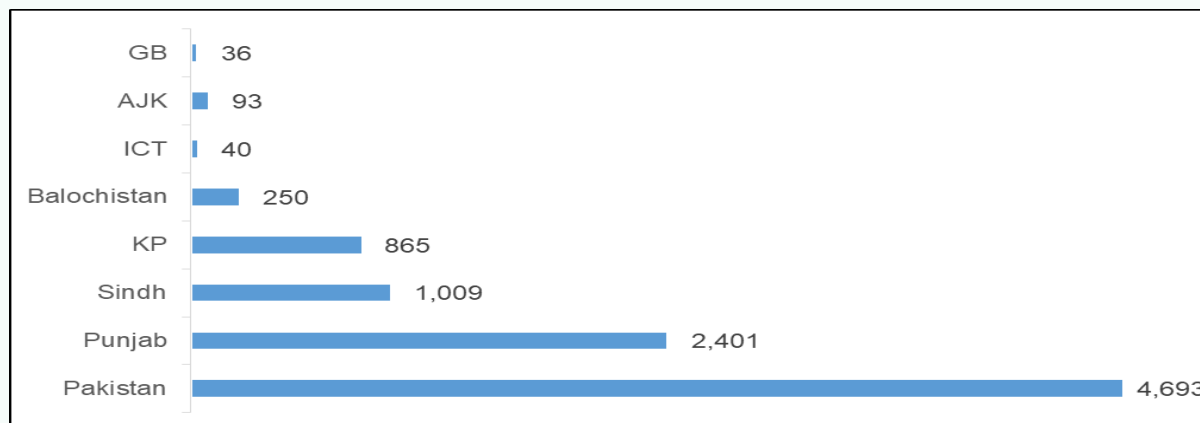
Impact on Maternal and Reproductive Healthcare Services

The COVID-19 outbreak and the subsequent lockdown is limiting women's access to life-saving maternal and reproductive health services. This is coupled with fragile reproductive health system, which even before the outbreak had significant weaknesses in its human, technological and operational capacities. Currently, about 66 percent of deliveries i.e. around 300,000 per month occur in the health-facilities. In addition, around 15 percent of these are expected to experience delivery-complications due to disruption in the provision of pre-natal care. Therefore, ensuring continuity of life-saving maternal health services in these health facilities is a tremendous public health concern.

The impact of COVID-19 on the reproductive and new-born healthcare will be at multiple levels. For example:

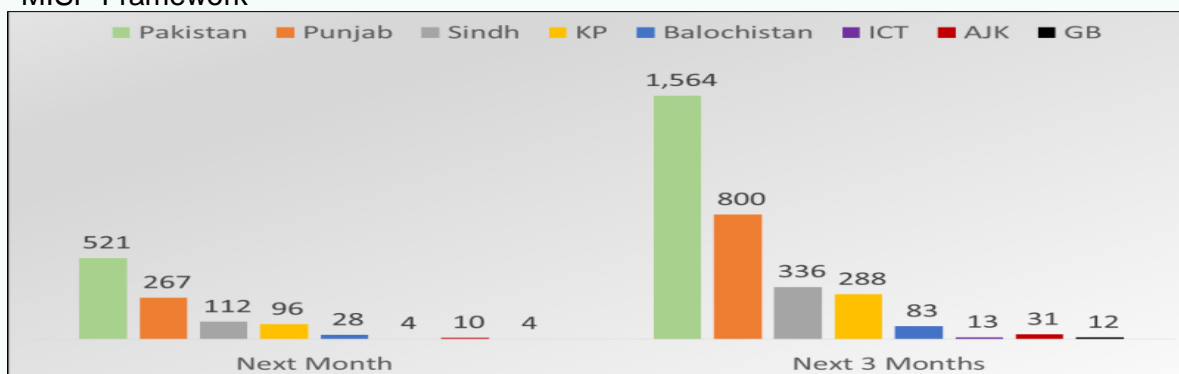
- **At the health system level**, we may see shortages of medications, such as contraceptives, antiretroviral for HIV/AIDS, and antibiotics to treat STIs – due to disruptions in overall supply chains.
- **Health care providers** are being diverted to help address the pandemic while also being most at risk of acquiring the disease themselves. In places like Pakistan that already have a limited number of providers, this will put an extreme strain on the capacity to serve patients.
- **Role of community health workers** has been undermined due to social distancing and the imposed lockdown. It is also important to identify pregnant women who will be delivering in the coming weeks for referral to a facility for safe delivery. If necessary, they should arrange for safe delivery at home by linking up with a community midwife.
- **Diversion of financial resources to the COVID-19 response**, which might take funding away from reproductive health programs and decrease access for patients who rely on free or subsidized care.

Figure 1.2 Currently pregnant women in Pakistan (in '1000') (Source: PDHS 2017-18 and Census 2017)



Note: The total pregnancies for Pakistan is the sum of all four province, ICT, AJK and GB

Figure 1.3: Total Number of Live births would be expected in the next month and next three months at provincial level in Pakistan (in thousands) Source: PDHS 2017-18 and UNFPA MISP Framework

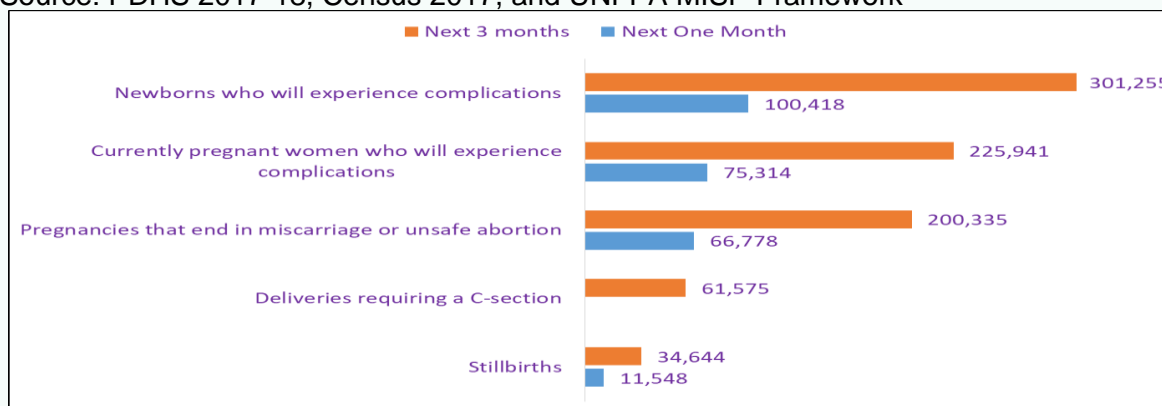


The COVID-19 outbreak has the potential to reverse the reproductive health gains achieved so far and make existing vulnerabilities worse, limiting women’s access to life-saving maternal health services as a result of movement restrictions, combined with fear and household tensions. It is therefore critical to ensure availability of facilities for deliveries in health facilities. Further, deliveries at home also appear to be constrained due to strict restrictions on service providers’ mobility including traditional birth attendants and community health workers. The Government should also arrange for safe deliveries at home by linking up these pregnant women with a community midwives.

Moreover, a large number of deliveries experience complications. Figure 1.4 highlights a number of critical indicators where existing urgent medical services would be needed by women and new-born infants in the coming one to three months. This requires that public and private healthcare services are made available and easily accessible to women.

Figure 1.4: Maternal and new-born health needs in the next three months in Pakistan

Source: PDHS 2017-18, Census 2017, and UNFPA MISP Framework



The shortage of vital supplies for sexual and reproductive health loom larger. Life-saving medicines for maternal health and contraceptives are less available given the closure of production sites, and the breakdown of global and local supply chains. In Pakistan, about 8 million women will lose regular access to modern contraceptives. It is essential that women, adolescent girls and couples can still access the choice of effective short- and long-acting modern contraceptives, information, counselling and services (including emergency contraception) during the COVID-19 pandemic response.

In addition, there is an estimated 8 million modern contraceptive users in Pakistan, of which 3 million are condom users, 800 thousand injectable users, around 672 thousand IUD users, and more than 500 thousand oral pill users. The continuity of supplies such as condoms, oral pills and injectable is critical to ensure continuity of use, and to also ensure that unintended pregnancies are avoided.

Suggested Response Measures

The entire public health system, as well as people's livelihoods will be compromised if immediate mitigation measures are not taken. There will be direct implications not only for hospital-based care but also public health security due to the outbreak of vaccine preventable diseases and substandard perinatal and childhood care leading to high morbidity and mortality. The continuity of health services along with the management of the COVID-19 outbreak will minimize the short- and long-term adverse impacts in this regard.

Short-term Measures)

- Tracking and reaching vulnerable populations like pregnant women, newborns and lactating mothers for preventive and promotive health services.
- Ensure availability and access to essential Sexual and Reproductive Health Services (SRHS) including maternal and new-born health services. In humanitarian contexts, this should include the implementation of the Minimum Initial Service Package (MISP) for Reproductive Health in Emergencies.
- Ensure to support un-interrupted supply chains of modern contraceptives, maternal and new-born life-saving drugs and supplies, maternal health equipment, IPC material and supplies, educational and counselling materials.

- Prepare for deliverables, mainly around 62,000 C-section deliveries and around 200,000 miscarriages or unsafe abortions¹⁶ in the next three months.

Medium & long-term Measures

- Plan and prepare for alternate approach, better than before, of care like maternity homes, tele-consulting, home-based care if hospitals are overwhelmed by COVID-19 cases for continuation of MNCH services.
- Support the Ministry of Health to provide online screening, education and reproductive health and contraception counselling services, using mobile phones e.g. WhatsApp messaging etc. in countries with a high COVID-19 burden.
- Assist women who choose to delay pregnancy by offering comprehensive and easily accessible modern contraceptive services and information at the public health facilities.
- Prepare and train LHVs/LHWs and FWWs to use personal protection equipment (PPE) in dispensing maternal and reproductive health care services.

PILLAR 2: PROTECTING PEOPLE: SOCIAL PROTECTION AND BASIC SERVICES

There is unequivocal evidence that epidemics such as COVID-19 adversely impact the livelihoods of individuals, households and communities. In a report, the IMF has stated that while the effects of the disease will be felt all over, vulnerable populations and disadvantaged communities such as the poor and women are likely to suffer disproportionately from the outbreak of the disease.¹⁷ These individuals may have limited access to healthcare, and may lack the capacity to protect themselves from financial shocks such as lay-offs, reduced off-farm employment opportunities, closures of businesses, food insecurities, worsening social-sector services and issues like domestic violence. While men and women are just as likely to contract the coronavirus, the effects of the pandemic may be experienced differently between the two groups. In a developing country like Pakistan, which ranks poorly in terms of gender equality and the implementation of human rights of women, an epidemic is likely to damage the social and economic fabric of society, while compounding gender inequalities being faced by disadvantaged groups. Women and girls are more likely to be affected in crisis with increasing stress, anxiety, loss of livelihood, and lack of economic opportunities.

The list of this most vulnerable group includes, among others, women with disabilities, women that care for dependent relatives (almost always mothers), mothers with disabilities, mothers of children with disabilities, , etc. Women with disabilities have different preventive needs/measures to protect themselves against the virus. For example, wheelchair users need to touch their wheels to move their wheelchairs, and those visually impaired can only ensure their mobility by feeling/touching their surroundings to help guide themselves, which is why they are more prone to contracting the virus.

Pakistan's population is 207.8 million¹⁸, including 102 million¹⁹ people aged between 0 to 19, and an urban share of 75.6 million. The United Nations asserts that in 2015, 45.5 percent of Pakistan's urban population was living in informal settlements. Thus, an estimated 34 million

¹⁶ Maternal and new-born health needs in the next three months in Pakistan, PDHS 2017-18, Census 2017, and UNFPA MISP Framework

¹⁷ Bloom, D. E., Cadarette, D., & Sevilla, J. (2018). Epidemics and Economics. *Finance & Development*.

¹⁸ According to the Census 2017

¹⁹ Pakistan Demographic & Health Survey 2017-18(PDHS)

people in Pakistan live in urban informal settlements, where access to basic facilities and services of education, health and clean drinking water remains insufficient to meet the most basic needs of the population. For example, in Karachi - a city of over 16 million - approximately 60 percent of the population lives in informal settlements with limited or no access to clean water and sanitation. Similarly, the remaining 63 percent of the population living in rural areas has an even lower socio-economic status, with an 80 percent prevalence of poverty and meager access to social protection, basic education and health and decent work opportunities. More importantly, the impact of COVID-19 on the rural communities will have a compounded effect. It will further worsen their socio-economic context and create a national food security crisis which can have a far-reaching impact on the population, especially those who are already marginalized.

Scale up and expand resilient and pro-poor social protection systems

In the current situation, the already limited domestic resource mobilization has dire implications for the country's ability to finance social spending, including spending on women, girls and children's well-being and development. This is evident with the low rates of tax revenue collection and extremely limited spending on social services. According to MICS 2017, public sector investments in health and education sectors are low (0.76 percent and 2.3 percent of GDP respectively), considerably below the levels needed; the outbreak has caused further shrinkage in resources for service delivery in education and health.

To immediately address the situation, the Government of Pakistan approved a 900 billion rupee (\$5.66 billion) economic relief package. Of this, a total of 200 billion rupees (\$1.25 billion) was allotted for low-income groups, particularly laborers, while 280 billion rupees (\$1.76 billion) was assigned for wheat procurement. Loan interest payments for exporters were deferred temporarily, while a package of 100 billion rupees (\$63 million) was provided to support small industries and the agriculture sector. Under the package the monthly stipend of the Benazir Income Support Programme (BISP) was increased from Rs 2,000 to Rs 3,000. It was decided that the funds of the government's Ehsaas programme would be distributed among the poor according to the available data of BISP and through the National Socio-Economic Registry (NSER) of BISP, which is currently under progress. The total number of BISP beneficiaries was 5.2 million, but the number was increased. It is important for the relief package to design inclusive and child/adolescent focused products to reach out to the biggest group currently at risk of being affected by COVID-19.

Suggested Policy and Mitigation Measures

Short-term Measures

- Expand BISP coverage and outreach to provide unconditional cash assistance to vulnerable people in urban and rural areas to avoid hunger and poverty, and to sustain consumption and markets, including to those who suddenly became unemployed, those who have returned back to their home provinces and villages and are without employment, those running their own farms in the absence of labor, and women-headed households in rural areas.
- Through the *Ehsaas emergency programme* and the Prime Minister's Relief Fund for COVID-19, the government should provide cash transfers to the most vulnerable households, including refugee and migrant families, that are worst hit by the pandemic. Many NGOs and private sector actors are currently collecting donations and disbursing rations to affected households. A cash transfer programme would help mitigate the impact of the outbreak and its containment measures, including supporting them in recovering

and building resilience for future shocks. According to a model by the World Bank Group, the size of transfer should be 10 percent of the monthly per capita GDP in the form of cash transfers to everyone²⁰.

- Increase the BISP and Ehsaas programme coverage to provide relief packages and non-conditional grants to over 14 million families, including the additional 15 to 20 million poor who have been affected by COVID-19 in the recent months. This should be done by allocating around Rs. 590 billion (Rs. 340 billion for BISP, and Rs. 150 billion for the Ehsaas programme) for both the relief packages for FY 2020-21. The second round of cash transfers may become essential in mid-July 2020 if COVID-19 continues to impact the health and livelihoods of poor people.
- Social protection measures should be put in-place to address socio-economic challenges of home-based workers, daily wagers, domestic workers and micro enterprises led by women which have been disrupted due to the outbreak of COVID-19 and its consequent lockdown. Also, measures need to put in place to ensure safeguarding i.e. health, income flow and protection from any form of violence of these vulnerable groups, especially of women.

Medium & long-term Measures

- Continue to modernize and upgrade the social protection system using electronic technology to make it easier to expand horizontally and vertically, to verify eligibility and identify wrong exclusions, and to swiftly distribute regular cash payments during extended lockdown arrangements.
- Provide waiver of health insurance premiums for the extremely poor and waiver/subsidy of health insurance premiums for others.
- Communicate and engage with stakeholders on the roles, rights, responsibilities, eligibility criteria, registration process, complaints mechanisms and other critical conjuncts of cash transfers such as behaviour change. An important component of this support involves designing and delivering COVID-19 media messaging specifically for children, women and other vulnerable groups.
- Strengthen data and analysis by incorporating critical dimensions and disaggregations such as sex, disability, geographicity, etc.
- Implement measures to protect persons with disabilities with a particular focus on women and those with specific vulnerabilities living in unconducive settings with heightened risk of neglect impacted by COVID-19, making communication inclusive and public health messages accessible to all.

Maintain the food system and essential nutrition services

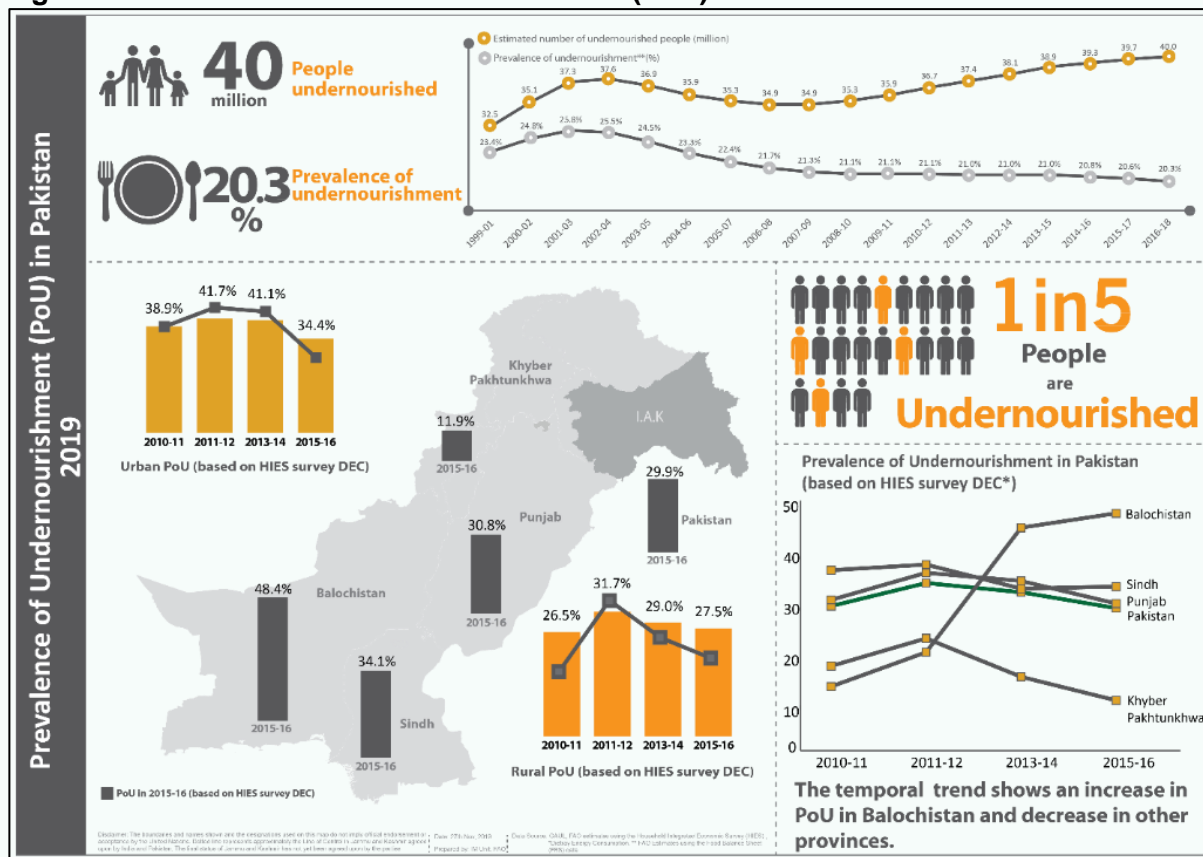
Food Security

The COVID-19 pandemic has turned into a global crisis which is already affecting the livelihoods and food security of millions of people in Pakistan. If measures to keep the food chain alive and protect food consumption are not taken urgently, the pandemic will have a considerable impact on everybody, especially the poorest and most vulnerable.

²⁰ <https://blogs.worldbank.org/impacetevaluations/what-can-low-income-countries-do-provide-relief-poor-and-vulnerable-during-covid>

In Pakistan, food insecurity is already quite high and ranges between 20 to 30 percent, depending upon the data source and the indicator used to measure food insecurity²¹. According to Pakistan Overview of Food Security and Nutrition (POFI) Report²², between 40 and 62 million people in Pakistan are estimated to be undernourished²³. Around one quarter of the households (around 49 million people) in Pakistan are estimated to be moderately or severely food insecure²⁴, whereas 10.1 percent of households (around 21 million people) are severely food insecure²⁵ (see figure below).

Figure 2.1: Prevalence of Undernourishment (PoU) in Pakistan



²¹ The Prevalence of Undernourishment (PoU) and the Prevalence of Moderate or Severe Food Insecurity based on Food Insecurity Experience Scale (FIES) are two core indicators of SDG2-Zero Hunger, for monitoring of food insecurity.

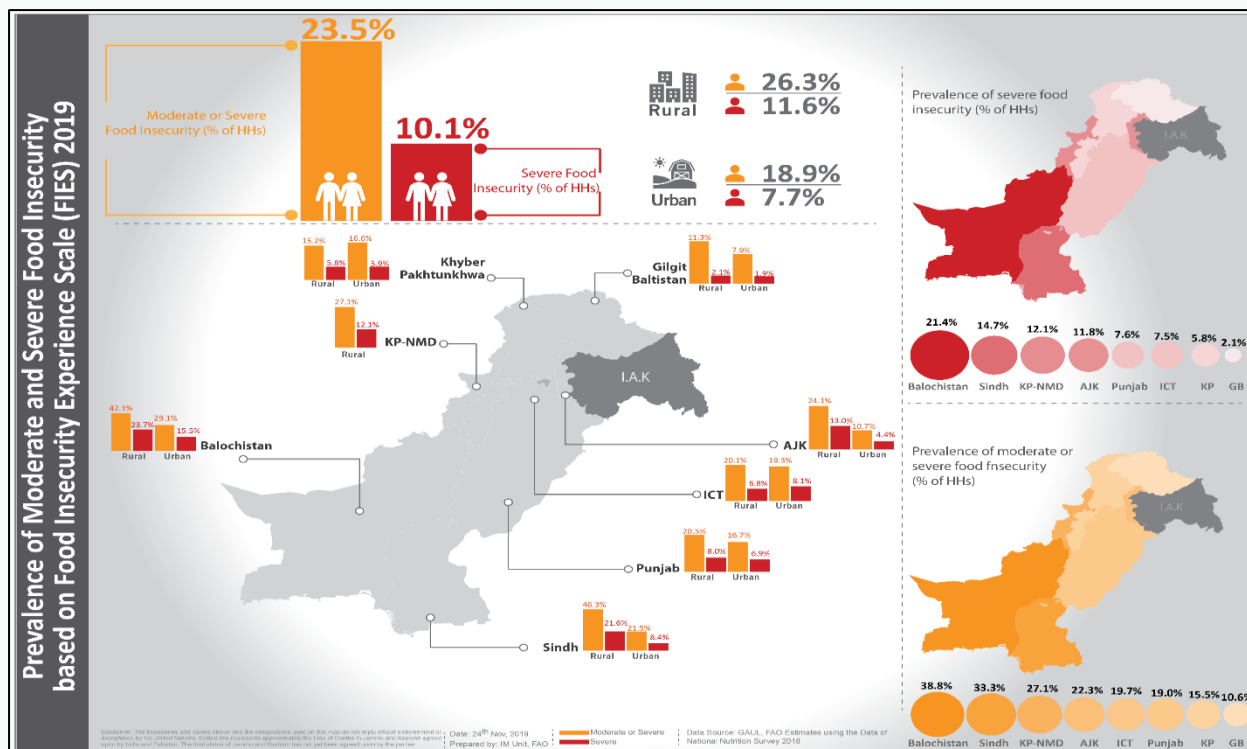
²² POFI report is a joint report of UN organizations (FAO, WFP, UNICEF and WHO).

²³ Pakistan Overview of Food Security and Nutrition Report 2019; using data of Household Integrated Economic Survey (HIES 2015-16).

²⁴ Based on FIES.

²⁵ Pakistan Overview of Food Security and Nutrition Report 2019 using data of National Nutrition Survey 2018. The prevalence of food insecurity is based on FIES and number of households, and household size of 2017 Population Census has been used to get estimated numbers of food insecure households and food insecure people.

