



PML-N – Sidetracking Long-term Reforms

PML-N Economic Agenda

6th Tracking Report: July-December 2015

Policy Research Institute of Market Economy (PRIME)



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**PML-N – Sidetracking
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Introduction

PML-N- Sidetracking Long-term Reforms is 6th report under PML-N Economic Agenda: Tracking Project which reviews Pakistan’s economic performance by tracking the progress made on the implementation of economic manifesto announced by the party in power in Islamabad, Pakistan Muslim League-Nawaz (PML-N). The purpose is to initiate and inform policy dialogue and public debate on the progress made on the economic agenda of PML-N. This tracking directly serves the basic principle of a functioning democracy: accountability. Current report covers progress made during July-December 2015.

Structure

The report picks three distinct sections of the PML-N manifesto: Economic Revival, Energy Security and Social Protection, which it terms as “economic agenda”. These three “Areas” are then divided into “Components” and “Sub-components”. In most cases, these are based on a simple reproduction of text of the manifesto, and in some cases, some editing has been carried out for the purpose of clarification and structure, but without altering the meaning of the authors of the manifesto. Under the area of Economic Revival, 10 components and 57 sub-components (or targets) have been identified. Under the area of Energy Security, 15 components and 22 sub-components have been identified whereas under the area of Social Protection, three sub-components have been identified.

In all, the report identifies 82 measurable “indicators” and allocates scores on all of them, subject to information availability, on the basis of three distinct parameters: policy and legislative developments, institutional development & reforms, and implementation. Policy and Legislative Development indicate the presence, or absence, of a supportive legal environment; Institutional Reforms indicate the quality of governance structure and Implementation shows the actual progress made on the policy.

Scoring

The scorecard quantifies the status of implementation on announced goals in the PML-N economic agenda. For each of the target area, the score is assigned from 0 to 10 with 10 being the highest. The score is sub-divided in three categories namely Legislative and Policy Developments (2.5), Institutional Development and Reforms (2.5), and Implementation (5).

The team has developed and consistently applies a set of rules to minimize discretion.

1. Averages are computed on non-weighted basis. All three “areas” i.e. “Economic Revival”, “Energy Security” and “Social Protection” and their constituting components and sub-components carry same weight towards the overall score.
2. Negative scoring is not allowed as it has a disproportionate impact on the overall score of each category in computation of averages.
3. Previous score is maintained, if positive policy direction has been announced in the last report though no further progress is made. Statistically, it neutralizes the cumulative score.
4. Score of “As yet no development”, if work in the particular area or component is yet to begin. Such components and sub-components are not scored and are discarded while computing average.
5. If a goal is achieved, then in the subsequent editions, it is mentioned as “Target Stands Achieved” and is not counted towards taking averages.
6. Previous report is used as benchmark time period. Subject to information availability, the data included in the report pertain to the time period for which the scorecard is being published.
7. The law of diminishing returns applies on scoring in the case of “Implementation”. The increments in the scores tend to be smaller with time.
8. Score of 2 to 2.5 is assigned in “Policy and Legislative Development”, if one already exists or has been developed. A lower score is assigned if a policy exists only in a draft.
9. Score of 1 to 1.5 is assigned in “Institutional Development and Reforms” if some progress is being shown or if some arrangements already are in place.
10. Score of 1 to 2 is assigned in “Implementation” if some progress has started. A goal is considered to be achieved, if the related policy is implemented.
11. Score of zero is assigned if progress has been reversed.

The structure and methodology of the report has been shared with a select group from the business community, politicians and economists for the purpose of feedback and has undergone several revisions.

The scoring gives a snapshot view on the performance of the government in a particular area as well as an aggregate perspective. These snapshots are more meaningful over time as performance would vary. Thus a new score is issued every six months and the baseline is normally based on the previous report. Based on six months progress, a narrative report is prepared.

Interpretation of Scoring

For interpretation of score, following guidelines have been developed.

Zero: Progress has been reversed.

Nil: No progress made.

1 to 4.9: Policy direction is not clear, institutional bottlenecks exist and no or very little implementation has started.

5 to 7.9: Policy direction is supportive, institutional reforms are in progress and some implementation has started.

8 to 10: Policy direction is supportive, governance structure is functional and implementation is complete.

By ‘complete implementation’, one should not necessarily interpret it as having achieved the ultimate goals of the policy, e.g., welfare or industrial productivity, which does not lend to easy assessment.

The Tracking Team while working on the scorecard remains too cautious to commit to any judgmental black & white, i.e. any statistical plusses or minuses, in-betweens, that may translate into unjustified positivities or negativities.

For instance, this time it took almost two hours to come to an agreement as to whether, when a target-component after showing progress comes to a standstill, should be taken to mean a something positive or something negative.

Retrospectively it implies a negative development since it stops at a point and does not move ahead. Prospectively it does not mean either of the two: something positive or negative; since it may move forward in future.

The gist of the argument then consists in the resolve that a-standstill-component should not impact the overall score by no means negatively. The philosophy that provides this way of looking both at the Scorecard and the Tracking Report with a larger context is based on the simple fact that the Ruling Party, in this case the Pakistan Muslim League-N, has a constitutional tenure of 5 years during which it is required to fulfil all the promises made and all the targets it set in its Election Manifesto.

Another factor that needs to be highlighted is that the Scorecard and the Tracking Report represents the performance shown or not shown during the last six months, in this case, from July 1st to December 31st, 2015. That means even though the PML-N has completed two and half years’ time-period, i.e. 50 % of its tenure, the final verdict should rest in store and be delayed till the bell tolls.

Data Sources

In order to develop a comprehensive scorecard, the team collects the data from publically available documents and secondary data sources including Quarterly Reports of the State Bank of Pakistan, Federal Budget, Pakistan Bureau of Statistics, Trade Policy, Proceedings of Parliament and newspapers. The team tracks five newspapers on daily basis and develops portfolio of news on the basis of classification system of the scorecard. These newspapers reports become the basis of an interim assessment of the “current status”, which is then verified, endorsed or rectified in the light of secondary data available.

The Team

The report and scorecard has been compiled by a team comprising political scientists and economists. The tool development was primarily undertaken by Mr. Ali Salman and the narrative report is developed by Dr. Khalil Ahmad. From PRIME research team, Ms. Wajeeha Riaz also contributed in compiling this report, whereas Ms. Fizza Behzad helped in verification of data as well as review of scores computation.

- **Mr. Ali Salman:** Ali is the Executive Director Policy Research Institute of Market Economy (PRIME). Ali has worked as a consultant economist for major international development organizations, public sector organizations and non-profits in Pakistan and other countries. He is author of several studies and monographs and regularly writes for Express Tribune. Ali is a visiting fellow at the Institute of Economic Affairs, London; an alumnus of International Academy of Leadership, Germany and Atlas Leadership Academy, USA. He holds master degrees in Economics, Public Policy and Business Administration.
- **Dr. Khalil Ahmad:** Ahmad is a political philosopher by training, and is the founder of the first free market think tank of Pakistan, Alternate Solutions Institute. He is a writer, and his latest books include the path-breaking '*Pakistan Mein Riyasati Ashrafiya Ka Urooj*' (The Rise of State Aristocracy in Pakistan) and later, *Siyasi Partian Ya Siyasi Bandobast: Pakistani Siyasat Ke Pech-o-Kham Ka Falsafiyana Muhakma* (Political Parties or Political Arrangements: A Philosophical Analysis of Politics in Pakistan). Khalil holds a PhD in philosophy and has taught graduate and post-graduate classes in various institutions. He is the only member from Pakistan of a prestigious society of political philosophers, economists, and intellectuals, *The Mont-Pelerin Society*.

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6th Tracking Report: July-December 2015

PML-N – Sidetracking Long-term Reforms

So far as this 6th Report is concerned, a trend of overall steady performance highlights itself through the figures. In the Area of Economic Revival (ER), the average score stands at 4.21, and in the Area of Energy Security (ES), it is 5.01; that brings the overall average score to a 4.61.

It may be noted that same trend has been persisting over the last two years with minor diversions. Here is the trend at a glance:

Report	Area: Economic Revival	Area: Energy Security	Average
1st Report: June-December 2013	3.17	4.16	3.66
2nd Report: January-March 2014	4.47	4.34	4.4
3rd Report: April-June 2014	4.33	3.93	4.13
4th Report: July-December 2014	4.6	4.5	4.55
5th Report: January-June 2015	3.8	4.4	4.15
6th Report: July-December 2015	4.21	5.01	4.61
Average	4.1	4.39	4.25

In the Area of ER, the average score for the last four Reports stand above four, i.e. it has been 4.47, 4.33, 4.6 and 4.21 with the exception of two Reports when it was recorded to be at 3.17 and 3.8.

In the Area of ES, the average score of last five Reports is above four, i.e. it has been 4.16, 4.34, 4.5, 4.4 and 5.01 with the exception of only one Report where it is 3.93.

Also the average score of both Areas for each Report went down below 4 just once, 3.66 in the 1st Report; other than this, it has been hovering over four, i.e. 4.4, 4.13, 4.55, 4.15 and 4.16.

Thus the average score for both ER and ES after two years stands at 4.1 and 4.39 respectively, the average of which is 4.25.

After a period of two years, it may be termed, on the whole, as a steady and positive progress in view of the fact that there still remains full three years to do a lot.

The same performance may be viewed from a different angle, i.e. how many targets have been achieved, how many are there yet to be achieved, and how many are on the track making progress.

Status of the Targets	Economic Revival	Energy Security	Total
Targets Stand Achieved	2	3	5
Positive	19	9	28
Status Maintained	17	8	25
As Yet No Development	7	6	13
Zero	2	1	3
Negative	10	5	15

As is evident, in ER, out of 57 targets, 2 targets stand achieved; in ES, out of 32 targets, 3 achieved. In total, it is 5 targets achieved against a list of 89 (57 + 32 = 89).

As far as other achievements are concerned, in ER 19 targets and in ES 9 targets are making regular progress. That brings the total targets on the track to 28.

In certain cases, progress made earlier has come to a standstill; but as mentioned above, that needs not to be counted as something negative. In ER, there 17 targets and in ES, 8 targets, i.e. in all 25 targets the further progress of which remained static during the last six months. For them, the last Report's statuses have been maintained.

Some of the targets even after a period of two years have shown no development; no doubt that does not mean something negative, since in the remaining three years they may be moving forward by leaps and bounds. In ER, they are 7, in ES 6; in all 13 targets out 89.

On the negative side, there are only 2 targets in ER, and 1 target in ES, which have gone negative, because after making progress, they happen to have their progress reversed; such targets are assigned Zero score.

Other than the above discussed, there are such targets which made no further progress, but the progress made earlier somehow did not get reversed as a whole; it lost only a bit of that progress, and thus they are dubbed as negative, because their score reduced as compared to the previous Report. The number of such targets in ER is 10, and in ES, 5; in all 15 targets.

In sum, on the positive side there are (5 + 28 + 25 + 13 =) 71 targets; whereas on the negative side, there are only (3 + 15 =) 18 targets. The imbalance is telling!

In short, the above discussion proves the presence of a trend of an overall steady progress vis-à-vis the Economic Agenda of the PML-N's Election Manifesto not only through the last six months, but the last two years also.

Another promising trend is shown by better performance in some of the components in both Areas. Here are average scores of the components in the Area of ER:

Area	6 th Tracking Report	Average Score
1	Economic Revival	4.21
1.1	Double the GDP growth rate from 3% to over 6%	4.91
1.2	Budget deficit will be brought down to 4%	2.95
1.3	Inflation will be brought down to single digit in the range of 7%-8%	3.93
1.4	Other Initiatives for Economic Revival	5.13
1.5	Industry and Trade	4.47
1.6	Infrastructure	5.17
1.7	Creating Job Opportunities	5.38
1.8	Tax Reforms	2.54
1.9	State-owned enterprises	3.88
1.10	Building the confidence of private sector	3.75

In three of the components, the average score is above 5.0 (5.13 + 5.17 + 5.38 = Average: 5.22); in two, above 4.0 (4.91 + 4.47 = Average: 4.69); in three, above 3.0 (3.93 + 3.88 + 3.75 = Average: 3.85). It means 8 components taken together make an average of 4.58 score.

