

Documents

January-June 2012

I. Foreign Policy

A. AFGHANISTAN, IRAN & PAKISTAN

Joint Statement of Trilateral Summit on ‘Enhancing Trilateral Cooperation’

1. Within the framework of trilateral cooperation His Excellency Hamid Karzai President of Islamic Republic of Afghanistan, His Excellency Mahmoud Ahmadinejad, President of the Islamic Republic of Iran and His Excellency Asif Ali Zardari, President of Islamic Republic of Pakistan held the Third Trilateral Summit in Islamabad on 17 February 2012.
2. The three Presidents pledged to enhance cooperation among the countries comprehensively for realizing the shared aspiration of their peoples for peace, security, stability and economic prosperity.
3. The three Presidents stressed the need for implementation of the earlier decisions taken at the Trilateral Summits held at Tehran in May 2009 and June 2011 respectively. While underscoring that the three countries were bound by ties of history, geography, culture and religion, the three sides agreed as follows:
 - i. To develop framework of comprehensive cooperation and to take pragmatic steps for realizing mutually beneficial cooperation to promote stability, peace and shared prosperity.
 - ii. Ensure respect for sovereignty, independence, unity and territorial integrity, as enshrined in the UN Charter.
 - iii. To proceed on the basis of mutual interest, mutual respect, non interference and non intervention in internal affairs.
 - iv. Not to allow any threat emanating from their respective territories against each other. All parties agreed to commence trilateral consultations on an agreement in this regard.
 - v. Contribute to the development and reconstruction in Afghanistan.
 - vi. Broaden cooperation in the political, security, economic, cultural, social and educational fields and enhance people to people contacts including exchange visits of parliamentarians, academicians and journalists.
 - vii. Strengthen cooperation for eradicating extremism, terrorism and militancy and to address the root causes of these menaces,

- condemning the killings of civilians as well as any kind of assassinations.
- viii. Cooperate in combating the problems of narcotic drugs production and trafficking and in combating transnational organized crimes.
 - ix. Prioritize cooperation for socio-economic development.
 - x. Enhance three-way trade by facilitation measures, including preferential tariff and free trade arrangements as well as barter trade.
 - xi. Also expressed commitment to expand trade in transit and encourage the private sector to invest in the three countries.
 - xii. Enhance connectivity by promoting project cooperation in infrastructure, road and rail links, transport and communications.
 - xiii. Develop mutually beneficial cooperation in the energy, mining and minerals, agriculture and other sectors.
 - xiv. Cooperate for the safe, voluntary and early return of Afghan refugees to their homeland in honour and dignity.
 - xv. Emphasized the need for enhancing their cooperation at international level, especially within the United Nations system.
 - xvi. Mandated the Foreign Ministers to prepare and coordinate a Road Map for Trilateral Cooperation for submission to the next Summit.
 - xvii. Also mandated the Interior/Security Ministers to develop a framework of trilateral cooperation particularly in the areas of counter terrorism, counter-narcotics and border management within six months.
 - xviii. Further mandated the Commerce Ministers to outline steps for enhancing three-way economic cooperation.
 - xix. Mandated senior officials (Deputy Foreign Minister level) to meet regularly to monitor the implementation of the decisions taken by the Trilateral Summits.
 - xx. Decided that the Fourth Trilateral Summit shall be held in Kabul by the end of 2012. The exact dates will be communicated through diplomatic channels.
4. Presidents of the Islamic Republic of Iran and the Islamic Republic of Pakistan reiterated their full support for an Afghan-led and Afghan-owned inclusive process of peace and reconciliation. They assured the President of the Islamic Republic of Afghanistan that they would extend full cooperation and stressed that any initiative in this regard must have authentic Afghan ownership.
 5. His Excellency Mahmood Ahmadinejad, President of the Islamic Republic of Iran and His Excellency Hamid Karzai, President of Islamic Republic of Afghanistan expressed profound gratitude to President Asif Ali Zardari and Prime Minister Yusuf Raza Gilani of the Islamic Republic of Pakistan for the warm hospitality extended to both delegations and for excellent arrangements made for the Third Trilateral Summit.

6. In witness whereof the Presidents of the three countries have signed this document.
7. Done in Islamabad on 17 February 2012 in three originals in English, Persian/Dari, all texts being equally authentic.

Hamid Karzai	Mahmoud Ahmadinejad	Asif Ali Zardari
President of I.R.of	President of I.R.of	President of I.R. of
Afghanistan	Iran	Pakistan

17 February 2012. Source: www.mofa.gov.pk

B. AFGHANISTAN

Statement of Prime Minister Syed Yusuf Raza Gilani on Afghanistan

Afghanistan is a brotherly country, close neighbour, with which Pakistan has multiple bonds of affinity. We value, deeply, our friendly and brotherly relations with the people of Afghanistan.

Pakistan wishes to have the best of relations with Afghanistan. Stability, peace and national reconciliation in Afghanistan is indeed critical for regional peace and stability. We are mindful of the importance of ensuring that the processes of peace and reconciliation succeed and thus contribute to the welfare and well-being of the Afghan people.

A sovereign and independent Afghanistan, well on the road to a peaceful and prosperous future, is indeed critical for Pakistan and for our region, as a whole.

It is in this context that Pakistan has been supportive of all efforts to promote peace, national reconciliation and development. I am happy to state that our relations with Afghanistan have witnessed important positive developments at all levels during the recent years.

Pakistan firmly believes that respect for Afghanistan's sovereignty, independence, unity and territorial integrity as well as adherence to the principles of non-intervention and non-interference in the internal affairs of Afghanistan are of critical importance.

We also believe that the process of national reconciliation must be Afghan-led and Afghan-owned. It is imperative to promote an intra-Afghan consensus for a durable political settlement that accords with the aspirations of the people of Afghanistan, as a whole.

The President of the Islamic Republic of Afghanistan, His Excellency Hamid Karzai, in an important statement on 21 February 2012, has appealed to Pakistan to support the peace process in Afghanistan. This is an important statement and Pakistan is duty bound to respond positively to the appeal of President Karzai.

Pakistan has always held that there is no military solution to the problems of Afghanistan. We have also stated that it is important to create

conditions conducive for a grand intra-Afghan settlement, based on national reconciliation that involves the Afghan people without any distinction.