Figure 2.2: Prevalence of Moderate and Severe Food Insecurity based on Food Insecurity Experience Scale (FIES) in Pakistan’s Provinces/Regions



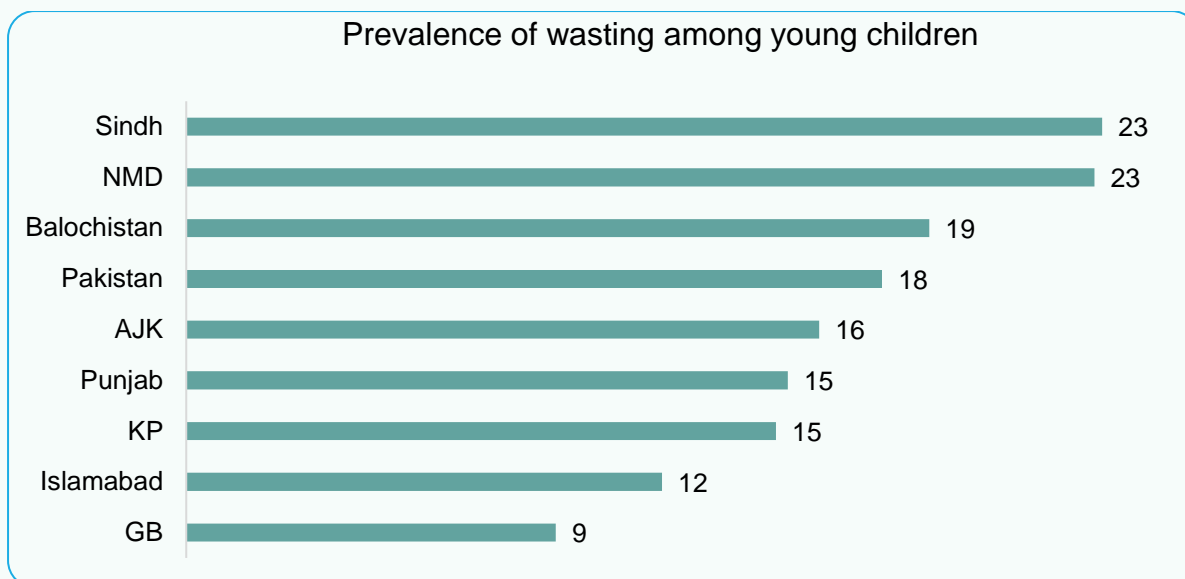
According to the findings of a similar analysis from the Integrated Context Analysis (ICA) Report 2017²⁶, the persistent and chronically vulnerable population is highly exposed to natural hazards and shocks, which is also true for the ongoing COVID-19 pandemic.

Table 2.1: Estimated Population Vulnerable to Food Insecurity based on Integrated Context Analysis

	Total Population 2017 (in Million)	Estimated Population Vulnerable to Food Insecurity (in Millions)			
		Long-term vulnerable	Chronically vulnerable	Highest vulnerable	Additionally, vulnerable (in case of a shock)
Pakistan	207.7	39.29	36.43	41.74	2.45
Balochistan	12.3	3.71	3.53	3.86	0.15
KP	30.5	7.25	6.69	7.74	0.49
Punjab	110.0	18.29	15.58	20.90	2.60
Sindh	47.8	9.77	9.13	10.40	0.62

Furthermore, the intimidating burden of malnutrition in the country revealed in NNS 2018 reflects a worrying situation of wasting i.e. 18 percent in children under 5, which exceeds the WHO critical threshold for emergency (15 percent). Similarly, chronic malnutrition is also alarmingly high and according to the survey, 40 percent of under 5 children are stunted, which means every third to fourth child in the country is stunted.

²⁶ ICA uses Multi-Dimensional Poverty Index (MPI) as a relevant proxy for vulnerability to food insecurity http://www.ndma.gov.pk/publications/Integrated_Context_Analysis_Pakistan_2017.pdf



The restrictions on the movement of goods and people due to the lockdown are likely to cause adverse impacts on livelihoods and the food and nutrition security of people if not accompanied by well thought out policy measures. Also, the border closures, quarantines, and market, supply chain, and trade disruptions could restrict people’s access to sufficient/diverse and nutritious sources of food, especially in areas hit hard by the virus or already affected by recurrent food insecurity.

A longer lockdown will also adversely affect smallholder farmers in terms of reduced purchasing power for daily food items, inputs for *kharif* plantation, and feed for livestock. Most farmers and rural households store wheat for household consumption for the entire year and this purchase or setting aside is made around April or May, just when COVID-19 has had an impact on incomes and livelihoods. Due to losses of income from reduced sale of livestock and livestock products, vegetables/fruit produce, and reduced opportunities for off-farm income, they may have to sell their wheat stocks.

To make ends meet, farmers would soon be turning towards liquidating their assets, mainly poultry, livestock and other valuable assets, to meet food supplies and other essentials. The non-functionality of markets and slower economic activity have directly affected the income of farmers and has therefore disrupted the supply chain of food commodities.

Similarly, small entrepreneurs, shopkeepers and small factory owners and laborers who are directly dependent on income sources from daily trade and economic activities in rural and urban areas will also experience a sharp decrease in their earnings.

In the current context, the following are particularly vulnerable: the daily wage class in both agriculture and non-agriculture sectors, low income urban households, small scale farmers including landless sharecroppers, internally displaced persons and refugees, elderly people, those already suffering from medical conditions, women and child headed poor households.

The lockdown and resulting restriction in movement is also likely to have an impact on the prices of major food items. The analysis based on the weekly retail price data of 17 cities and 50 markets across Pakistan since the COVID-19 outbreak²⁷ revealed that there have been

²⁷ The analysis is on average prices prevailing during week of February 28-March 5 and week of April-3 to April 9, published by the Pakistan Bureau of Statistics (PBS). The first case of COVID-19 was reported on 26 February and the intensity of the COVID-19 has increased during this period. Price trends are for each market for the analysis period and covers overall (Pakistan) and 17 cities (50 markets) across Pakistan.

short-term fluctuations in the prices of major food items in different parts of the country. Overall, the price of pulses increased by 10 to 20 percent, while the price of most of other food items increased by up to 10 percent. On the other hand, the price of vegetables (onions and tomatoes) and chicken meat have reduced since the outbreak. These are initial signals, and more changes in prices may be experienced in the coming weeks due to prolonged extension of the lockdown, logistic issues, and the possible increase in transportation costs due to limited availability of goods to transport.

COVID-19 will have implications on agriculture production and supply chain. According to the information from the Ministry of National Food Security and Research (MNFS&R), about 0.723 million tons of wheat is available with the public sector as of 27th April, which is sufficient for

What to Monitor

The COVID-19 pandemic has shown widespread, unprecedented impact globally. Being a new phenomenon, though, it is not clear how things will evolve in the country in the weeks and months or year ahead. Therefore, it is important to monitor the situation closely. The following are key issues that need close monitoring:

1. Geographic spread of the pandemic in terms of the number of people affected.
2. Domestic within provinces and intra provinces trade and supplies, and international trade.
3. Markets and prices of food and other essential commodities.
4. Impact on livelihoods: Any loss of employment or income opportunities, for the urban poor as well as the rural poor.
5. Agriculture and livestock: Impact on the yield of wheat production and labor capacity to harvest, as the harvest is about to start or has just started in many parts of the country. Also, as the next cropping season is approaching fast, it is important to monitor how the agriculture sector performs in terms of capacity to sow, and the livestock in terms of livestock health, feed and trade.
6. Performance of the season for the approaching agricultural season.
7. Any further spread or containment of the Desert Locust and impediments to regular surveillance and timely control operations that could arise from lockdown.
8. National government and local government policies for trade and movement.
9. Economic and financial measures and policies in supporting small holder farmers food security and agriculture production and the affected population.

only 10 days of consumption. Additionally, the public sector has so far procured 1.588 million tons of wheat (19.26% of the target) from fresh harvest as on 26 & 27th April, 2020. The Government of Pakistan had wheat stocks of 2.387 million tons as of March 2, 2020, the government may face challenges in ensuring the availability of wheat in different parts of the country due to hoarding and delay in wheat harvesting. The same would be true for other essential food items. Implications are also grave for the next plantation cycle. *Kharif* crops plantation is expected to start in April/May in Sindh and Balochistan, and in May/June in Punjab and KP. The factors that may impact the production the most will be the possible shortage of skilled and unskilled labour due to restricted movement from other provinces and districts, and access to agricultural inputs and finances for small holder farmers.

Suggested Policy and Mitigation Measures

Policy and Regulator Measures

- Strongly advocate to balance resource allocation (public money) between public health emergency interventions and the food security and livelihood concerns stemming from COVID-19. This is because after public health, food security and livelihood concerns are the next most strongly affected in terms of both the lockdowns and the pandemic itself.

- Regularly monitor food and nutrition security in highly food-insecure and vulnerable populations including women-headed and child--headed households, households with pregnant and lactating women, and those with children under two years of age. Where required, publicly fund emergency food and food system support to address the drivers of food and nutrition insecurity in these highly vulnerable populations.
- Maintain and increase the monitoring of regulatory measures to help discourage and control hoarding, price gouging and speculation during the COVID-19 response, specifically in relation to food, livestock and agriculture inputs and machinery, as part of the continuation of normal price surveillance of food markets in Pakistan.
- Adjust the design of the National Agriculture Emergency Program (NAEP) and *Ehsaas*¹ so that those vulnerable to COVID-19 (in terms of socio-economic status or health) are reached faster. Being an agricultural country, Pakistan's food and agriculture system requires immediate support to maintain food supply, jobs and livelihoods.
- Make information regarding agriculture production, food supply and market sales easily available during the COVID-19 response period via suitable government portals and at the level of farm services centres in districts. Transparent dissemination of information will strengthen government management over the food market and supply chains and prevent food system failures such as excessive price hikes, lack of supply of staple food items, and unbalanced, nutritionally inadequate diets.
- Strengthen the National Food and Nutrition Security Information System and continue to publish flagship knowledge products such as the *Pakistan Overview of Food Security and Nutrition*, *Pakistan Food Forecast*, and other ad hoc reports as needed to understand and respond to the impact of COVID-19 on the food system, including regular monitoring of food prices and transparently sharing them with the public.
- Centralise and strengthen the data and analytical capacity of MNFSR for informed decision making in the national decision-making processes regarding food and nutrition security, in close coordination with existing provincial monitoring capacities.
- Redesign current projects funded by international financing institutions and development partners to ensure quick delivery of emergency agriculture and food system support, where relevant.
- Maintain open international food trade with other countries, and request in bilateral and multilateral forums that other trading partner countries do not introduce trade protectionist policies that could increase food prices and take considerable time to unravel. Accelerate customs clearance for food items.

Short-term Measures

- Provide unconditional food assistance to the most vulnerable households impacted by the lockdown that affected their access to food. The support in the form of in-kind transfers should be accompanied by nutrition and COVID-19 communication information. This should also consider nutrition-specific assistance, such as community-based management of acute malnutrition (CMAM) in the districts with high Global Acute Malnutrition (GAM) rates and other associated vulnerabilities.
- Ensure the macro-nutrient composition of ration packs and other forms of food assistance are aligned with the Pakistan Dietary Guidelines for Better Nutrition (PDGN). Rations should include high-nutrient food items such vegetables, dried fruits and milk; a balanced quantity of staples such as *dal*, gram flour, wheat flour and rice; and

reduced proportions of cooking oil, tea and sugar. Consider including fortified items when distributing packs to nutritionally at-risk groups.

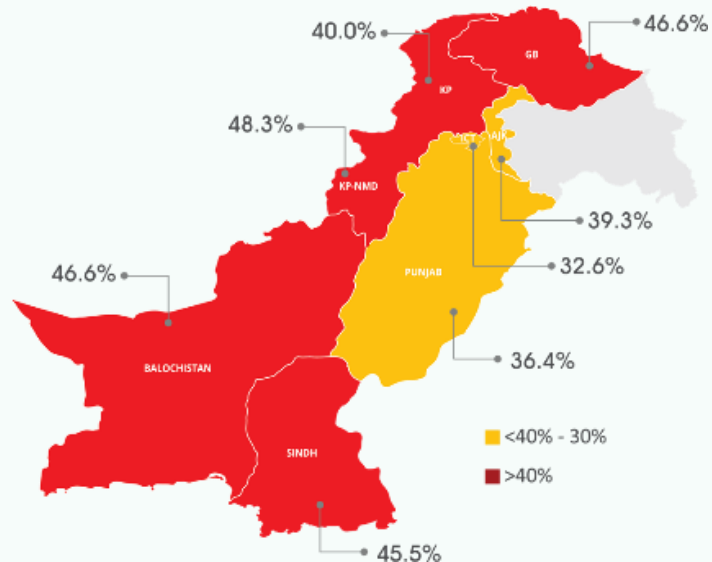
- Promptly remove any impediments to the efficient and effective operation of food systems, which have been inadvertently introduced by federal and provincial lockdown notices, with a focus on agriculture and livestock supply chains. This should cover the production and distribution of agriculture inputs, movement of agriculture labour, and the movement, storage, processing and sale of agricultural outputs, as these are an essential service and are required to avoid further deterioration of food and nutrition security.
- Promptly remove any impediments to the operation of intra and inter provincial goods transportation and goods storage. Transportation departments will work with the private sector to ensure the availability and operation of goods transportation (including allied businesses such as mechanics and restaurants/food points for drivers), availability of collection points, storage, transit hubs, and cold stores to minimize food loss along the supply chain and at selling points during the lockdown and related possible delays in food distribution, to ensure food remains available in the market and food insecurity is avoided. Particular attention to be paid to more remote parts of Pakistan, such as border areas, which have previously relied on cross-border goods supply.
- Develop and deliver COVID-19 specific health and safety guidelines and counter measures for agricultural labour, farmers, food processors, and food transport workers. Ensure that women are afforded the same access to safety guidelines and countermeasures and seek to eliminate or reduce child labour in the food and agriculture sector.
- Provide stimulus packages, subsidized loans, debt relief and other support to businesses, organizations and individuals, especially women farmers, in the food and agriculture sector through the formal finance sector, in order to assist business in coping with changed production and consumption environment.

Medium to Long-term Measures

- Modernize and upgrade the supply chain through distribution, marketing and purchasing arrangements for food wherever possible, such as to introduce electronic transactions, online or tele-sales points, and vertically integrated ordering and delivery systems. This will require mobile data connectivity and e-banking service penetration, including in remote areas. This can be done by identifying markets for the modernization of infrastructure and services and food safety and hygiene protocol implementation.
- Work closely with existing private sector actors to develop an efficient and safe process for the delivery of food-items/packages, especially in areas with high vulnerability to the impact of COVID-19, and high food security risks.

Nutrition Services

It is also important to note that in Pakistan the national prevalence of stunting is 40.2 percent, and of severe stunting 19.6 percent, with a slightly higher prevalence in boys (40.9 percent and 20.2 percent respectively) compared to girls (39.4 percent and 19.1 percent). Stunting is highest (46.6 percent) among children aged 18–23 months. Stunting prevalence is highest in Balochistan (46.6 percent), followed by Sindh (45.5 percent), KP (40.0 percent) and Punjab (36.4 percent). Pakistan is home to the highest number of stunted children after India and Nigeria. Country wide, about 12 million children are stunted. In Pakistan, one in six children is wasted (17.7 percent) and one in 12 children suffers from severe wasting, increasing the risk of mortality nine-fold. Prevalence of wasting is higher in the rural (18.6 percent) compared to urban (16.2 percent) strata. Boys (18.4 percent) were more likely to suffer from wasting than girls (17.0 percent). NNS 2018 confirms that micronutrient deficiencies are widespread in Pakistan. Vitamin A, Vitamin D and Zinc deficiencies are estimated at 51.5 percent, 62.7 percent and 18.6 percent respectively among children under five. more than half of Pakistani children (53.7 percent) and adolescent girls (56.6 percent) are anaemic. Obesity is emerging as a serious health hazard among young children and adolescents, increasing from 5 percent in 2011 to 9.5 percent in 2018. It is estimated that 16.8 percent adolescent girls are overweight. Additionally, Pakistan has one of the highest levels of under-nutrition among women of reproductive age (WRA).



According to the NNS 2018, 42.7 percent of women are suffering from anaemia. Around 14.5 percent women of reproductive age (aged 15–49 years) are underweight, 24.2 percent are overweight and 13.9 percent are obese. Similarly, prevalence of anaemia is around 42 percent in WRA. Infant and Young Child Feeding practices are suboptimal country wide. Less than half of all mothers (45 percent) practice early initiation of breastfeeding. One in two infants (50 percent) aged less than 6 months are exclusively breastfed, and only one of every three young children receive timely complementary food (6–8 months). Only 14.2 percent of children aged 6–23 months receive a meal with minimum dietary diversity. Complementary foods that meet the requirements of a minimum acceptable diet for children aged 6–23 months are provided to less than one in 20 children (3.6 percent). Nationally, 18.3 percent of households experienced severe food insecurity (urban: 13.9 percent; rural: 20.9 percent). Household food security was lowest in the poorest wealth quintile, with 42.1 percent of these households reporting severe food insecurity. In urban areas, 31.8 percent of households were food insecure compared to 40 percent in rural areas. A larger percentage of households were food insecure in Balochistan (50.3 percent) and KP-NMD (54.6 percent). Therefore, the access to nutritious or even sufficient sources of food, particularly for the vulnerable groups including children, adolescents and women who are already suffering from acute malnutrition, if infected by the coronavirus, would unfortunately lead to drastically worsening outcomes. The COVID-19 emergency and the resulting lockdown has significantly impacted economic activities which could further affect the food security situation in the form of deteriorated malnutrition trends in children less than 5 years of age as well as in pregnant and lactating women. These concerns

have already been highlighted in NDMA COVID-19 response and risk mitigation letter (April 06, 2020) asking for UN agencies' support.

Suggested Policy and Mitigation Measures

- Regularly monitor nutrition status among vulnerable groups including young children and pregnant and lactating women in highly food insecure and vulnerable populations.
- Extend existing social programme to address the drivers of malnutrition in highly vulnerable populations in districts with high prevalence of wasting and stunting.

Short-term Measures

- Ensure continuation of the treatment of severe acute malnutrition at the health facility level while ensuring safety of service providers, the child and the caregiver in line with COVID-19 Nutrition Guidelines.
- Support dissemination of adequate Infant and Young Child Feeding practices through electronic media.
- Strengthen health systems to deliver safe and quality nutrition services in the context of COVID-19.
- Target the most nutritionally vulnerable households in ongoing social protection scheme.

Medium and long- term Measures

- Provide localized nutrition-sensitive food production, food utility and nutrition assistance to ensure continued food supplies to the most vulnerable households. These include households that contain pregnant and lactating women and children under 2 years.
- Mainstream nutrition services into integrated Primary Health Care system to ensure resilience of health system to cope with the spike in caseloads.
- Implementation and monitoring of the nutrition sector COVID-19 response plan developed in consultation with the Ministry of Health, UN partners and Nutrition implementing NGO partners.

Ensure continuity and quality of water and sanitation services

In the current outbreak situation, children are the worst affected in informal settlements with poor WASH services (urban slums), densely populated neighbourhoods and far flung areas where access and outreach are significantly limited due to lack/limited of basic infrastructure. Similarly, children, adolescents and women living in urban slums, around isolation centres, congested areas and religious gathering spaces - where law enforcement is weak - are further at risk of contracting the virus. The most vulnerable groups are sanitary workers collecting solid waste; daily wage workers, with no purchasing power who are likely to cut on expenditures like soap, and households without adequate and reliable WASH services (e.g. a water supply to practice frequent handwashing).

Suggested Policy and Mitigation Measures

Short-term Measures

- Psychosocial support mechanisms will be highly important, entailing working with communities on behavioral and social practices. This can be integrated into the Tiger Force programme.

- Infection Prevention and Control (IPC) at healthcare facilities and quarantine centers, especially on the provision of improved access to WASH facilities and waste management, Additionally, training frontline cleaning staff will be extremely meaningful.
- Community awareness on COVID-19 infection prevention and control, and support through Clean Green Champions, religious leaders, CSOs and CRPs on Risk Communication.
- Distribution or provision of hygiene items, especially soap/sanitizers to poor population groups.
- Support to service providers to ensure that water and waste management services are well managed and organized.

Medium & long-term Measures

- Install safe drinking water and handwashing facilities in key locations in informal settlements and public places. Ensure emergency preparedness by providing water tanks, standpipes, handwashing facilities and soap/sanitizers along with hygiene messages.
- Carry out sensitization and awareness campaigns, including disseminating COVID-related messages through actively engaging community leaders and existing slum networks.

Secure sustained learning for all children, preferably in schools

The COVID-19 pandemic has also affected education and the continuity of learning, with all public and private sector education institutions immediately closed across Pakistan. Some education facilities are also designated as isolation and quarantine centers. Apart from 23 million out of school children, the closure of education institutions due to COVID-19 has directly impacted 42 million school going learners from pre-primary and primary to higher secondary and degree college levels. The situation will magnify the risks and vulnerabilities of an already weak education system with threats emanating from both endogenous and exogenous factors.

The continued closure of education institutions means the loss of learning for children that will further widen the gap between the expected years of schooling and learning adjusted years of schooling potentially increasing dropout rates and subsequently the number of out of school children. This will further be induced by the spillover effects of an economic recession, due to COVID-19 magnifying the existing rural-urban, gender, and socio-economic divide with the potential to increase the prevalence of child labor both in the short and long run. Children will be pulled out of education due to for the increased need for child labor, or to assist their parents through work. Geographically, rural areas and urban slums are high-risk areas with more than 70 percent of current enrolment and large pockets of already out of school children not enrolled in any educational institution. Similarly, girls are twice as likely to be out of school in crisis situations and face greater barriers to education. The situation calls for a comprehensive approach for continuity of learning, mitigating the spillover effects of an economic recession and safeguarding an already weak education system.

Suggested Policy and Mitigation Measures

Short-term Measures

- Targeted distance learning programs, especially for the most vulnerable children from poor or rural backgrounds, through the use of multiple media such as TV, radio, SMS and the web, no/low tech supports, etc.

- Safe reopening of schools and student screening, including special measures for educational facilities and schools that are being used as quarantine, isolation or care facilities for patients. This will include cleaning, disinfection, decontamination and ensuring WASH facilities and supplies are provided to schools.

Medium and Long-term Measures

- Strengthen and expand accelerated and alternate learning programs across provinces and in hardest hit areas.
- Introduce skill-based learning programs to help retain children from poorer households who drop-out from school to learn useful income-generating skills linking learning with local employment needs.
- Policy development for primary and secondary levels on distance learning, accreditation and monitoring of learning outcomes at the federal and provincial levels.
- Expand social protection products such as the BISP *Waseela-e-Taleem* and student stipend programs with better targeting for most vulnerable students, especially girls from poor backgrounds.
- Enhance the capacity of federal and provincial education systems, including the teachers' workforce, to deliver curriculums through innovative, technological and non-technological mediums.
- Introduce incentive-based (food, cash or vouchers) education support programme for children of grades KG to 10, in food insecure and COVID-19 hard-hit areas, to ensure student retention once schools are re-opened.
- Integrate health and hygiene policies as part of the school curriculum and syllabus.

Support victims of Gender-Based Violence (GBV)

Twenty-eight percent of women in Pakistan between the ages of 15 and 49 years have experienced some sort of physical violence.²⁸ 80 percent of the women who have been subject to physical or sexual violence have reported that that it was perpetrated by their husbands and 15 percent of women reported physical violence by their husbands during the past 12 months for various reasons.²⁹ Additionally women report being abused by their brothers, fathers and step-fathers.

In times of crisis, the incidence of child marriage may also increase as a negative coping mechanism adopted by families to deal with the economic and psychological stresses caused by the situation. According to UNICEF, 21 percent of girls in Pakistan are married before their 18th birthday and 3 percent married before they reach 15 years of age. Lack of access to support and resources in the crisis situation can exacerbate girls' vulnerability to such practices, as was seen after 2010 floods when an increase in early marriages was reported by NGO staff. As the minimum age of marriage for girls still varies across the provinces and legislative protection needs to be ensured in the long term, along with community sensitization. There is a need to increase the minimum age of marriage for girls to 18 across the country and strengthen implementation of laws and capacity of institutions to deal with cases of child marriage

²⁸ Pakistan Demographic and Health Survey 2017-2018

²⁹ Ibid.

Evidence suggests that epidemics and stresses surrounding their management may increase the risk of domestic abuse and other forms of gender-based violence.³⁰ Studies have also found that unemployment tends to increase the risk of depression, aggression and episodes of violent behaviour in men.³¹ Therefore, the country may experience a rise in cases of domestic abuse as a result of COVID-19. Data also shows that the majority of frontline workers, such as doctors, nurses and other medical caregivers are female. There have been cases during this pandemic where female caregivers have been harassed or assaulted while working in hospitals or working in the field.

Suggested Policy and Mitigation Measures

Short-term Measures

- Essential services should be provided to survivors of gender-based violence based on UNW Essential Services Guidelines³² which can help safeguard women and girls affected by GBV. For an effective referral and coordinated pathway, key structures are important and should be considered essential services. These include shelters and helplines, and mechanisms for the coordination of police, judiciary, health and governance as it relates to GBV. This does not include training but identifying and adapting existing structures and SOPs.
- Protect Response Mechanisms should be prepared for an increase in the need for GBV response and support, identifying gaps in GBV survivor-service provision, and preparing to provide essential stop-gap measures where feasible. This is especially essential to quarantined and/or locked down areas.
- Mechanisms should be put forth which ensure survivor response services are maintained as life-saving interventions (including telephone support where feasible) and treated as important.
- Integrating GBV prevention and response into emergency response efforts is lifesaving and can prevent grave harm, which is why it must be prioritized. It is therefore important to keep GBV service providers available during times of emergency, and can be done by keeping trained police, healthcare workers, social workers, and crisis centers available for GBV survivors.
- During the COVID-19 epidemic, keeping hotlines for GBV crisis response open and working is critical, and transitioning to remote and technological supports is key.
- Protection against Sexual Exploitation and Abuse (PSEA) guidelines should be established to ensure safety of female doctors against any incident.
- Promote gender parity in the recruitment of staff and volunteers for humanitarian support.