However, despite this trend, in two of the most important components, such as Tax Reforms (1.8) and State-owned Enterprises: Improving their operations and privatizing them (1.9), the average score stands at 2.54 and 3.88 respectively.

Here are average scores of the components in the Area of ES:

Area	6 th Tracking Report	Average Score
2	Energy Security	5.01
2.1	Creation of a Ministry of Energy and Natural Resources through the merger of Ministries of Water and Power and Petroleum and Natural Resources.	As Yet No Development
2.2	Reforms of National Electric Power Regulatory Authority (NEPRA) by	3.75
2.3	Reform of Distribution Companies	5.44
2.4	Reform of Generating Companies	3.50
2.5	Permanent elimination of circular debt	3.50
2.6	Rationalisation of energy tariffs in line with international prices across all fuels	4.50
2.7	Reforms of Oil and Gas Regulatory Authority	3.00
2.8	Aggressive wellhead pricing for oil and gas exploration companies	4.50
2.9	High priority to import gas through pipelines	5.50
2.10	Setting up of coal and LNG import terminals, and coal transportation facilities	7.00
2.11	Development of Thar coalfields and setting up of at least 5,000 MW of new coal fired power plants under the PPP mode in Sindh	8.50
2.12	Developing consensus among the various stakeholders to facilitate setting up hydropower projects by the Federal and Provincial Governments	As Yet No Development
2.13	Developing alternative renewable energy sources, such as solar, wind, bagasse, biogas, and biomass projects	9.00
2.14	Introducing solar-thermal water heaters for domestic and industrial use	2.00
2.15	Decentralizing and creating a wholesale market for electricity	5.00

Out of 15 components, 6 are with a score of above 5.0. Their average score comes to be $(5.44 + 5.50 + 7.0 + 8.50 + 9.0 + 5.0 = \text{Average}) 6.74$.

Also, there are 6 components, the score of which range between 3.0 and 4.0. Their average score stands at $(3.75 + 3.50 + 3.50 + 4.50 + 3.0 + 4.50 = \text{Average}) 3.79$.

All together these 12 components mean an average score of $(6.74 + 3.79 = \text{Average}) 5.27$. That attests to the trend of making steady progress.

It may be noted that the PML-N government's performance in the Area of Energy Security is better as compared to its performance in the Area of Economic Revival. In ES, this time the average score is 5.01; whereas in ER, it is 4.21. The average of both Areas, stand at 4.61.

As far as the score of the Area: 3, Social Protection, is concerned, it stands at 7.13. Out of its 3 components, in one, i.e. Legislating the Right to Food (3.3), as yet there is no development; the other two components scored 9.25 and 5.0 respectively.

The average score of the three Areas stand at 5.45.

As was identified in the earlier Reports that the PML-N Economic Agenda reflects a bent towards market philosophy, and thus aims at bringing a market-based shift in the economy of Pakistan, though, now and then, some of the targets happen to make a bit of movement in that direction, but despite the trend of a steady progress running through the last two years, there seems to be no resolve to go for such fundamental reforms.

It may be noted here that this Report does not intend to impose any type of economic agenda replacing the one PML-N promised in its May 2013 Election Manifesto. It's inbuilt in the PML-N's Economic Agenda that it will bring certain long-term market reforms.

Also, not only the economic management but the economy itself requires reforms carried out urgently in order to perform well; not only in order to perform well but in order to let the entrepreneurs spur the rate of growth so that the economy starts performing well on its own.

Here it is no gainsaying that as the enigma of politics in Pakistan dictates "You rule the country for five years as you deem fit for your purposes and do not need to do anything with a view of things spanning over decades" is never good politics; it's immoral; it's betrayal to the people of Pakistan; so the PML-N must come out of its political maze, and set itself to bringing fundamental reforms, which, no doubt, is its exclusive forte.

Here is a list of the targets, out of the 89 promises, which talk of various types of reforms, such as regulatory reforms, and general reforms in the economy. That includes targets from both Areas, ER and ES, and shows the progress made by each through the last two years' five Reports against each.

Economic Revival

		2 nd Tracking Report	3 rd Tracking Report	4 th Tracking Report	5 th Tracking Report	6 th Tracking Report
		Jan-Mar 2014	Apr-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015
		Score out of 10				
1.2.3	One-third reduction in current expenditures other than salaries, allowances and pensions	2.5	2	2	1.5	1.5
1.2.4	Eliminate VIP Culture by reducing expenses on Presidency, Prime Minister, Governors and Chief Ministers	6.5	8	8	0	0
1.3.2	Limiting government borrowing	8.5	8	7	6	4.8
1.3.3	Decreasing tax rates	5	5.5	5.5	5	3
1.4.2	Opening up markets to encourage regional trade	6.5	6.5	6.5	6	6
1.4.3	Reforms in financial sector and capital markets	6	7	7	7	8
1.4.4	Improved regulatory environment on national level	4	2	2	2	2
1.8.4	No increase in the tax rates	0	5.5	5.5	5	4
1.8.6	Rationalizing tax rates	AYND	2.5	2.5	3	3
1.8.7	Reform of tax administration both at the federal and provincial levels	AYND	1	3	3.5	4
1.8.10	Reduce the number of federal and provincial taxes	AYND	AYND	AYND	AYND	AYND
1.9.2	Identification and ensuring the completion of privatisation process within the assigned timeframe	6	7.5	8	6.5	7

In the Area of ER, there are 12 targets identified as such.

The first one (1.2.3) relates to the size of the government, especially as for as the current expenditures other than salaries, allowances and pensions are concerned. The score here shows a continuously declining trend. Though it started with a meagre score of 2.5 in January-March 2014, and then passing through 2.0, it came to be fixed at 1.5. The last and this Report assign it a 1.5 score. That means there is no will to cut the size of the government in terms of expenditures; that was merely a Political Promise.

Another Political Promise (1.2.4) talks of eliminating the VIP culture; it's a curse-like affliction for Pakistan, and that target thereof promised healing it. In January-March 2014 Report, it got a score of 6.5; then in April-June 2014, rose to 8.0, and persisted till the end of 2014; however, during 2015 as the VIP culture made a comeback with a thump, its score went down to Zero, because the Report as a matter of principle does not assign negative score. No doubt, among other things the VIP culture takes a toll on the public exchequer, thus somehow it affects the size of the government also.

The 3rd promise (1.3.2) targets limiting the government borrowing. There too, after a promising score of 8.5, steadily declining trend is visible: the score regularly went down from 8.0 to 7.0, then to 6.0, and finally in the present Report, it goes to 4.8. That reveals the Disregard of the government, not only as far as its own policy and targets are concerned, but to the demands of the State and Economy of Pakistan also. That hints at what is known as "Reckless Spending." Moreover, it squarely contradicts one of the PML-N's own target, i.e. making ample credit available to the private sector (1.5.1), where its score is reasonably good: it rose from 1.5 to 2, and then to 5; and that may be attributed to the lowering interest rate, no doubt which benefits the government also.

The 4th target talks of decreasing the tax rates (1.3.3). There too, the performance of the government is not laudable. In the beginning its score fared better, and it remained in the range of 5, but then finally in the present Report, it nosedived to 3.

In fact, when a government in order to increase its revenue goes out of the way and against the principles of taxation, as the present government raised various taxes to make for the loss of Rs.40 billion, so to say, it negates the principles of fair governance. Its performance in the above-mentioned three targets (1.2.3; 1.2.4; and 1.3.2) attests to that approach.

That's Royal approach to manage the economy. The government did not cut its expenditures; instead forced the citizens to cut their expenditures for whom it exists!

The 5th promise is a target aiming at opening up the market to encourage the regional trade (1.4.2). In it, though the performance has been better, in the first three Reports it was 6.5, but in the last two Reports, it declined to and stayed at 6. But that score does not reflect any such reforms that may translate into a fair volume of free trade at least within a region, such as South Asia, i.e. protectionist measures remain intact.

The 6th target means to bring reforms in the financial and capital markets (1.4.3). In this, the score has steadily improved and increased; it went up from 6 to 7, and then to 8 in this Report; but like in the above-discussed case, in it too, the score does not reflect the fundamental reforms; such as autonomy to the regulatory bodies, including State Bank of Pakistan. Most of the measures represented by this score are being carried out in Securities and Exchange Commission of Pakistan (SECP) and relate to the present integration of the three stock exchanges into one, Pakistan Stock Exchange.

The 7th target aims at improving the regulatory environment at the national level (1.4.4). As is evident, it's a compound target, and what measures under it were envisaged have not been clearly enunciated in the Economic Manifesto of the PML-N, hence it may be mentioned that its score too, which from 4 declined to 2, and then stayed at 2, in the present Report also, means no substantial reform has been effected in the last two years.

Let it be noted here that the government is already considering merger of Oil and Gas Regulatory Authority (OGRA) in the National Electric Power Regulatory Authority (NEPRA). Reducing the number of regulatory bodies to a minimum is the right approach to follow; but reducing the number of regulations to a minimum is also as much necessary.

In this regard, it may be noted that in order to improve the regulatory environment the most important regulatory reform is none other than endowing the regulatory bodies with autonomous status. Contrary to this, the government has been trying via various measures and delays to bring all the regulatory bodies under its control. The Competition Commission of Pakistan (CCP) and (NEPRA) are a case in point; how they survive and assert their autonomy provokes government's ire but nothing. For instance, the appointments of the heads of various regulatory bodies are delayed without any reason; or, as the as per the mandate of NEPRA electric power tariff is to be determined and notified by NEPRA, but due to the undue intervention of the government that's the not case; the government revises the NEPRA-determined tariff before it notifies it.

The 8th target envisages no increase in the tax rates (1.8.4). Here the score has been vacillating; from Zero, it increased to 5.5, and after hovering over 5, it came down to 4. As has been the case that other than the General Sales Tax (GST), no other rates of taxes were increased, hence the government kept on getting a good score of 5 or so; but the act of generating revenue of Rs.40 billion caused the score to decline to 4. That hints at the policy direction of the government that in point of fact, it is least interested in not increasing the tax rates. Rather, it may resort to any policy measures accruing more and more revenue.

So the message is: Be ready for more increases in the rates of the taxes in future also!

The 9th target aims at dealing with rationalization of the rates of taxes (1.8.6). In it, though the score has been steady and steadily improving from 2.5 to 3, but on the whole it is far below. That's itself a comment on the policy direction of the government; that it doesn't bother to give due attention to the management of the taxes.

The 10th target is an ambitious one: it wants to bring reforms in the administration of tax both at federal and provincial levels (1.8.7). The score of this target shows a regular improvement; it went up from 3 to 4 in this Report. First, that's in fact no improvement, because, the issue which would have gotten all the attention, it requires, from the very beginning, is still pending; and did not gain half a score of 5. Second, the assigned score is sort of prospective, because it is based on the hope that the Tax Reform Commission (TRC) may be bringing long due reforms.

The 11th target may be said to be the one of the pillars of fundamental reforms; it talks of reducing the number of federal and provincial taxes (1.8.10). Through the six Reports, this target witnessed no movement, no development! That also reveals the real policy direction of the PML-N's government.