It is now time to turn a new leaf and open a new chapter in the history of Afghanistan. It is time to now combine the strengths of the Afghan people in a true spirit of our noble religion – Islam and in accordance with the glorious traditions of the Afghans to build peace and bring prosperity to Afghanistan.

In this spirit, I would like to appeal to the Taliban leadership as well as to all other Afghan groups, including Hizb-e-Islami, to participate in an intra-Afghan process for national reconciliation and peace.

It is our sincere hope that the Taliban leadership, Hizb-e-Islami and all other Afghan political leaders will respond positively to my appeal and agree to enter into direct negotiations in the framework of an intra-Afghan process for reconciliation and peace in Afghanistan.

Pakistan, on its part, will support such an authentic Afghan process and is prepared to do whatever it can for its success.

I would like to appeal to the international community to support, fully, national reconciliation and peace in Afghanistan.

We are appreciative of the important initiative taken by President Hamid Karzai and wish the intra-Afghan process every success.

24 February 2012. *Source:* www.mofa.gov.pk.

C. CHINA

Foreign Office Statement on acts of terrorism in Xinjiang

The Government of Pakistan strongly condemns the recent acts of terrorism in Xinjiang in which a number of innocent persons lost their lives.

The Government and people of Pakistan express their full solidarity and support to the people and Government of China and are confident that they will succeed in eliminating terrorism.

As a victim of terrorism itself, the people of Pakistan feel the pain and the sufferings of our Chinese brothers.

01 March 2012. *Source:* www.mofa.gov.pk

D. EUROPEAN UNION

Statement of the Foreign Office on Pakistan-European Union Strategic Dialogue

The first Pakistan-European Union Strategic Dialogue was held in Islamabad on 05 June 2012. The Pakistan side was led by Foreign Minister Hina Rabbani Khar and the European Union delegation was led by High Representative for Foreign Affairs and Security Policy Catherine Ashton.

The two sides expressed their deep satisfaction at the launching of the Strategic Dialogue, reflecting the comprehensive and forward looking nature of

EU-Pakistan relations. This dialogue is the result of decisions taken at the 2009 and 2010 Pakistan-EU Summits. Both sides also welcomed the new Five-Year Engagement Plan that demonstrates the strength and diversity of this long term and broad based partnership.

The two sides engaged in constructive and detailed discussions on enhancing bilateral cooperation and shared views on regional and international issues of mutual concern.

Foreign Minister Khar expressed appreciation for the package of Autonomous Trade Preferences (ATPs) for Pakistan offered by the EU in the aftermath of the devastating 2010 floods. High Representative Ashton conveyed that the process was nearing completion in Brussels, and that the package would be implemented soon. They also discussed the GSP+ scheme and Foreign Minister Khar hoped that Pakistan could be considered for this favourable trading scheme in 2014.

The Dialogue provided an opportunity to review EU development cooperation including the broad parameters of the second EU Multi-annual Indicative Programme (MIP) for 2007-2013, which included projects for rural development and natural resource management, education and human resource management, governance and human rights, and trade development. The European Union also reiterated its commitment for area-based community development, particularly in the Malakand Division.

High Representative Ashton welcomed the steps Pakistan had taken in implementing its international human rights commitments in national laws in many important areas, including the rights of women, and the establishment of an independent Human Rights Commission. Both sides agreed to work closely in this regard.

Foreign Minister Khar reiterated that the Government of Pakistan was committed to holding free and fair elections in accordance with the Constitution. Furthermore, in keeping with Pakistan's tradition of welcoming election observers, High Representative Ashton confirmed that the European Union was willing to send an Election Observation Mission (EOM) to Pakistan for the forthcoming elections.

Pakistan and the EU reaffirmed their shared commitment to work together to combat terrorism. High Representative Ashton expressed appreciation for the enormous sacrifices made by the people of Pakistan in fighting terrorism and extremism. In order to enhance the existing close cooperation on counter-terrorism, the two sides agreed to the establishment of a Pakistan-EU Steering Committee on Counterterrorism.

Foreign Minister Khar and High Representative Ashton held in-depth discussions on regional and international issues. They underlined the importance of peace, stability and security in Afghanistan and reaffirmed their support for an Afghan-led and Afghan-owned reconciliation process. They also underscored the need for the sustained commitment of the international community during the transformation phase in Afghanistan, and agreed to continue working closely in this regard.

Foreign Minister Khar also briefed High Representative Ashton on the ongoing Pakistan-India peace process and the efforts made by Pakistan to normalize relations with India. Pakistan had reached out to its neighbours to create peace and prosperity in the region. The EU High Representative also expressed support for the ongoing and result-oriented dialogue between Pakistan and India, including the significant progress on liberalizing trade.

The two sides agreed that the second round of the Pakistan-EU Strategic Dialogue would be held in Brussels at mutually convenient dates next year.

Islamabad, 05 June 2012, *Source: www.mofa.gov.pk.*

E. INDIA

1. **Joint press statement issued at the fifth meeting of the India-Pakistan committee on prisoners**

1. Members of the India-Pakistan Judicial Committee on Prisoners visited Indian Jails in Delhi, Jaipur and Amritsar from 23-27 January 2012. The members of the Committee, Justice (Retd.) Mr A.S Gill and Justice (Retd) Mr. M.A Khan from the Indian side and Justice (Retd.) Mr. Nasir Aslam Zahid and Justice (Retd.) Mian Muhammad Ajmal from Pakistan side visited the Jails.
2. 46 Pakistani Prisoners at Central Jail Tihar, New Delhi, 98 Pakistani Prisoners at Central Jail, Jaipur and 45 Pakistani Prisoners at Central Jail, Amritsar were presented before the Committee.
3. On the conclusion of the visit, the Committee made following recommendations:
 - a) The “Consular Access Agreement” of May 2008 signed between two government must be implemented fully. Consular access must be provided within three months of the arrest and repatriation must take place within one month of confirmation of national status and completion of sentences;
 - b) Consular access must be provided at the earliest to all those prisoners who have not been given consular access so far and the process of nationality confirmation should start immediately after consular access is provided;
 - c) A mechanism should be developed for compassionate and humanitarian consideration to be given to women, juvenile, mentally challenged, old aged and all those prisoners suffering from serious illness/permanent physical disability;
 - d) It was also recommended that serious/terminally and mentally challenged prisoners must be kept in hospitals irrespective of confirmation of their national status and offence;