Medium and long-term Measures

- During the lockdown, the male and female members of a household invariably spend time together. As depression and negative emotions ensue owing to lockdowns, counselling sessions for males through media channels should be conducted. Evidence from field experiment in Liberia shows that television drama serials aimed at improving gender

³⁰ O'Brien, M., & Tolosa, M. X. (2016). The effect of the 2014 West Africa Ebola virus disease epidemic on multi-level violence against women. *International Journal of Human Rights in Healthcare*.

³¹ Ali, P. A., & Gavino, M. I. B. (2008). Violence against women in Pakistan: A framework for analysis. *Journal-Pakistan Medical Association*, 58(4), 198.

³² <https://www.unwomen.org/en/digital-library/publications/2015/12/essential-services-package-for-women-and-girls-subject-to-violence>

norms had a positive effect on decreasing gender-based violence due to potential depressive disorders faced by men.

- Establish and strengthen community surveillance and reporting mechanisms to track cases of child marriages and improve enforcement of law.

Impact on Child Protection Issues

There is a high prevalence of child exploitation in Pakistan, often manifested in the form of child labour coupled with low rates of school participation. The persistence of child labour has multi-layered roots such as poverty, lack of decent work for adults, need for strengthened social protection, and the lack of a system that can ensure all children attend school rather than engaging in economic activities while they are underage. Some 81 percent of children between the ages of 1 and 14 in Punjab and Sindh, and 85 percent in GB, report having experienced psychological aggression, physical punishment or other violent behaviour as a form of discipline. 81 percent children age 1 to 14 years experienced physiological aggression or physical punishment during last one month in KP (KP-MICS 2016/17). 14.4 percent of children age 5 to 17 year are involved in child labor in KP (KP-MICS 2016/17). 7.7 percent of women age 15 to 49 years were first married before age of 15 in KP (KP-MICS 2016/17). Adolescent girls of age 15 to 19 who are currently married in KP are 18.8 percent (KP-MICS 2016/17). Protection issues for children who are in isolation/quarantine with potential mental health issues are manifold. More importantly, children who are not 'covered' by a legal registration process largely live in rural areas; their families, especially their mothers, tend to be uneducated; most are from lower-income households; belong to minorities; are immigrants; or are frequently abandoned children. These children are more prone to being affected by consequences of the COVID-19 outbreak.

Suggested Policy and Mitigation Measures

Short-term Measures

- Establish clear regulations on alternative care provisions for children with at core the best interest of the child. In case of alternative care institutions specific regulation shall include quality care standards, as well as medical, psychosocial and educational services to facilitate the rehabilitation and social reintegration of children recovering from trauma/COVID-19 infection.
- Essential services should be provided to child survivors of violence. For an effective referral and coordinated pathway, key structures within child protection related departments are important and should be considered essential services. These include helplines, and mechanisms for the coordination of police, judiciary, health and governance (such as case management system) as it relates to protecting and responding to violence against children.
- Conduct rapid assessment to gather date and accurate information to ascertain the impact of COVID-19 related confinement measured on violence against children in order to inform strategies and programs that will ensure increased protection of children.
- ECD interventions should be prioritized to address children's needs in terms of health, nutrition, cognitive development, psychosocial development and language.
- Training to increase the primary care provider's comfort and competency in psychological care, prevention, management, and treatment of frequently occurring and lower-acuity mental health conditions in childhood and adolescence, including understanding of referral to appropriate medical services in the most severe cases. Map and strengthen existing

MHPSS structures and services and ensure appropriate support and response to children in need of MHPSS support.

- Train personnel including MHPSS professionals, staff in agencies running MHPSS hotlines and helplines, lay workers, social workers, health workers and mental health specialists. Training should include remote, psychological, and first aid dimensions, etc.

Medium & long-term Measures

- Capacity development from a systems lens, particularly of social workers, teachers and caregivers, shall be prioritized to ensure understanding of children/adolescents PSS needs and access to child-centered teaching-learning materials and resources in light of COVID-19.
- Strengthen child protection mechanisms to prevent and respond to violence against children.
- Detailed risk assessments needs to be undertaken to establish the probability, and possible impact, of COVID-19 hazards on communities, individual children, adolescents, livelihoods and specific sectors relevant to child rights, particularly the agriculture labour sector.
- Establishment of comprehensive mental health and psychosocial social support systems that can cater to vulnerable populations, with a special focus on children facing psychosocial distress.
- Modification in operational arrangements of vital events registration including birth registration business processes, standard operating procedures and rules. Capacity of the staff will need enhancement with the back log that will be expected in the short term while the pandemic prevails.

PILLAR 3: ECONOMIC RECOVERY: PROTECTING JOBS, SMALL AND MEDIUM-SIZED ENTERPRISES, AND THE MOST VULNERABLE PRODUCTIVE ACTORS

The rapidly emerging assessment of the human, social, and economic costs and impacts of the COVID-19 pandemic suggests that there will be serious consequences for the populations

“The coronavirus is a shock to the economy the likes of which none of us has ever seen. A hurricane hitting every place in the United States, Europe, and much of the rest of the world simultaneously. And hitting every day for weeks, months, or perhaps even a year. It is partly a supply shock as workers can no longer work and supply chains get severed. It is also partly a demand shock as people will cut back their demand, not just for restaurants and travel but likely much else throughout the economy given the extreme nervousness about their economic situation. The public health measures to flatten the curve, delaying and spreading out the extent of the virus, will necessarily and appropriately impose large economic costs. The job of economic policy is, to the greatest extent possible, to protect people from those costs now and help ensure the economy is in a position to rebound quickly when the health threat is contained. Doing this will require a multifaceted and ambitious policy response.”

“Mitigating the COVID Economic Crisis: Act Fast and Do Whatever It Takes”. Edited by Richard Baldwin and Beatrice Weder di Mauro. March 2020. A CEPR Press VoxEU.org eBook. (<https://voxeu.org/content/mitigating-covid-economic-crisis-act-fast-and-do-whatever-it-takes>)

and economies of the world in multiple dimensions which require effective and coordinated policy responses at the national, regional and global levels.

Recent ILO Notes^{33 34} issued in reaction to the COVID-19 pandemic highlight that:

- The crisis has already transformed into an economic and labour market shock, impacting not only supply (production and distribution of goods and services) but also demand (consumption and investment).
- Prospects for the economy and the quantity and quality of employment are deteriorating rapidly.
- COVID-19 will have far-reaching impacts on labour market outcomes.
- Initial ILO estimates point to a significant rise in unemployment and underemployment in the wake of the virus.
- The decline in economic activity and constraints on people's movements is impacting both manufacturing and services.
- Labour supply is declining because of quarantine measures and a fall in economic activity.
- Working poverty is also likely to increase significantly.
- The loss of labour income will translate into lower consumption of goods and services, which is detrimental to the continuity of businesses and ensuring that economies are resilient.

The ILO Notes also lay down a 4-pillar policy framework based on International Labour Standards (ILS) to combat COVID-19 impacts. This policy framework developed specifically in the context of COVID-19 provides an ILS based context for the policy recommendations that will flow from the statistical analysis in this paper. In addition, ILO R205³⁵ Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205) provides further guidance towards developing appropriate policy responses to the COVID-19 pandemic impacts on the world of work.

Policy framework: Four key pillars to fight COVID-19 based on International Labour Standards

³³ "COVID-19 and world of work: Impacts and responses". International Labour Organization Note, 18 March 2020 (https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_738753.pdf)

³⁴ "COVID-19 and the world of work Updated estimates and analysis". International Labour Organization, 7 April 2020 https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_740877.pdf

³⁵ https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R205



Relying on social dialogue for solutions

In accordance with key International Labour Standards, inclusive social dialogue through the participation of social partners and other stakeholders in tackling the causes and consequences of the crisis, ensuring an effective crisis response, and to monitor and be vigilant of who is taken care of, will be critical for recovery and social stability (ILO 2020a). This would include:

- Assessing the labour market and the identification of workers who may not be captured in the LFS in each state.
- Discussing the possible alleviation packages with social partners, to have effective feedback from constituents and implement concrete actions to publicize and monitor the effective delivery of these benefits.
- Using the existing social security/protection institutions to register and transfer the cash and in-kind benefits.
- Monitoring and checking that measures reach those who they benefit e.g. mobile penetration; Joint Public Private Partnership with mobile corporations to facilitate the use of mobile phones as a mechanism to reach out.

Impact on at-risk Workers³⁶

This section presents some preliminary estimates of the anticipated labour market impacts of the COVID-19 pandemic on vulnerable workers in Pakistan's economy and suggests some social protection measures to help them cope with this crisis. This analysis is based on data from the latest available round of the Labour Force Survey (LFS) for 2017-18, as data from the more recent 2018-19 round of the LFS has not been released.

According to Labour Force Survey 2017-18, there are 61.7 million employed workers in Pakistan, of whom 23.8 million are agricultural workers and 37.9 million are non-agricultural

³⁶ The ILO has a different definition for vulnerable workers as own-account workers plus unpaid family workers – therefore, using 'at-risk workers' affected by COVID-19,

workers. Of the country's 37.9 million non-agricultural workers, 27.3 million (72 percent) work in the informal sector, while only 10.6 million (28 percent) are employed in the formal sector. Out of the total of 61.71 million employed, 48.17 million are males while 13.54 million are females, and 40.75 million are residing in rural areas while 20.96 million are residing in urban areas. The provincial disaggregation shows that 37.60 million are in Punjab, 14.44 million in Sind, 7.17 million in KP and 2.51 million are in Balochistan. Youth aged between 15 to 29 make up 23 million of the employed.

The 27.3 million informal sector workers are likely to be the most vulnerable (at-risk) to losing their jobs and in need of income security due to the prevailing lockdown situation across the country. They are mainly engaged in the sectors that appear to be adversely impacted due to the shut-down of economic activity. The distribution of Pakistan's 27.3 million informal sector workers by sector shows that 8.88 million work in the wholesale and retail trade sector, 6.22 million in the manufacturing sector, 4.43 million in construction, 4.37 million in community/social and personal services sectors, and 3.14 million are engaged in the transport/storage and communication sector.

The analysis of informal sector workers reveals that the majority fall in the categories of "paid employees" (13 million workers, or 48 percent) and "own account" or "self-employed" workers (11.2 million, or 41 percent). The bulk of those workers categorized as "paid employees" earn a monthly wage of less than the mandated minimum wage of PKR 17,500. This is true for 9.8 million workers – 75 percent of the 13 million paid employees working in the informal sector.

In addition, both own account workers and casual wage earners (daily paid employees) face particular difficulties in securing their income. They also have little option to work from home, take time off, or avoid commuting to practice social distancing if this becomes a requirement within the crisis.

In order to develop scenarios for the total number of workers who are likely to face immediate unemployment or possibly rather underemployment and extreme working poverty (income loss), we start with the total number of the informal sector employed in the non-agricultural sectors plus the persons in non-regular formal sector jobs (casual paid workers, those working on piece rates and own-account workers). From these we exclude the 2.5 million workers categorized as unpaid family workers, as these workers do not have a direct income stream – though they might be affected too. We also exclude outlier workers in the informal sectors (0.06 million) as their vulnerability is hard to assess. While their livelihoods will be impacted by the COVID-19 crisis, their jobs may not be. This results in a total quantum of 24.7 million workers, from which a certain proportion is likely to become underemployed or unemployed and would require some sort of social protection support.

The analysis of employment at-risk in the agricultural sector is much different due to the inherent nature of farming and livestock activities involved, especially in the farming systems used in Pakistan, which include sharecropping, tenant farming, and smallholdings. The 2.9 million paid employees, who are usually engaged during the crop sowing and harvesting season, may be vulnerable to losing their livelihoods if there are any mobility restrictions in view of the spread of COVID-19 to the rural areas. However, the household incomes in rural areas could be called upon to cover more persons, as daily wage earners from urban areas return to rural provinces to wait out the lockdown period, thus increasing the incidence of working poverty.

Table 1 presents an analysis of two alternate scenarios based on the likely increase in layoffs, job loss or other job disruption (fewer hours, lowered wages) of workers in precarious employment conditions across the major economic sectors. The first scenario is generated on

the assumption that the slowdown in economic activities is of a moderate nature, while the second scenario is generated on the assumption of a severe restriction on economic activities. It is estimated that 12.6 million at-risk workers can lose their jobs or their volume of work in terms of hours and pay under the first scenario, with the major share of these being in the wholesale and retail trade, construction manufacturing and transport/storage and communication sectors. Under the second scenario of a severe restriction on economic activities, an estimated 19.1 million of the employed are likely to face some labour market disruption, with the largest hit sector being wholesale and retail trade (6.1 million), followed by construction (3.9 million) and manufacturing (3.8 million).

Table 3.1: Estimates of layoffs/ employment loss of at-risk workers under different scenarios

Sectors	At-risk employment (million)	Job loss or job disruption (as percent of total vulnerable employment)		Workers vulnerable to job loss or job disruption (million)	
		Scenario 1	Scenario 2	Scenario 1	Scenario 2
Manufacturing	5.4	40	70	2.2	3.8
Construction	4.4	70	90	3.1	3.9
Wholesale & retail trade	7.7	50	80	3.8	6.1
Transport/storage & communication	3.1	60	90	1.8	2.7
Community/social & personal services	4.0	40	60	1.6	2.4
Others	0.2	50	60	0.1	0.2
Total	24.7			12.6	19.1

Source: Calculations based on LFS 2017-18 and secondary sources³⁷

Impact on Labour Migration and Overseas Pakistanis

Pakistan is one of the major labour-sending countries in the world with almost 11 million Pakistanis working in different countries – with majority in Gulf Cooperation Council (GCC) countries. In the medium-term, the Government of Pakistan needs to vigilantly monitor the effects of COVID-19 on labour migration from Pakistan. It is feared that with contraction in global economies, migrant workers (overseas Pakistanis) may have some negative effects in terms of permanent or temporary unemployment or reduction in incomes. A ban on international travel and restricted intercity travel has impacted labour migration. As per the Bureau of Emigration and Overseas Employment (BE&OE) around 50,000 to 60,000 migrant workers who completed their registration at the Protectorate Office could not proceed overseas due to travel restrictions and lockdown/shutdown domestically as well in many countries across the globe. Additionally, 100,000 foreign jobs (advertised on BE&OE's website) are halted, with limited operations of Protectorate Offices as well as an uncertain

³⁷ "Sectoral Analysis of the Vulnerably Employed COVID-19 and the Pakistan's Labour Market". <https://www.pide.org.pk/pdf/PIDE-COVID-Bulletin-4.pdf>

global situation. The Government of Pakistan has appointed a focal person for the assistance of overseas Pakistanis due the current pandemic.

Therefore, it is important that the Government should start taking measures to support its migrant workers through their embassies to build awareness on COVID-19 and thereby ensure their health, safety and protection in countries of destination. In the event of a large-scale return, the Government should certainly take into consideration that these workers will have to be reintegrated into the labour market in Pakistan and therefore also engage with the Pakistan Employers' Federation. The Task Force on Overseas Pakistanis and Human Resource Development has been in the process of assessing the entire situation of labour migration in terms of short, medium and long-term impact of COVID-19 on labour migration flows, working conditions of migrant workers in destination countries, implications of non-payment of wages and return migration in cases of lay off, flow of remittances and its impact on the economy, welfare of families of migrant workers who are also dependent on remittances, and emerging opportunities/labour demands which have surfaced as a result of COVID-19. In the long term, the Government of Pakistan will also have to assess the implications of COVID-19 on the re-migration of workers in large numbers back to the GCC countries or elsewhere and therefore also engage with the Pakistan Overseas Employment Promoters Association (POEPA) and the Pakistan Workers Federation. This is also particularly true in the case of the 50,000 to 60,000 migrant workers who completed their registration but could not proceed overseas due to travel restrictions.

Impact on Children at Work

According to the 2014-15 Labour Force Survey, there are 3.93 million child labourers in Pakistan. It is an established pattern across crisis situations that when adults are unable to work, the incidence of child labour increases. This could particularly be the case in the current COVID-19 crisis where a false belief prevails that children are not, or are less affected, by the virus. In a total or partial lockdown situation children who face a heightened level of risk include those being used to supplement family income as adults are unable to work during the lockdown period; children who are being used to skip or bypass curfews as they are less visible to law enforcement; children being used to perform errands and fetch/distribute household supplies; children in domestic work including those who are subject to excessive work at home; children being used as caregivers for younger children and to look after the sick; and children trapped in workplaces including factories, brick kilns, agricultural farms.

Impact on refugees and stateless persons as a vulnerable segment of population

Pakistan generously hosts approximately 1.4 million Afghan refugees who are registered with the Afghan National Registration (ANR) database managed by the National Database and Registration Authority (NADRA). Pakistan also hosts a potentially large number of stateless persons or those who may be at risk of statelessness. These include individuals from the Bengali, Bihari, and Rohingya communities. However, their real numbers remain unknown. Since the majority of refugees reside in Khyber Pakhtunkhwa (58 percent) and Balochistan (23 percent), which have the lowest recorded living standards and the highest multidimensional poverty index (with KP being at 0.250 and Balochistan at 0.394 out of a National MPI of 0.25010), it has been witnessed that a large percentage of the Afghan refugees are severely affected by the unprecedented events surrounding the COVID-19 pandemic. Persons with Specific Needs (PSN) data also indicates that over 72,000 refugees are faced with specific challenges such as: serious medical condition, child or adolescent at

risk, older persons at risk, woman at risk, and single parents. The large majority of refugee households are engaged in the informal sector, many as daily wage earners.

Impact on women home-based workers

Many women, including domestic workers and those working for small and medium businesses, may also be laid off due to the inability of employers to continue paying wages during an economic downturn.³⁸ Many paid working women are employed as teachers in the education sector. Due to closure of schools, all of these women are now at home. Teachers employed by the government will continue to receive their monthly incomes. Those employed by the private sector, especially in low-cost private schools, face an increased risk of reduced or delayed incomes. In many cases, teachers will be laid off if school administrations are unable to keep up with payments while schools remain closed. Women housed in the teaching sector will be most impacted by this situation, which could further reduce female labour force participation in the country.

Additionally, women in Pakistan often have to travel large distances on public and private transport in order to get to work. Hindered mobility due to lockdowns may result in increased workforce absenteeism and subsequently reduced income due to lost wages.³⁹ There is a need to identify vulnerable women-led households, both rural and urban, which are 13 percent in Pakistan⁴⁰ and are at a risk of poverty, hunger and disease. This target group can be identified from the data of Ehsaas and BISP.

Similarly, analysis on home-based workers shows that there are currently 12 million HBWs who earn around Rs. 3000 to 4000 per month. Given that they belong to the informal sector, they face multidimensional issues such as low-income security, absence of social protection and highest economic vulnerability in times of crisis. This segment of the labour force, especially females, will be seriously affected due their inability to provide labour supply hours at their jobs.

The majority of women who work, do so in the agriculture sector, whether paid or unpaid. Women's share in wage employment in the non-agricultural sector is only slightly greater than 30 percent as compared to males which is more than 70 percent. Most of the females are engaged as contributing family workers (51.9 percent) whereas the majority of males are employees or own account workers (86 percent of the total male LFP). The supply of female labour is also lower than that of males as mean hours worked in a month are 34.7 in comparison to males, which is 51 hours⁴¹.

Similarly, women in the agriculture and livestock sectors are dealing with underpayment, lack of payment and lack of recognition for their work, as well as unsafe working conditions, particularly in sectors with a high use of pesticides, such as cotton. During COVID-19 response, access to vital off-farm income earning opportunities for these women has been reduced, and there is a need for appropriate PPE to be provided in these sectors. In addition, home-based workers, daily wagers and domestic workers are even more vulnerable to gender-based violence in this pandemic.

³⁸ Wenham, C., Smith, J., & Morgan, R. (2020). COVID-19: the gendered impacts of the outbreak. *The Lancet*, 395(10227), 846-848.

³⁹ CARE, Gender Implications of COVID-19 Outbreaks in Development and Humanitarian Settings. CARE, accessed 1 April, 2020, <https://reliefweb.int/report/world/gender-implications-COVID-19-outbreaks-development-and-humanitarian-settings>.

⁴⁰ Pakistan Demographic and Health Survey 2017-18

⁴¹ Pakistan Labour Force Survey 2017-18

Suggested Response Measures

In order to estimate the overall wage loss of the at-risk workers (only paid employed) who are likely to lose their job or the volume of work under the two scenarios, the average monthly wage in each sector has been multiplied by the number of paid employed workers at-risk of job disruption to develop overall estimates of wage loss across the economy as result of the shutdown of economic activities (Table 2). It is important to note that the analysis under both scenarios has been done under the assumption the economic activities will slow for a period of one month only. In case activities remain curtailed for a longer time period, the aggregate wage loss would multiply, under both scenarios. Moreover, this analysis does not encompass estimates for the self-employed at-risk workers who are also likely to face underemployment, such as sharecroppers and smallholder farmers also under the two scenarios, because the LFS does not have any data on their monthly earnings.

Table 3.2: Average monthly wage loss of paid employees in at-risk employment (PKR. Billion)

	Monthly earnings of paid employees in at-risk employment (PKR) ⁴²	Wage loss (Scenario 1)	Wage loss (Scenario 2)
Manufacturing	12,450	14.48	25.34
Construction	16,056	46.88	60.27
Wholesale & retail trade	13,313	14.91	23.86
Transport/storage & communication	16,555	12.15	18.22
Community/social & personal services	11,806	11.23	16.85
Others	23,734	0.73	0.88
Total		100.39	145.43

The Government, in consultation with development partners needs to devise mechanisms for providing income support to the more vulnerable segments of the labour market as identified in the analysis above, which includes the casual and daily wage workers as well as the self-employed working in the different sectors, who are most vulnerable to losing their livelihoods due to slowdown of economic activities in wake of possible shut down. The above analysis clearly indicates that the largest number of such workers is employed in the wholesale and retail trade, construction, manufacturing and transport and communications sectors including several subsectors important in rural economies, such as harvesting, food processing, and sale of seeds, fertilizers and pesticides. It is also important to point out that the figures of workers in precarious forms of employment as well as workers likely to lose their livelihoods under the two examined scenarios are understated as they have been obtained from LFS data which is now two years old, and the actual figure would be much higher.

The Government in its recently announced fiscal stimulus packages has allocated an amount of PKR 200 billion for labourers who have lost their jobs or will see a reduction in employment opportunities, which will be distributed after consultations with the business community and the provinces. In this regard, transparent mechanisms and criteria need to be devised for the

⁴² This includes only the paid employees' category for whom earning data is available in LFS 2017-18 and does not cover the self employed

implementation of social services to ensure that the most affected workers are targeted across all the major economic sectors. Some recommendations for providing social protection to these vulnerable workers are outlined below, and have been categorized into short-term, medium-term and long-term measures:

Short-term Measures

- The analysis indicates that the foregone income of the ‘paid employed’ workers amongst the total at-risk employment who are likely to face job disruption across different sectors in Scenario 1 amounts to around PKR 100.39 billion for a period of one month. In case of Scenario 2 with severe restrictions, the lost income would increase to PKR 145 billion for one month. Thus, the amount of PKR 200 billion allocated by the Government in the package would be able to develop a mechanism of wage subsidy, partial unemployment grant, or a grant for the informal sector for a period of just over one month. If the shutdown goes beyond one month, the Government will have to allocate additional funds after examining various options like re-appropriation of PSDP, cuts on operational budget of federal entities, request for donor funding, to list a few. As an alternate option, the Government may consider the average wage calculated. It could provide a lower flat cash transfer or complement this with in-kind transfers for basic needs.
- In case of the 5.7 million self-employed who are likely to face an income loss as a result of job loss or job disruption under Scenario 1, and the 9 million under Scenario 2, no estimates of income loss are available due to data constraints. It is important to point out here that the Government has set aside another PKR 100 billion to support the activities of small businesses and the agriculture sector. It is recommended that this amount should target the micro-enterprises across the different sectors identified above, which were earning on a daily basis before this crisis as well as vulnerable agricultural self-employed such as sharecroppers and smallholders. This includes those working in the manufacturing, wholesale and retail trade, transport and communications, and community, social and personal services sectors (and possibly run by the self-employed). Tailored measures could be deployed to these groups of workers. Financial assistance program for low-income workers, the self-employed, part-time workers and freelancers, such as rapid access to “cheap” loans for operational capital, can also be provided.
- As a mitigating measure for mass unemployment or under-employment (due to the closure of the export industry), the Government of Pakistan has announced a stimulus package for the construction sector by elevating it to the level of ‘industry’ and giving a number of tax concessions (waiving capital gain tax) and exempting investors from disclosing their source of income. In turn, the construction sector (structures, buildings, roads etc.), traditionally a labour intensive sector, may provide employment opportunities to a larger number of un- or underemployed persons. To achieve the objective of increased employment successfully, there would be a need to make construction sector more ‘labour-intensive’ by adopting ILO’s proven methodologies of ‘Labour-Based Infrastructure Technology (LBIT)’, ‘Employment-Intensive Infrastructure Programme (EIIP)’ and ‘Local Resource Based Approaches (LRBA)’. A technical assistance programme for promoting such technologies in Pakistan could be started with a modest budget of USD 10 million. The participation of the social partners in the development of such programmes is vital, in order to access information, and promote support in the implementation phases.