In no way reducing the number of taxes negatively affects the volume of the revenue, since there may be few taxes with higher rates. However, reducing the number of taxes does imply simplifying the administration of tax and tax-filing, and thus it does curtail the powers of the tax-bureaucracy which the government is not interesting in curtailing. Whereas it is the same tax-bureaucracy, the Federal Bureau of Revenue (FBR), that is the greatest hurdle in the way of collecting due taxes.

That shows the government's preference over the citizens; that is, for the government, the taxman is more important than the taxpayer!

So that amounts to saying: Dismantle the tax-bureaucracy, and the volume of revenue will increase by itself.

The 12th and the last target in ER aims at lightening the physical burden of the government. It wants to identify and ensure the completion of the process of privatization within an assigned timeframe (1.9.2). Its score has steadily been on the increase; from 6.0, it went up to 7.5, and then increased to 8; then after going down to 6.5, made a comeback to 7 again.

Here is a table that shows the overall progress regarding the various state entities' privatization status:

Status of the State Entities	Number of the State Entities
Enterprises listed to be Privatized in Oct 2013 by Cabinet Committee on Privatization	69
Program for Early Implementation	39
Expression of Interest Received (Nov '15- Dec '15)	3
Evaluation Report for Procurement of Financial Advisory Services (April '14- Dec '15)	19
Contract Award Performa for the Appointment of Financial Adviser (May '14- Dec '15)	21
Completed	5

Source: Privatisation Commission, Pakistan. www.privatisation.gov.pk

Probably, it's the only target, whatever its reasons, where the government may be seen active and diligently following its target. It's like its favorite love!

All in all, 5 state entities stand privatized in a span of two years, and as is shown in the table, others are at the various stages in the process of privatization. That means they are on the track, and their privatization sooner or later may be realized!

After the ER, now let's have a look at those targets in the ES, which aim at bringing reform to the energy sector. They are 6 in number:

Energy Reforms

		2 nd Tracking Report	3 rd Tracking Report	4 th Tracking Report	5 th Tracking Report	6 th Tracking Report
		Jan-Mar 2014	Apr-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015
		Score out of 10				
2.2.4	NEPRA determined tariffs to be notified tariffs	4.5	3.5	0	1	0.5
2.2.5	Deregulating and decentralising by allowing small power producers to sell power directly to consumers through the distribution systems of DISCOs	AYND	AYND	4.5	AYND	AYND
2.3.1	Corporatization and privatisation of DISCOs	2.5	7	7	5	6
2.4.1	Corporatisation and Privatisation of GENCOs under an independent Board	2.5	4	4	5	6
2.6	Rationalisation of energy tariffs in line with international prices across all fuels	5	NIL	4.5	4.5	4.5
2.15	Decentralizing and creating a wholesale market for electricity	NIL	NIL	4.5	5	5

The 1st target talks of making the NEPRA-determined tariffs to be the notified tariffs (2.2.4). This has already been discussed above; that's not the case. It's the government which revises the NEPRA-determined tariffs and then notifies them. That is tantamount to defying the mandate of the NEPRA.

Here is what the Chairman NEPRA has to say in his Message to the Annual Report 2014-15:

"The GoP as a policy maintains a uniform tariff across the country, therefore it provides the difference between its notified tariff and the NEPRA determined tariff to the relevant DISCO. In addition to the above Tariff Differential Subsidy (TDS), the Authority notes that the tariff slab structure also subsidizes residential consumers for which other categories of consumers have to take the burden. The Authority feels that such distortions in tariff design be eliminated, so that only targeted subsidy to poor consumers is allowed."

Moreover, it needs to be reminded here that it is autonomous regulatory bodies that take care of the economy on their own, and protect the rights of both consumers and producers; that is why they exist. If a government does not tolerate their mandate and believes in intervening in their working, that amounts to sheer politics of vested interests. The government ought to take and consider the Reports of the regulatory bodies, i.e. findings

and recommendations put forward by them, in earnest and not in bad taste. The latest Annual Report of NEPRA exactly did that; but the government instead of appreciating it has been showing displeasure.

The 2nd target aims at de-regulating and decentralizing the distribution system of electricity. It wants to allow small power-producers to sell power directly to consumers through the DISCOS' distribution system (2.2.5).

It seems it's like a rule that the more important the target in case of the fundamental reforms, the less attention it gets.

The same is the case with this target. In two years, it witnessed no development, and it hasn't been scored. Let's see how it fares after the remaining three years!

The 3rd target wants to corporatize and privatize the electricity (Divisional) Distribution Companies (DISCOs). As has earlier been pointed out, so far as the privatization is concerned, much progress has been happening and it needs to be admitted that here in this case of DISCOs, the same happy developments are taking place. Its score started from 2.5, and then increased to 7.0; after undergoing a decline to 5.0, according to the present Report, it has started improving again, and has earned a score of 6. Despite all the odds, that's no doubt promising!

The 4th target aims at corporatizing and privatizing the electricity generation companies (GENCOs). Its Report Card is somewhat similar to that of the DISCOs, with the exception of a score of 4 that it got in two Reports. From 2.5 it went up to 4, and then improved to 5 and in the present Report it stands at 6.

The 5th target deals with the rationalization of energy tariffs in line with the international prices across all fuels (2.6). Its score started with a good 5, but then it underwent no progress; and after making a comeback with a score of 4.5 again, it is staying there.

But that score is deceptive, paradoxical; it's not what's it looks like. According to the methodology of the Report, when the government adjusts, i.e. decreases or increases fuel prices in Pakistan in line with the international prices, this target inevitably earns a score. Obviously that act of increasing or decreasing fuel prices in line with the increasing or decreasing fuel prices in the international market cannot be interpreted as Rationalization of Prices; though it may be dubbed Reasonable.

Here in this case, the process of rationalization of energy prices means linking these prices with the international market; that is, let the local energy prices perform on the international scale of energy prices: when the international prices decrease, local prices will do accordingly, or as the case may be. In short, it needs to be decided as a matter of policy that the determination of the local energy prices is not the prerogative of the government; that it's the international market prices in line with which the local energy prices are to be determined.

The 6th and the last target is a big one: it talks of both decentralizing and creating a wholesale market for electricity in the country. The most important step in this direction is the consideration of the state to offer the stakes in the mega hydel projects to the private electricity market. Earlier than that, a Draft Electricity Act 215 has proposed the development of private electricity market. It is on the basis of these two policy directions

that the score has been assigned in the previous and the present Reports. In the first two Reports, the score stood Nil; however, the last three Reports, it got a 4.5, 5.0, and then again 5.0.

All of these targets, in total $12 + 6 = 18$, which have a semblance of reformative character, may be classified as Regulatory Reforms, and Economic Reforms.

The ones those may be put under the Regulatory Reforms are: (1.4.2) + (1.4.3) + (1.4.4) + (2.2.4) + (2.2.5) + (2.6.) + (2.15) = 7 Targets

And, those which may form the stuff Economic Reforms are made of: (1.2.3) + (1.2.4) + (1.3.2) + (1.3.3) + (1.8.4) + (1.8.6) + (1.8.7) + (1.8.10) + (1.9.2) + (2.3.1) + (2.4.1) = 11 Targets

That means they are only 7 targets that exclusively deal with the issue of the regulatory reforms; whereas 11 of the 18 targets focus on the reform of the economy at large.

However, that doesn't confine one to this or that set targets. Also, as is evident one target each from ER and ES may be taken as an overriding target as far as regulatory reforms are concerned: Improving the regulatory environment at the national level (1.4.4) is one such target in ER; and in ES, decentralizing and creating a wholesale market for electricity (2.15) is that type of target. Both of them form a whole in the shape of market reforms.

That means what's required is the Resolve to bring Reforms, not meeting targets. If the PML-N's approach is to meet the targets so that it rests satisfied that it fulfilled all the promises it made, then it's no big deal.

Leave the all other promises or targets aside; in addition to bringing reforms in tax-regime and tax-administration (1.8), meeting just two above-mentioned targets (1.4.4 + 2.15) will bring a lot of good both in terms of long-terms policy reforms and reform of the economy as well.

In other words the spirit of the whole Economic Agenda of the PML-N consists in three fundamental reforms, i.e.:

1. Tax Reforms
2. Regulatory Reforms
3. Privatization of the State Entities

Pursuing them diligently should really be the Aim and Target of the PML-N to be achieved in the next three years of its tenure!

Khalil Ahmad

January 29, 2016

Policy Research Institute of Market Economy (PRIME)

PML-N Economic Agenda: Tracking Report

Overall Score: 5.45

Economic Revival: 4.21

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.1	Double the GDP growth rate from 3% to over 6%	-	-	-	-	-	4.91
1.1.1	Double the GDP Growth rate	4.24% ¹	4.5% ² World Bank projected GDP growth rate 4.5% FY5-16 & 4.8 in FY16-17 ³	-	-	-	4

¹ Ministry of Finance, Budget in Brief 2015-16

² Dawn, Pakistan's GDP to expand by 4.5pc: ADB, December 4th, 2015. <http://www.dawn.com/news/1224026/pakistans-gdp-to-expand-by-45pc-adb>

³ Business Recorder, Growth to accelerate to 4.5pc: WB. November 12th, 2015. <http://epaper.brecorder.com/m/2015/11/12/1-page/541432-news.html>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.1.2	Higher investment in the energy sector	Rs112.288 billion WAPDA (Power) share in PSDP 2015-16 ⁴ In Jul-Dec 2014, \$85.30 million net FDI in power sector.	Rs 55 billion or almost 50% has been released ⁵ . In Jul-Dec 2015, net FDI in power is \$320.2 million ⁶ .	2.5	2	3.5	8
1.1.3	Converting at least 50% of the remittances by Overseas Pakistanis into investments	-	As yet no development	-	-	-	Not Scored
1.1.4	Infrastructure projects (motorways, dams, housing projects, new urban centers and cities)	Rs 163 billion allocated in 2015-16 under NHA and Housing.	Rs 32.1 billion released ⁷ , which is 19.8% of allocated amount.	2.5	2	2	6.5

⁴ Ministry of Finance, Budget in Brief 2015-16

⁵ Planning Commission, PSDP Releases as on 15th January 2016, http://www.pc.gov.pk/wp-content/uploads/2016/01/ReleaseSummary2015-16_15-01-2016.pdf

⁶ <http://www.sbp.org.pk/ecodata/Netinflow.pdf>

⁷ Planning Commission, PSDP Releases as on 15th January 2016, http://www.pc.gov.pk/wp-content/uploads/2016/01/ReleaseSummary2015-16_15-01-2016.pdf

1	Manifesto Chapter: Economic Revival: 4.21	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1	Manifesto Targets						
1.1.5	Foreign investment in oil, gas and other minerals	Net FDI in these sectors: US \$157.5 million for Jul-Dec 2014 ⁸	Net FDI in these sectors: US \$157.0 million for Jul-Dec 2015 ⁹	1	0	0.75	1.75
1.1.6	Investment to GDP ratio will rise to 20%	In Dec 2014, Investment to GDP ratio 14.98%. ¹⁰	Investment to GDP ratio 15.12%. ¹¹	-	-	-	4.3
1.2	Budget deficit will be brought down to 4%	-	-	-	-	-	2.95

⁸ SBP, FDI in Pakistan by Country, <http://www.sbp.org.pk/ecodata/index2.asp>

⁹ SBP, FDI in Pakistan by Country, <http://sbp.org.pk/ecodata/Netinflow.pdf>

¹⁰ Economic Survey of Pakistan (2013-14). Calculated as ratio of Gross Fixed Capital Formation to GDP at market prices.