- e) Prisoners involved in minor offences like violation of Foreigners' Act, visa violation and inadvertent border crossing deserve compassion from both the sides;
- f) The Committee noted that the respective courts must be requested for expeditious trial of all "under trial" prisoners. Provision of legal aid/attorneys to prisoners must be ensured at all stages of their cases;
- g) The Committee also endorsed the recommendations of the Home/Interior Secretary level talks held on 28-29 March 2011 at New Delhi to task the Pakistani Maritime Security Agency and Coast Guard of India to work on setting up a mechanism for release of inadvertent crossers (fishermen) and their boats, on the same lines as the inadvertent crossers on land; It was recommended that the fishermen should be repatriated by sea lanes along with their boats;
- h) It was suggested that the next visit of the Committee to Pakistani jails be arranged during the second half of April 2012;
- i) The Committee will review the action taken report on the earlier recommendations when the Committee meets next in Pakistan.

Justice (Retd.) A.S. Gill Justice (Retd.) Nasir Aslam Zahid

Justice (Retd.) M.A. Khan Justice (Retd.) Mian Muhammad Ajmal

Islamabad, 27 January 2012.

2. Extension of Pakistan-India 'Agreement on Reducing the Risk from Accidents Relating to Nuclear Weapons'

Pursuant to the understanding reached during the sixth round of Pakistan-India Expert level talks on Nuclear Confidence Building Measures (CBMs), held in Islamabad on 27 December 2011, the two sides have agreed to extend the validity of the "Agreement on Reducing the Risk from Accidents Relating to Nuclear Weapons" for another five years, with effect from 21 February 2012.

The Agreement had entered into force on 21 February 2007 for an initial duration of five years. It aims at reducing the risk from accidents related to nuclear weapons.

Islamabad, 21 February 2012

3. Joint Statement on India-Pakistan home/ interior secretary talks

- 1. Under the resumed bilateral dialogue, the second round of India-Pakistan Home/Interior Secretary Talks was held in Islamabad on May 24-25, 2012. The Pakistan delegation was led by Mr. K. M. Siddiq Akbar, Interior Secretary, and the Indian Delegation was led by Shri Raj Kumar Singh, Home Secretary of India.
- 2. The meeting was held in a cordial and friendly atmosphere.
- 3. Both sides exchanged views on the decisions taken in the last round of Home/ Interior Secretary Talks held in New Delhi in March 2011.

4. Both sides agreed that terrorism poses a continuing threat to peace and security and full normalization of bilateral relations. They reiterated the firm and undiluted commitment of the two countries to fight and eliminate this scourge in all its forms and manifestations and bring those responsible for such crimes to justice.
5. The Pakistan side provided an update on the ongoing trial and investigation in Pakistan on the Mumbai Terror Attacks. Both sides discussed Judicial Commission's visit to India from March 14-21, 2012. Pakistan side noted that it had agreed in principle to receive a Judicial Commission from India. In this regard, modalities, mandate and composition of the Commission will be worked out through diplomatic channels. Pakistan side reiterated its commitment to bring all the perpetrators of the Mumbai terror attacks to justice expeditiously in accordance with due process of law.
6. The Home and the Interior Secretaries agreed to enhance cooperation between the NIA of India and the FIA of Pakistan on issues of mutual concern, including Mumbai terror attacks investigation.
7. India provided information on the on-going Samjhauta Express blast case investigation. It was mentioned by the Indian side that investigation in this case is still ongoing and updated information will be shared with the Pakistan authorities concerned when the investigation is completed. The Indian side agreed to forward updated information on the investigation through diplomatic channel.
8. The Pakistan side noted the technical parameters, suggested by the Department of Telecommunications (DoT), Government of India for establishing a hotline between the Home Secretary of India and the Interior Secretary of Pakistan. Pakistan side would examine the technical parameters and revert.
9. Both sides welcomed the signing of the 'MoU on Drug Demand Reduction and Prevention of Illicit Trafficking in Narcotics Drugs/Psychotropic Substances and Precursor Chemicals and related matters', during the Eighth Director General level talks between Narcotics Control Bureau of India and Anti Narcotics Force of Pakistan on Drugs Trafficking in September 2011. They expressed the hope that the MoU will help enhance mutual cooperation between India and Pakistan through effective and sustained steps to control the growing menace of drug trafficking. In this context, they also welcomed the outcome of the DG level talks, held at Rawalpindi on September 12-13, 2011, and noted the decision to hold DG level talks on Drugs Trafficking annually.
10. It was decided that CBI and FIA will schedule a meeting at an early date to work out the technical details of moving forward on issues of human trafficking, counterfeit currency, cyber crimes and Red Notices (RNs). Both sides agreed to expeditiously execute all pending RNs. Pakistan side agreed to examine issues pertaining to Letters Rogatory.
11. Both sides welcomed the finalization of the Visa Agreement and agreed to sign it at an early date. The Pakistan side informed that some internal

approvals were under process and the Agreement will be signed once they are in place.

12. Both sides welcomed the release of prisoners and fishermen, including those suffering from ailments, since the last round of Home/ Interior Secretary Talks. They noted the need to fully implement the understanding reached during the previous Home/ Interior Secretary Talks in March 2011 so that the fishermen and the civilian prisoners who have completed their sentence, and whose nationality status has been confirmed by the respective Governments and whose travel documents have been received, are released without delay. It was also agreed that those fishermen who have completed their sentences will be released by both sides within three months along with their boats, except where the boats have been lost, damaged or confiscated by the courts. It was decided that those prisoners, whose nationality status could not be confirmed either due to lack of information or due to the physical disabilities of the prisoner concerned, would be transferred to charitable institutions in India and Pakistan pending confirmation of their nationality status.
13. Both sides commended the work done by the Judicial Committee on Prisoners and agreed that their work should continue. They also agreed on the need for implementing the 2008 Consular Agreement in letter and spirit.
14. The Secretaries also exchanged views on the issue of inadvertent crossing of fishermen from both sides. The Pakistan side noted the invitation extended by the Indian Coast Guards for a meeting with the Pakistan Maritime Agency in June 2012 in New Delhi.
15. In order to strengthen mutual cooperation in criminal matters, the two sides agreed in principle to initiate negotiations on a Mutual Legal Assistance Treaty (MLAT). In this regard, it was agreed that Pakistan side would examine the draft of the MLAT handed over by the Indian side and revert with comments.
16. The Home Secretary of India thanked the Interior Secretary of Pakistan for the warm hospitality extended to the Indian delegation and the arrangements made for the visit. He invited the Interior Secretary of Pakistan to visit India for the next Home / Interior Secretary level Talks. The invitation was accepted.