- Agriculture workers including women may be covered by supporting an intensification of ruralized food supply chains with higher opportunities of proximity of producers and buyers in marketing, collection centers, and storages, to reduce the burden of transport restrictions.
- Develop and deliver economic support to businesses and organizations in the food processing sector as a means of increasing the jobs available, overcoming agricultural labour movement restrictions between provinces, and providing an ongoing supply of safe food to the population. This includes the production of food inputs, food packaging, and the provision of food safe technical services, including food safety protocol enforcement.
- Communicate guidance about the efficient use of local agriculture labour to avoid disruption to the food system and possible food insecurity. Allow movement of agriculture workers within villages/UCs that are not found to have local transmission of COVID19 to support village/UC based collaborative labour networks. Work with religious and community leaders to encourage paid women's participation in agriculture activities.
- Subsidize and encourage the banking, private and not-for-profit sectors to make loan products available to support the purchase of agriculture machinery, which will free up the availability of local agriculture labour in areas where it is constrained by restrictions on movement of skilled labour from other provinces and districts.
- The registration of informal sector workers including from rural areas should be started immediately in line with the earlier set of recommendations of the EHSAAS Tripartite Labour Welfare and Social Protection Expert Group (LEG), but in a fashion that builds on other existing databases and with attention to maintaining such databases. Instead of blanket registration, a demand driven approach could be explored. Once registered and verified in terms of eligibility, cash transfers could commence. In order to further narrow down to the at-risk informal sector workers, it is recommended that an additional field on occupation should be added to the 8171 Mobile App that is presently being used by the Government to identify the workers eligible for receiving support in form of cash transfers of PKR. 12,000 for three months.
- Essential production workers who are actively working under the present scenario need to be provided with enhanced protection in the form of safe working environment for ensuring physical distancing, provision of masks and other special Personal Protective Equipment, hand washing facilities, safe commutation measures, enforcement of strengthened occupational safety and health (OSH) standards and implementation of special guidelines for their work places by the Directorates of Labour at the federal and provincial level. There is also a need to give protection to these workers through access to sick paid leave options.
- Modalities of collecting COVID-19 specific labour force data and information need to be worked out jointly by the federal and provincial governments, in consultation with the development partners. The platform of Digital Pakistan should be harnessed to employ digital technologies in collecting COVID-19 specific labour force data at a disaggregated level by sex, occupation, employment status, sector, keeping in mind representativeness.

- The Government should start taking measures to support its migrant workers through their embassies to build awareness on COVID-19 and thereby ensuring their health, safety and protection in countries of destination. In the event of a large-scale return, the Government should take into consideration that these workers will have to be reintegrated into the labour market in Pakistan and therefore, also engage with the social partners, i.e. employers' and workers' organizations.
- Inclusion of refugees within the government and development actors' responses to the pandemic where relevant. In particular, this can be done by including extremely vulnerable Afghan refugee families and families that are most affected by the socio-economic impact of the pandemic in the emergency cash transfer (Ehsaas)
- The situation of working children, and those who are vulnerable to child labour, requires attention. Where feasible, education should continue through mass media in the form of dedicated radio and television channels or dedicated timeslots in mass communication channels. Mechanisms for the provision and distribution of essential supplies must be planned in a way that minimizes the requirement for children to be exposed, and community awareness raised on the negative impact of engaging children to replace adults at work.
- Focus on economic recovery solutions to support small and medium businesses owned by women, to mitigate the negative economic impact of the outbreak. Strong market linkages should be built for Home Based female workers who can sell their products by working from home during this pandemic.
- Despite Government's good intentions to keep agricultural activities and supply chains undisrupted during lockdowns, the closure of transport and restrictions on movements have affected agricultural workers in rural areas and their livelihoods. In addition, the closure of 'urban and rural markets' have also affected the employment and incomes of agriculture workers. Therefore, it is recommended to urgently undertake a detailed analysis of COVID-19 on agriculture sector and rural economy in Pakistan and support farmers and agriculture workers, and enterprises through appropriate compensation.
- Targeted financial assistance (through micro-finance institutions) in shape of interest free loans and/or cash transfers should be made to micro businesses led by women to support their enterprises in the time of economic downturn and lockdown.

Medium and Long-term Measures

- While selection for the unconditional cash transfers is presently being made through the National Socio-economic Registry (NSER) data that was collected in 2010-11, the Ehsaas Programme has initiated an updating of the NSER since last year and the whole process is expected to be completed by June 2020. It is recommended that the updated data from the recent survey (wherever available for each district) should be used for identifying the additional households whose members are in vulnerable forms of employment. The payment of income support to these additional households can also be made through Ehsaas Programme's existing targeting and payment systems by increasing the cut-off score threshold on the poverty scorecard.
- Expanding coverage of social protection, especially to those working in the informal economy. The work of the Labour Welfare and Social Protection Expert Group (LEG) constituted under the Ehsaas Programme with a mandate to develop proposals for

extension of social protection measures to workers in the informal economy may be revisited for guidance in this context.

- Another segment of most at-risk workers in informal employment include home-based workers (estimated to be 2.63 million as per LFS 2017-18) who are mainly working from their homes on a piece rate basis and are not covered by any social protection measure. The majority of these HBWs (2.1 million) are women, who also need to be provided with some form of income support as they are likely to lose orders due to closure of firms in the manufacturing sector (Table 5A).
- In the case of the agriculture sector, farming activities are primarily carried out by the self-employed either on their own land, as sharecroppers/contract cultivators, or on someone else's land as daily labourer. As discussed in detail under Pillar-4, the provincial governments need to ensure that these farming households do not face any disruption in the supply chain of vital agricultural inputs like seeds, fertilizers and pesticides, etc., so that farming activities especially of the staple food crops continue unhindered. Moreover, there is also a need to ensure that prices of these inputs stay within affordable range. It is recommended that the provincial governments devise separate support packages for the agriculture sector for ensuring easy and affordable access to vital productive inputs as well as access to finance on easy terms.
- The list of Hazardous Work for children identifies occupations and tasks that are deemed harmful for children. In the event the risk of infection continues after the initial peak is over, the respective hazardous work lists should be reviewed as a matter of priority in view of risks associated with COVID-19 and necessary amendments made to protect children from new hazards.
- Disputes in respect of layoffs, wages etc. are likely to increase sharply. Labour dispute resolution mechanisms therefore require focused attention. These mechanisms are key to facilitating a stable industrial relations environment.
- In the medium term, once the pandemic spread has been curtailed, the initial government response should be focused towards mitigating the spike in unemployment and bringing individuals, especially women, back to work. This can be done through the introduction of female based workfare support programs for wage earning females to attend training to upgrade skills and improve chances of being employed. These workfare support programs have been very effective in Singapore and have provided skill-based support to a wide network of low paid workers. These females should be encouraged to participate in these programs by paying them a conditional cash transfer of the size of the BISP amount.
- In the long term, Pakistan's migrant workers working in other countries across the world, especially the Middle East, are likely to lose their jobs due to a downturn in these economies. The Government needs to develop a strategy to absorb these workers in the domestic economy once they start returning home due to layoffs in the future.
- In the long-term, there is need to develop a central registry of all workers in the country (including informal sector and self-employed workers in all sectors), so that information on all workers is easily available for extending social protection measures and ultimately ensuring universal coverage. It is important to point out data on occupation is available from the National Data and Registration Authority (NADRA) database, the Population Census 2017 as well as NSER. However, due to

inconsistencies in coverage, scope and definition, the data from all these sources cannot be easily triangulated at the individual/household level presently. There is therefore a need to synchronize and harmonize the data across all these sources overtime to establish a central data repository. Such databases should be developed in a way that those workers who are in need of services should contact the registration/assessment facility. This will avoid possible waste of resources in this time to make efforts to reach all. Not all may need support. Moreover, such registers unfortunately often turn obsolete very quickly.

- Considerations may be made to include COVID-19 among occupational diseases.
- COVID-19 has disrupted statistical systems especially in areas like labour statistics where data is required more frequently on a continuous basis. Pakistan Bureau of Statistics (PBS) should be supported to continue collection of surveys. It is recommended to support PBS to develop innovative ways of collecting data to ensure continuity of data-series.

COVID-19 Impacts on Enterprises⁴³ and Entrepreneurship

COVID-19 is likely to impact, micro, small and medium enterprises (MSMEs) the most⁴⁴. Most of the enterprises in Pakistan are MSMEs, employing less than ten workers. These are also the enterprises that would find it challenging to comply with directives of retaining employees during lockdowns. The private non-agriculture sector engages 33.36 million workers. Of these, 26.89 million are working in MSMEs employing ten or fewer workers. This is equivalent to 45 percent of the total employed labour force and 81 percent of the non-agricultural private sector workforce. This number (26.89 million) is nearly equal to the non-agricultural informal sector employment (26.84 million), which is equivalent to 72 percent of the non-agricultural workforce. This shows that microenterprises are essentially informal sector enterprises, and most of the employment in the informal sector can be attributed to the MSMEs.⁴⁵

MSMEs, being more labour-intensive, are considered an engine for employment generation. However, no reliable and updated estimates are available. According to SMEDA⁴⁶, 3.25 million MSMEs constitute nearly 90 percent of all the enterprises in Pakistan, employ 80 percent of the non-agricultural labour force, and their share in the annual GDP is 40%, approximately. Most (97 percent) of these enterprises are under individual ownership and hence mainly working in the informal sector. Draft National SME Policy 2019 states that there are around 3.8 million small and medium enterprises in Pakistan wherein commercial and retail shops have the highest share (1.8 million), followed by the services sector establishments (1.2 million) and industrial sector establishments (0.8 million).

With an already low representation of women in SMEs i.e. only 1 percent women entrepreneurship, 6 percent firms with female ownership and 2 percent women-only employers, COVID-19 and the subsequent lockdown measures present additional risks to women-led businesses. The potential closures would not only lead to unemployment for the women who make up a significant proportion of the SME workforce, but are more likely to

⁴³ The enterprise level analysis is based on the [2005 Census of Economic Establishments](http://www.pbs.gov.pk/content/economic-census-2005) (<http://www.pbs.gov.pk/content/economic-census-2005>), [State of SMEs in Pakistan, SMEDA](https://smeda.org/) (<https://smeda.org/>), Impact of COVID-19 on SMEs in Pakistan: UNIDO.

⁴⁴ See "The Impact and Policy Responses for COVID-19 in Asia and the Pacific" UNESCAP, April 2020 (<https://www.unescap.org/resources/impact-and-policy-responses-COVID-19-asia-and-pacific>)

⁴⁵ These numbers are based on the [2005 Census of Economic Establishments](http://www.pbs.gov.pk/content/economic-census-2005) for which data was collected between 2001 and 2003. The results showed that 99% of these enterprises were microenterprises, employing less than 10 workers.

⁴⁶ [State of SMEs in Pakistan, SMEDA](https://smeda.org/)

impact women-owned SMEs, which are less resilient to the impact of adverse economic shocks.

A few of the major challenges that have been identified for restarting MSMEs are as following:

- COVID-19 will remain and create a high degree of uncertainty in all aspects of businesses. In particular, the need to avoid the further spread of COVID-19 in the workplace or through the movement of people and materials may result in further restrictions and a potential return to lockdown.
- When restrictions are lifted, the market is expected to be extremely cash-constrained. This is largely due to extreme uncertainties with regard to demand for MSMEs' products (and/or ability to deliver products to the market) and consequent low or non-existing business income while expenses for labour, energy, rent and other business inputs will still be incurred.
- Manpower will be a constraint, with MSMEs indicating that a substantial number of their pre-COVID-19 workforce may have migrated back to their hometowns due to uncertainties and loss of income during the lockdown. It will be a challenge to convince staff to return or to hire new staff, and the staff turnover is expected to impact negatively on productivity and quality, adding further to financial concerns.
- Machinery and stocks of raw materials, work in progress and final products will have degraded. MSMEs will need to undertake outstanding maintenance and service, and clean out wasted stocks, before they can resume operations, at a significant cost and with likely write-offs of stocks currently trapped on-site.
- Ensuring timely supplies of essential inputs without price hikes is a matter of concern. Those MSMEs that are critically dependent on specialized parts from other provinces or from abroad are more vulnerable to supply shortages.

The relevant SME clusters in Pakistan include the ready-made garments cluster (Lahore), footwear cluster (Lahore), Auto-parts cluster (Lahore), Surgical cluster (Sialkot), and Leather industry (Sialkot). A brief initial analysis and sectoral data of SME clusters in Pakistan conducted by UNIDO⁴⁷ indicates the evolving impacts of a COVID-19 induced economic slow-down on the production and employment scenario for these SME clusters.

While Government-announced lockdowns in provinces have protected the jobs of workers in the formal sector requiring employers to pay full wages and not terminate any worker, the jobs of workers in the informal sector are not protected against loss of employment. Such workers are also not eligible for any social security benefits.

The current imbalance will not help sectors such as transport and tourism to grow at a steady pace. Tourism (local) which was also very rapidly growing since last few years would also be affected badly. Also, due to the expected no summer vacations in the schools, this would be further affected as that is the peak season (June to August) for tourism in the northern Pakistan.

Research has shown that youth-led enterprises are struggling to survive in the face of economic shock caused by the pandemic. There is reduced customer demand and supply

⁴⁷ Impact of COVID-19 on SMEs in Pakistan: UNIDO

chain disruptions. An Asia-Pacific Regional survey indicated that one-third of the youth-led enterprises had to lay off its staff while a quarter had to reduce wages.⁴⁸

In terms of vulnerable entrepreneurship, the gig or platform economy workers⁴⁹, especially those providing geographically tethered services like transportation (Uber and Careem), delivery of items (Bykea)⁵⁰ and domestic work services (Mauqa, Ghar Par) are also affected by the COVID-19 situation. These digital platforms treat these workers as independent contractors, hence relieving themselves of any employment responsibilities towards these workers. The government must also consider the adverse earnings impact of lockdowns on thousands of Uber/Careem drivers, Bykea partners, and domestic as well as maintenance workers engaged with other platforms. While no clear numbers are available, there are tens of thousands of drivers and riders engaged with ridesharing and delivery platforms.⁵¹

While many categories of gig workers are facing earnings losses, the fact that food delivery is permitted by the federal and provincial governments even during the lockdowns, gig workers working with food delivery platforms like Food panda are on the frontlines of this crisis. They are delivering food to those who are self-isolating or practicing social distancing. They are, in a sense, providing essential services during the times of lockdown without any effective protection against the risks of infection from the deadly coronavirus.

Suggested Policy and Mitigation Measures

While protecting workers and their families from this pandemic should be the first priority, demand-side measures are also needed to protect those facing income losses because of COVID-19 infection or reduced economic activity due to lockdown and to facilitate that the industry and enterprises are ready to start-up, when the pandemic is fading out or at least stabilized. Based on the above analysis of enterprises, the following policy measures are suggested:

Short-term Measures

- Support (short-term credit, tax breaks, subsidies) to small and medium-size enterprises, especially women-led enterprises, which employ a large number of workers overall but are financially vulnerable in times of economic crises. To ease the financial crunch, SMEs sector should look at options to reduce or defer less-essential expenses (including reduction of stocks, deferment of investments, etc.), to secure income (including outstanding dues from buyers, particularly government and public sector undertakings), to access additional working capital (through low-interest loans and/or from retained earnings) through SBPs fiscal and/or financial support program for Businesses . Moreover, SMEDA is conducting research to quickly gauge the impact of COVID-19 on small and medium sized businesses. This will assist SMEDA in developing well informed,

⁴⁸ These results are based on a rapid survey of 410 young entrepreneurs across 18 countries and a wide range of sectors conducted by Youth Co:Lab. (<https://www.youthcolab.org/young-entrepreneurs-explain-how-cov>)

⁴⁹ The platform economy distinguishes between two major forms of work: crowd work and work on demand via apps. Crowd work is performed online and is location independent. It includes software development, data entry, translation services, etc. Examples are Upwork, Fiverr, and Freelancer.

'Work on demand via apps', on the other hand, matches the worker and the client digitally and the work is performed locally. Activities include transportation, food delivery and home services. Major platforms in Pakistan include Uber, Careem (transportation), and Foodpanda (food delivery).

⁵⁰ Bykea has over 30,000 daily wage earners working with it. It has launched a Rs. 7 million relief fund for its driver partners affected by the lockdown and suspension of services amid the coronavirus pandemic.

⁵¹ The Online Labour Index (OLI) is the first economic indicator providing online gig economy equivalent to conventional labour market statistics. It measures the supply and demand of online freelance labour across countries and occupations by tracking the number of projects and tasks across platforms in real time.

evidence based and pragmatic recommendations for supporting SMEs in wake of this pandemic⁵².

- Support (short-term credit, tax breaks, subsidies) to women-led micro enterprises to mitigate the negative impact of the COVID-19 outbreak.
- Explore legal and financial options of granting paid leave to regular-paid and casual-paid employees for employment retention.^{53 54}
- Tripartite social dialogue, both at the federal and provincial level, must be initiated to develop sustainable solutions to the various workplace issues emerging in the wake of COVID-19. Representative organizations of social partners, the Employers Federation of Pakistan (EFP) and the Pakistan Workers Federation (PWF), have issued a joint declaration demanding constitution of a special tripartite taskforce in each province for consultations on collective action and assistance in the execution of the plans for economic and social recovery.
- Promote collaboration and carry out advocacy with formal financial institutions to improve access to financial relief to women entrepreneurs whose businesses have been economically affected due to the COVID-19 lockdown.
- Bipartite social dialogue at the workplace level should be actively promoted to manage a structured and safe return to work.
- Protection of employees through incentives for employers.⁵⁵

Medium and Long-term Measures

- Expanding coverage of social protection especially to those working in the small and medium enterprises in the informal economy. The work of the Labour Welfare and Social Protection Expert Group (LEG) constituted under the Ehsaas Programme with a mandate to develop proposals for extension of social protection measures to workers in the informal economy may be revisited for guidance in this context.
- Measurement and analysis of the impact of the COVID-19 pandemic on workers and enterprises through systematic collection of data. Data analytics are crucial for the design of appropriate policy measures for different categories of workers as well as multi-sectoral enterprises.
- Mapping of prospective women-led suppliers and engagement with them to understand what support is most critical to them e.g. shortened payment terms for smaller suppliers can be one of the support services which can help women-led suppliers.

⁵² See Coronavirus (COVID-19) Impact on SMEs in Pakistan

<https://docs.google.com/forms/d/e/1FAIpQLSf5ztacDBEieFjFA70DXn9Zqc1Ews9Rth9tBYoiRVmVtsWcA/viewform>

⁵³ The Government of Sindh has notified on 23rd March 2020 that during the period of lock-down no worker shall be laid off and all workers shall be paid salaries/ wages/ remunerations in full by their respective employers. The period of closure may be considered by the employers as paid leave.

⁵⁴ The Government of Balochistan has notified on 23rd March, 2020 that in case of a complete/ partial lockdown or closure all Factories/ Industrial & Commercial Establishments/ NGOs/ Private Banks/ Private Educational Institutions/ Private Clinics & Private Hospital, Mining & Security Companies, Shops and all other Private Entities in Balochistan shall pay at least minimum wages (Rs. 17,500) to their workers (Permanent, Contract, Daily Wages, Piece Rate etc.) on regular basis without any deduction.

⁵⁵ President Employers Federation of Pakistan, Mr. Majyd Aziz, (<https://www.brecorder.com/by/byline/majyd-aziz/>), has given certain suggestions to deal with the current circumstances: allow individual enterprises to establish an Emergency Fund which would include the amount due to be paid to employees on account of bonus for the current year; amount distributable among employees on account of Workers Profit Participation Fund for the current financial year; the amount of 2% of profit payable on account of Workers Welfare Fund; suspending amount payable to the PESSIs and EOBI on account of their monthly contributions and transferring it to the Emergency Fund; and adjusting employees leave balances for the current and next years' leave entitlement

- The multiple impacts of the COVID-19 pandemic on SMEs as identified by UNIDO⁵⁶ in terms of the impacts on exports, impacts on domestic producers, impacts on investment and impacts on employment and poverty need to be studied in further detail so that appropriate policy measures can be put into place to sustain the SMEs and protect employment in the SME sector.
- COVID-19 related social and economic policy measures and interventions at the national and provincial level should be shaped in the purview of emerging global evidence on how to simultaneously wage the battles of safeguarding lives through fighting the virus and safeguarding livelihoods through protecting incomes and employment.^{57 58}
- The most binding constraint in terms of developing timely and focused policy interventions for enterprises and in particular MSMEs is the non-availability of regular data at the enterprise level. The absence of frequent, reliable and detailed enterprise level data seriously hampers the design of evidence-based policies for the sustainability of the MSMEs specifically at a time like the present when it is critically required. It is thus recommended that the Pakistan Bureau of Statistics be strengthened to conduct the census/ survey of enterprises as a routine activity every two years.
- In view of the perceived importance of the MSME sector in export promotion and employment generation, the role and functions of SMEDA should be strengthened for effective implementation of a robust MSME policy.
- The Draft SME Policy 2019 should be finalized in perspective of the impact of COVID-19 on MSMEs.

PILLAR 4. MACROECONOMIC RESPONSE AND MULTILATERAL COLLABORATION

Given the uncertainties arising in the global economy due to the COVID-19 pandemic, the world is headed towards much tougher times. The pandemic is wreaking havoc on already weak economies through containment measures put in place to control its spread. This unprecedented crisis requires unprecedented measures. A massive counter-cyclical fiscal and financial effort is urgently needed everywhere as is already happening in the developed world. The UN Secretary-General has called for a comprehensive multilateral response amounting to the equivalent of 10 percent of global GDP.

External and Domestic Shocks due to COVID-19

The global economy is anticipated to see an over 30 percent reduction in the volume of world trade (as per WTO). This will have a big impact on Pakistan's exports. In addition, as shown in Table 4.1, a 15 percent decline in remittances is anticipated in the current quarter. Foreign direct investment is likely to fall sharply due to enhanced risk perceptions. In the domestic market, it is expected that there will be a 10 percent reduction in the availability of domestically

⁵⁶ Impact of COVID-19 on SMEs in Pakistan: UNIDO

⁵⁷ "Safeguarding our lives and our livelihoods: The imperative of our time". Sven Smith, Martin Hirt, Kevin Buehler, Susan Lund, Ezra Greenberg, and Arvind Govindarajan. March 2020. (<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/safeguarding-our-lives-and-our-livelihoods-the-imperative-of-our-time>).

⁵⁸ "Beyond coronavirus: The path to the next normal". Kevin Sneader and Shubham Singham. March 2020. (<https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/beyond-coronavirus-the-path-to-the-next-normal?>).

produced goods and of 15 percent in imported goods due to transport bottlenecks. Hopefully, the intensity of these negative factors will be less in 2020-21.

Table 4.1. Magnitude of External and Domestic Shocks in 2019-20 and 2020-21

	2019-20 *	2020-21
Growth Rate (%)		
<u>EXTERNAL</u>		
Volume of World Trade	- 30	- 15
Unit \$ Value of Exports	- 20	- 10
Unit \$ Value of Imports	- 30	- 20
Remittances	- 15	- 10
<u>DOMESTIC</u>		
Decline in Availability of Domestically Produced Goods	- 10	- 5
Decline in Availability of Imported Goods	- 15	- 5
* From March to June 2020		

The Projected GDP Growth Rate

The latest World Economic Outlook report of April 2020 of the IMF projects that the world economy will see a V-path of recovery. Initially, there will be a plummeting of the global economy by 3 percent in 2020 followed by a sharp recovery in 2021 when the GDP growth rate will rise to 5.8 percent as economic activity normalizes and the exceptionally strong monetary and fiscal packages by developed countries yield results.

The likelihood is that the shape of the growth curve will be less steep for Pakistan, especially due to fiscal constraints. The UNDP 60-equation Macroeconomic Model is used to simulate the impact of the various external and domestic shocks described above due to the COVID-19. The results are given below in Table 4.2.