¹¹ https://www.quandl.com/data/ODA/PAK_NID_NGDP-Pakistan-Total-Investment-of-GDP

1	Manifesto Chapter: Economic Revival: 4.21	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1	Manifesto Targets						
1.2.1	Bring down budget deficit to 4%	Budget deficit in the current FY may remain above the target of 4.9% of GDP ¹²	5.3 %	-	-	-	4.5
1.2.2	Increase tax to GDP ratio from 9% to 15%	Target was 12% 2015-16 ¹³	According to the Finance Minister, tax-to-GDP ratio went up to 9.45% per from 8.4% in the last couple of years ¹⁴	-	-	-	5.5
1.2.3	One-third reduction in current expenditures other than salaries, allowances and pensions	Current expenditure Rs 326,331 million in 2014-15. ¹⁵	No updated data available.	1.5	0	0	1.5

¹² Express Tribune, Zarb-e-Azb may cause govt. to miss deficit target: Dar, January 13th 2015. <http://tribune.com.pk/story/821050/zarb-e-azb-may-cause-govt-to-miss-deficit-target-dar/>

¹³ Ministry of Finance, Budget in Brief, 2015-16

¹⁴ Dawn, Tax-to-GDP ratio rises to 9.45pc: Dar, July 25th 2015. <http://www.dawn.com/news/1196174/tax-to-gdp-ratio-rises-to-945pc-dar>

¹⁵ Ministry of Finance, Budget Speech 2015-16

1	Manifesto Chapter: Economic Revival: 4.21	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1	Manifesto Targets						
1.2.4	Eliminate VIP Culture by reducing expenses on Presidency, Prime Minister, Governors and Chief Ministers	Budgeted Expenditure of PM House Rs 842 million 2015-16 ¹⁶	-	0	0	0	0
1.2.5	Reduction in losses on PSEs	Subsidies to Pak Railways to meet its losses Rs37b Budget 2015-16 ¹⁷	PIA losses reduced to 20.5 billion (7.83%) during Jan-Sep 2015, and Pakistan Railways deficit decreased by Rs 2-3 billion. Losses incurred by Pakistan Steel Mills increasing.	1.75	1.25	0.25	3.25
1.3	Inflation will be brought down to single digit in the range of 7%-8%	-	-	-	-	-	3.93

¹⁶ The News, Colossal wastage of resources, June 21st 2015. <http://tns.thenews.com.pk/colossal-wastage-of-resources/#.VZrnOvmqqko>

¹⁷ Ministry of Finance, Budget in Brief 2015-16

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.3.1	Bring down inflation	CPI 3.2% YoY Change June, 15 ¹⁸	CPI 2.7% YoY change in Nov 2015. ¹⁹	-	-	Target stands achieved.	-
1.3.2	Limiting government borrowing	Q1 FY15 Govt. Domestic Debt Rs 11,095.9 billion; Total External Debt & Liabilities Rs6,578.2 billion ²⁰	Q1 FY16 Govt. Domestic Debt Rs 12,714.6 billion; Total External Debt & Liabilities Rs 6,945.7 billion ²¹	1.5	2	1.3	4.8
1.3.3	Decreasing tax rates	Increase in Rate of Capital Gains tax from 10 to 12.5% & from 12.5 to 15%, Corporate tax reduced by 1%; Onetime tax on affluent and rich	ECC approves new taxation of Rs 40 billion by increasing customs duty and regulatory duty. ²³	1	1	1	3

¹⁸ PBS, Monthly Review June. <http://www.pbs.gov.pk/cpi>

¹⁹ PBS, Monthly Review, November. <http://www.pbs.gov.pk/cpi>

²⁰ SBP, Econ Data. <http://www.sbp.org.pk/ecodata/index2.asp>

²¹ Ibid

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		individuals and companies for rehabilitation of IDPs. ²²					
1.3.4	Lower interest rates through effective monetary policy	7% ²⁴	6% ²⁵	-	-	-	4
1.4	Other Initiatives for Economic Revival	-	-	-	-	-	5.13
1.4.1	Reducing energy shortage and cost of producing energy	June 15 Electricity Shortfall 3501MW, and in December 2014, this was around 4000 MW ²⁶	Nov 15, Electricity shortfall, 6000 MW ²⁷ . Another news item reports 5,000 MWs.	1.5	1.5	1.5	4.5

²³ <http://tribune.com.pk/story/1001573/govt-greenlights-rs40b-mini-budget/>

²² Ministry of Finance, Budget Speech 2015-16

²⁴ Dawn, Interest rate slashed to 42-year low of 7pc, May 24th 2015. <http://www.dawn.com/news/1183866/interest-rate-slashed-to-42-year-low-of-7pc>

²⁵ The News, Policy rate slashed by 50bps to six percent, September 13th 2015. <http://www.thenews.com.pk/print/14612-policy-rate-slashed-by-50bps-to-six-percent>

²⁶ Dawn, Khursheed Shah thunders in Parliament, hits out at federal govt. for power outages, June 23rd 2015. <http://www.dawn.com/news/1190158/almost-3000mw-power-shortfall-in-pakistan-khawaja-asif>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.4.2	Opening up markets to encourage regional trade	No tangible progress especially regarding SAARC trading zone and access to Central Asia. Trade relationships with Afghanistan have been deteriorated.	Negotiations are going on with number of countries and MoUs signed with Sri Lanka, Turkey etc. No tangible policy measures taken.	2	2	2	6
1.4.3	Reforms in financial sector and capital markets	Several reforms for financial sector are being carried out by SECP.	Pakistan Stock Exchange established integrating three stock exchanges.	2.25	2.75	3	8
1.4.4	Improved regulatory environment on national level	(As an example) Govt. planning to merge OGRA with NEPRA and delink transmission and distribution from Sui Northern Gas Pipeline (SNGPL) and Sui Southern	No progress reported.	0.5	0.5	1	2

²⁷ <http://www.thenews.com.pk/print/72616-pakistan-needs-coal-based-power-projects-to-meet-energy-shortfall>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		Gas Company Limited (SSGCL) ²⁸					
1.5	Industry and Trade	-	-	-	-	-	4.47
1.5.1	Making ample credit available to the private sector	Credit to Private Sector in Jun-Dec 2014 was Rs 225 billion. ²⁹	Credit to Private Sector in Jun-Dec 2015 was Rs 302 billion. ³⁰	1.5	1.5	2	5
1.5.2	Industrial Manufacturing growth will be taken to 7% to 8%	According to PBS LSM grew by 2.9% during Jul-April 15. ³¹	According to PBS, LSM increased by 4.21% for Jul-Oct 2015-16 as	-	-	5	5

²⁸ The Nation, Energy reforms: Govt. plans OGRA-NEPRA merger, June 7th 2015. <http://nation.com.pk/business/07-Jun-2015/energy-reforms-govt-plans-ogra-nepra-merger>

²⁹ SBP, <http://www.sbp.org.pk/ecodata/CreditLoans.pdf>

³⁰ Ibid

³¹ Express Tribune, Large industries: LSM grows 2.9% with hopes of better performance ahead, June 20th 2015. <http://tribune.com.pk/story/906598/large-industries-lsm-grows-2-9-with-hopes-of-better-performance-ahead/>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
			compared to Jul-Oct 2014-15 ³²				
1.5.3	Reforming tariffs to eliminate anti-export bias	As yet no development	-	-	-	-	Not scored
1.5.4	Establishing an Equity Fund consisting of private and public sectors	As yet no development	-	-	-	-	Not scored
1.5.5	Creating Industrial Parks for large and small industries especially in the under-developed areas	Korangi Creek Industrial Park (Karachi) in final stages of completion, Rachna Industrial Park (Lahore) would be completed by June 2015, Marble City Risalpur underway and Bin Qasim	Presumably, already mentioned projects are in the process of being completed. ³⁴	2	0.5	3.5	6

³² PBS, <http://www.pbs.gov.pk/qim>

1	Manifesto Chapter: Economic Revival: 4.21	Implementation Status					
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		Industrial Park has been launched. ³³					
1.5.6	Developing Clusters for industries (Gems, Jewellery, Fans, Halal Meat, Sports Goods, Furniture, Crockery, Utensils)	Clusters for pharmaceutical garments and textiles, light engineering, packaging, information technology, gems and jewellery to be established at Korangi Creek Industrial. ³⁵ FIEDMC has joined hands with IKEA to set up a	Pakistan and China would establish a joint Investment and Industrial Cooperation Working Group for setting up Industrial Zones and Special Economic Zones (SEZs) under China-Pakistan Economic Corridor (CPEC). ³⁸	1.75	1.5	1	4.25

³⁴ Express Tribune, Headless National Industrial Parks in disarray, March 15th 2015. <http://tribune.com.pk/story/853715/headless-national-industrial-parks-in-disarray/>

³³ National Industrial Parks, Projects, <http://nip.com.pk/nip-projects/>

³⁵ Business Recorder, Sindh to have two more industrial parks with SEZ status, July 14th 2014. <http://www.brecorder.com/pakistan/industries-a-sectors/185364-sindh-to-have-two-more-industrial-parks-with-sez-status.html>

1	Manifesto Chapter: Economic Revival: 4.21	Implementation Status					
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		furniture city in its industrial zone ³⁶ (FIEDMC) is introducing a Halal Processing Food Zone in Pakistan at the Faisalabad Industrial Estate ³⁷					
1.5.7	Necessary incentives for MNCs already operating in Pakistan	Due to inconsistent polices within the last 10 years from 36 pharma MNCs only 24 are still operational. ³⁹	Imposition of super tax at the rate of 3% & 4% in FY 16 discouraging for MNCs ⁴⁰	0.5	0.5	0.5	1.5

³⁸ Business Recorder, China-Pakistan Economic Corridor: Body being formed to set up industrial zones, SEZS, October 3rd 2015.

<http://www.brecorder.com/general-news/172/1232346/>

³⁶ Express Tribune, Furniture city on the cards to promote industry, exports, June 20th 2014. <http://tribune.com.pk/story/724213/furniture-city-on-the-cards-to-promote-industry-exports/>

³⁷ Express Tribune, Halal Food Zone to be set up in Faisalabad, June 26th 2014. <http://tribune.com.pk/story/727030/halal-food-zone-to-be-set-up-in-faisalabad/>

³⁹ Express Tribune, MNCs under threat due to irregular policies, June 20th 2015. <http://tribune.com.pk/story/906600/mncs-under-threat-due-to-irregular-policies/>

⁴⁰ OICCI Business Confidence Index, (November 2015) <http://oicci.org/wp-content/uploads/2014/01/OICCI-BCI-survey-Wave-11-Summarised-Highlights.pdf>

1	Manifesto Chapter: Economic Revival: 4.21	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1	Manifesto Targets						
1.5.8	Incentives for MNCs expected to invest in Pakistan in export oriented manufacturing	Corporate tax for foreign firms bringing new FDI reduced to 20%. ⁴¹	-	1.5	0.5	1	3
1.5.9	Intensifying participation in regional cooperation forums like SAARC and ECO, including FTAs and PTAs	Pakistan has been granted full membership of Shanghai Cooperation Organization.	-	2	1	2	5
1.5.10	All exports will be sales tax free	-	As yet no development.	-	-	-	Not Scored
1.5.11	Export-Import Bank will be set up	EXIM Bank to be operational during FY16 announced in the budget speech. ⁴²	According to Finance Minister, Rs 7b equity fund to be released on Jan 4 2016. ⁴³	2	1	3	6

⁴¹ Ibid.