Bhurban, May 25, 2012.

4. Joint Statement on defence secretary level talks on Siachen

1. The Defence Secretary level talks between Pakistan and India on Siachen were held at the Ministry of Defence, Rawalpindi from 11-12 June 2012. The Pakistan delegation was headed by Ms. Nargis Sethi, Secretary Defence. The Indian delegation was headed by Mr. Shashi Kant Sharma, Defence Secretary of India.

2. The Defence Secretary of India called on the Minister for Defence Syed Naveed Qamar.
3. The talks were held in a cordial and friendly atmosphere. Both sides reaffirmed their resolve to make serious, sustained and result oriented efforts for seeking an amicable resolution of Siachen. It was agreed to continue the dialogue on Siachen in keeping with the desire of the leaders of both countries for early resolution of all outstanding issues. Both sides acknowledged that the ceasefire was holding since 2003.
4. It was agreed that the next round of talks on Siachen will be held in New Delhi on mutually convenient dates, to be fixed through diplomatic channels.

Rawalpindi, 12 June 2012. Source: www.mofa.gov.pk.

F. KASHMIR

Message from President Asif Ali Zardari on Kashmir Solidarity Day

The Government and the people of Pakistan observe the Kashmir Solidarity Day by renewing their unswerving support for the just struggle of the Kashmiri people for the realization of their fundamental and inalienable rights.

For over six decades, the Kashmiri people have rendered countless sacrifices for upholding their dignity and freedom, pleading for equity and justice and the fulfillment of the promise for the effective exercise of their right to self-determination, as envisaged in the relevant UN resolutions.

It is indeed imperative that the noble principles and values, that underpin the just Kashmiri cause, are upheld and supported by all justice and freedom-loving peoples across the world. It is also important that the fundamental human rights of the people of Jammu and Kashmir are respected and promoted.

In recent years, the peaceful struggle of the people of Jammu and Kashmir has gained in strength and intensity. A new generation of the Kashmiris, including men, women and children, continue to wage a heroic struggle for the realization of their fundamental rights.

While seeking a peaceful settlement of Jammu and Kashmir dispute, Pakistan will continue to express its complete solidarity with the Kashmiris and extend its fullest political, moral and diplomatic support to their just cause.

Islamabad, 5 February 2012. Source: www.mofa.gov.pk.

G. TURKEY

Joint declaration of the second meeting of Pakistan-Turkey High Level Cooperation Council

Reaffirming close, friendly and brotherly ties which are deeply rooted in history, and a shared culture;

Acknowledging that these brotherly bonds which have stood the test of time and transcend geographical distances are developing into a robust, strong and strategic partnership;

Recognizing that the two countries share a common vision and desire for peace and prosperity of their people and their region;

Recalling the Joint Political Declaration on Intensified Cooperation and Establishment of High Level Cooperation Council signed in Islamabad in October 2009 and the Joint Declaration on Enhancing Pakistan-Turkey Partnership signed in Ankara in December 2010;

Desirous of giving further impetus to the excellent relations between the two countries and for translating the gains arising out of their partnership for peace and prosperity into a more meaningful, mutually beneficial, long term cooperation in the economic and commercial areas;

Endorsing the results of the meetings of Joint Working Groups of the High Level Cooperation Council held in Islamabad on 19 and 20 May 2012 and at the 14th Joint Economic Commission held in in Islamabad on 21 May 2012,

We as the co-chairs of the Second Meeting of High Level Cooperation Council held in Islamabad, on 22nd May 2012 with the participation of

H.E. Bekir Bozdağ, Deputy Prime Minister, H.E. Erdoğan Bayraktar, Minister of Environment and Urban Planning, H.E. Zafer Çağlayan, Minister of Economy, H.E. Taner Yıldız, Minister of Energy and Natural Resources, H.E. Binali Yıldırım, Minister of Transport, Maritime Affairs and Communications,

H.E. Mr. Makhdoom Amin Fahim, Minister of Commerce, H.E. Dr. Abdul Hafeez Sheikh, Minister of Finance and Economic Affairs, H.E. Syed Naveed Qamar, Minister for Water and Power, H.E. Dr. Arbab Alamgir Khan, Minister for Communications, H.E. Mr. Qamar Zaman Kaira, Minister for Information and Broadcasting, H.E. Ms. Samina Khalid Ghurki, Minister for National Heritage and Integration, H.E. Mir Hazar Khan Bijarani, Minister for Inter Provincial Coordination, H.E. Mr. Nazar Mohammad Gondal, Minister for CADD, Minister-in-Waiting, H.E. Mr. Salim H. Mandviwalla, Chairman Board of Investment, H.E. Nawabzada Malik Amad, Minister of State for Foreign Affairs,

Members of Parliaments as well as other prominent dignitaries and officials,

Agreed as follows:

Political Cooperation

The High Level Cooperation Council shall continue to be utilized as a major political forum to steer bilateral relations in all spheres

Intensive exchanges at the leadership level, parliamentarians, media representatives and businessmen shall be furthered.

Mutual support at regional and international forums shall be continued.

Annual consultations at the level of Foreign Ministers would be held alternately in Ankara and Islamabad. The first meeting will be hosted by Pakistan in Islamabad in the last quarter of 2012.

Security and Defence Cooperation

Cooperation between the security agencies of the two countries would be broadened in the fields of counter terrorism and drug trafficking especially in the areas of capacity building and exchange of experience.

The armed forces of the two countries would intensify their ongoing cooperation while defence related industries would focus on joint defence production and related research and development activities.