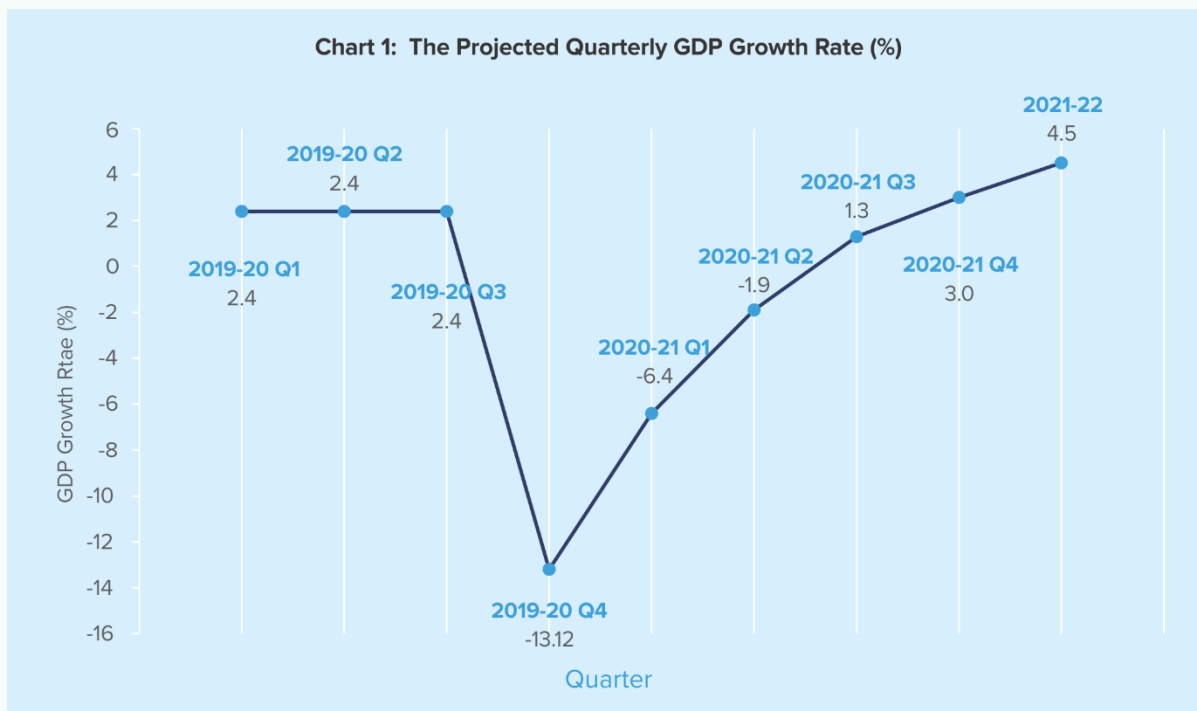
Table 4.2: Projected Growth Rate (%) in Calendar Year 2020 and 2021

Calendar Year	World Economy	Pakistan's Economy
2020	-3.0	-4.8
2021	5.8	2.6

Sources: IMF, UNDP Macroeconomic Model

The projected evolution of the growth process is given in Figure 4.1. The quarterly growth rates are presented below. It is likely to take up to three quarters for the economy to recover from the big fall in the GDP in the fourth quarter of 2019-20. Consequently, the GDP growth rate in 2019-2020 is also likely to be negative at -1.5 percent.

Figure 4.1: The Projected Quarterly GDP Growth Rate (%)



The first two quarters of 2020-21 are likely to witness continuing decline in the GDP, albeit at a declining rate. A transformation to a positive GDP growth rate is expected to occur only in the third and fourth quarters. The GDP growth rate could rise to 3 percent in the last quarter of 2020-21. The recovery process should visibly strengthen in 2021-22 and the growth rate could rise to 4.5 percent.

The evolution of the economy will be limited by factors operating on the demand-side. First, as global trade falters sharply Pakistani exporters are seeing a sharp drop in export orders, delays in payment of previous deliveries, and some impediment to the movement of export consignments within the country.

Second, risk perceptions are at their peak. Investors are seeing the presence of large unutilized capacity in most industries. Consequently, there is hardly any motivation for upgrading or investing in new capacity. In addition, most entrepreneurs face a serious shortage of liquidity. Consequently, private investment is likely to fall sharply. Simultaneously, foreign direct investment will also decline in a big way.

Third, private consumption demand is likely to be constrained by a sharp jump in the unemployment rate and the resultant loss of income. Families close to the poverty line could fall below the line and have difficulty in meeting even their essential expenditure on food and shelter.

Combined, these factors explain much of the on-going slump in the economy. Some semblance of growth in demand has been created by government consumption expenditure and public investment, but clearly not enough. The fiscal stimulus would have to be much larger.

The annual growth rate in 2019-20 and 2020-21 of each expenditure component of the GDP is given in Table 4.3. Private investment has been shy even prior to COVID-19 and will fall by 17 percent in real terms in 2019-20. The full year impact of decline in exports by almost 15 percent will be felt in 2020-21. Imports are likely to fall sharply in 2019-20 as a result of the implementation of stabilization policies under the IMF program. They are likely to remain somewhat depressed even in 2020-21.

Table 4.3: Projected GDP by Expenditure in 2019-20 and 2020-21			
<i>(Rs. In billion at 2005-06 Prices)</i>			
Expenditure Head	2018-19	2019-20	2020-21
Private Consumption Expenditure	11,101	10,986 (- 1.0)	11,026 (0.4)
Government Consumption Expenditure	1,661	1,682 (1.3)	1,712 (1.8)
Private Investment plus change in stocks	1,549	1,284 (- 17.1)	1,204 (- 6.2)
Public Investment	497	501 (0.8)	521 (4.0)
Exports of Goods and Services	1,402	1,299 (- 7.3)	1,157 (- 10.9)
Imports of Goods and Services	2,641	2,376 (- 10.0)	2,342 (- 1.4)
(Net) Taxes	819	817 (- 0.3)	845 (3.4)
GDP at Factor Cost	12,750	12,559 (- 1.5)	12,433 (- 1.0)

Sources: Pakistan Economic Survey; UNDP Macroeconomic Model

The projected growth rates by sector are presented in Table 4.4. The three sectors which are likely to be hit the most by COVID-19 are manufacturing, wholesale and retail trade and transport and communications. Exporting industries will bear the brunt of global recession while domestic industries could face problems in supply of imported inputs. In addition, two major sectors were exhibiting low and even negative growth prior to the pandemic, namely, agriculture and construction. These five sectors collectively account for almost two thirds of the national value added and over 80 percent of the total employment.

Table 4.4 Sectoral Growth Rates in 2019-20 and 2020-21					
	2018-19	growth (%) 2019-20	2019-20	growth (%) 2020-21	2020-21
<u>Agriculture</u>	<u>2,362</u>	<u>1.0</u>	<u>2,386</u>	<u>3.0</u>	<u>2,459</u>
Major Crops	517	- 2.0	506	2.0	515
Minor Crops	265	- 5.0	252	3.5	261
Cotton Ginning	51	- 12.0	45	0.0	45
Livestock	1,430	3.5	1,480	3.5	1,532
Forestry	50	4.0	52	4.0	54
Fishing	50	2.0	51	2.0	52
<u>Industry</u>	<u>2,584</u>	<u>- 4.6</u>	<u>2,466</u>	<u>- 1.8</u>	<u>2,424</u>

Mining and Quarrying	350	- 5.5	331	- 7.0	307
Manufacturing	1,663	- 5.0	1,580	- 2.6	1,538
Electricity and Gas	253	5.0	266	5.0	279
Construction	318	- 9.0	289	4.0	300
Services	7,804	- 1.3	7,706	- 2.0	7,549
Wholesale and Retail Trade	2,404	- 6.0	2,260	- 7.0	2,101
Transport & Comm	1,643	- 6.5	1,536	- 8.0	1,413
Finance & Insurance	446	8.0	482	-4.0	463
Housing	841	4.0	875	4.0	910
General Government Services	1,065	4.6	1,114	6.0	1,180
Social & Community Services	1,404	2.5	1,439	3.0	1,482
GDP (fc.)	12,750	- 1.5	12,558	- 1.0	12,432

Source: Pakistan Economic Survey: UNDP Macroeconomic Model

The expectation is that the revival process will be led by the government sector, construction, social and community services (especially health) and the crop sector in agriculture. Beyond 2020-21, the manufacturing and the domestic trade sector could stage a comeback.

The distribution of economic activity between the urban and rural areas of Pakistan is equal (Table 4.5). Fortunately, rural areas will experience less disruption due to the virus. As such, the projection of the growth rate in the urban economy is a negative 2 percent while the overall level of real value added in the rural economy is expected to remain unchanged in 2020-21.

Table 4.5 Growth Rate of GDP by Location in 2019-20 and 2020-21

	Share (%)	2019-20	2020-21
Rural Economy	49	- 1.0	0.0
Urban Economy	51	- 2.1	- 2.0
GDP	100	- 1.5	- 1.0

Source: Pasha (2019); UNDP Macroeconomic Model

Two provinces, viz., Punjab and Sindh will experience greater economic difficulties as shown in Table 4.6. First, they are relatively more urbanized. Second, they have a combined share of 90 percent in manufactured exports. Punjab, in particular, has clusters of labor-intensive export-oriented SMEs. Consequently, both these provinces are likely to see negative growth rates in their respective GDPs in both 2019-20 and 2020-21.

Table 4.6 Annual Growth Rates of the Provinces in 2019-20 and 2020-21

	Share of the National GDP (%)	Growth Rate of Provincial Economy (%)		
		2018-19	2019-20	2020-21
Punjab	53	3.2	- 1.8	- 1.4
Sindh	30	3.4	- 2.4	- 1.6
Khyber Pakhtunkhwa	13	4.0	1.0	1.2
Balochistan	4	2.4	0.1	0.5

Pakistan	100	3.3	- 1.5	- 1.0
-----------------	-----	-----	-------	-------

Sources: Pasha (2019); UNDP Macroeconomic Model

The Rate of Inflation

The current economic slowdown/lockdown is likely to have a dual impact on the inflation trend in Pakistan. Firstly, there could be a surge in inflation, as people often resort to panic buying, creating a shortage in the market even though there are ample supplies. This may happen in the COVID-19 scenario in Pakistan. In addition, as the demand cannot be predicted during lockdowns, this creates supply shortages as well, thus, putting further inflationary pressure on food prices. It will be vital to ensure that procurement target of 8 million tons of wheat is met if an upsurge in wheat flour prices is to be avoided as happened in the first few weeks of 2020. However, inflation may fall due to big declines in prices of imported goods. The international price of oil has fallen by over 60 percent and there has already been a 12 to 15 percent reduction in prices of petroleum products in Pakistan, with perhaps more declines to follow shortly.

The year 2019-20 is likely to close with the average monthly inflation rate for the year at 10.8 percent (Table 4.7), with a significantly higher rate of increase in food prices of 14.5 percent (Table 4.8). For reasons given above, inflation is likely to moderate somewhat in 2020-21 and fall to 8 percent.

Table 4.7: Projected Rate of Inflation (2019-20 and 2020-21)

	Average Monthly Rate (%)
2019-20	10.8
2020-21	8.0

Table 4.8: Projected Rate of Inflation (food and non-food) (2019-20 and 2020-21)

	Rate of Inflation (%)		
	Food Prices	Non-food Prices	Overall
2019-20	14.5	8.8	10.8
2020-21	9.5	7.2	8.0

Sources: PBS; UNDP Macroeconomic Model

Balance of Payments

Pakistan's balance of payments is in a state of jeopardy after the impact of COVID-19, particularly due to the likelihood of a quantum reduction in exports resulting from the deep recession in world trade. Simultaneously, the flow of remittances is likely to be constrained by adverse conditions in countries which are the major hosts of Pakistani expatriate workers. The very large drop in oil prices will have a dual impact. On the positive side this alone will reduce the imports in 2020-21 by over USD 5 billion if the decline persists. However, this could lead to a big drop in remittances, particularly from the Middle East.

There are also negative developments in capital inflows to developing countries. Stock markets have seen the exit of money invested by foreign mutual funds. In the Pakistani context the 'hot money' in short term treasury bills has largely exited from the country. Increasingly, it will be difficult to also borrow from international commercial banks and to float Sukuk/Eurobonds globally because Pakistan will be required to give a large risk premium.

The situation has, therefore, become inherently volatile. The Rupee which had been stable for over six months fell by almost 8 percent after the exit of the ‘hot money’. It has regained about 5 percent following the decision by IMF to give Pakistan access to USD 1.4 billion under the Rapid Financing Facility. However, the IMF program is temporarily in abeyance and will become operative once again, probably after June 2020. No instalments are likely until after June 2020.

Projections of the balance of payments of Pakistan for 2019-20 and 2020-21 are given in Table 4.9. The current account deficit is estimated at USD 4.7 billion in the former year. This represents big success in curtailment of the deficit by over 66 percent and highlights the progress achieved in stabilization of the economy in the first year of the IMF program.

Table 4.9: Projection of the Balance of Payments, 2019-20 and 2020-21 (USD millions)			
	2018-19	2019-20	2020-21
CURRENT ACCOUNT DEFICIT	- 13,820	- 4,690	- 8,187
(as percent of GDP)	- 4.9	- 1.8	- 3.5
Balance on Goods	- 28,687	- 19,624	- 20,663
Exports f.o.b.	24,241	21,764	19,605
Imports f.o.b.	52,928	41,388	40,268
Balance on Services	- 4,256	- 3,163	- 3,004
Income (Net)	- 5,745	- 5,598	- 6,157
Current Transfers	24,868	23,695	21,637
Workers' Remittances	21,838	21,486	19,337
CAPITAL ACCOUNT	319	350	410
FINANCIAL ACCOUNT	11,591	6,633	5,952
Foreign Direct Investment	1,658	1,823	1,367
Government (Net)	4,285	6,810	4,600
Others*	5,648	- 2,000	985
BALANCE OF PAYMENTS	- 1,910	2,293	- 1,825
IMF (Net)	- 376	2,101	1,131
CHANGE IN RESERVES	- 2,286	4,394	-694
Level of Reserves **	7,274	11,688	10,994
(Months of Imports ***)	1.5	2.7	2.5
* including errors and emissions			
** End of the year			
*** of goods and services			
Sources: SBP; UNDP Macroeconomic Model			

However, there is the risk that the current account deficit could increase significantly in 2020-21 by 74 percent to almost USD 8.2 billion. This will largely be the combined effect of a likely fall in exports by 10 percent and worker's remittances also by 10 percent. Imports will be down by 3 percent from the already depressed level of 2019-20. In fact, they will be 76 percent of the level of imports in 2018-19.

The financial account is expected to show a smaller surplus of USD 6.6 billion as compared to the high level of USD 11.6 billion in 2018-19. This was primarily due to the substantial deposit of over USD 7.5 billion in the year by Saudi Arabia, UAE and China. The expectation is that the surplus in the financial account will be 10 percent in 2020-21 due to higher debt repayments.

The net inflow in the government account is better in 2019-20 due to the umbrella provided by the IMF program. However, with fast rising debt obligations, this inflow could fall by 32 percent in 2020-21. Similarly, as already highlighted above, the net foreign direct investment next year could fall by almost 30 percent.

Overall, the balance of payments position looks increasingly fragile. There could be a negative transition from a small overall surplus of USD 1.3 billion in 2019-20 to a deficit of USD 1.8 billion in 2020-21. The funds provided by the IMF both under the Extended Fund Facility (EFF) and recently under the Rapid Financial Facility will play a critical role in maintaining some semblance of stability.

Pakistan will need to attach the highest priority to the following:

- Obtaining debt moratorium of USD 1.7 billion or so from the G-20 as per the offer made recently.
- Ensuring that the Federal and Provincial Budgets of 2020-21 are largely consistent with a reform agenda agreed with the IMF. Of course, the pre-COVID-19 agenda will need to be rationalized in the face of the large negative developments. Nonetheless, it is important to recognize here that tackling of key structural impediments will help in sustainable economic recovery post-COVID. Fundamentally, there will have to be agreement on whether the 2020-21 budget should provide a fiscal stimulus or focus more on stabilization by a quantum reduction in the budget deficit.
- Efforts must be made for mobilizing substantially more concessionary financing from multilateral institutions like the World Bank and ADB, with a focus especially on health and education projects.

Exports must continue to have the highest priority. In this regard, it is important to implement new tariff policy with the aim of reducing anti-export bias. Also, central bank should continue with the market determined exchange rate regime to avoid over-valuation. On the admirative side, any accumulation of pending refunds must be avoided. Exemptions on the basis of SOPs may have to be granted to exporting units with pending orders to operate during lockdowns.

Government Budget

The budgetary position has substantially deteriorated. This process started even before the COVID-19 primarily due to the growing short fall in FBR revenues in relation to the target for 2019-20. By end – March 2020 it had reached PKR 800 billion even in relation to the reduced target. Now with the big slowdown in industrial production and lower imports there is a real risk that it could approach PKR 1300 billion by the end of the fourth quarter.

Further, the relief package introduced by the Government to reduce unemployment, poverty and hunger arising from the negative impact of the virus also has significant fiscal consequences. The IMF has estimates that the package will add another PKR 500 billion to the fiscal deficit.

Overall, the fiscal deficit in 2019-20 is estimated at over PKR 4.1 trillion as shown in Table 4.10 as compared to the original target of PKR 3.1 trillion at the time of passage of the Federal Budget in the national Parliament. Fortunately, there are two factors which have contributed

to reducing the gap in relation to the slippage of PKR 1.8 trillion due to the revenue shortfall and the COVID-19 relief package.

Table 4.10: Government Budget Projection for 2019-20 and 2020-21 (Rs in Billion)

	2018-19	2019-20	2020-21	Growth Rate (%)
A. Revenues	4,901	5,840	6,780	16.1
A.1 Tax Revenues	4,473	4,650	5,630	21.1
Federal	4,072	4,270	5,200	21.8
FBR	3,829	3,950	4,740	20.0
Other	243	320	460	43.8
Provincial	402	380	430	13.2
A.2 Non-Tax Revenues	427	1,190	1,150	- 3.4
Federal	341	1,060	990	- 6.6
Provincial	86	130	160	23.1
B. Expenditure	8,345	9,950	10,210	2.6
B.1 Current Expenditure	7,274	8,860	8,900	0.0
Federal	4,946	6,180	5,885	- 4.8
Debt Servicing	2,091	2,610	1,900	- 27.2
Defense	1,147	1,250	1,370	9.6
Grants	612	650	800	23.1
Subsidies	195	620	695	12.1
Other	901	1,050	1,120	6.7
Provincial	2,328	2,680	3,015	12.5
B.2 Development Expenditure	1,049	1,090	1,310	20.2
PSDP + Lending				
Federal	543	580	660	13.8
Provincial	506	510	650	27.5
C. Budget Deficit	- 3,444	- 4,110	- 3,430	- 15.3
(in percent of GDP)	- 8.9	- 9.8	- 7.5	- 23.5

Sources: Ministry of Finance; UNDP Macroeconomic Model

The first is increase in non-tax revenues by almost PKR 300 billion due to substantially higher profits of the SBP transferred duly to the Federal Government. The second factor is the likely saving in the cost of domestic debt servicing in the on-going quarter due to the precipitate reduction in the policy rate of the SBP by 425 basis points, so as to enable companies to bear their debt burden at a very difficult time.

The outcome in 2019-20 is likely to be a consolidated fiscal deficit of 9.8 percent of the GDP. This is by far the highest ever deficit and highlights how the COVID-19 is taking the economy into uncharted territory. The primary deficit is estimated at 3.6 percent of the GDP as compared to the target of only 0.6 percent of the GDP.

Turning to the outlook for 2020-21 there is need to answer a fundamental question as to whether fiscal policy should be even more expansionary in nature to promote early economic revival or should it adhere to the extent possible to the norms of stabilization as envisaged in the original IMF program.

The likely strategy is to opt for the mid-way path and pursue a balanced strategy. On one hand the fiscal effort to raise revenues through progressive tax reforms should continue, while the

savings achieved in current expenditure through further reduction in interest rates and deferment of salary and pension increases.

The State Bank of Pakistan has recently reduced the policy rates by 425 basis points to ease the liquidity conditions in the market and also announced special schemes to support firms in this distress. With inflationary expectations tapering down, the likelihood of further cut cannot be ruled out. In case the Monetary Policy Committee of SBP decides to reduce down the policy rate to 7 percent, this will also lead to a substantial reduction in debt servicing of over 27 percent in relation to current level.

Further deferment of increases in salary and allowances could save almost PKR 250 billion. Government employees continue to at least have job security and regular salary payments as compared to their counterparts in the private sector who have either already lost their jobs or face prospect of unemployment in the next few weeks or months. Similarly, the defense establishment has already demonstrated strong commitment to economy in expenditure and the growth rate in the military budget can be restricted to a single digit.

The primary emphasis has to be to ensure the adequate level of the outlay on subsidies, grants and social protection so as to sustain and even expand the relief operations while building in incentives for higher economic activity. The priority areas include expansion in the subsidy, as COVID-19 response to the Utility Stores Corporation, introduction of a subsidy to private hospitals to expand their pandemic related facilities. Nonetheless, these subsidies need to be evaluated for effectiveness in near future. On the side of grants the allocation for the BISP/Ehsaas Program can be raised by almost 50 percent along with the expansion of operations of the *Bait ul Maal*, which has a network of local committees. The overall suggested increase in in grants and subsidies is relatively high at 18 percent in 2020-21. The raise in transfer depends on the available fiscal space of the Government.

Based on the above balanced strategy, the fiscal deficit can be brought down to a more manageable level of 7.5 percent of the GDP in 2020-21. This will represent a sizeable reduction in the deficit of 2.3 percent of the GDP, as shown in Table 4.11. The primary deficit is projected at 3.3 percent of the GDP. As a special dispensation, borrowing directly from the SBP may be allowed up to 1.5 percent of the GDP. This is the extent of the scope for monetary expansion in line with the increase in money demand in the economy and will not add significantly to inflationary pressures.

Table 4.11: Government Budgetary Projection (% of GDP)

	2018-19	2019-20	2020-21
Revenues	12.7	13.9	15.2
Tax Revenues	11.6	11.0	12.5
Non-tax Revenues	1.1	2.9	2.7
Expenditure	21.6	23.7	22.7
Current Expenditure	18.9	21.0	19.6
(Debt Servicing)	(5.4)	(6.2)	(4.2)
Development Expenditure	2.7	2.7	2.9
Budget Deficit	- 8.9	- 9.8	- 7.5
Primary Deficit	- 3.5	- 3.6	- 3.3

Sources: MOF; UNDP Macroeconomic Model

Table 4.11 reveals that attempts may be made to raise the revenues to GDP ratio by 1.3 percent of the GDP. Some of the increase could come from higher taxation of petroleum products while still passing a big part of lower international prices to consumers. In addition, there still exists significant scope for broad basing the income tax system and making it more progressive. Federal government should work closely with provincial governments to harmonize the general sales tax on goods and services across Pakistan. As GST is the biggest tax earner, its harmonization will allow better and simplified tax procedures and help raise more revenues. It will also have positive knock down effects on doing business environment due to lowered compliance cost for firms. Similarly, efforts can be made to reduce leakages and tax rate competition by introduction of a national integrated value added tax on goods and services.

The potentially striking feature of the next budget is a big reduction of 1.4 percent of the GDP in current expenditure due largely to containment in the cost of domestic debt servicing. This will create some 'fiscal space' for higher development spending. The focus of the PSDP of both the Federal and Provincial Governments at this time should be on widely dispersed labor-intensive projects of infrastructure to create more employment and generate a multiplier effect on incomes.

The Relief and Incentive Package

In the wake of the COVID-19 pandemic, the Government of Pakistan announced a Rs 1.25 trillion comprehensive relief/stimulus Package on 24th March 2020. The package includes Rs. 144 billion cash transfer of Rs.12000 each to 12 million poorest and most vulnerable households under the BISP/Ehsaas Program; the support of Rs. 200 billion to daily wage earners with initial disbursement of Rs. 75 billion; Rs. 280 billion for procurement of wheat; Rs. 100 billion of tax refund to exporters; Rs. 50 billion for the USC; Rs.50 billion for the NDMA and the creation of a Contingency Fund of Rs.100 billion.

It is noteworthy that several of the incentives will not be a burden on the budget as highlighted be a budgetary provision already existed or the expenditure liability was on other entities. The IMP has, in fact, estimated that the impact of the relief package is 1.2 percent of the GDP, equivalent to Rs 500 billion. This has been included above in the budget estimates for 2019-20.

The Government has also introduced a special incentive package for builders and developers. This includes a tax amnesty on the amount invested; introduction of a fixed tax scheme and exemption from the capital gains tax. A rebate of 90 percent will be given on the tax liability for investment in the Naya Housing Scheme.

The SBP has introduced the following financing schemes:

- 1. Refinance Scheme for Payment of Wages and Salaries to Employees of Business Concerns.** The core objective of this facility is to give incentive to businesses to not lay off their workers during the COVID-19 epidemic. The scheme will be available to all businesses in Pakistan and cover all types of employees. It will provide financing for wages and salary expenses for three months from April to June 2020 to businesses who do not lay off their workers during these three months.

The mark-up loans will range from 4 to 5 percent depending upon the taxpayer status of the borrower. The amount of loan will range from 50 percent to 100 percent of the expenses depending on the size of the borrower. No bank charges will be levied. The borrower will have to give an undertaking that workers will be retained. Recently, the

collateral requirements have been relaxed and the mark-up rate reduced to 3 percent for relatively small borrowers.

2. **Support to Hospitals and Medical Centres.** A special refinance scheme has been put in place to provide 100 percent financing of the cost for setting up separate/isolation facility to deal with COVID-19 to hospitals and medical centres.
3. **Relief from Debt Repayment.** This will allow deferment in repayment of principal amount of a loan for one year to corporate, consumer, agriculture, SMEs and microfinance sectors. With this deferment, the repayment period will be extended by one year. The borrowers will, however, continue servicing their mark-up during the period of deferment.