⁴² Business Recorder, Exim Bank of Pakistan to be operational during Fiscal Year 2016, June 6th 2015. <http://www.brecorder.com/money-a-banking/198:pakistan/1193550:exim-bank-of-pakistan-to-be-operational-during-fiscal-year-2016?date=2015-06-06>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.5.12	Technology Up-gradation Fund will be set up	-	As yet no development	-	-	-	-
1.6	Infrastructure	-	-	-	-	-	5.17
1.6.1	Bureau of Infrastructure Development will be established for private sector participation	'Infrastructure Project Development Facility' exists and at the moment overlooks Public Private Partnerships ⁴⁴	Private Power and Infrastructure Board already functioning.	1.5	0	0	1.5

⁴³ Dawn, Exim Bank to be made functional this fiscal year, December 4th 2015. <http://www.dawn.com/news/1224027/exim-bank-to-be-made-functional-this-fiscal-year>

⁴⁴ Ministry of Finance, Infrastructure Project Development Facility (this was not created by the new government of PML N) <http://www.ipdf.gov.pk/index.php?cmd=introDetailed>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.6.2	Construction of National Trade Corridors	National Trade Corridor i.e. CPEC on its way to implementation	Progress started on: Karakorum Highway, Karachi-Lahore- Motorway, Gwadar-Port East Bay Express Way & Gwadar International Airport	2.5	2	3.5	8
1.6.3	At least 1000 clusters of 500 houses each for lower income families will be developed	Sites for construction of low cost housing units have been identified in the districts of Charsadda, Bannu, Lakki Marwat, Dera Ismail Khan, Lahore, Jhelum, Karachi, Hyderabad, Quetta and Gwadar. ⁴⁵	The federal government is planning to construct 1,000 housing colonies with 500 low cost houses across the country. Pakistan Housing Authority is planning to launch the low cost housing scheme in Sector I-12 Islamabad with 4,200 apartments to be launched in next two months where 50%	2.5	1.5	2	6

⁴⁵ Dawn, 500,000 houses for low-income people to be built, March 3rd 2015. <http://www.dawn.com/news/1167047/500000-houses-for-low-income-people-to-be-built>

1	Manifesto Chapter: Economic Revival: 4.21	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1	Manifesto Targets						
			of the apartments will be allotted to BS 1-16 federal employees and remaining 50% will be allocated to general public. ⁴⁶				
1.7	Creating Job Opportunities	-	-	-	-	-	5.38
1.7.1	Create incentive programmes for the private sector to create employment	Govt. to provide a 20-year tax holiday to companies operating in Gwadar port's Free Zone ⁴⁷	-	1.5	1.5	1.25	4.25
1.7.2	Starting an especially designed employment programme	Through PM youth training program will provide 1 year internship to 50,000	-	2	2	2.5	6.5

⁴⁶ Business Recorder, Government to build 1,000 Housing Colonies for the poor, December 11th 2015. <http://www.brecorder.com/business-and-economy/189:pakistan/1255041:government-to-build-1000-housing-colonies-for-the-poor>

⁴⁷Business Recorder, Gwadar Free Zone: Companies to get 20-year tax holiday, February 2nd 2015. <http://www.brecorder.com/top-stories/0/1147723:gwadar-free-zone-companies-to-get-20-year-tax-holiday/?date=2015-02-02>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		unemployed youth in both public and private sector. ⁴⁸					
1.8	Tax Reforms	-	-	-	-	-	2.54
1.8.1	Bringing informal economy into tax net	Disincentives for non-fileRs ⁴⁹ Till Jan 8 2015, the total number of return filers reached 829,222, up by 7.54% from 771,118 a year ago. ⁵⁰	Voluntary Tax Compliance Scheme legislated. 980,964 active tax payers as of January 2016 ⁵¹ , registering 18% growth.	1.5	0	1	2.5

⁴⁸ Ministry of Finance, Budget Speech 2015-16.

⁴⁹ Ministry of Finance, Budget Speech 2015-16.

⁵⁰ Dawn, Govt. Measures Fail to Expand Tax Net, January 15th 2015. <http://www.dawn.com/news/1157039/govt-measures-fail-to-expand-tax-net>

⁵¹ Active Tax Payers List, FBR.

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.8.2	Broadening tax base	0.6% tax on all banking transactions undertaken by non-fileRs ⁵² 76% of corporate taxpayers did not file returns. ⁵³	Around 233,000 notices were issued by the FBR to potential taxpayers till Dec 23, 2015, but only 33,000 of them filed their tax. ⁵⁴ Out of 60,000 registered companies, 25,551 pay corporate income tax. FBR taking other measures like merging of NTN with CNIC ⁵⁵ and training also. ⁵⁶	0.5	0.75	1	2.25

⁵² Ministry of Finance, Budget Speech 2015-16

⁵³ Dawn, 76% of Taxpayers did not file returns in 2014. January 8th 2015. <http://www.dawn.com/news/1155569/76pc-corporate-taxpayers-did-not-file-returns-in-2014>

⁵⁴ Dawn, A meagre 33,000 new taxpayers file returns, December 25th 2015. <http://www.dawn.com/news/1228559/a-meagre-33000-new-taxpayers-file-returns>

⁵⁵ The News, Frantic FBR efforts to broaden tax base, July 15th 2015. <http://www.thenews.com.pk/print/13627-frantic-fbr-efforts-to-broaden-tax-base>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.8.3	Tax all income		As yet no development				
1.8.4	No increase in the tax rates	50% increase in withholding tax rates for those who do not file income tax returns ⁵⁷ Corporate tax reduced, Capital Gains Tax increased ⁵⁸	Additional customs duty and regulatory duty amounting to Rs 40 billion imposed.	1	1.5	1.5	4
1.8.5	Reduce Tax evasion	FBR estimated major reduction in the number of companies persistently declaring losses to evade income tax after the	Anti-Laundering Bill instead of 26 proposed tax crimes includes only tax frauds, forgery and obstruction in official tax	1.5	0.5	0.5	2.5

⁵⁶ The News, TRC proposes FBR to train graduates to enhance tax base; July 25th 2015. <http://www.thenews.com.pk/print/52757-trc-proposes-fbr-to-train-graduates-to-enhance-tax-base>

⁵⁷ Express Tribune, No holding back: FBR notifies tax increase despite opposition, February 14th 2015. <http://tribune.com.pk/story/834172/luxury-products-govt-set-to-slap-5-10-additional-duty/>

⁵⁸ Ministry of Finance, Budget Speech 2015-16

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		introduction of 17% Alternative Corporate Tax (ACT) under Finance Act, 2014 ⁵⁹	related work ⁶⁰ ; out of 3.5 million traders, only 200,000 pay taxes ⁶¹ .				
1.8.6	Rationalizing tax rates	Measures to remove sectoral distortion in domestic tax rate. ⁶²	-	1	1	1	3
1.8.7	Reform of tax administration both at the federal and provincial levels	TRC has recommended the govt. to promulgate taxpayer's bill of rights to safeguard and strengthen their rights. ⁶³	TRC recommended to have a single-stage, single digit non-adjustable sales tax rate, confiscate domestic	1.5	2	0.5	4

⁵⁹ Business Recorder, Levy of 17pc ACT to discourage cos declaring losses: FBR, July 9th 2014. <http://epaper.brecorder.com/2014/07/09/10-page.html>

⁶⁰ Express Tribune, Anti-money Laundering: Govt. agrees to whittle down fiscal crimes list, October 3rd 2015. <http://tribune.com.pk/story/966452/anti-money-laundering-govt-agrees-to-whittle-down-fiscal-crimes-list/>

⁶¹ <http://pakobserver.net/detailnews.asp?id=286638>

⁶² Ministry of Finance, Budget Speech 2015-16

⁶³ Business Recorder, TRC proposes promulgation of Taxpayers' Bill of Rights, May 9th 2015. <http://www.brecorder.com/taxation/181:pakistan/1184462:trc-proposes-promulgation-of-taxpayers-bill-of-rights/>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		TRC recommended a flat rate of sales tax on petroleum products, a fixed rate of turnover tax on small retailers, rationalization of extra tax regime, withdrawal of all tax amnesties/fixed tax and value-addition schemes and new incentives for registered persons. ⁶⁴	assets of people with offshore tax accounts & promulgation of Benami Transactions Prohibitions Act 2015. ⁶⁵				
1.8.8	Ensuring tax compliance by small businesses	25% reduction in the tax rate on income of small companies.	-	1.5	1	0	2.5

⁶⁴ Business Recorder, Tax body spells out slew of 'reforms', February 26th 2015. <http://www.brecorder.com/taxation/181:pakistan/1155463:tax-body-spells-out-slew-of-reforms/>

⁶⁵ Express Tribune, Reformation: Oversight committee formed to implement tax reforms, October 11th 2015. <http://tribune.com.pk/story/970715/reformation-oversight-committee-formed-to-implement-tax-reforms/>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.8.9	Publish an Annual Tax Directory indicating the taxes paid and assessed in the last 3 years	Target stands achieved	Tax Directory published. ⁶⁶	-	-	-	-
1.8.10	Reduce the number of federal and provincial taxes	-	As yet no development	-	-	-	-
1.8.11	Rationalizing sales tax by ensuring standard rate for all items	TRC recommended a flat rate of sales tax on petroleum products, a fixed rate of turnover tax on small retailers, rationalization of extra tax regime, withdrawal of all tax amnesties/fixed tax and value-addition schemes and new	-	0.5	1	0	1.5

⁶⁶ The News, Tax details of govt., opposition MPs published, April 11th 2015. <http://www.thenews.com.pk/Todays-News-13-36918-Tax-details-of-govt-opposition-MPs-published>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		incentives for registered persons. ⁶⁷					
1.8.12	Broadening the scope of sales tax	In addition to 17.5% GST, 5-5.7% tax has been imposed on retailers whose electricity bill is more than Rs one million ⁶⁸ .	-	0.5	1	0	1.5
1.8.13	Ensuring elimination of money laundering and whitening of black money	The govt. has proposed that the fiscal offences, including serious tax crimes/tax evasion would be brought into the ambit of money-laundering under the proposed	Senate of Pakistan passed Anti Money Laundering Amendment Bill in October 2015. ⁷⁰	2.5	1	0	3.5

⁶⁷ Business Recorder, Tax body spells out slew of 'reforms', February 26th 2015. <http://www.brecorder.com/taxation/181:pakistan/1155463:tax-body-spells-out-slew-of-reforms/>

⁶⁸ Jang, July 3, 2014

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		amendments to the Anti-Money Laundering Act ⁶⁹					
1.8.14	Improving self-assessment and audit compliance	In 2014, 77,412 audits were done; while returns under self-assessment declined by 11.84% losing 98,000 returns. ⁷¹	In 2015- 75,871 audits were done; while 1.2 million income tax returns were filed ⁷² .	1	0.25	0.50	1.75

⁷⁰ The News, Senate body passes anti-money laundering bill sans govt. input, October 29th 2015. <http://www.thenews.com.pk/print/15430-senate-body-passes-anti-money-laundering-bill-sans-govt-input>

⁶⁹ Business Recorder, AMLA amendments Fiscal offences may be considered money-laundering, January 15th 2015. <http://www.brecorder.com/money-a-banking/198/1142394/>

⁷¹ Business Recorder, Tax returns filed by AoPs show only negligible growth: FBR informs MoF, February 8th 2015. <http://www.brecorder.com/taxation/181:pakistan/1149460:tax-returns-filed-by-aops-show-only-negligible-growth-fbr-informs-mof/>

⁷² <http://www.pakistantoday.com.pk/2015/09/15/business/75871-tax-returns-selected-for-audit-through-random-ballots/>

1	Manifesto Chapter: Economic Revival: 4.21	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1	Manifesto Targets						
1.8.15	Regulatory duty will be levied on non-essential imports	Regulatory duty of 5% on 282 luxury items imposed. ⁷³	Regulatory duty on non-essential imports levied through ECC.	0.5	0.5	0.5	1.5
1.9	State-owned enterprises	-	-	-	-	-	3.87
1.9.1	Appointing independent and professional boards	Supreme Court overruled its previous judgement and said that the power of hiring board members lies with the executive. ⁷⁴	No progress made and government intervened in SOEs governance several times e.g. in the cases of LESCO and NTDC.	-	-	-	0
1.9.2	Identification and ensuring the completion of privatisation process	The govt. has cancelled its privatisation deal for Heavy Electrical Complex	Up till August 2015, evaluation reports of procurement for	2	1.5	3.5	7