Finance and Banking

Cooperation in the following areas shall be extended through exchange of information and experience:

Banking sector including Islamic banking, microfinance banking, trainings and exchange visits;

Insurance sector including insurance information center, catastrophe insurance, insurance arbitration methods and private pension system;

Capital market regulation, instruments and their implementation;

Public debt and risk management systems;

Budget (Performance Based Budgeting), Financial Reporting and Internal Financial Control.

Cooperation between the Financial Crimes Investigation Board (MASAK) of Turkey and Financial Monitoring Unit (FMU) of Pakistan in the field of anti money laundering and terrorism financing shall be strengthened by sharing information.

Means of collaboration between Istanbul Stock Exchange and Karachi Stock Exchange with a view to facilitate cross border listing and portfolio investment, and establishing an electronic exchange link to have trading in stocks listed at both exchanges shall be explored.

Implementation of the Currency Swap Arrangement for mutual cooperation signed between the Central Bank of the Republic of Turkey and the State Bank of Pakistan shall be furthered to maximize benefits.

Trade

The existing volume of trade between the two countries does not reflect the real potential of their respective economies. Therefore, all possible efforts to further promote and diversification of bilateral trade shall be exerted, including facilitation of transportation of merchandise as well as conclusion of bilateral Preferential Trade Agreement.

In order to create mutually agreed facilitative frameworks to substantially enhance economic and commercial relations, the concerned Ministries of the two countries were directed to conclude their technical discussions expeditiously in order to finalize a comprehensive PTA as soon as possible, which would provide comparative advantage to entrepreneurs from both sides.

Welcome the conclusion of the treaty on Protection and Promotion of Investments. Call on the corporate sectors of the two countries to invest through joint ventures in the fields of energy, construction, steel production, urban development and agro based industry.

Exchange of delegations with a view to enhance bilateral trade and investment in textile and textile machinery, automotive and agricultural industry, food processing industry and all other potential trade and investment sectors shall be encouraged.

Pakistan will provide special incentive packages and establish Exclusive Investment Zones for the Turkish companies desirous of investing in Pakistan.

Mutual cooperation for further development of economic ties with the Central Asian countries and smooth functioning of regional cooperation initiatives shall be continued.

Next meeting of the Turkey-Pakistan Joint Business Council shall be held in September 2012 or in March 2013 in Turkey which will bring up new trade and investment opportunities in both countries.

Railways and Communications

Bilateral cooperation to facilitate transit trade and improvement of transport corridors, ship building and repairs, Vessel Tracking System, road construction projects, up-gradation of railway rolling stock and locomotives shall be further enhanced.

Training of transport officials for capacity building and exchange of visits of technical experts shall be supported.

An improved and efficient rail and road network was important for the promotion of trade and economic linkages. In this respect, operations of Islamabad-Tehran-Istanbul Container Train (ECO Train) on a regular and timely basis with the participation of private sectors should be ensured.

Turkey's strength and expertise in the area of road transport would be utilized for further cooperation in this field.

The two countries would explore possibilities of cooperation in the field of Railways including running of High Speed Trains as well as production and repair of passenger and cargo wagons.

Energy

Cooperation in power generation shall be developed through strengthening of information sharing on energy projects and facilitation of private sector involvement.

A meeting will be held in Turkey before the end of 2012 to develop cooperation in the field of renewable energy.

Cooperation in the field of geothermal sources, geo-information systems (GIS) and remote sensing shall be developed through exchange of scientific and technical information, exchange of expertise, study visits and training.

Cooperation in the fields of coal mining and trade of petroleum products shall be strengthened.

A Plan of Action on cooperation in the energy sector would be drawn up as agreed during the meeting of the President of the Republic of Turkey and the President of the Islamic Republic of Pakistan in Islamabad on 2 April 2010. The Joint Working Group on Energy would work on the Plan of Action and would present its recommendations to the next HLCC.

The private Pakistani and Turkish companies would be encouraged to set up hydro electric power stations and sub stations on turn-key basis.

The two countries would collaborate in the field of renewable and clean energy including wind, solar, geothermal and biogas. The MoU on cooperation in the field of renewable energy signed during the 2nd meeting of HLCC would serve as the basis for this cooperation.

Education

Turkey shall supply teachers, curriculum and training materials for Turkish language courses, provided that the Turkish language be introduced in curriculum in Pakistan.

Turkey shall provide for training of trainers for general as well as technical and vocational education.

Experience shall be shared on developing curricula and list of standards, training materials for use in vocational and technical training schools.

A Joint Working Group on Technical and Vocational Training will be constituted and the Terms of Reference will be mutually decided through diplomatic channels.

A new exchange programme for civil experts in fields such as energy, transport, agriculture, security services and public administration shall be initiated. This programme shall provide on the job training opportunities to contribute capacity building.

Scholarships schemes would be reviewed keeping in view the needs of the students and to place more focus on science and technology education.

The proposal to set up Techno parks through cooperation between universities and the corporate sector would be pursued vigorously.

Culture and Tourism

The years 2013-2014 shall be celebrated as cultural years in both the countries with a view to underline cultural commonalties and historic relations of their people.

Cooperation in the field of media should be strengthened through sharing of news and information, exchanges of television programmes and documentaries. In this respect, the MoUs already signed between the state media should be vigorously followed.

Film days and exchange of cultural troupes to promote performing arts of two nations and exhibitions of paintings, calligraphies, miniature arts, photographs and folks crafts shall be organized in both countries. Direct contact between museums and institutions as well as exchange of literary work, publication and translation of respective literature of Turkey and Pakistan shall be encouraged

The Government of Pakistan shall offer a free ethnographic corner to Turkey in Pakistani museums.

Turkey intends to open a cultural center in Pakistan in near future and welcomes the same initiative from Pakistan.

Keeping in view their diversified cultures and geographical features Turkey and Pakistan shall cooperate in the area of tourism. In this framework, Turkey and Pakistan shall participate in tourism fairs organized in both countries. Both sides shall invite their tour operators to familiarize them with their touristic destination. Turkey offers training for managers and officials in tourism sector of Pakistan.

Implementation Modalities

The seven Joint Working Groups of the High Level Cooperation Council shall continue their work to develop specific programmes and projects.

During the Second Meeting of High Level Cooperation Council, a number of MoUs/agreements on cooperation in various fields were signed. The list is annexed.