The borrowing limit for individuals has also been increased. The Debt Burden Ratio (DBR) has been increased from 50 percent to 60 percent of income. A number of other steps have also been taken to expand credit by banks through relaxation of some prudential regulations. The Capital Conservation Buffer (CCB) has been reduced from 2.5 percent to 1.5 percent. The existing regulatory limit of loan size to SMEs has been increased from PKR 125 million to PKR 180 million. This will enable the banks to provide more loans to SMEs.

Suggested Policy Measures

The following additional measures are suggested for economic revival and relief:

Policy and taxation

- Due to current economic slowdown and contraction in various tax bases, it is likely that the existing cash balance of some provinces may be fully utilized, and special arrangements will have to be made for ways and means advances to these provinces. Therefore, efforts must be made to find Rupee counterpart funds for acceleration of projects with concessional financing from the World Bank and Asian Development Bank, especially in the social sectors.
- The tax credit on charitable donations to recognized NGOs and to the PM's Special Fund may be raised to 40 percent as per Section 61 of the Income Tax Ordinance.
- The huge drop in the international price of oil needs to be reflected more in lower retail prices beyond the reduction of Rs 15 per litre already given. A further reduction of Rs 10 can be given in the price of HSD oil and Rs 5 in motor spirit while still increasing the revenues from the Petroleum Levy by 45 percent. This will reduce transport costs further and some fall in prices.

Industry

- Reduce electricity tariff for medium-sized domestic and small commercial consumers due to reduction in the fuel cost for power generation by lower domestic prices of oil and the decline in the import price of coal.
- Ensure liquidity through SBP to stop the short term cash flow problem turning into solvency issue.
- Extend support to construction sector through early finalization of foreclosure laws, and through the implementation of regulation after the promulgation of the National Real Estate Regulatory Authority (RERA) Act. Extend housing loans at low mark-up of 3 percent for relatively small loans of up to Rs.2.5 million and reduction in taxes on building inputs.

Social protection

- Given the expected rise in structural and persistent unemployment, large and multiple social protection and anti-poverty initiatives are suggested. Effective targeting mechanisms are encouraged to reach families outside BISP, daily wage earners and casual workers falling below the poverty line due to spread of pandemic.
- As of the end of 2019, the number of poor in Pakistan is roughly around 80 million. With an increase of 15 to 20 million poor in coming months, over 14 million families may require support under BISP/Ehsaas program. The distribution of assistance/transfers may be as follows: to 7.1 million poor in Punjab, 3.5 million in Sindh, 2.3 million in Khyber Pakhtunkhwa and 1.1 million in Balochistan. Also, a second round of cash transfers may become essential by mid-July 2020.

Health and food security

- A national policy for general public health, for tackling the epidemic and implementation of different measures for providing relief and for incentivizing key sectors of the economy, be devised along with immediate implementation and monitoring and with technical inputs and financial support from multilateral and bilateral agencies.
- To prevent any crisis in food security, immediate actions are required to meet the target procurement of 8 million tons of wheat. Special arrangements will also have to be made to ensure adequate import of food items like pulses and palm oil. Fundamental steps, policy actions and associated instruments and institutional arrangements will be needed to boost agricultural output so as to ensure food security in accordance with provincial needs and magnitude of the spread of COVID-19.
- There is a strong case for reducing the high specific import duty on palm oil and withdrawing the 3 percent duty on import of pulses. Further, the increase in the sales tax in the budget of 2019-20 on sugar and vegetable *ghee* should be at least temporarily withdrawn.

The Annex-1 to this report presents the recommended Relief, Incentive and Development Package to tackle the large negative impact of COVID-19. The size of the Package is Rs. 990 billion for 2020-21. It includes Rs. 690 billion for cash transfers and a development allocation of Rs. 300 billion for the health sector. The financing will come from the Federal and Provincial Budgets of 2020-21 for which adequate provision has been made in the relevant heads. Also, there is agreement with the IMF that the budgetary impact of the package will not be included in the computation of the budget deficit.

Annex Table 1: COVID-19 Recommended Relief, Incentive and Development Package for 2020-21		
	Budgetary Impact (Billion Rs)	
Relief Package		690
	<i>BISP Cash Transfers</i> ⁵⁹	340
	<i>Ehsaas Programme Cash Transfers</i> ⁶⁰	150
	<i>Subsidy to USC</i> ⁶¹	100
	<i>Subsidy to Private Hospitals</i> ⁶²	25

⁵⁹ Three cash transfers in 2020-21, first to 14 million families and the next to the 7 million families.

⁶⁰ Two transfers to 3 million daily income workers in 2020-21.

⁶¹ For expansion to 5000 outlets and subsidy on basic food items from 15 to 20 percent.

⁶² 50 percent of cost for construction or expansion of isolation facilities/special wards.

<i>Procurement of two million tons of wheat by PASSCO</i> ⁶³	25	
<i>Grant to Bait ul Maa</i> ⁶⁴	20	
<i>Seed Financing to PPAF/Akhuwat Foundation and PRSP</i> ⁶⁵	30	
Development Package		300
<i>Construction and Expansion of Hospitals and Testing Facilities</i> ⁶⁶	300	
Total		990 billion

The relevant budgetary heads which will be used to finance the expenditure in 2020-21 are as follows:

Recommended Allocation (PKR in Billion)	
<i>Federal Budget (2020-21)</i>	
Social Protection	250
Grants	800
Subsidies	695
PSDP	660
<i>Provincial Budgets (2020-21)</i>	
PSPD	650
Total	3055
SHARE OF PACKAGE (%)	38.5

The people of Pakistan are passing through a period of great uncertainty and deprivation. Within available limited resources the Government and the SBP have made commendable efforts to insulate the people to the extent possible from the negative effects of COVID-19. This report makes an effort to highlight how through various measures an allocation of almost Rs.1.45 trillion can be made available for sustaining and expanding the relief steps, providing a stimulus for revival of the national economy and facilitate the accelerated development of the health sector.

- The international community and the multilateral agencies have already demonstrated their strong commitment to the well-being of the people of Pakistan at this critical time. We look forward to more cooperation and the opportunity to provide more support to Pakistan.

Multilateral and regional coordination, trade policy and connectivity

The current global pandemic effects go beyond national and regional boundaries. World merchandise trade could fall by 12 percent to 32 percent in 2020. While this is largely a reflection, and not a cause, of the underlying economic contraction, rising trade costs — from

⁶³ Increase in procurement target of wheat from 1 to 2 million tons.

⁶⁴ For charity at the local level through Committees.

⁶⁵ For expansion of microfinance

⁶⁶ The development expenditure is estimated at close to PKR 200 billion in 2019-20, with over 80 percent by the Provincial Government. The 50 percent jump in 2020-21 will help in removing the health system constraints. This will constitute about 40 percent of the increase in the size of the national PSDP in 2020-21.

transport, logistics and supply chain disruptions, as well as trade restrictions – are estimated to account for more than a third of the decline in world trade⁶⁷. Moreover, trade costs multiply along the supply chain as production stages take place in various countries.

The trade impact will also depend on the trade policy environment. The COVID-19 pandemic is expected to lead to major structural changes in the global economy with a shift in international trade patterns across the world. Many countries are expected to revive production of certain goods deemed essential to reduce dependence on foreign suppliers. Similarly, global value chains are also expected to restructure with the aim of reviving domestic production and/or diversifying suppliers and reducing risks. However, if the immediate trade distorting and trade restricting measures proliferate beyond the emergency measures necessary to contain the pandemic, the outlook will deteriorate further. Regional coordination and multilateral cooperation therefore represent a key mechanism to address economic propagation of this crisis, as well as building back during recovery.

As the UN Secretary-General report avers, “a large scale, coordinated and comprehensive multilateral response is needed now more than ever”⁶⁸. The COVID-19 is a global problem that requires a global solution. No country on its own will be able to fully to eradicate the pandemic or offset its effects. The speed, scale and nature of this crisis are unprecedented which requires thinking out of the normal box by analysts and exceptionally brave measures from policy makers – at the national, regional and multilateral levels.

Coordinated trade policies to lower the cost of fighting the crisis and set up the scene for a quicker economic recovery. Trade policies matter, and as the UN Secretary General’s report recommends, any policy employed in fighting COVID-19 should do no harm to others, as it will have regional and global implications. Trade policy measures that impact on supply chains and connectivity need to be coordinated and harmonised at the regional level, especially those targeting production and access to priority products related to COVID-19 pandemic. Travel restrictions, border closures and social distancing are affecting demand and supply of goods, and increasing costs of trade and resulting in delays. A further challenge in the current environment is disruption to the services that allow trade to continue to function – from logistics and transport, to customs and border procedures.

Improved connectivity and cost of doing business: promote regional partnerships and multilateral cooperation. Restoring supply chains and improving trade facilitation is important, particularly for MSMEs representing the vast majority of businesses and employment. While such improvements help all firms, they benefit MSMEs most because fixed and variable trade costs represent a bigger share of their income. More efficient customs procedures help smaller firms relatively more than larger ones because they often lack administrative capacity and resources. Measures to streamline trade procedures and facilitate trade at borders can contribute to the crisis response by expediting the movement, release and clearance of goods and enabling exchange of services. Regional and multilateral coordination is key in facilitating trade and logistics, as it pertains to the exceptional need to establish fast-track customs procedures for the import of priority products, such as medical and food supplies.

Accelerated digitisation of trade processes can create opportunities for MSMEs by further lowering trade costs and helping them overcome disrupted supply chains – and

⁶⁷Trade forecast press conference: Remarks by DG Roberto Azevêdo (8 April 2020, WTO Press Release 855)

⁶⁸ Shared Responsibility, Global Responsibility: Responding to the socio-economic impacts of COVID-19, March 2020

also allowing them to tap into a wider range of international buyers and suppliers and manage end-to-end interactions more easily. Supporting the adoption of digital solutions (e.g. online payments and exchange of trade documentation) will help MSMEs become more resilient to future disruptions.

International (and national) Quality Standards are a powerful tool to support MSMEs in times of COVID-19. Adherence to commonly recognised standards can inspire trust and confidence, drive down costs, boost productivity, build resilience, reduce risks and improve profits. MSMEs, having typically small inventories, are more vulnerable to shortages and may find it harder to source from new suppliers or to absorb price increases. MSMEs with well-functioning supply chain and quality management systems will find it easier to innovate, adapt and bounce back. International Organization for Standardization (ISO) has developed a number of international standards that can be very useful to SMEs in the context of COVID-19 to limit the impact of the crisis and be better prepared to rebound thereafter.

Finally, other initiatives such as monetary coordination and financial stability require regional coordination. In order to avoid beggar-thy-neighbour policies, countries should coordinate with each other throughout the different phases of the crisis. It is crucial to assess the potential contribution of regional financial architectures and how they can complement the multilateral institutions, which have been mobilised to support fiscal stimulus efforts in response to the COVID-19 socio-economic impacts.

Suggested Policy and Mitigation Measures

Like many countries, the massive lockdowns, the cancellation of flights and increased border controls measure of Government of Pakistan have disrupted domestic business, exports and imports in various degrees. Beyond the serious threat to health and human life, the pandemic and its aftermath will have a detrimental economic as well as potential social impact. Therefore, all key stakeholders – public and private sector as well as civil society at the province, national and regional levels – will have to work together to surmount the crisis, limiting its effect.

These activities are designed to meet both short and medium-to-long term needs. In the short term, the objective is to mitigate primarily the COVID-19 health crisis and address procedural and regulatory obstacles – including emergency-related measures – along import and export flows of priority sectors and extend support to MSMEs. In the medium to long term, the objective is to mitigate primarily the economic impact of Covid-19, through business and policy support towards strengthening regional and international supply chains, and building preparedness for future trade disruptions.

Short-term Measures

- Application of special trade facilitation measures on priority products. This involves preparing technical recommendations and implementation support in applying relevant TF measures – including provisions of the WTO Trade Facilitation Agreement⁶⁹ – such as streamlined risk management, sector-specific authorised operator scheme and expedited shipment measures applied on all air cargo for priority goods.

⁶⁹ ITC TF Programme supports the implementation of WTO TFA measures across its programmes.

- Capacity building on emergency border agency processes by developing and offering trainings to border officials on topics such as how to conduct inspections in “pandemic” situations and classification of medical goods/pharmaceuticals used in COVID-19 to support border agency readiness and application of expedited measures and processes.
- Transparency of cross-border procedures for traders by providing online access to information of export, import and transit procedures through Trade Facilitation Portals, and documenting and disseminating widely information on all procedures that relate to the import and export of medical and pharmaceutical products needed to reign in the COVID-19.
- Support preparation of forecasts and impact scenarios of COVID -19 on particular sectors or trade flows to help policymakers and businesses design and implement measures to moderate the impact and take advantage of emerging trading opportunities.
- Capacity building and coaching of traders by providing online learning and access to the required tools and support mechanisms for developing well-integrated and flexible supply chains. SMEs with well-functioning operations, supply strategies, inventory management systems and quality management systems managed by professionals will find it easier to innovate, adapt and bounce back.

Medium and Long-term Measures

- Strengthened trade cooperation and coordination by supporting economic communities in building mechanisms and policies to prevent and coordinate in the case of disruptions to internal and external trade flows and transit.⁷⁰ COVID-19 seems to indicate the need to deepen trade relations in order to ensure the resilience and predictability of supply chains.
- Facilitating cross-border e-commerce. If COVID-19 is perceived as an opportunity to boost digital trade, ITC has been assisting countries in designing and implementing adequate (i.e. striking a balance between the international best practices and local realities) regulatory frameworks for e-commerce.
- Online platforms for public-private cooperation. To ensure continued engagement between stakeholders, developing online mechanisms for PPD platforms, such as National Trade Facilitation Committee for monitoring cross-border trade reforms in the medium to long term, will be crucial.
- Supporting trade policy formulation through public-private dialogue approach. Trade policy is expected to play a key role in the revival of any economy to adjust to the new global realities of the post-pandemic world. Supporting trade policy formulation from an export-oriented approach, including adjusting to demand shocks (e.g. increase in demand of agricultural products and decrease in some manufacturing such as textile and garments), addressing supply-side constraints such as access to inputs and labour, and handling changes in the dynamics in trade rules, transport and logistics, will be key in adjusting to the new economic and trading realities.
- Online MSME training solutions to build capacity and preparedness during crisis. For example, the SME Trade Academy is ITC’s learning solutions development team. Its flagship product is an online platform that offers a wide range of free online learning courses. It goes beyond “traditional” e-learning to design customised offerings to suit

⁷⁰ ITC TFPB regional programmes where this is applied already: MARKUP in East African Community, R4TCA in Central Asia

beneficiaries' needs, whether in terms of device (i.e. mobile access), infrastructure levels, or even literacy levels, making it an ideal partner to reach fragile regions to which physical travel is difficult.⁷¹

PILLAR 5. SOCIAL COHESION AND COMMUNITY RESILIENCE

COVID-19 will test social cohesion and community resilience. Three aspects of social set-up are very critical in this regard. Political engagement and social dialogue, community empowerment and participation, and governance and rule of law. Together these three determine the state-citizen relationship, which eventually determines the implementation of the Government's response to such a crisis.

Globally, social dialogue and political engagement has helped governments respond to COVID-19. Local governments around the world are at the forefront of the current COVID-19 crisis, working together with communities and health authorities to mitigate the current outbreak of COVID-19 while maintaining an orderly functioning of public services in their cities and territories. City governments across the world have made their presence felt by actively coordinating with other government and non-government institutions in planning and delivering emergency operations ranging from health safety to the distribution of relief goods to citizens, and from establishing effective communication to ensuring regular service delivery of municipal and Local Government (LG) functions.

(Elected) LG helps as this is the only government tier which is closest to the people and is nested amongst the people. Although more established than LGs, other tiers of the government - especially in the context of Pakistan - are to an extent disconnected from its citizens and saddled with a governance style which is top down, reactive and authoritative. This has led to the weakening of the essential state-society social contract leading to marginalization, group grievances and conflict and social resilience in the country. In Pakistan in the provinces of Punjab, Khyber Pakhtunkhwa and Balochistan either the elected LGs have completed their tenure, or they were rolled back by the provincial governments in 2019. Sindh and Islamabad Capital Territory (ICT) still have functional LG systems with elected councillors, Mayors and executive functionaries. The LG Acts and Amended Bills of Balochistan (2010), Khyber Pakhtunkhwa (2019), Punjab (2010), Sindh (2013) and ICT (2015) states various functions and responsibilities of LGs including emergency response. In line with global practices the LGs in Pakistan do have a constitutional mandate to become active stakeholders in emergency and epidemic/pandemic situation like COVID-19. One of their common functions is to *“assist in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assist relevant authorities in relief activities;”*⁷² and in *“Emergency Planning & Relief”*⁷³. In short, currently elected LGs are not present in three provinces (KP, Punjab and Balochistan) and functional LGs are present only in Sindh and ICT to abide by their constitutional role.

Situation Analysis

In the absence of LGs in three provinces, the district administrations, provincial institutions (relief departments and Provincial Disaster Management Authorities or PDMAs) are implementing the decisions, policies and orders of both the Federal and

⁷¹ The Academy, for example, is currently providing in-depth (100 hours) entrepreneurship training to some 6,600 enrollees in Libya, having continued to operate uninterrupted throughout the recent siege of Tripoli. Simultaneously, it is also supporting refugees in Kenya via the RESI project, through basic business courses accessible by mobile phones.

⁷² Islamabad Capital Territory Local Government Act 2015, Third Schedule (e)

⁷³ Punjab LG Act 2019, Third Schedule (section 21), Functions of a Metropolitan Corporation, Municipal Corporation and Municipal Committee (e), Fourth Schedule (section 21), Functions of a Town Committee (m) and Fifth Schedule (section 21), Functions of a Tehsil Council (q).

Provincial governments related to health, security and relief measures in respective jurisdictions.

Keeping in view the precautionary measures during COVID-19, like partial/full lockdowns, social distancing and staying at home, the only effective means available for the LGs to reach out to citizens is through the increased use of various digital tools. Consequently, both federal and provincial governments developed and launched various digital/social media tools to reach out to citizens and keep them informed about day to day and minute to minute information on COVID-19. Many LGs and cities in the world have massively internalized the use of digital media to reach out to citizens with all information from health to relief, however the various portals, websites and online resources across Pakistan can be drastically improved.⁷⁴

In addition to the local, provincial and federal institutions, other active stakeholders include philanthropy organizations, social wings of political parties, volunteers' groups and individuals. Many of them have supported the general public and COVID-19 positive persons in the country. In some cases, these groups have been operating in isolation with the district/provincial/federal government institutions, while some are indeed coordinating and working side by side with government institutions.

The COVID-19 crisis is threatening social cohesion within countries, as its impact reaches deep into our society, on the behaviour of individuals, and affects well-being and mental health. Conversely, Pakistan offers a very productive avenue for further integration and assimilation of the relation between social cohesion and community resilience.

Promoting social cohesion through female agents of change is an important process to eliminate exclusion, marginalization, distrust, lack of a sense of a belonging and class barriers hindering the upward mobility of vulnerable groups.

Despite the efforts to provide an adequate response to the pandemic in Pakistan, results remain poor. Traders and businessmen are dissatisfied by the central Government's unilateral decisions affecting their businesses. Similarly, the medical health professionals are highlighting the unavailability of PPE and the lack of an efficient system of testing and tracking. The poorer segments of the populations are worried as they have lost their livelihoods (with many people relying on daily wages). As the pandemic has hit almost every segment of society and in the absence of a consensus on the strategy to adopt, frustration, insecurity, and uncertainty are widespread. It is believed that the presence of elected LGs would have created an effective bridge between the Government and the population, diffusing the current situation in which the citizens have been losing trust in governmental decisions. One among many challenges is the lack of coordination, direction, and availability of accessible information on the pandemic at the local level. In absence of a coordination mechanism and platforms (within the government and between governments and non-government stakeholders) the relief and emergency response efforts remain ineffective and lead to duplication and the waste of resources.

⁷⁴(<http://www.kmc.gos.pk/UnderConstruction.aspx>)
(<https://mci.gov.pk/>)
<https://www.facebook.com/KarachiMayor/>
<https://www.facebook.com/SheikhAnserAziz/>

Another challenge is that citizens feel that their voice is not heard in the planning and implementation of relief efforts. The decisions are made at the Federal or Provincial levels and implemented at the district/city/tehsil and union council/village and neighbourhood council level, without giving any due consideration to local contexts or voices. Elected LGs would have been effective not only in implementing federal/provincial decisions but in their localization, due to the trust they enjoy within the population.

Another issue which has been felt severely is (the lack of) communication i.e. packaging of messages and key message communication. An example of a good communication decision is the COVID-19 awareness message which has replaced all general and personal specific ringtones on mobiles. However, there is still a dire need to bridge the information gap that the federal and provincial government has with respect to the local population; elected LGs could have played an effective role in adapting and localizing messages for the general public.

Moreover, in the absence of any geographically focused interventions, it is likely that the most vulnerable citizens as well as marginalized populations (women, children, elderly people, disabled and key populations) are not included in the required response. Indeed, these populations already have a limited access to public facilities and services as well as to reliable information. The first studies on the effect of the COVID-19 outbreak all highlight that these already vulnerable populations are harder hit by the effects of the pandemics on their access to health, social services, livelihood means and overall on their enjoyment of basic human rights. It is thus imperative that a dedicated section of the response (both in terms of financial and human resources) directly addresses the most vulnerable populations.

There is a need for a deeper dive and analysis of at-risk areas and populations (groups and geographic/area focused) to determine their material as well as psycho-social needs. Those regions with known pre-existing group grievances related to long-term marginalization, political and economic disempowerment and victimization by state security institutions require special attention and local level support and engagement preferably through Local Government structures. In the past this state-society disconnect in Pakistan's case has often been filled by violent extremist organized actors who have exploited these grievances and the neglect and lack of state support in times of crises to win support among vulnerable groups.

Past experiences from dealing with SARS (2003) and Ebola show that public action in response to a crisis mitigates its impact. Citizen participation mechanisms (local-level community organizations) can be mobilized to work with local agencies. Religious leaders can also play important roles in local communities and their support is needed to spread awareness, particularly in remote and vulnerable communities.

A clear division of roles between national and local government is a pre-requisite for a well-coordinated and targeted response. The current crisis requires clarity on who is doing what and who is making decisions and controlling resources. This will enable the local governments to develop their responses in line with national priorities. Although there is a national disaster management plan, the pandemic highlights that local governments also need strong emergency management systems (District Disaster Management Authorities) that can identify vulnerable segments and respond to challenges quickly. Local governments need their own adequate revenue, or smooth central transfers to mobilize funds quickly.

Suggested Policy and Mitigation Measures

The following points highlight actions that will support an effective COVID-19 response through an inclusive local government system.

Short-term Measures

- Elimination of institutional overlaps by clearly delineating the roles and responsibilities of national and sub-national governments, including LGs in the COVID-19 National Action Plan.
- Emergency preparedness in collaboration with Provincial Disaster Management Authorities, including reinstating and operationalizing District Disaster Management Authorities.
- Encourage integration by ensuring the collaboration of native local governments in sharing their experiences, supporting, and in building the confidence of citizens on the Government's health and socio-economic response to COVID-19.
- Empower citizens and ensure their participation by providing them credible, accountable and responsive platforms/mechanisms for sharing feedback, suggestions and grievances.
- Engage local community leaders such as former local councillors, youth and women leaders, religious leaders etc. at the community level to engage local populations in the Government's health and socio-economic response to COVID-19.
- Ensure the inclusion of civil-society organizations (CSOs) in the COVID-19 response by promoting policy, regulatory and financial reforms. These could include a unified policy for the registration and functioning of CSOs and their fund-raising processes, and tax-rebates on their charity-related activities.
- Ensure a transparent and constant communication with the citizens and build trust with the local government. These should include the establishment of fast and efficient mechanisms such as digital platforms, feedback and grievance redressal systems, etc.
- Provide income generation and life skills trainings to women and youth (boys/girls) from hard to reach areas to increase their resilience.
- Identification of women change makers who have influence in their respective communities to promote community harmony and social cohesion.

Medium and Long-term Measures

- Reinforce local networks such as local governments, civil-society organizations, media platforms etc. to ensure the protection of vulnerable populations. Engage with PTA and private sector providers to quickly bring connectivity in areas in Balochistan, KP, GB and Sindh where it is not yet available.
- Implement a coherent and coordinated COVID-19 response scheme for marginalized populations through a National Action Plan, and with clear delineation of roles and responsibilities of all relevant stakeholders.

- Hold elections for Local Governments (once the situation is conducive) to ensure legal sanctity and long-term resilience of local structures to respond to such calamities along with regular service-delivery functions.
- Build capacities of local authorities for managing huge resources through the establishment of a transparent fiscal transfer, budget allocation, spending and auditing system, along with the HR capacity building.
- The establishment of “virtual rooms” where all the decisions are made in virtual meetings. LGs needs to consider liberalizing the use of digitization not only for internal decision making but also to orient citizens towards less polluted, less congested and efficient cities.
- Ensure LGs and cities have business models for disaster response, resilience and continuity of business by adapting to techniques newly learned in the pandemic.
- Ensure LGs have the resources and capacity to collect, develop and maintain the data of its citizens and its effective utilization through Artificial Intelligence.
- Promoting women’s voices and giving visibility to women is essential to challenging the aftermaths of a pandemic that negatively impacts social cohesion and community resilience.
- Reviving women friendly indigenous practices across Pakistan to promote diversity, inclusivity and pluralism for women and marginalized groups in Pakistan to better cope after the COVID-19 pandemic.