⁷³ Business Recorder, Import of 282 luxury items: five percent RD imposed, June 27th 2014. <http://www.brecorder.com/taxation/181:pakistan/1197033:import-of-282-luxury-items-five-percent-rd-imposed/?date=2014-06-27>

⁷⁴ Express Tribune, Reversal: Ex-CJ's hiring commission verdict overturned, November 15th 2014. <http://tribune.com.pk/story/791469/reversal-ex-cjs-hiring-commission-verdict-overturned/>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	within the assigned timeframe	(HEC) PC has decided to find a financial adviser for the privatization of Pakistan Steel Mills. ⁷⁵	Financial Advisory Consortium for 16 state owned enterprises (including PIA, DISCOs, Pakistan Steel Mills etc.) were prepared, out of which only NPCC has been privatised as yet. ⁷⁶				
1.9.3	PIA will be transformed into a profitable and reputed airline of the region	Govt. decided to privatize 26% of shares of PIA. ⁷⁷ Public Accounts Committee endorsed proposal to absorb Rs288 billion in PIA's liabilities	Pakistan International Airlines Corporation (PIAC) converted via Ordinance from a statutory corporation into a company but	1.5	1	1.5	4

⁷⁵ Express Tribune, Govt. shelve expansion of PSM, wants to privatise sick unit, April 16th 2015. <http://tribune.com.pk/story/870560/govt-shelves-expansion-of-psm-wants-to-privatise-sick-unit/>

⁷⁶ Privatisation Commission, www.privatisation.gov.pk

⁷⁷ The News, Consortium holds meetings with PIA management on privatisation, March 12th 2015. <http://www.thenews.com.pk/Todays-News-3-306252-Consortium-holds-meetings-with-PIA-management-on-privatisation>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
		but did not support the idea of privatization. ⁷⁸ PIA to save 26b following reduction in fuel prices. ⁷⁹	revoked by the Senate. ⁸⁰ “Pakistan will privatize its national carrier by next July.” ⁸¹				
1.9.4	Improving the operations of Pakistan Railways, such as by setting of autonomous Board	Pak Railways has surpassed its revenue target of Rs 28 billion set for the current year by to increasing the number of freight trains and improving punctuality. ⁸²	According to Railways Minister Pakistan Railways losses at Rs 24 billion by the end of 2015-16 against Rs 27 billion during the last fiscal year ⁸³	1	1.5	2	4.5

⁷⁸ Express Tribune, Shedding losses: PAC partially endorses PIA privatisation plan, February 25th 2015. <http://tribune.com.pk/story/843727/shedding-losses-pac-partially-endorses-pia-privatisation-plan>

⁷⁹ The News, PIA likely to save 26 billion, January 11th 2015. <http://www.thenews.com.pk/Todays-News-3-295251-PIA-likely-to-save-Rs26-billion>

⁸⁰ Business Recorder, Government Takes Concrete Step Towards PIA Sell-off, December 7th 2015. <http://www.brecorder.com/top-stories/266405/1253498:government-takes-concrete-step-towards-pia-sell-off/?date=2015-12-07>

⁸¹ <http://aaj.tv/2015/12/pia-to-be-privatized-by-july-2016-zubair/>

⁸² Business Recorder, Railways' improved performance, March 14th 2015. <http://www.brecorder.com/editorials/0/1161114:railways-improved-performance/>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
1.10	Building the confidence of private sector	-	-	-	-	-	3.75
1.10.1	Encourage participation of private sector in planning	Govt. has included the development of private sector in its Vision 2025 and 11 th Five-Year Plan 2013-18. New post of Member Private Sector Development has been created in PC. ⁸⁴	No further progress made.	-	-	-	4
1.10.2	Establishment of Pakistan Business and Economic Council, chaired by the Prime Minister with equal	Federal Minister for Finance met a delegation of Pakistan Business	No progress made regarding Pakistan Business & Economic	-	-	-	3.5

⁸³ Business Recorder, End of 2015-16 Railways' losses to be reduced to Rs24bn: Saad, December 31st 2015. <http://epaper.brecorder.com/2015/12/31/12-page/719406-news.html>

⁸⁴ 'Govt. sees private sector as engine of growth, prosperity', Daily Times, January 25th 2014. <http://www.dailytimes.com.pk/business/25-Jan-2014/govt-sees-private-sector-as-engine-of-growth-prosperity>

1		Implementation Status					
Manifesto Chapter: Economic Revival: 4.21							
1	Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	membership of public private sector, meeting every quarter	Council on June 17 th 2015 to discuss budget ⁸⁵ .	Council				

Overall Score: 5.45

Energy Security: 5.01

2		Implementation Status					
Manifesto Chapter: Energy Security: 5.01							

⁸⁵ Business Recorder, Ishaq Dar meets delegation of Pakistan Business Council, June 18th 2015. <http://www.brecorder.com/pakistan/politics-a-policy/246117-ishaq-dar-meets-delegation-of-pakistan-business-council.html>

	Manifesto Targets	30th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
2.1	Creation of a Ministry of Energy and Natural Resources through the merger of Ministries of Water and Power and Petroleum and Natural Resources.	As yet no development.	As yet no development.	-	-	-	Not scored.
2.2	Reforms of National Electric Power Regulatory Authority (NEPRA) by	-	-	-	-	-	3.75
2.2.1	Upfront/Feed-in-tariff for wind, solar, small hydel, and biomass projects	NEPRA approved upfront tariffs for 1,320MW Port Qasim coal-based power plant for 30 years ⁸⁶ , LNG-based power plants ⁸⁷ , for Thar coal based power projects of 330 MW	NEPRA to cut upfront tariff for new solar power plants by more than 27 %; new tariff would be 11.35 cents to 11.53 cents per kWh for North region and 10.72 to 10.89 per kWh for	1.75	1	2.25	5

⁸⁶ Dawn, NEPRA approves upfront tariff for Port Qasim plant, February 14th, 2015.

<http://www.dawn.com/news/1163424/nepa-approves-upfront-tariff-for-port-qasim-plant>

⁸⁷ Express Tribune, Electricity fuel: Govt. opts to replace coal-run power plants with LNG, February 5th, 2015.

<http://tribune.com.pk/story/832972/electricity-fuel-govt-opts-to-replace-coal-run-power-plants-with-lng/>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
		indexation for solar power generation ⁸⁸	South region ⁸⁹ NEPRA has approved a 30-year levelised upfront tariff of Rs9.345 per unit for a 350MW coal-fired power plant to be set up at Port Qasim by Siddiqsons Energy Limited (SEL). ⁹⁰				
2.2.2	Mandatory wheeling of electricity by DISCOs and the NTDC	Wheeling of electricity agreement between NTDC & DISCOs in progress.	No further progress	2	2	0.5	4.5

⁸⁸ Express Tribune, Discovering new resources: NEPRA approves upfront tariff for solar power, January 29th, 2015. <http://tribune.com.pk/story/829221/discovering-newresources-nepa-approves-upfront-tariff-for-solar-power/>

⁸⁹ Dawn, Solar tariff cut by 27pc for new plants, December 17th 2015. <http://www.dawn.com/news/1226822/solar-tariff-cut-by-27pc-for-new-plants>

⁹⁰ Dawn, NEPRA approves upfront tariff for coal-fired power plant, August 11th 2015. <http://www.dawn.com/news/1199723/nepa-approves-upfront-tariff-for-coal-fired-power-plant>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
2.2.3	Net metering (sale guarantee) for small producers/consumers	NEPRA has developed a framework which would allow consumers to contribute in the national grid. ⁹¹	Under new net metering regulations, the consumers can sell extra electricity to the power distribution companies at off peak rates.	2.5	2	0.5	5
2.2.4	NEPRA determined tariffs to be notified tariffs	NEPRA asked government to charge different tariffs from different DISCOs instead equalisation surcharges. ⁹²	NEPRA has accused Water and Power Ministry of not notifying the determined tariff of Discos for FY2014-15 due to which higher tariff of the previous year is being charged. ⁹³	0.5	0	0	0.5

⁹¹ Dawn, Solar energy to be brought into national power grid, January 7th, 2015. <http://www.dawn.com/news/1155381/solar-energy-to-be-brought-into-national-power-grid>

⁹² Dawn, NEPRA suggests different tariffs for distribution companies, January 2nd 2015. <http://www.dawn.com/news/1154565/nepra-suggests-different-tariffs-for-distribution-companies>

⁹³ Business Recorder, 29th September 2015.

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
2.2.5	Deregulating and decentralising by allowing small power producers to sell power directly to consumers through the distribution systems of DISCOs	NEPRA has allowed domestic consumers to generate power through the solar panel system and sell it to the DISCOs ⁹⁴	As yet no development.	-	-	-	Not scored.
2.3	Reform of Distribution Companies	-	-	-	-	-	5.44
2.3.1	Corporatization and privatisation of DISCOs	PC board approved financial advisers for the privatisation Hyderabad, Sukkur, Quetta, Peshawar and Multan power of distribution companies. ⁹⁵ Privatisation Commission has initiated sell-off	The federal government is all set to privatise Faisalabad Electric Supply Company Ltd (FESCO) and the Expression of Interest (EoI) for its sell-off is likely to be received. ⁹⁷	2	2	2	6

⁹⁴ The News, Domestic consumers to sell power to Discos, December 6th 2014. <http://www.thenews.com.pk/Todays-News-13-34528-Domestic-consumers-to-sell-power-to-Discos>

⁹⁵ Express Tribune, Privatisation: PC appoints financial advisers for seven power firms, May 30th 2015. <http://tribune.com.pk/story/894384/privatisation-pc-appoints-financial-advisers-for-seven-power-firms/>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
		process of HESCO The divestment of 100% strategic asset of FESCO will be completed by August 31 this year and IESCO and LESCO by; October 31. ⁹⁶	Faisalabad Electric Supply Company (FESCO) has sought a tariff increase of up to Rs4.91 per unit from the regulator. ⁹⁸ Evaluation of bids for financial advisory for other DISCOs completed.				
2.3.2	Reduction of transmission and distribution losses to less than 10%	GEPCO Losses 13.4% against target of 8%; FESCO losses 12.3% against target 10%; HESCO losses 30.6% against target 23.8% and SEPCO losses	According to Federal Minister Water & Power the combined losses of the 10 electricity distribution companies (DISCOs) in the country	1	0.5	1	2.5

⁹⁷ Business Recorder, EoI for FESCO sell-off to be received tomorrow: Zubair, November 1st 2015. <http://www.brecorder.com/general-news/172/1241878/>

⁹⁶ Dawn, HESCO sell-off process gets underway, January 24th 2015. <http://www.dawn.com/news/1159051/hesco-sell-off-process-gets-underway>

⁹⁸ Express Tribune, FESCO seeks hefty tariff rise before privatization, September 22nd 2015. <http://tribune.com.pk/story/961067/cost-benefit-fesco-seeks-hefty-tariff-rise-before-privatisation/>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
		40.9% against target 29.3%. ⁹⁹ DISCOs fail to comply with NEPRA directives regarding T&D losses. ¹⁰⁰	have shot up from Rs31 billion in 2013-14 to Rs52.6bn in 2014-15. ¹⁰¹				
2.3.3	Collection of electricity bills to 100%	GEPCO 100% recoveries; FESCO 93%, HESCO 72%; SEPCO 55%. ¹⁰² All DISCOs directed to outsource collection of bills from consumers in areas of high- loss feeders	According to statement of Minister in Senate recovery of bills has improved from 85% to 91%. ¹⁰⁴	1.5	2	2	5.5