The next meeting of the High Level Cooperation Council shall be held in Ankara in 2013. The dates shall be agreed upon through diplomatic channels.

Done in Islamabad on 22 May 2012 in Turkish and English languages, both texts being equally authentic.

Recep Tayyip Erdogan
Prime Minister of the
Republic of Turkey

Syed Yusuf Raza Gilani
Prime Minister of the
Islamic Republic of Pakistan

List of MoUs/Agreements

1. Memorandum of Understanding on Solid Waste Management between Karachi Municipality and Albayrak Holding.
2. Protocol between Middle East Technical University and Quaid-i Azam University.
3. Protocol on Cooperation in the Field of Archives between the Government of the Republic of Turkey and the Government of the Islamic Republic of Pakistan.

4. Agreement Between the Government of the Republic of Turkey and the Government of the Islamic Republic of Pakistan Concerning the Reciprocal Promotion and Protection of Investments.
5. Memorandum of Understanding between the Government of the Republic of Turkey and the Government of the Islamic Republic of Pakistan in the Field of Urbanization.
6. Framework Document Between Ministry of Transport, Maritime Affairs and Communications of the Republic of Turkey and Ministry of Communications of the Islamic Republic of Pakistan Concerning Cooperation in the Field of International Road Transport.
7. Memorandum of Understanding between the Government of the Republic of Turkey and the Government of the Islamic Republic of Pakistan on Cooperation in the Field of Renewable Energy.
8. Joint Economic Commission Protocol.
9. Joint Declaration of the Second Meeting of Turkey-Pakistan High Level Cooperation Council.

24 May 2012, *Source:* www.mofa.gov.pk.

H. UK

1. **Joint Statement issue on the occasion of the first annual summit of the UK-Pakistan Enhanced Strategic Dialogue**

1. Prime Minister Gilani of Pakistan and Prime Minister Cameron of the UK today reviewed the significant progress made under the Enhanced Strategic Dialogue between Pakistan and the UK that underscores the enduring partnership between the two countries.
2. The two Prime Ministers noted that since its launch in 2011 the dialogue between the UK and Pakistan has become deeper and broader. At the Summit, the two Prime Ministers reviewed the practical co-operation on shared interests which has intensified across the five areas covered by the Enhanced Strategic Dialogue, including trade, economic growth and development, cultural co-operation, security and education.

Trade and Investment

3. Today Prime Minister Gilani and Prime Minister Cameron launched a Trade and Investment Roadmap, setting out the steps both governments will take to promote investment, support business and achieve the target of increasing bilateral trade to £2.5 billion by 2015. Both Prime Ministers challenged UK companies to look at the opportunities the Pakistan market presents and build on the success of the over 100 UK-based companies already doing business in Pakistan. Prime Minister Gilani pledged his government's full support in ensuring an enabling business environment to attract and sustain UK trade with, and investment in, Pakistan.

4. Prime Minister Gilani expressed appreciation for the UK's consistent support to Pakistan for enhanced market access to the European Union. He hoped that the UK would continue to support Pakistan's request for GSP+ and early finalization of Autonomous Trade Preferences package. Prime Minister Cameron assured UK's continued support in this regard, and also encouraged Pakistani businesses to look at the opportunities the UK offers and its role as a gateway to Europe.

Economics and Development

5. The two Prime Ministers also noted that the global economic crisis requires both countries to make tough decisions in order to deliver future growth and prosperity. They agreed to continue the regular dialogue between their governments on economic reform recognising that economic stability and setting the conditions for enduring growth are key priorities to ensure prosperity for future generations. Both Prime Ministers agreed to a continued close partnership to help lift millions of people out of poverty and build a stable, prosperous and democratic future for Pakistan. Prime Minister Gilani reiterated his personal commitment to improving the quality of education in Pakistan and welcomed UK support in this regard.
6. Prime Minister Cameron reaffirmed that the UK is open for genuine migrants who are coming to the UK to do a legitimate job or study at a genuine institution. Both Prime Ministers committed to preventing illegal migration as it harms people both in Pakistan and the UK. They agreed to continue to work closely under existing agreements on returning to Pakistan individuals who have no legal right to remain in the UK.

Security and Defence

7. Pakistan and the UK have an unwavering commitment to work together to combat the menace of terrorism and extremism which threatens the people of both countries. Prime Minister Cameron recognised the huge sacrifices being made by the people of Pakistan. Both Prime Ministers committed to enhance the already strong co-operation on countering improvised explosive devices, which cause so many of the needless deaths in Pakistan.
8. The two Prime Ministers held in-depth discussions on regional and international issues of mutual interest. They underscored the importance of peace, stability and security in Afghanistan and reaffirmed their support for an Afghan-led and Afghan-owned reconciliation process. They discussed the remaining challenges and agreed to continue working closely on Afghanistan. Prime Minister Gilani briefed Prime Minister Cameron on the recommendations approved by the Parliament regarding reengagement with the US and also briefed him on the ongoing Pakistan-India Peace process.

9. Prime Minister Cameron pledged his support for a return to international cricket being played in Pakistan and offered to share the UK's experience in protecting large sporting events. The visiting delegation was briefed on the UK's preparations for the Olympics on a tour of the UK's Crisis Response Centre, the Cabinet Office Briefing Rooms (COBR).

Democracy

10. This is an important time for Pakistan. The current government is the longest serving civilian government in Pakistan's history. Prime Minister Gilani stated that his Government was committed to holding free and fair elections in accordance with the constitution.

Cultural Co-operation

11. The UK and Pakistan enjoy uniquely rich people-to-people links and growing cultural exchange. British Pakistanis continue to make a positive and active contribution to life in the UK. As part of celebrating the connections between the two countries the Prime Ministers welcomed the Cultural Roadmap that would further intensify the vibrant links between school children, students, young professionals, cultural institutions and higher education sectors.
12. The close personal connections between the citizens of the two countries are just one of the many distinctive characteristics in UK – Pakistan relations. Pakistan's future matters greatly to the UK and the UK will be an enduring friend to the government and people of Pakistan. Both countries are committed to working together as equals to create the conditions for greater prosperity and security in Pakistan and the UK.