GOVERNANCE: MECHANISM FOR DELIVERY RESPONSE

The focus is on the rapid expansion of the socio-economic impact response, simultaneously with humanitarian and health interventions as an integrated, coherent emergency package. All three responses are necessary now to save lives. The nexus between humanitarian and development work, including operational synergies, has never been more relevant, and the need for humanitarian and development collaboration and coherence more acute.

The responsibility for leading the Socio-economic Impact Response lies with the national and sub-national governments including local governments. However, given the scale of impact, the Government alone cannot deliver the response in all three fronts i.e. health, humanitarian and socio-economic impact response. The development partners, UN agencies, international donors, financial institutions, NGOs, CSOs, media, etc. have a role to play especially in accelerating the response efforts, saving lives, and protecting people and their livelihoods.

The governance and management of the response will involve a multipartite approach with one central coordination body - in this case the Planning Commission - but also includes provincial governments, Economic Affairs Division, UN Agencies, development partners, academia and think-tanks. The strategic guidance and oversight role will be performed by the Central Coordination Body, while the responsibility for implementation and response actions should be clearly delineated between respective ministries, federal and provincial government departments, and local governments. The support, technical and financial assistance by international agencies and local development partners also needs to be tracked.

UN can provide support to the Central Coordination Body, which will include facilitating planning meetings; strategizing response and updating the response plan; regularly collecting data on actions against the plan; and ensuring that the most marginalized and vulnerable are

being covered in the response plan. In addition, UN can undertake and commission special assessments to understand and document other, unique socio-economic aspects of COVID-19 on the vulnerable population. The learning and knowledge from collective regular planning meetings, data analysis, performance reviews and specialized studies are to be documented and disseminated for adaptive, evidence-based and context-specific response planning.

Specifically, the coordination, planning and monitoring mechanism involves:

- **A robust response plan** – to address, minimize and mitigate the socio-economic impact of COVID-19 in Pakistan
- **A coordination and collaboration forum** – to ensure that the Government of Pakistan, donors and the UN Agencies have mobilized their technical and financial resources to deliver a joint response to COVID-19
- **A research and learning platform** – to ensure the most up-to-date data, information and analytics on the socio-economic impact of COVID-19
- **A transparent monitoring system** – with an agreed set of indicators to track and monitor progress on the “COVID-19 socio-economic impact and response plan” for effective implementation of the Response Plan.

Supplement: COVID-19 PAKISTAN SOCIO-ECONOMIC RESPONSE PLAN

PRIORITIES OF ACTION UNDER FIVE PILLARS FOR PAKISTAN

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
Pillar 1: Health First: Protecting Health Services and Systems during the Crisis						
1	Ensure continuation of essential healthcare services and a resilient health system	<ul style="list-style-type: none"> Continue provision of primary health care facilities by basic health units, rural health centres Ensure that the private hospitals and clinics reinstate their essential services, with strict IPE measures in place. Explore alternate options to OPD such as telemedicine and helplines fronted by both public and private general practitioners, specifically for non-urgent, diagnosed patients. Operationalization of HIV Programme along with PPTCT & Pediatric HIV Programme Work for a resilient health system so that health infrastructures, human resources, and supplies and information are developed and managed as a part of the preparedness for a health crisis. Establish open-access database on scientific research results, data, 	<ul style="list-style-type: none"> Number and percentage of health facilities and frontline service providers providing uninterrupted essential healthcare services Number of new platforms created such as tele-medicine, mobile clinics etc. for the provision of healthcare services to women, children and elders. PLHIV and positive pregnant women and children benefit from HIV programme Plan developed for long-term development of a resilient health system in Pakistan. Roadmap developed for the open-access database 	May – December 2020	Provincial health departments Ministry of Health Local government departments Municipal services Ministry of Science and Technology Academia Research Institutes UN Agencies	USD 5 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		educational resources and technological innovations				
2	Ensure continuation of immunization services to all children less than 2 years and CBAW with TT vaccine to minimize morbidity and mortality. Also, maintain the VPDs surveillance for early detection and response to any potential outbreak	<ul style="list-style-type: none"> Following containment of the disease, restart immunization drives for children as quickly as possible and ramp-up efforts to maintain a high immunization cover and tackle malnutrition, especially in girls. Launch media awareness campaigns for parents and families on regular and timely immunization for children. Continue to assess and track child immunization statuses and vaccinating schedules, and proactively follow-up with parents for ensuring regular immunization of children Investing in mobile clinics to deliver immunization and health services where most needed; could also erect semi-permanent structures for COVID-19 outreach (such as refurbished containers, schools and Telemedicine) Ensure procurement, inventory and supply chains of vaccines, especially in anticipation of an increased demand for vaccination post-lockdown. 	<ul style="list-style-type: none"> Number and percentage of districts in which immunization services reinstated. Nation-wide immunization campaign launched. Number of vaccines which are at safe-stock levels at national and provincial level. Percentage coverage of the 3rd dose of Pentavalent at national and provincial (at least more than 80%) Percentage coverage of the 1st dose of measles at national and provincial (at least more than 80%) Percentage of districts achieving a coverage of more than 80% (at least 80% of districts to achieve the indicator) 	Apr-Dec 2020	EPI programs, WHO, UNICEF, private and CSOs Federal and provincial governments	USD 13 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<ul style="list-style-type: none"> Ensure that disease surveillance, early detection and case reporting system continue to work. 				
3	Ensure continuity of sexual and reproductive, and child health services and interventions in the COVID-19 response, including protection of the health workforce and implementation of the minimum initial service package for reproductive health in emergencies.	<ul style="list-style-type: none"> Track and reach out to vulnerable populations like pregnant women, newborns and lactating mothers for preventive and promotive health services. Essential Newborn Care including early initiation of BF and post-natal care at facility and community level Management of sick newborn and premature babies through NICU and KMC Strengthen children OPD and emergency services for children in need through triage and screening; Continuation of Pneumonia, Diarrhea & malaria related health services according to IMNCI guidelines for under 5 Children Provision of essential medicines and supplies to manage sick children at facility and community level Ensure availability and access to essential Sexual and Reproductive Health Services (SRHS) including 	<ul style="list-style-type: none"> Essential sexual and reproductive health services including maternal and newborn health services are available and accessible for pregnant women. # of mothers and newborn received PNC # sick newborns managed at NCU / # premature babies managed through Kangaroo mother care Training of healthcare providers including LHW on IPC, triage and PPEs use for care # of children treated for common childhood illnesses Provision of PPE (Masks, gloves and sanitizers) for, OPDs, LHWs catering child 	April – December 2020	Provincial mother and children healthcare departments Provincial health departments and ministries Family planning programmes and outreach workers. UN agencies	USD 25 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<p>maternal and newborn health services.</p> <ul style="list-style-type: none"> • Ensure un-interrupted supply chains of modern contraceptives, maternal and newborn life-saving drugs and supplies, maternal health equipment, IPC material and supplies, educational and counselling materials. • Prepare for deliverables, mainly around 62,000 C-section deliveries and around 200,000 miscarriages or unsafe abortions ⁷⁵ in next three months. • Plan and prepare for alternate approach of care like maternity homes, tele-consulting, home-based care if hospitals are overwhelmed by COVID cases for continuation of MNCH services • Assist women who choose to delay pregnancy by offering comprehensive and easily accessible modern contraceptive services and information at the public health facilities. • Prepare and train LHVs/LHWs and FWWs to use personal protection 	<ul style="list-style-type: none"> • Number and percentage of pregnant women who are receiving essential sexual and reproductive health services. • Number and percentage of hospitals and medical stores who have un-interrupted supply of contraceptives, maternal and newborn life-saving drugs etc. • Number of women who continue to receive consultations and examinations during pregnancy for antenatal and postnatal care. • Requisite services are available for C-section deliveries and care for miscarriage and complications in next three months. 			

⁷⁵ Maternal and new-born health needs in the next three months in Pakistan, PDHS 2017-18, Census 2017, and UNFPA MISP Framework

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		equipment (PPE) in dispensing maternal and reproductive health care services.				
Pillar 2: A Protecting People: Social Protection and Basic Services						
1. COVID-19 Impact on Social Protection - Scale up and expanding resilient and pro-poor social protection systems						
1	Expand BISP coverage and outreach to provide unconditional cash assistance to vulnerable people in urban and rural areas to avoid hunger and poverty. (short-term)	<ul style="list-style-type: none"> Monitor the social and economic impact of COVID-19 and update database of most vulnerable individuals and families with children and adolescents Expand BISP and emergency Ehsaas programme to provide relief package and non-conditional grants to over 14 million families, and from the additional 15 to 20 million poor in coming months, including refugees (up to 112,000 families). Launch a second round of cash transfers in mid-July 2020 if COVID-19 continues to affect the lives of poor people. Allocate around Rs. 590 billion (around Rs. 340 billion for BISP, and 150 for Ehsaas programme) for both the relief packages for FY 2020-21. 	<ul style="list-style-type: none"> Database of vulnerable individuals and families with children and adolescents updated. Amount and percentage of funds distributed as cash/ in-kind grants from the current allocations. Second round of cash transfers launched, with coverage of around 14 million families and individuals and financial distribution of Rs 590 billion. 	<p>April – June 2020</p> <p>Second-round: July – October 2020</p>	<p>Ministry of Planning, Development & Reforms</p> <p>Provincial Governments</p> <p>BISP/ Ehsaas program</p> <p>Ministry of Human Rights, Law & Justice and related provincial and national departments.</p> <p>Ministry of State and Frontier Regions</p> <p>UN Agencies</p>	<p>USD 3.69 billion (for FY 2020-21)⁷⁶</p> <p>USD 9 million⁷⁷</p>

⁷⁶ This amount should be allocated in FY 2020-21 under social protection

⁷⁷ This amount should be allocated to include 112,000 most vulnerable refugee families

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
2	Strengthen social protection system by identifying and integrating most vulnerable people such as poor families with children and adolescents, women and PWD headed households, transgender, elderly, minorities in the social protection framework and packages. (medium-term)	<ul style="list-style-type: none"> Continue to modernize and upgrade the social protection system using electronic technology to make it easier to expand horizontally and vertically, to verify eligibility and identify wrong exclusions, and distribute regular cash payments with speed during extended lockdown arrangements. Integrate vulnerable groups in the relief package by assessing their specific needs. Provided waiver on health insurance premium for the extremely poor and waiver/subsidy of health insurance premium for others. Communicate and engage with stakeholders on the roles, rights, responsibilities, eligibility criteria, registration process, complaints mechanisms and other critical conjuncts of cash transfers such as behavior change. Provide economic recovery solutions to facilitate home-based workers, daily wagers, domestic workers and micro businesses led by women which have been disrupted due to outbreak of COVID-19 and its consequent lockdown. Strengthen data and evidence by introducing holistic sex and disability disaggregated data. 	<ul style="list-style-type: none"> Governments' relief packages, programmes are informed by social protection principles Number and type of vulnerable groups integrated in the social protection framework and packages. Number of poor/vulnerable families received waiver/subsidy on health insurance premium. Number and type of women workers provided economic recovery solutions Number of WWDs reached for relief package service Number of data set developed with sex and disability disaggregated data 	May – October 2020	Ministry of Planning, Development & Reforms Provincial Governments BISP/ Ehsaas program Ministry of Human Rights, Law & Justice and related provincial and national departments.	USD 0.5 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
2. Maintain the food system and essential nutrition services						
1	Policy, regulatory and institutional measures to ensure uninterrupted production, supply chain and food security efforts.	<ul style="list-style-type: none"> Balance resource allocations (public money) between the public health emergency, and the food security and livelihood concerns of COVID-19. Regularly monitor food and nutrition security in highly food insecure and vulnerable populations including poor women-headed, child-headed households, households with pregnant and lactating women, and those with children. Monitor and regulate markets, both wholesale and retail, to discourage and control hoarding, price gouging and speculation. Make information regarding agriculture production, food supply and market sales easily available via suitable government portals and at the level of farm services centres in districts to strengthen government management over the food market and supply chains and provide farmers with sound information. Strengthen the National Food and Nutrition Security Information System. Centralise and strengthen the data and analytical capacity of government for informed decision 	<ul style="list-style-type: none"> Weekly food pricing reports produced and analyzed to identify problematic areas/ markets and commodities. Number and type of policy and regulatory measures taken to ensure uninterrupted production and supply chain of agriculture and food items Flagship knowledge products including Pakistan Overview of Food Security and Nutrition, Pakistan Food Forecast, and other ad hoc reports are produced to assess and inform response to COVID-19's impact on food system. Guidelines issued and enforcement mechanisms in place to protecting food and agriculture workers. 	April – September 2020	Ministry of National Food Security and Research Provincial governments and district administrative departments. Provincial ministries and departments of agriculture and livestock Dept of Industries and Commerce UN Agencies	USD 11.6 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<p>making regarding food and nutrition security.</p> <ul style="list-style-type: none"> Strengthen provincial data collection and monitoring capacities and set up a monitoring dashboard to identify risks of disruptions based on hotspots Ensure uninterrupted inter-provincial transportation of food supply, and consider allowing controlled agricultural labour movements, under clear health and safety guidelines. Keep international food trade open, and request other trade partner countries in bilateral and multilateral forums to not introduce trade protectionist policies under COVID-19 conditions. Awareness campaign to promote SOPs and protection standards to farmers, producers, transporters, agriculture suppliers (4 million farmers) 				
2	Integrate agriculture production, supply chain and food and nutrition security into the COVID-19 relief package and through tied and conditional grants	<ul style="list-style-type: none"> Integrate necessary community-based management of acute malnutrition (CMAM) into the distribution of cash, vouchers and food and accompanying education and information. While preparing and distributing ration packs, pay attention to pack composition as per the Pakistan 	<ul style="list-style-type: none"> COVID-19 relief packages, especially in-kind ration packs are designed as per the Pakistan Dietary Guidelines for Better Nutrition (PDGN) and integrates necessary community-based 	April – June 2020	<p>Ministry of National Food Security & Research</p> <p>Provincial governments and district administrative departments.</p>	USD 47.5 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<p>Dietary Guidelines for Better Nutrition (PDGN).</p> <ul style="list-style-type: none"> Subsidize or provide (with or without conditions) certified seed and fertilizers for the Rabi season 2020/21 to vulnerable households, who do or do not have access to certified seed. Crops support to the smallholder farmers (1-5 acers) of land to avert the negative consequences of the COVID-19 pandemic Consider stimulus packages such as interest-free loans or grants etc. for more vulnerable groups, especially women farmers in the rural economy, including for food processing and value-addition units. Provide localized nutrition-sensitive food production, food utility and nutrition assistance to vulnerable households that have been identified as being highly food or nutrition insecure, to ensure highly nutritious and continual household food supply. 	<p>management of acute malnutrition (CMAM)</p> <ul style="list-style-type: none"> Percentage of farmers (<i>Kharif</i> crops) having adequate and timely access to agriculture inputs Percentage of vulnerable farmers (disaggregated by sex) and producers receiving subsidized and interest-free loans for inputs. Percentage of vulnerable households receiving nutrition-sensitive food production assistance. 		Provincial ministries and departments of agriculture	
3	Use technology, innovative tools and practices to ensure uninterrupted functioning of markets and food supply chain	<ul style="list-style-type: none"> Introduce electronic transactions, vertically integrated ordering and delivery systems in order to efficiently move food through the system while ensuring physical distancing during the pandemic. 	<ul style="list-style-type: none"> Number of types of new, innovative technologies and tools used to ensure market functioning and food supply chain. 	May 2020– June 2021	Ministry of National Food Security and Research Provincial governments and district administrative departments.	USD 3.5 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<ul style="list-style-type: none"> Work closely with existing private sector actors to develop an efficient and safe process of delivery of food-items/ packages, especially in areas with high vulnerability due to COVID-19 impact and high food security risk. 	<ul style="list-style-type: none"> Efficient and safe processes developed for the delivery of food-items/ packages, especially in areas with high vulnerability due to COVID-19 impact. 		Provincial ministries and departments of agriculture and livestock Private sector	
4	Treatment of moderate and severe acute malnutrition among young children and pregnant and lactating women	<ul style="list-style-type: none"> Identification and referral of cases of acute malnutrition Treatment of cases of acute malnutrition among young children and PLW 	<ul style="list-style-type: none"> # of new children SAM identified as SAM/MAM and malnourished PLW admitted in the program # of new children identified as SAM with medical complications admitted in SC 	May – December 2020	MoNHSR&C Department of Health UN Agencies	USD 15.5 million
5	Prevention of wasting and iron deficiencies among young children and pregnant and lactating women	<ul style="list-style-type: none"> Mobilize partnership to deliver protection and promotion of adequate breastfeeding in the context of COVID-19 and beyond Establish required capacity for promotion of age appropriate complementary feeding including multiple micronutrient supplementation Iron Folic Acid Supplementation to pregnant women 	<ul style="list-style-type: none"> # of mothers/caregivers reached with messages on breastfeeding # of children provided with MM supplementation # of pregnant mothers provided with IFA during their ANC visit 	May – December 2020	MoNHSR&C Department of Health UN Agencies	USD 9.1
3. Ensure continuity and quality of water and sanitation service						
1	Provision of necessary awareness, supplies,	<ul style="list-style-type: none"> Introduce psychosocial support mechanisms to work with 	<ul style="list-style-type: none"> Number of districts where provision of 	May 2020– June 2021	Provincial health departments	USD 49.45 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
	<p>services and equipment to ensure sustained water, sanitation and hygiene services in the COVID-19 context.</p>	<p>communities on behavioural and social practices, which can be integrated into the Tiger Force programme.</p> <ul style="list-style-type: none"> • Infection Prevention and Control (IPC) at health care facilities and Quarantine centers, especially on provision of improved access to WASH facilities and waste management in addition to training frontline cleaning staff. • Community awareness on COVID-19 infection prevention and control, and support through Clean Green Champions, religious leaders, CSOs and CRPs on Risk Communication. • Distribution or provision of hygiene items, especially soap/sanitizers to poor population groups • Install safe drinking water and handwashing facilities in key locations in informal settlements and public places. Ensure emergency preparedness by providing water tanks, standpipes, handwashing facilities and soap/sanitizers along with hygiene messages. • Carry out sensitization and awareness campaigns, including disseminating COVID-19 related messages through actively engaging community leaders and existing slum networks. 	<p>waste and water management services are sustained and not interrupted as a result of COVID-19.</p> <ul style="list-style-type: none"> • Number and percentage of health care facilities and quarantine centers having provision of improved access to WASH facilities and waste management in addition to training frontline cleaning staff. • Number of safe drinking water and handwashing facilities provided. • Percentage of population, including those living in rural, underserved, low-income districts and localities, having access to awareness messages on health, hygiene and safety practices. 		<p>Ministry of Health Local government departments Municipal services UN Agencies CSOs/NGOs partners</p>	

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
4. Secure sustained learning for all children, preferably in schools						
1.	Undertake proactive measures, such as alternate learning models, special teaching and learning arrangements, parents and student's awareness and mobilization etc. to minimize the impact of COVID-19 on learning outcomes and continuity of children's schooling.	<ul style="list-style-type: none"> Expand alternative learning models and programs in hard to reach areas with maximum outbreak with extensive community engagement Targeted learning programs especially for most vulnerable children including those with poor background and from rural areas through use of multiple media such as TV, Radio, SMS and the web, etc. Safe reopening of schools and student screening including special measures for education facilities and schools that are being used as quarantine, isolation or care facilities for patients. This will include cleaning, disinfection, decontamination and ensuring WASH facilities and supplies are provided to schools. Social mobilization and grass root engagement to support retention, continuity and transition of students affected by the pandemic. 	<ul style="list-style-type: none"> Number and type of context-specific alternate teaching & learning models identified. Percentage of public and private-sector schools where teaching has reinstated using alternate methods. Percentage of public and private-sector schools where teaching has reinstated after taking adequate precautionary measures Number and percentage of drop-out post COVID-19. Number and percentage of out-of-school children, disaggregated by province and sex. 	April – August 2020	Ministry of Federal Education & Trainings Provincial education ministers and departments UN Agencies Mainstream and social media platforms Digital Pakistan UN Agencies Parents Teachers Committees	USD 20 million
2	Policy, regulation and institutional measures to adapt and respond to the COVID-19 impact on the quality and delivery of school education in Pakistan.	<ul style="list-style-type: none"> Compress curriculum and integrate express delivery models in provincial and district level sector plans and strategies. Enhance capacity of teachers' workforce and teacher training 	<ul style="list-style-type: none"> Number and type of policy-level measures and regulatory reforms undertaken to adapt and respond to COVID-19 	April 2020 to March 2021	Ministry of Federal Education & Trainings Provincial education ministers and school	USD 1.0 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<p>institutions to deliver curriculum through innovative, technological and non-technological mediums</p> <ul style="list-style-type: none"> Invest in skill-based learning to help retain children from poorer households who drop-out from school to learn useful income-generating skills. Policy development for primary and secondary level on distant learning, accreditation and monitoring of learning outcomes Introduce an <u>incentive-based (food, cash or vouchers) education support programme for children</u> to ensure student retention once schools are re-opened. Expand social protection products i.e. BISP <i>Waseela-e-Taleem</i> and student stipend programs with better targeting for most vulnerable students especially girls from poor backgrounds. 	<p>impact on school education.</p> <ul style="list-style-type: none"> Number of teachers trained on use of technology, innovative methods of teaching Curriculum compressed and express delivery models integrated in provincial and district level sector plans and strategies. Number of girls and children from marginalized families who are receiving social protection packages to sustain their schooling. 		education departments PMIUs-Education UN Agencies	
5. Support victims of Gender-Based Violence (GBV)						
1.	Strengthen evidence and alternate mechanisms for reducing gender-based violence and ensure	<ul style="list-style-type: none"> Continue to collect data and generate more evidence on impact of COVID-19 on women and girls and most vulnerable segments of the society. 	<ul style="list-style-type: none"> Rapid assessment report produced and recommendation compiled 	April June 2020	Women Development Departments National Commission on Status of Women	USD 1.5 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
	continuity of GBV Essential Services.	<ul style="list-style-type: none"> Ensure availability of GBV essential services and providers (police, judiciary, health services, social workers, crisis centers/shelters, governance and coordination mechanisms) during times of COVID-19. Ensure establishment of GBV hotlines in all provinces, introducing remote and technological support. Use mediums such as radio, PTV and social media channels to spread awareness messages including gender-based violence, hygiene and other preventive measures Capacity building of GBV Essential Service Providers. Establish and strengthen community surveillance and reporting mechanisms to track cases of child marriages and improve enforcement of law. 	<ul style="list-style-type: none"> Number of women accessing GBV support services. Number of GBV Hotlines operational. Number and type of awareness and informational messages developed and on-air to reducing gender-based violence and disparities Number of GBV Essential Service Providers trained Number and type of community surveillance and reporting mechanisms adopted to track cases of child marriages 		Provincial health and education departments Private Sector	
6. Child Protection						
1	Conduct rapid assessment and develop plan to minimize the probability, and possible impact, of COVID-19 on children, adolescents, and specific sectors relevant to child rights.	<ul style="list-style-type: none"> Conduct rapid assessment to establish the probability, and possible impact, of the COVID-19 hazard on communities, individual children, adolescents, and specific sectors relevant to child rights. 	<ul style="list-style-type: none"> Raid assessment conducted and plan developed to minimize the probability, and possible impact, of COVID-19 on children, adolescents, and 	May – September 2020	Ministry of Human Rights, Law & Justice and related provincial and national departments.	USD 1.5 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<ul style="list-style-type: none"> Establish a clear regulation on alternative care for children, including quality care standards, as well as medical and educational services to facilitate the rehabilitation and social reintegration of children recovering from trauma/COVID -19 infection. 	<ul style="list-style-type: none"> specific sectors relevant to child rights. Percentage of activities delivered. 			
Pillar 3: Addressing Economic Vulnerabilities – Employment & Enterprises						
Impact on Vulnerable Workers						
1	Compensation package against foregone income of the “paid employees” under at-risk employment who are likely to get unemployed across different sectors ⁷⁸	<ul style="list-style-type: none"> Identify the workers affected by COVID-19 working in different sectors Develop registry system to reach these workers Develop mechanism for distribution of compensation package to support livelihoods of unemployed workers Distribute non-conditional grants 	<ul style="list-style-type: none"> Unemployment analysis completed Database of unemployed workers developed/ compiled Number of recently unemployed paid workers compensated USD amount disbursed. 	April 2020 (one month)	Minister of Overseas Pakistani and Human Resource Ministry of Planning, Development & Reforms	USD 900 million (for one month) USD 0.1 million expansion of online employment platform
2	Promote Labour-Infrastructure and Cash for Work (CfW) schemes designed and implemented	<ul style="list-style-type: none"> Undertake daily workers’ analysis Develop mechanism to regularly update and register daily workers 	<ul style="list-style-type: none"> Daily workers’ analysis completed 	July-December 2020	Minister of Overseas Pakistani and Human Resource	USD 40 million

⁷⁸ It is estimates that 12.6 million, out of 24.7 million, vulnerable workers can lose employment under first scenario, with the major share of these being in the wholesale and retail trade, construction, manufacturing and transport/ storage & communication sectors. In case of a severe restriction on economic activities, an estimated 19.1 million of the vulnerable employed are likely to lose their jobs, with the largest hit sector being wholesale and retail trade (6.1 million), followed by construction (3.9 million) and manufacturing (3.8 million), ILO-UNIDO COVID-19 Impact Estimates, 4th March 2020.