⁹⁹ Express Tribune, Warning: Power firms fail to control theft, provoke the ire of government, May 14th 2015. <http://tribune.com.pk/story/885912/warning-power-firms-fail-to-control-theft-provoke-the-ire-of-govt/>

¹⁰⁰ Business Recorder, T&D losses Discos fail to comply with NEPRA directives, February 16th 2015. <http://www.brecorder.com/fuel-a-energy/193:pakistan/1151648:td-losses:-discos-fail-to-comply-with-nepa-directives>

¹⁰¹ Dawn, Govt. powerless amid mounting line losses, September 20th 2015. <http://www.dawn.com/news/1208154/govt-powerless-amid-mounting-line-losses>

¹⁰² Business Recorder, T&D losses Discos fail to comply with NEPRA directives, February 16th, 2015. <http://www.brecorder.com/fuel-a-energy/193:pakistan/1151648:td-losses:-discos-fail-to-comply-with-nepa-directives>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
		in order to boost recovery. ¹⁰³					
2.3.4	Ending of cross subsidy among DISCOs	Inter-DISCO tariff differential for 2015-16 Rs 60 billion ¹⁰⁵ On account of tariff differential total releases during the first eight months have reached Rs178 billion. ¹⁰⁶	Minister for Water and Power: subsidy on power tariff has been cut back by around 50% in the last three years ¹⁰⁷ IMF estimates that Pakistan would be spending a total of	-	-	-	7.75

¹⁰⁴ Business Recorder, recovery improves: circular debt stands at Rs 310 billion, December 29th, 2015. <http://www.brecorder.com/business-and-economy/189:pakistan/1259842:recovery-improves-circular-debt-stands-at-rs-310-billion/?date=2015-12-29>

¹⁰³Dawn, Power firms told to partly outsource bill collection, January 15th 2015. <http://www.dawn.com/news/1157045/power-firms-told-to-partly-outsource-bill-collection>

¹⁰⁵ Ministry of Finance, Budget in Brief 2015-16.

¹⁰⁶ Business Recorder, Budget subsidy consumed in 8 months, March 26th 2015. <http://epaper.brecorder.com/m/2015/03/26/5-page/494436-news.html>

¹⁰⁷ Express Tribune, Power subsidy cut by 50% in three years, October 8th 2015. <http://tribune.com.pk/story/969269/power-subsidy-cut-by-50-in-three-years/>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets		\$10.15 billion on energy subsidies during the current fiscal year. ¹⁰⁸				
2.3.5	Introduction of pre-paid billing system	-	As yet no development.	-	-	-	Not scored.
2.4	Reform of Generating Companies	-	-	-	-	-	3.5
	Corporatisation and Privatisation of GENCOs under an independent Board. ¹⁰⁹	PC approved the hiring of IFC as financial adviser (FA) for the privatisation of Gujranwala Electric Power Company &	Two transactions are on track. PC board has approved the hiring of a Dubai Islamic Bank-led	2	2	2	6

¹⁰⁸ Dawn, Pakistan among countries spending 4 to 8pc of their GDP on energy subsidies, July 27th 2015. <http://www.dawn.com/news/1196635/pakistan-among-countries-spending-4-to-8pc-of-their-gdp-on-energy-subsidies>

¹⁰⁹ '2 DISCOs, 1 GENCO: PC board accords approval to restructuring, sell-off', Business Recorder, February 21st 2014. <http://www.brecorder.com/market-data/stocks-a-bonds/0/1155462/>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
Manifesto Targets							
2.4.1		Jamshoro Power Company Limited ¹¹⁰ PC approved financial advisers for privatisation of Lakhra & Central Power Generation Company. ¹¹¹	consortium as financial advisor for strategic sale of the government's remaining 40.3% stakes in KAPCO. ¹¹²				
2.4.2	Retrofitting of all equipment	-	As yet no development.	-	-	-	Not scored.
	Replacement of furnace oil boilers by coal fired boilers	The govt. has decided to put a cap on oil consumption in electricity production & produce	No further progress.	1	0	0	1

¹¹⁰ Express Tribune, Reforming the power sector: IFC hired financial adviser for GEPCO, Jamshoro Power Company privatization, April 25th 2015.

<http://tribune.com.pk/story/875371/reforming-the-power-sector-ifc-hired-financial-adviser-for-gepco-jamshoro-power-company-privatisation/>

¹¹¹ Express Tribune, Privatisation: PC appoints financial advisers for seven power firms, May 30th 2015. <http://tribune.com.pk/story/894384/privatisation-pc-appoints-financial-advisers-for-seven-power-firms/>

¹¹² Express Tribune, KAPCO privatisation: DIB-led consortium hired as financial adviser, July 28th 2015. <http://tribune.com.pk/story/927567/kapco-privatisation-dib-led-consortium-hired-as-financial-adviser/>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
2.4.3		about 21,000 MW with the help of coal, gas, wind and LNG. ¹¹³					
2.5	Permanent elimination of circular debt	-	-	-	-	-	3.5
2.5.1	Eliminate circular debt	According to Finance Minister circular debt (tariff differential) is Rs 270 billion. ¹¹⁴	According to statement of minister in Senate circular debt now stands at Rs 310 billion. ¹¹⁵	-	-	-	0

¹¹³ Express Tribune, Power production: Country to stop consuming furnace oil over time, January 14th 2015. <http://tribune.com.pk/story/821475/power-production-country-to-stop-consuming-furnace-oil-over-time/>

¹¹⁴ Dawn, Circular debt has nothing to do with budget, says Dar, June 7th 2015. <http://www.dawn.com/news/1186702/circular-debt-has-nothing-to-do-with-budget-says-dar>

¹¹⁵ Business Recorder, recovery improves: circular debt stands at Rs 310 billion, December 29th 2015. <http://www.brecorder.com/business-and-economy/189:pakistan/1259842:recovery-improves-circular-debt-stands-at-rs-310-billion/?date=2015-12-29>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
Manifesto Targets							
2.5.2	Narrowly target subsidies for consumers up to 100 units	Subsidy swelled to Rs 174 billion. ¹¹⁶	No updated data available. NEPRA exempted lifeline consumers using 50 units per month from increased tariff ¹¹⁷ .	-	-	-	6.5
2.5.3	Notify electricity tariffs according to the average system wide cost	-	Target Stands Achieved	-	-	-	Not scored.
2.5.4	Power dispatch to be strictly according to plan, efficiency and generation cost	-	As yet no development.	-	-	-	Not scored.
	Ensure supply of gas to power plants	The government has allowed installation of power plants on 46 gas fields. ¹¹⁸	-	2.5	0	1.5	4

¹¹⁶ Express Tribune, 6th June 2015.

¹¹⁷ Pakistan Today, 21st January 2016. <http://www.pakistantoday.com.pk/2016/01/21/city/karachi/nepra-increases-power-tariff-for-k-electric/>

¹¹⁸ Business Recorder, NA panel told Govt. allows power plants on 46 gas fields, November 18th 2014.

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
Manifesto Targets							
2.5.5		The government decided to put a cap on oil consumption in production of electricity and produce electricity with the help of coal, gas and LNG.					
2.6	Rationalisation of energy tariffs in line with international prices across all fuels	Fuel prices decreased and increased with international oil prices.	Fuel prices being decreased as per reduction in international oil prices.	-	-	-	4.5
2.7	Reforms of Oil and Gas Regulatory Authority	-	-	-	-	-	3
2.7.1	Blanket ban on new CNG stations	Prime Minister has barred the OGRA from issuing 26 marketing licences to CNG stations it had approved last month, in view of	Target stands achieved.	-	-	-	Not scored.

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
		increasing gas demand in the existing network. ¹¹⁹					
2.7.2	Priority to public transport in the use of CNG	Public transport is being provided CNG in Punjab. ¹²⁰	Target stands achieved.	-	-	-	Not scored.
2.7.3	Tariff rationalisation in gas sector	OGRA maintains differential tariffs for domestic and industrial users	Status maintained. CNG prices likely to be deregulated. ¹²¹	1.5	1	0.5	3

¹¹⁹ Dawn, Premier stops OGRA from issuing 26 CNG marketing licenses, November 8th 2014. <http://www.dawn.com/news/1142982/premier-stops-ogra-from-issuing-26-cng-marketing-licences>

¹²⁰ Express Tribune, Energy crisis: 'Solar park to generate 1,000MW, October 13th 2013. <http://tribune.com.pk/story/617284/energy-crisis-solar-park-to-generate-1000mw/>

¹²¹ Express Tribune, Mega hydel projects: Govt. studies plan to offer stake to private investors, July 30th 2015. <http://tribune.com.pk/story/928837/mega-hydel-projects-govt-studies-plan-to-offer-stake-to-private-investors/>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
2.7.4	Narrowly targeted subsidy for natural gas and LPG users	LPG is available on market prices. Subsidy on natural gas is offered ¹²² .	Status is maintained. Subsidy is available for households consuming up till 300 M ³ per month.	1	1	1	3
2.8	Aggressive wellhead pricing for oil and gas exploration companies	ECC replaced cost based formula with a market based formula withdrawing annual state subsidy to Mari Petroleum.	Status maintained.	2	1.5	1	4.5
2.9	High priority to import gas through pipelines	TAPI will be launched by end of 2015.	Turkmenistan, Afghanistan, Pakistan and India inaugurated 33 billion cubic metres TAPI; to be fully operational by the end of 2018. ¹²³	2	1	2.5	5.5

¹²² OGRA Annual Report 2013-14.

¹²³ Business Recorder, Major Energy Breakthrough: TAPI launched, December 14th 2015. <http://www.brecorder.com/top-stories/0/1255821/>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
			Gas pipeline from Turkmenistan to Gwadar under consideration ¹²⁴ . Negotiations on Iran-Pakistan pipeline under way.				
2.10	Setting up of coal and LNG import terminals, and coal transportation facilities	Engro Elengy Terminal has become functional. ADB approved a \$30m project loan for Elengy for the construction of first LNG regasification terminal. ¹²⁵ China will fund 85% for constructing of the LNG pipeline linking the Gwadar Port to	Status maintained.	2	1.5	3.5	7

¹²⁴ Business Recorder, 17th December 2015. <http://www.brecorder.com/fuel-a-energy/193/1256637/>

¹²⁵ Express Tribune, International assistance: ADB approves \$30m loan for LNG terminal, February 28th 2015. <http://tribune.com.pk/story/845337/international-assistance-adb-approves-30m-loan-for-lng-terminal/>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
		Nawabshah and the terminal. ¹²⁶					
2.11	Development of Thar coalfields and setting up of at least 5,000 MW of new coal fired power plants under the PPP mode in Sindh	Private Power and Infrastructure Board approved 1,400MW power project to be set up on Thar coal by the Shanghai Electric Group of China. ¹²⁷ According to CEO Sino Sindh Resources Ltd (SSRL) large-scale mining at Thar coalfield, involving \$1.3b, is expected to commence in May 2015. ¹²⁸	Govt. gives sovereign guarantees for \$2 billion for Thar Coal Mine Power Generation project ¹³⁰ . Bank syndicate to give \$1.194 billion loan for Thar Coal ¹³¹ . Other developments include \$820 million financing arrangements ¹³² and Implementation	2.5	2	4	8.5

¹²⁶ Express Tribune, LNG pipeline, terminal: Ministry approaches cabinet for contract approval, January 31st 2015. <http://tribune.com.pk/story/830383/Ing-pipeline-terminal-ministry-approaches-cabinet-for-contract-approval>

¹²⁷ Dawn, Setting up of 1,400MW coal-based power project in Thar approved, June 17th 2015. <http://www.dawn.com/news/1188606/setting-up-of-1400mw-coal-based-power-project-in-thar-approved>

¹²⁸ The News, Work on \$1.3 billion Thar coal project to begin in May, March 21st 2015. [http://www.thenews.com.pk/Todays-News-3-307994-Work-on-\\$13-billion-Thar-coal-project-to-begin-in-May](http://www.thenews.com.pk/Todays-News-3-307994-Work-on-$13-billion-Thar-coal-project-to-begin-in-May)

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
		Sindh Engro Coal Mining Company announced it will be able to supply 660MW of electricity to the national grid by the Q1 of 2018. ¹²⁹	Agreement with Sindh Engro Coal Mining Company (SECMC) & a Water Utilisation Agreement with Engro Power gen Thar Limited worth \$600m. ¹³³				
2.12	Developing consensus among the various stakeholders to facilitate setting up hydropower projects by the Federal and Provincial	As yet no development.	As yet no development.	-	-	-	Not scored.