10 May 2012.

2. Press statement on the visit of the prime minister's to the uk for the first annual review of the pakistan-uk enhanced strategic dialogue (10 may 2012)

- Prime Minister Gilani has completed a very successful and productive visit to the UK from the 8th of May to the 13th of May 2012. Last year, during his trip to Pakistan, Prime Minister Cameron referred to the relationship as being unbreakable. Pakistan is equally committed to the relationship with the UK.
- The primary purpose of the visit was to reaffirm the partnership and take it to the next level by conducting the first Summit-level annual review of the Enhanced Strategic Dialogue (ESD) between Pakistan and the UK.
- The ESD constitutes the five key areas of the Pakistan-UK relationship, namely trade & investment, economic growth & development, security, education and cultural cooperation.

- Prime Minister Gilani had extensive and constructive discussions with Prime Minister David Cameron around these core issues. They also exchanged views on regional and international issues of mutual interest, including the peace and stability in Afghanistan.
- Prime Minister Gilani also had useful interactions with a range of other British leaders, including the Opposition Leader Edward Miliband as well as UK Cabinet members including the Ministers for
 - i. Foreign Affairs,
 - ii. Defence,
 - iii. Trade and Investment,
 - iv. Development,
 - v. Interior,
 - vi. and Energy.
- The most substantive outcomes of the summit-level annual review of the ESD was the joint launching of two roadmaps by Prime Minister Gilani and Prime Minister Cameron.
 - i. “Trade and Investment Roadmap” and
 - ii. the Roadmap on Cultural and educational exchange.
- The Trade and Investment Roadmap envisages increasing bilateral trade to £ 2.5 billion by 2015. To kick-start the Roadmap, Prime Minister Gilani met with select businessmen and investors both at the London Stock Exchange and at the Standard Chartered Bank.
- The Cultural & Educational exchange roadmap seeks to deepen and advance the people to people relationship between the two countries. Over one million Britons are of Pakistani origin or descent. They represent a tremendous asset to their own country, the UK as well as to the country of their origin.
- The UK’s development assistance is among the better harmonized and aligned in Pakistan. It tends to reflect the development priorities of Pakistan. The UK has committed almost £ 1.4 billion over four years (2011-2015), with a large share of this investment in primary education in Pakistan.
- One of the foundations of the Pakistan UK relationships is our shared commitment to democracy and democratic institutions. The visit also afforded a good opportunity for parliamentary contacts. Prime Minister Gilani addressed parliamentarians from both the House of Commons and the House of Lords. He also met members of the Commonwealth Parliamentary Association.
- Prime Minister David Cameron joined Prime Minister Gilani at the launch of the “Conservative Party Friends of Pakistan” – a welcome initiative by Baroness Saeeda Warsi to enhance existing parliamentary ties.
- The Prime Minister also met with the Pakistani community – which is as large and vibrant a Pakistani diaspora as any in the world. He addressed the British Pakistan Foundation, laid the Foundation stone of the Consular Hall

at our High Commission and met with members of the Pakistani media, as well as British media that focus on the Pakistani community.

- To enhance linkages between institutions of higher education, the Prime Minister addressed a Roundtable with Vice Chancellors of British Universities.
- The Prime Minister also extended an invitation to Prime Minister Cameron to visit Pakistan next year for the second Summit level review.
- It is hard for us to overstate the value and importance that we place on our ties with the United Kingdom. We tend to agree with Prime Minister Cameron's description of our relationship as being "unbreakable". For reasons of mutual interest, mutual benefit, mutual history and a mutual future, the Pakistan-UK relationship is indeed unbreakable. The visit to the UK, helped reaffirm its strength and vitality.
- I look forward to your questions

Islamabad, 14 May 2012, Source: www.mofa.gov.pk.

I. USA

Foreign Minister, Hina Rabbani Khar's reported statement on draft resolution in the US House of Representatives on Balochistan

In a statement, Foreign Minister Hina Rabbani Khar took a strong exception to a draft resolution submitted in the US House of Representatives on Balochistan, yesterday. She said that, though an isolated move by a few individuals, the draft resolution was contrary to the principles of UN Charter and international law.

The Foreign Minister said that the draft resolution was also against the very fundamentals of the long-standing Pakistan-US relations. The National Assembly of Pakistan had unanimously adopted a resolution condemning a recent open hearing on Balochistan by the Foreign Affairs Sub-Committee on Oversight and Investigations. The National Assembly resolution had clearly represented the legitimate reaction of the people of Pakistan.

The Foreign Minister said that such an unfriendly and irresponsible attempt by a few individuals in Washington was aimed to create distrust between the peoples of the two countries. She expressed the hope that this latest tendentious move will not be allowed to sail through the House by a vast majority of US Congressmen who continued to support friendly relations between the two countries.

Islamabad, 18 February 2012, Source: www.mofa.gov.pk.

II: Judiciary

1. Text of Supreme Court Order in NRO Case in the Supreme Court of Pakistan (Appellate Jurisdiction)

PRESENT:

Mr. Justice Asif Saeed Khan Khosa

Mr. Justice Ejaz Afzal Khan

Mr. Justice Ijaz Ahmed Chaudhry

Mr. Justice Gulzar Ahmed

Mr. Justice Muhammad Ather Saeed

Criminal Miscellaneous Application No. 486 of 2010 in Criminal Appeal No. 22 of 2002 AND

Adnan A. Khawaja ... Appellant versus The State ... Respondent Suo Moto Case No. 4 of 2010 and Civil Miscellaneous Application No. 1080 of 2010 AND Civil Miscellaneous Applications No. 1238 and 1239 of 2010

(Suo Moto action regarding appointment of convicted person namely Ahmed Riaz Sheikh (NRO Beneficiary), as Additional Director General, Federal Investigation Agency

Civil Miscellaneous Application No. 1253 of 2010 in Suo Moto Case No. 4 of 2010

(Report submitted in Court by Attorney General regarding Facts Finding Inquiry in the case of Missing Letter No. PS/DG/FIA/ 2009/504749 dated 17.11.2009)

Civil Miscellaneous Application No. 1254 of 2010 in Suo Moto Case No. 4 of 2010 AND