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<ul style="list-style-type: none"> Develop mechanism for distribution Cash for Work Implement Cash for Work interventions including in rural areas where daily labourers have migrated to. 	<ul style="list-style-type: none"> Database of daily workers developed/ compiled Number of daily workers engaged in CfW activities USD amount disbursed 		Ministry of Planning, Development & Reforms Provincial Departments of Labour UN Agencies	
3	Compensation package developed and grants awarded to eligible self-employed, small businesses and the agriculture sector (out of 5.7 million ⁷⁹ total self-employed) who are likely to face income loss ⁸⁰	<ul style="list-style-type: none"> Develop mechanism to regularly update and register eligible self-employed for grants and government assistance Develop mechanism for distribution of compensation package to support livelihoods of self-employed labour force Distribute non-conditional grants Online platform developed to enhance awareness of compensation package(s) available and to facilitate application, assessment and monitoring of claim distribution Provide young female entrepreneurs who have suffered significant lost to livelihoods/assets due to COVID-19 with additional training and grants to help them reinstate their economic activity 	<ul style="list-style-type: none"> Database of eligible self-employed workers developed/ compiled Number of eligible self-employed workers compensated USD amount disbursed. 	April 2020 (one time)	Minister of Overseas Pakistani and Human Resource Ministry of Planning, Development & Reforms SMEDA UN Agencies	USD 600 million (for one month) ⁸¹ USD 0.1 million for online platform with SMEDA USD 3 million for female micro-entrepreneur package USD 2 million for NAVTTC distance learning outreach, catch-up accreditation

⁷⁹ Calculated by ILO-UNIDO as per their methodology given in ILO-UNIDO COVID-19 Impact Estimates, 4th March 2020.

⁸⁰ Estimates of exact income loss of self-employed is not available due to data constraints

⁸¹ Budgeted and committed by the government

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<ul style="list-style-type: none"> Support NAVTTC to develop mechanisms to facilitate distance-learning, accreditation and monitoring of learning outcomes where possible 				
4	Registration of informal sector workers, including domestic workers and agriculture women workers in line with the earlier set of recommendations of the Ehsaas Labour Expert Group (LEG)	<ul style="list-style-type: none"> Immediately start the registration of informal sector workers and domestic workers and women agriculture workers Use 8171 Mobile App, with additional field on occupation, for speedy identification and registration of workers eligible to receive support Compile database of eligible workers and estimate compensation value. Distribute non-conditional grants of PKR. 12,000 per month or as defined by the GoP. 	<ul style="list-style-type: none"> Database of workers eligible for government financial assistance developed and update on weekly basis Number and percentage of eligible workers who received government financial assistance USD amount disbursed. 	April – June, 2020	Minister of Overseas Pakistani and Human Resource Ministry of Planning, development & Reforms UN Agencies	US\$ 0 ⁸²
5	Provision of enhanced protection in the form of special Personal Protective Equipment to essential production workers including in food and agriculture sector	<ul style="list-style-type: none"> Development and enforcement of guidelines and SOPs, based on OSH standards, for labour's health and safety, especially for workers working in essential production units and in the food system Provision of special equipment to workers, including those with disabilities, who are actively working under the present scenario through policy and regulatory measures 	<ul style="list-style-type: none"> Number and type of policy reforms developed and enforced for the health and safety of workers who are working in essential production units Number of eligible workers provided with specific equipment 	April – June, 2020	Minister of Overseas Pakistani and Human Resource Ministry of National Health Services, Regulations & Coordination, Provincial Social Welfare Departments, Labour Departments and	USD 0.5 million

⁸² Covered in Pillar II under social protection

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<ul style="list-style-type: none"> Develop customized policy options, such as access to sick paid leave options, for workers working in essential production units Communicate guidance about the <u>efficient use of local agriculture labour</u>. Allow movement of agriculture workers within villages/UCs that are not found to have local transmission of COVID-19 to support village/UC based collaborative labour networks. 			Social Protection Authorities UN Agencies	
6	Inclusion of refugees within the government/development actors/sister agencies' responses to the COVID-19 pandemic	<ul style="list-style-type: none"> Develop mechanism for registration of refugees and other stateless persons⁸³, who have special needs⁸⁴, for the provision of essential support Conduct rapid need assessment of these persons for governments' assistance vis-à-vis impact of COVID-19 pandemic Develop and launch a support package for the Afghan refugees and other stateless people who need assistance after the COVID-19 pandemic 	<ul style="list-style-type: none"> Mechanism developed for registration of refugees and other stateless persons with special needs Number of persons with special needs identified USD amount disbursed 	April – December 2020	Minister of Human Rights, Ministry of Planning, Development & Reforms UN Agencies	USD 6.5 million

⁸³ Pakistan also hosts a number of stateless persons or those who may be at risk of statelessness. These include individuals from the Bengali, Bihari, and Rohingya communities.

⁸⁴ UNHCR has indications that up to 72,072 Afghan refugees with specific challenges e.g. Important Medical Condition, Child or Adolescent at Risk, Older Person at Risk, Separated or Unaccompanied Child, Woman at Risk, Single Parent, etc. are in the category of the Persons with Specific Needs (PWSNs), ILO-UNIDO COVID-19 Impact Estimates, 4th March 2020.

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
7	Undertake immediate measures to minimize and mitigate economic impact of COVID-19 on home-based and domestic workers, mainly women	<ul style="list-style-type: none"> Devise and implement a support package to provide regular support to the more vulnerable segments of the labour market such as home-based workers (HBWs), which includes the casual, daily wage and piece rate workers and women agriculture workers. Introduce economic recovery solutions to support small and medium women-led businesses, home-based workers and women agriculture workers through targeted financial assistance (through MFIs) in shape of interest free loans and/or cash transfers should be made to micro businesses led by women to support their enterprises in the time of economic downturn and lockdown. Through the Ehsaas Programme and PM's Relief Fund for COVID-19 provide cash transfer to households which are worst hit especially female headed households and domestic workers. Socio-economic assessment of needs of transgender persons to be conducted and findings to be integrated in the COVID-19 response. 	<ul style="list-style-type: none"> Number and percentage of vulnerable HBWs and women agriculture workers registered, and received governments' package Number of small and medium women-led businesses supported through economic recovery solutions Number of micro businesses led by women receiving financial assistance Socio-economic needs assessment conducted for trans-gender persons and findings integrated in the COVID-19 response. 	April – September 2020	Women Development Departments National Commission on Status of Women Provincial health and education departments Provincial labour departments UN-Agencies MOHR, Provincial Human Rights and Social Welfare line departments National Committee on Implementation of Protection of Transgender Persons Act 2018 CSOs/ NGOs	USD 20 million

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
8	Continue to monitor other long-term likely impact of COVID-19 on the labour force, employment and income (long-term)	<ul style="list-style-type: none"> Monitor impact of COVID-19 on Pakistan's migrant workers working in other countries across the world, especially the Middle East Monitor impact of COVID-19 on creative and cultural industries, along with professionals in performing arts and in all other fields of creative and cultural sectors. Develop a strategy to absorb these workers in the domestic economy once they start returning home due to layoffs in the future. Conduct in-depth reviews and assessments of labour force data for other implications of COVID-19, if any. Support Pakistan Bureau of Statistics in developing/improving the tools to measure labour market indicators. 	<ul style="list-style-type: none"> Pakistan's context analysis conducted and updated on monthly basis COVID-19 impact dashboard developed and updated Adaptive response strategy developed Labour Force Survey and other labour market related surveys supported 	April – June 2020	Minister of Overseas Pakistani and Human Resource Ministry of Planning, development & Reforms, UN Agencies National Institute of Folk and Traditional Heritage (Lok Virsa) Pakistan National Council of the Arts (PNCA)	USD 0.2 million
2. Impact on Enterprises and Entrepreneurs						
1	Undertake research to identify multi-dimensional impact of COVID-19 on micro, small, medium scale enterprises (MSMEs ⁸⁵) in Pakistan	<ul style="list-style-type: none"> Support SMEDA in conducting research to quickly gauge the impact of COVID-19 on small and medium sized businesses. 	<ul style="list-style-type: none"> Impact of COVID-19 on small and medium sized businesses estimated and list of recommendations compiled. 	April – September 2020	Minister of Industries & Production SMEDA Ministry of Information	USD 0.05 million USD 0.04 million for

⁸⁵ MSMEs, being more labour intensive, are considered an engine for employment generation; however, no reliable and updated estimates are available. According to SMEDA, 3.25 million MSMEs⁸⁵ constitute nearly 90% of all the enterprises in Pakistan; employ 80% of the non-agricultural labour force; and their share in the annual GDP is 40%, approximately, State of SMEs in Pakistan, SMEDA.

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<ul style="list-style-type: none"> Develop well informed, evidence based and pragmatic recommendations for supporting SMEs in wake of this pandemic⁸⁶ Identify multiple impacts⁸⁷ of the COVID-19 pandemic on producers, traders, investors etc. for appropriate SMEs policy measures Carry out a specific study to review the impact the COVID-19 pandemic has had on the future of work and how some of the positive aspects can be incorporated in the way we do business Develop specific tools to engage the impact on youth-led micro-enterprises 	<ul style="list-style-type: none"> Number and type of measures taken to mitigate negative impact of COVID-19 on SMEs. 		Technology and Telecommunications. National Incubation Centres UN Agencies	youth micro-enterprise impact assessment and future of work study
2	Develop and implement COVID-19 specific policy and institutional reform measures to protect enterprises and entrepreneurs	<ul style="list-style-type: none"> Explore legal and financial options of granting paid leave to regular-paid and casual-paid employees for employment retention.^{88 89} 	<ul style="list-style-type: none"> Number and type of policy and regulatory measures taken to protect employment and financial compensations 	May – September 2020	Provincial Employees Social Security Institutions	USD 0.2 million

⁸⁶ See Coronavirus (COVID-19) Impact on SMEs in Pakistan

<https://docs.google.com/forms/d/e/1FAIpQLSf5ztacDBE1eFjFA70DXn9Zqc1Ews9Rth9tBYoiRVmVtsWcA/viewform>

⁸⁷ Impact of COVID-19 on SMEs in Pakistan: UNIDO

⁸⁸ The Government of Sindh has notified on 23rd March 2020 that during the period of lock-down no worker shall be laid off and all workers shall be paid salaries/ wages/ remunerations in full by their respective employers. The period of closure may be considered by the employers as paid leave.

⁸⁹ The Government of Balochistan has notified on 23rd March, 2020 that in case of a complete/ partial lockdown or closure all Factories/ Industrial & Commercial Establishments/ NGOs/ Private Banks/ Private Educational Institutions/ Private Clinics & Private Hospital, Mining & Security Companies, Shops and all other Private Entities in Balochistan shall pay at least minimum wages (PKR. 17,500) to their workers (Permanent, Contract, Daily Wages, Piece Rate etc.) on regular basis without any deduction.

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<ul style="list-style-type: none"> Constitution of a special tripartite taskforce⁹⁰ in each province for consultations on collective action and assistance in the execution of the plans for economic and social recovery. Strengthen the Pakistan Bureau of Statistics to conduct the census/survey of enterprises as a routine activity. Strengthen the role and functions of SMEDA for effective implementation of a robust MSME policy. Finalize the draft SME Policy 2019, after incorporating COVID-19 impact factors for enforcement and implementation. Review current youth-specific training, employment and economic grant programmes to adapt to the new reality Further regulate and incentivize start-ups and social enterprises to encourage their role in the recovery process 	<ul style="list-style-type: none"> in both formal and informal sector. SME Policy finalized to address and implement both COVID-19 specific measures as well as long-term SMEs development 		Provincial Labour Departments Ministry of OP&HRD Pakistan/ Provincial Bureau of Statistics SMEDA Ignite/NIC/NITB and Provincial IT Boards UN Agencies	

⁹⁰ Representative organizations of social partners, the Employers Federation of Pakistan (EFP) and the Pakistan Workers Federation (PWF)

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
3	Develop and implement support package for sustaining (MSMEs) in Pakistan	<ul style="list-style-type: none"> Support (short-term credit, tax breaks, subsidies) to small and medium-size enterprises, especially women enterprises that employ a large number of workers overall but are financially vulnerable in times of economic crises. Support (short-term credit, tax breaks, subsidies) to women-led micro enterprises to mitigate the negative impact of the COVID-19 outbreak. Expand coverage⁹¹ of social protection especially to those working in the small and medium enterprises in the informal economy Collaboration with formal financial institutions to improve access to finance for women entrepreneurs 	<ul style="list-style-type: none"> Number of SMEs registered and notified as vulnerable Percentage of SMEs provided with financial relief package Number of financial policy measures introduced to facilitate women entrepreneurs. 	May – September 2020	Provincial Employees Social Security Institutions Provincial Labour Departments Ministry of OP&HRD UN Agencies	USD 600 million ⁹²
Pillar 4: Macroeconomic Response and Multilateral Collaboration						
1. Macroeconomic Response						
1	Create fiscal space to finance COVID-19's social and economic impact	<ul style="list-style-type: none"> Raise the tax-revenue ratio by 1.3% of the GDP i.e. Rs. 980 billion by benefiting from higher taxation of 	<ul style="list-style-type: none"> % of tax revenue collected against projections for FY 2020-21 	May 2020 to June 2021	Government of Pakistan	N/A (revenue side)

⁹¹ The work of the Labour Expert Group (LEG) constituted under the Ehsaas Programme with a mandate to develop proposals for extension of social protection measures to workers in the informal economy may be revisited for guidance in this context.

⁹² Budgeted and committed by the Government for FY 2019-20

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<p>petroleum products along with other measures.</p> <ul style="list-style-type: none"> Reduce current expenditure by around 1.4% of the GDP – achieved largely due to the containment in the cost of domestic debt servicing Reduce the policy/interest rate to 7% by end June 2020 – to achieve gains of over 27% in relation to the current level from reduction in debt servicing. Ensure deferment of increases in the salary and allowances of Government employees to save almost Rs 250 billion. 	<ul style="list-style-type: none"> Tax-to-GDP ratio improved (i.e. 12.5%) Number & type of policy and administrative measures taken to achieve balanced budget. Amount and percentage of current expenditure reduced during FY 2020-21 due to efficiency-savings and austerity measures. 		<p>State Bank of Pakistan</p> <p>Federal and Provincial Finance Ministries and Allied Departments such as FBR, PRAs, E&T, BOR, etc.</p>	
2	Develop and distribute the COVID-19's recommended relief, incentive and development package for 2020-21	<ul style="list-style-type: none"> Provide tax-relief to support major sectors (providing major employment) such as construction, manufacturing, export-oriented industries, HSD oil and motor spirit and others. Provide relief-package in form of cash-transfers, subsidies, grants etc. to provide direct relief to most vulnerable families and individuals. Provide development budget/ package to ensure more responsive and resilient health system i.e. construction and expansion of hospitals and testing facilities 	<ul style="list-style-type: none"> Number and type of sectors/ industries supported through tax relief. Amount of tax-revenue forgone to provide tax relief (Rs.185 billion) Number of vulnerable families, disaggregated by type, supported through governments' relief package. Amount of funds distributed to provide direct relief to most vulnerable families and 	May 2020 to June 2021	<p>Government of Pakistan</p> <p>State Bank of Pakistan</p> <p>Federal and Provincial Finance Ministries and Allied Departments such as FBR, PRAs, E&T, BOR, etc.</p>	USD. 6.19 billion (PKR. 990 billion)

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
			individuals. (Rs.690 billion) <ul style="list-style-type: none"> Amount and percentage of development budget allocated to health sector for the construction and expansion of hospitals and testing facilities (Rs.300 billion) 			
2. Multilateral and regional coordination, trade policy and connectivity						
1	Provide trade facilitation (TF) measures on priority products	<ul style="list-style-type: none"> Prepare technical recommendations and implementation support in applying relevant TF measures – including provisions of the WTO Trade Facilitation Agreement⁹³ – such as streamlined risk management, sector-specific authorised operator scheme and expedited shipment measures applied on all air cargo for priority goods. Develop and provide trainings to border officials on topics such as how to conduct inspections in “pandemic” situations and classification of 	<ul style="list-style-type: none"> List of technical recommendations developed and implemented to ensure trade facilitation (TF) measures on priority products Border officials trained to conduct inspections in “pandemic” situations and classification of medical goods/ pharmaceuticals used in COVID-19 Trade facilitation portal(s) established and operationalized 	May – October 2020	Ministry of Commerce Trade Development Authority of Pakistan Ministry of Industries & Production Trading Cooperation of Pakistan Pakistan Institute of Trade & Development UN Agencies/ ITC	USD 5 million

⁹³ ITC TF Programme supports the implementation of WTO TFA measures across its programmes.

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		medical goods/ pharmaceuticals used in COVID-19 <ul style="list-style-type: none"> • Provide online access to information of export, import and transit procedures through Trade Facilitation Portals • Support preparation of forecasts and impact scenarios of COVID -19 on particular sectors or trade flows to help policymakers and businesses. • Provide online learning and access to the required tools to the traders and support them in developing well-integrated and flexible supply chains. 	<ul style="list-style-type: none"> • Number of COVID-19's trade impact analysis reports developed and shared with sectoral players. • Number of traders having access to online information and learning portal 			
	Policy, regulatory and institutional measures taken to strengthen the multilateral and regional coordination, trade policy and connectivity	<ul style="list-style-type: none"> • Strengthen trade cooperation and coordination by building mechanisms and policies to prevent and coordinate in the case of disruptions to internal and external trade flows and transit.⁹⁴ • Facilitating cross-border e-commerce and digital-trade • Develop online mechanisms for PPD platforms, such as National Trade Facilitation Committee for monitoring 	<ul style="list-style-type: none"> • Policy proposals developed and adopted to strengthen trade cooperation • E-commerce and digital-trade system developed and operationalized • Mechanism such as National Trade Facilitation Committee for monitoring developed and operationalized 	July 2020 – June 2021	Ministry of Commerce Trade Development Authority of Pakistan Ministry of Industries & Production Trading Cooperation of Pakistan Pakistan Institute of Trade & Development	USD 3 million

⁹⁴ ITC TFPB regional programmes where this is applied already: MARKUP in East African Community, R4TCA in Central Asia

Step	Priority Actions/Activities	Sub-Activities	Indicators	Time Frame	Implementer	Budget (USD)
		<p>cross-border trade reforms in the medium to long term, will be crucial.</p> <ul style="list-style-type: none"> Supporting trade policy formulation through public-private dialogue approach, to adjust to the new global realities of the post-pandemic world. 	<ul style="list-style-type: none"> New trade policy formulated to adjust to the new global realities of the post-pandemic world. 		UN Agencies/ ITC	

Pillar 5: Social Cohesion and Community resilience						
5.1 Inclusive social dialogue, advocacy, and political engagement.						
1	Empower citizens and ensure their participation	<ul style="list-style-type: none"> Leverage partnerships with Civil Society Organizations Create CBO/NGO engagement platforms Provide income generation and life skills trainings to women and youth (boys/girls) from hard to reach areas to increase their resilience. Identification of women change makers with a view and influence in their respective communities to promoting community harmony and social cohesion Promote women’s voices and give visibility to women and girls from hard to reach communities to challenge aftermaths of a pandemic that negatively impact social cohesion and community resilience. 	<ul style="list-style-type: none"> Number of CBO engagement platforms created Extent to which citizens have increased awareness on COVID19 Number of income generation and skills trainings conducted Number of women change makers identified Number of women reached from hard to reach areas 	2020-2022	Local Governments Civil Society Organizations	0
2	Ensure the inclusion of Civil Society Organisations (CSOs) including women’s organizations in the COVID-19 response of the local governments	<ul style="list-style-type: none"> Map all CSOs including women’s organizations in of the area and draft a list with emergency contact numbers. Organise bi-monthly consultations with the CSOs to report on the evolution of the situation within the 	<ul style="list-style-type: none"> Number of awareness campaigns conducted Number of citizens, (disaggregated by sex) reached through communication campaigns 	2020	Local Governments, provincial communications departments	USD 2 million

		<p>communities and to discuss the situation.</p> <ul style="list-style-type: none"> • Develop localized messages describing the behaviours to adopt and the available public and emergency services in local languages. Highlight the reliability of the information provided and indicate a phone number available 24/7 to get personalized information. • Use the network of CSOs to deliver these messages along with their communication through formal channels. 				
3	Ensure a transparent and constant communication with the citizens, build trust with the local government.	<ul style="list-style-type: none"> • Ensure that all information and updates related to the evolution of the COVID-19 outbreak is made accessible to all citizens. • Organize the diffusion of the relevant information via informal channels, highlighting the endorsement from the provincial government authorities. • Promote trust through a transparent communication highlighting the problems faced as well as the need for everyone's responsible actions to efficiently counter the pandemic. 	<ul style="list-style-type: none"> • Number of citizen-state dialogues conducted 	2020-2021	Local Governments, Provincial Governments	0 (covered in above cost)
4	Hold elections for Local Governments (Immediately after the pandemic)	<ul style="list-style-type: none"> • Election Commission of Pakistan to agree election schedule 	<ul style="list-style-type: none"> • Percentage increase in women participation in elections 	2021	Election commission of Pakistan, provincial	TBD (long-term)

		<ul style="list-style-type: none"> Support participation of women, youth and other vulnerable groups in LG elections as voters, candidates and politicians. 			Governments, Local Governments	
5.2 Empower community resilience, participation, and service delivery.						
1	Reinforce local networks to ensure the protection of vulnerable populations	<ul style="list-style-type: none"> Provide Psycho-social support through designated helplines staffed by psychologists set up in coordination with LG offices Also provide helpline and referral mechanism for Women and children to report cases of Domestic violence and child abuse during COVID crises Design messages for all segments of populations to highlight the specific needs of vulnerable populations (elderly people...) and the collective responsibility to protect them. Ensure through this network that all vulnerable cases of COVID-19 are quickly identified, quarantined and referred to the nearest medical facility. 	<ul style="list-style-type: none"> Percentage increase in number of queries, requests, grievances registered Number of beneficiaries reached (disaggregated data) through remedial measures 	2020-2021	Provincial Governments, Health, Education, Social Welfare Departments, Local Governments	USD 00 (covered in Pillar-2)
2	Implement a coherent and coordinated COVID-19 response scheme for the marginalized populations	<ul style="list-style-type: none"> Map the marginalized populations of the area in coordination with the existing Civil Society Organisations (Transgenders, disabled, minorities, refugees) 	<ul style="list-style-type: none"> Comprehensive mapping conducted 	2020	Local Government, Provincial (Social Welfare, Local Government, Health,	USD 3 million

		<ul style="list-style-type: none"> Ensure that the networks within marginalized communities are functioning and identify leaders as focal points (encourage an inclusive and democratic designation of these leaders whenever possible). Hold regular meetings with the community leaders and ensure that the specific problems faced by marginalized populations are reported to and taken into account by the decision-making institutions. 	<ul style="list-style-type: none"> Number of vulnerable community members reached Number of centres dedicated to vulnerable communities 		Departments) and Federal Government	
5.3 Support to governance and the rule of law.						
1	Eliminate Institutional overlaps	<ul style="list-style-type: none"> Elimination of institutional overlaps by clearly delineating role and responsibilities of national and sub-national governments, including LGs in the COVID-19 National Action Plan. Conduct inter-provincial coordination meetings Digitize communication and coordination mechanisms established and operationalized for inter-government and stakeholder coordination 	<ul style="list-style-type: none"> Number of IPMs conducted Number of Ministries / Line Departments digitize key communication mechanisms 	2020-2022	, Local Governments, Provincial Local Government and Planning and Development Departments	USD. 0
2	Emergency Preparedness	<ul style="list-style-type: none"> Operationalize District Disaster Management Authorities 	<ul style="list-style-type: none"> Number of districts with operationalized DDMA 	2020	Local Governments and cities, Provincial	USD 5 million

		<ul style="list-style-type: none"> • Prepare business models for disaster response, resilience and continuity of business • Building capacities of local authorities for managing huge resources 	<ul style="list-style-type: none"> • Number of local government officials with improved capacities 		Local Government Departments	
3	Enhance Integration	<ul style="list-style-type: none"> • Make collaborations (MoUs) of native local governments to share experiences and support • Establish platforms for cross-coordination and communication to rapidly deploy people and resources where they are most needed 	<ul style="list-style-type: none"> • Number of platforms for improved inter-provincial and inter-district coordination created 	2020-2021	Local Governments, Local Governments	USD 0