¹³⁰ Express Tribune, 11th November, 2015. <http://tribune.com.pk/story/988906/thar-coal-mine-and-power-project-government-finally-gives-sovereign-guarantees/>

¹³¹ Business Recorder, 22nd December 2015. <http://epaper.brecorder.com/m/2015/12/22/1-page/549901-news.html>

¹³² Express Tribune, China, Pakistan ink \$820m Thar coal agreement, December 22nd 2015. <http://tribune.com.pk/story/1014068/china-pakistan-ink-820m-thar-coal-agreement/>

¹²⁹ Express Tribune, Thar coal, power project: Company expected to start production in 2018, January 21st 2015. <http://tribune.com.pk/story/824866/thar-coal-power-project-company-expected-to-start-production-in-2018/>

¹³³ Business Recorder, Thar coal project makes new strides, November 22nd 2015. <http://www.brecorder.com/top-stories/0:/1248333:thar-coal-project-makes-new-strides/?date=2015-11-20>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
	Governments						
2.13	Developing alternative renewable energy sources, such as solar, wind, bagasse, biogas, and biomass projects	<p>On 5th May 2015 100MW experimental Quaid-e-Azam Solar Power Park, inaugurated by the PM¹³⁴</p> <p>Pakistan has awarded \$1.5 billion contract for its largest solar power project of 900MW in Bahawalpur to a Chinese company.¹³⁵</p> <p>Elimination of 32.5% tax imposed on imported solar equipment, provision of financing for rooftop</p>	<p>Alternate Energy Development Board plans to enhance the energy mix up to 20 to 25% by adding 3,000 to 3,500 MW wind-based electricity to the national grid system by 2018.¹³⁷.</p> <p>In all, nine projects under progress.</p>	2.5	2.5	4	9

¹³⁴ Business Recorder, Prime Minister inaugurates 100 megawatts solar power project, May 6th 2015. <http://www.brecorder.com/fuel-a-energy/193/1183447/>

¹³⁵ Dawn, Bahawalpur to have \$1.5bn world's largest solar power plant, April 23rd 2015. <http://www.dawn.com/news/1177634/bahawalpur-to-have-15bn-worlds-largest-solar-power-plant>

2	Manifesto Chapter: Energy Security: 5.01	Implementation Status					
		30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)	Total Score 10
	Manifesto Targets						
		solar installations with mortgages. ¹³⁶					
2.14	Introducing solar-thermal water heaters for domestic and industrial use	AEDB issued tax exemption certificate for import of almost 16715 units of Solar Water Heaters in the country. ¹³⁸	No further progress observed.	1	0	1	2
2.15	Decentralizing and creating a wholesale market for electricity	Draft Electricity Act 2015 proposes development of private electricity market. ¹³⁹	State offers stakes in mega hydel projects to the private sector.	2	1.5	1.5	5

¹³⁷ The News, Wind projects of 3,500MW to be set up by 2018, November 20th 2015. <http://www.thenews.com.pk/print/74175-wind-projects-of-3500mw-to-be-set-up-by-2018>

¹³⁶ Dawn, Solar energy to be brought into national power grid, January 7th 2015. <http://www.dawn.com/news/1155381/solar-energy-to-be-brought-into-national-power-grid>

¹³⁸ Business Recorder, Solid measures afoot for fast track alternative energy development, December 29th 2014. <http://www.brecorder.com/pakistan/industries-a-sectors/213764.html>

¹³⁹ Business Recorder, Private electricity market on the cards, April 27th 2015. <http://www.brecorder.com/top-stories/0/1180294private-electricity-market-on-the-cards/>

3	Manifesto Chapter: Social Protection: 7.13	Implementation Status					
		Manifesto Targets	30 th June 2015 (Baseline)	Current Status	Legislative and Policy Developments (score out of 2.5)	Institutional Reforms (score out of 2.5)	Implementation (score out of 5)
3.1	Introduce a transparent system of income support programme for needy families with incomes below the prescribed limit with a special focus on widows, orphans and the girl child	Rs 102 Billion allocated for 2015-16. ¹⁴⁰ The actual unconditional cash transfers to the poorest of the poor stood at Rs 86.8 billion. ¹⁴¹	Status maintained.	2.5	2.5	4.25	9.25
3.2	Raise the total spending on non-pension social protection from the current level of 1% of GDP to at least 2% by 2018	Total Allocation was around Rs 139.5 billion (subsidies +BISP+Bait-ul-Maal+ Social Protection) 3.2% of GDP ¹⁴²	-	1.5	1.5	2	5
3.3	Legislate the 'Right to Food'	-	As yet no development.	-	-	-	Not scored.

¹⁴⁰ Ministry of Finance, Budget Speech 2015-16.

¹⁴¹ Express Tribune, Missing goals: 300,000 families remain deprived under BISP, June 30th 2015. <http://tribune.com.pk/story/912647/missing-goals-300000-families-remain-deprived-under-bisp/>

¹⁴² Ministry of Finance, Budget in Brief 2015-16.

PML-N Economic Agenda: Snapshots from 1st, 2nd, 3rd, 4th, 5th and 6th Tracking Reports

	1 st Tracking Report	2 nd Tracking Report	3 rd Tracking Report	4 th Tracking Report	5 th Tracking Report	6 th Tracking Report
	Jul-Dec 2013	Jan-Mar 2014	Apr-Jun 2014	Jul-Dec 2014	Jan-Jun 2015	Jul-Dec 2015
Overall Score (Out of 10)	4.45	5.10	4.84	5.2	5.11	5.45
Economic Revival	3.17	4.47	4.33	4.6	3.8	4.21
GDP Growth	-	5.5	4.60	5	5.04	4.91
Budget deficit	0	4.25	4.35	4.45	2.96	2.95
Inflation	2	6.75	4.12	5.13	4.92	3.93
Government Borrowing	0	8.5	8	7	6	4.8
Reducing Energy Shortage	-	6.5	5.5	5.5	6	4.5
Regional Trade	-	6.5	6.5	6.5	6	6
Reforms of Financial Sector and Capital	-	6	7	7	7	7
Interest Rates	0	0 (Nil)	Nil	2	3.75	4
Industry and Trade	5.75	2.8	3.94	4.7	4.06	4.47
Infrastructure	6	3.17	4.5	5	5.2	5.2
Job Opportunities	-	4.25	5	5.25	5.13	5.83
Tax Reforms	5	1.75	3.27	2.9	2.4	2.54
State Owned Enterprises	4	3.5	4.5	5	3.63	3.88
Energy Security	4.16	4.34	3.93	4.5	4.4	5.01
Reforms of NEPRA	-	4.5	4.25	3.5	1.63	3.75
Reform of Distribution Companies	3.33	2.83	5.83	5.25	5.38	5.44
Reform of Generating Companies	1.5	2.5	4	2	3	3.5
Permanent Elimination of Circular Debt	5.33	3.25	3.63	3.6	3.5	3.5
Wellhead Pricing of Oil & Gas Exploration Companies	4.5	3.5	3.5	3.5	4.5	4.5
Gas Imports	4	2	2	2.5	3.5	5.5
Coal and LNG Import	-	3.5	5	6	7	7
Thar Coalfields	5	7	7.5	8	8	8.5
Alternative Renewable	-	7	8.5	8.5	8.75	9
Social Protection	6	6.5	6.25	6.5	7.13	7.13

Endorsements

“A constructive effort to critique government policy...this is just the kind of analysis and debate we need to improve performance of elected government to help serve the people of Pakistan better.” **Asad Umar** (*MNA and Central Senior Vice President Pakistan Tehreek-e- Insaf*)

“PRIME should be appreciated for the report which is the first such effort to hold political parties to their election campaign promises. The pioneering effort has done a fairly good job but had the time frame been at least a year rather than six months. The policy directions need some more time to show their effect.” **Senator Mohsin Leghari**

"If our Governments are truly to serve the public we need to move beyond rhetoric towards an informed and objective discussion of policy and implementation. This can only happen if tools are available to objectively assess government performance against stated goals and objectives. Ali Salman and his team have produced one such tool and deserve much praise and encouragement for this stellar effort. The results will not make happy reading for the Government but it is hoped that they will be taken in the right spirit, and efforts made to address the shortcomings identified in the scorecard." **Senator Osman Saifullah Khan** (*Pakistan People's Party Parliamentarian*)

“This is a great idea and effort and badly needed too. However the report should also score reform challenges and progress not directly covered in the manifesto especially in the areas of tax administration.” **Sakib Sherani** (*CEO Macro Economic Insights, and former Chief Economic Adviser to Ministry of Finance, Government of Pakistan*)

“PRIME has successfully initiated an important exercise whereby civil society can track the economic progress and hold political representatives accountable. Equally important is to mention that this research is being conducted by an independent think tank of Pakistan.” **Dr. Vaqar Ahmed** (*Deputy Executive Director, Sustainable Development Policy Institute*)

“The concept of evaluating government performance on the basis of its promises made in its election manifesto is very unique, remarkable and objective. I congratulate PRIME for formulating tool which can trace direction of the government. Pushing government to fulfill its promises made in manifesto is the only way that Pakistan can progress leaps and bounds in a democratic fashion.” **Khawaja Muhammad Usman** (*President, Multan Chamber of Commerce & Industry*)

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Policy Research Institute of Market Economy (PRIME)

PML-N- Sidetracking Long-term Reforms

PML-N Economic Agenda

6th Tracking Report: July-December 2015

Current Report reviews Pakistan's economic performance by tracking the progress made on the implementation of economic manifesto announced by the party in power in Islamabad, Pakistan Muslim League-Nawaz (PML-N). The purpose is to initiate and inform policy dialogue and public debate on the progress made on the economic agenda of PML-N. This tracking directly serves the basic principle of a functioning democracy: accountability.

Unilateral Liberalisation: Pakistan's Path to Trade Revival

The study focuses on significant shifts in trade policy over the last 25 years and their impact on Pakistan's overall trade performance. This study argues that 'Pakistan has become relatively open compared to 1990s but when compared to its neighbouring countries today, it is still much protectionist'. In this regard, this study discusses the different trade regimes of Pakistan since 1990s till 2014 and compares Pakistan's trade performance with that of neighbouring countries. It is authored by Sara Javed.

State-owned Enterprises in Pakistan:

The Need for Corporate Governance and Private Investment

The study analyses the current state of affairs regarding governance and operations of SOEs in Pakistan and suggested potential solutions to improve the situation. The study emphasizes the need to adopt corporate governance practices and attract private investments in SOEs. It is authorised by Naveed Iftikhar.

Low Income Housing through markets: Prospects, Policy and Strategy

This study looks at an important, but often neglected, aspect of socioeconomic activity. The need to have a shelter of one's own is a fundamental right, and this study analyzes the important issues surrounding it. It is authored by Shahid Mehmood.

State-Led Pilferage: The Case of Electricity Provision in Pakistan

This study analyzes the state led provision of electricity in Pakistan. It examines different aspects of the debate over public provision of this utility, process of tariff determination and the substantial costs associated with the entire system.

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