(Additional Documents comprising of Interim Report filed by Secretary Law dated 04.04.2010, pointes formulated by Secretary for Hon`ble Court, Advice of Former Attorney-General and Authorization letter in favour of Mr. Hassan Wasim Afzal, Joint Secretary of Ehtisab Bureau dated 20.05.1998)

Civil Miscellaneous Application No. 1082 of 2010

(Report/Minutes of Hon`ble Chief Justice of Lahore High Court, Lahore)

For Federation: Moulvi Anwar-ul-Haq, Attorney General for Pakistan

On behalf of National Accountability Bureau:

Mr. K.K. Agha, Prosecutor-General National Accountability Bureau Mr. Fasih A. Bokhari, Chairman National Accountability Bureau Mr. Akbar Tarar, Addl. PG. NAB Mr. Fauzi Zafar, Addl. PG. NAB Sheikh Muhammad Shoaib, Assistant Director, NAB Mr. Mohsin Ali Khan, Assistant Director, NAB

In attendance:

Mr. Ahsan Raja, Ex. Additional Secretary Ministry of Interior along with his counsel Raja Zulgarnain, ASC

For Ahmad Riaz Sheikh:

Dr. A. Basit, Sr. ASC

On behalf of Secretary Law:

Nemo

Date of hearing:

10.01.2012

ORDER

Asif Saeed Khan Khosa, J.:

1. This order may be read in continuation of the order passed by this Court on the last date of hearing, i.e. 03.01.2012.
2. We have heard the learned Attorney-General for Pakistan, the Chairman, National Accountability Bureau and the learned Prosecutor-General Accountability and have been dismayed by the fact no progress worth any mention has been made by all concerned in the matters mentioned in the order dated 03.01.2012. The learned Prosecutor-General Accountability has submitted and read out two reports dated 09.01.2012 wherein it has categorically been concluded that the National Accountability Bureau has decided not to proceed in the matters of Mr. Adnan Khawaja and Mr. Ahmad Riaz Sheikh despite clear directions issued by this Court in those regards earlier on. The said reports have been found by us to be utterly unsatisfactory and we find that an attempt has been made through the said reports to screen, shield and protect all those in public offices who were involved in appointments/promotion of the said convicted persons. Upon our query the learned Prosecutor-General Accountability has confirmed the fact that in the reports mentioned above a clear conclusion about lack of criminal intent of all concerned and involved has been recorded without even holding a formal inquiry or investigation, which we have found to be strange and unusual. The learned Prosecutor-General Accountability has gone on to submit that even in the matter of proceeding against Malik Muhammad Qayyum, a former Attorney-General for Pakistan, a decision has been taken by the National Accountability Bureau not to initiate or take any proceeding despite a clear direction having been issued by this Court in that respect.

The Chairman, National Accountability Bureau has not only owned the above mentioned reports but has adopted a defiant attitude by stating before us that the decision whether to proceed against any person under the National Accountability Ordinance, 1999 or not is a decision which falls within his exclusive jurisdiction and he has decided not to proceed against any person in the matters of Mr. Adnan Khawaja, Mr. Ahmad Riaz Sheikh and Malik Muhammad Qayyum. He has stated before us in most categorical terms that no inquiry or investigation is warranted in those matters and he has stated so in contemptuous disregard of the fact that this Court has already passed an order for taking proceedings in those matters.

We have particularly noticed the defiant posture and position adopted by the Chairman and have been struck by his willful disobedience to the earlier directions issued by this Court. It appears that instead of obeying the directions of this Court he (chairman, NAB) has decided to take this Court head on, which attitude we find to be contumacious, to say the least.

The Federal Secretary Law, Justice and Human Rights Division was absent from this Court on the last date of hearing on account of being abroad and even today he has failed to appear and we have been informed that he is unwell and is receiving medical treatment but nothing has been produced before us to substantiate the same. It appears that he prefers foreign sojourns upon his commitments before the highest Court of the country. The learned Attorney-General for Pakistan has stated that there is no change in the situation since the last date of hearing and no step in furtherance of this Court's earlier directions has been taken by anybody during the interregnum. We have also heard Mr. Ahsan Raja who has tried to convince us that he had no malicious intent in the matter of promotion of Mr. Ahmad Riaz Sheikh.

3. The judgment in the case of Dr. Mobashir Hassan v. Federation of Pakistan (PLD 2010 SC 265) had been passed by this Court way back on 16.12.2009 and in that judgment this Court had issued some very clear and specific directions to the Federal Government and others which were required by the Court to be implemented and executed immediately. Later on a review petition filed against that judgment was dismissed by this Court and orders were again issued to the Federal Government and others to carry out the directions of this Court without any further loss of time. However, various interim orders passed by this Court in the present and other proceedings bear ample testimony to the unfortunate fact that over the last about two years the Federal Government has demonstrated no interest in carrying out some of the directions of this Court. It is quite clear to us by now that the Federal Government and the National Accountability Bureau are not serious in the matter at all and those concerned are only interested in delaying and prolonging the matter on one pretext or the other. On the last date of hearing it had been made clear to all concerned that they were being given the last and final opportunity till today and it appears that they have consciously decided to defy and disobey this Court.

This Court has already shown a lot of grace and magnanimity in the matter and has demonstrated a lot of patience and restraint in this regard over the last about two years but in the present dismal and most unfortunate state of affairs the Court is left with no other option but to, as warned in categorical terms on the last date of hearing, take appropriate actions in order to uphold and maintain the dignity of this Court and to salvage and restore the delicately poised constitutional balance in accord with the norms of constitutional democracy. [We are conscious that the actions we propose to take are quite unpleasant but maintaining the necessary constitutional poise and balance is a part of our duties,....] particularly when we have made an oath before Allah Almighty to `preserve, protect and defend the Constitution of the Islamic Republic of Pakistan` and to `in all circumstances do right to all manner of people, according to law, without fear or favour, affection or ill-will`.

4. When the Objectives Resolution of 1949, made a substantive part of the Constitution of the Islamic Republic of Pakistan, 1973 by Article 2A thereof, mandates that `the independence of the Judiciary shall be fully secured` and when Article 37(d) of the Constitution stipulates it as a Principle of Policy that the State shall `ensure inexpensive and expeditious justice` the Constitution does not contemplate an `independent` judiciary whose decisions may be flouted with impunity or implementation of whose judgments may be left to the whims or caprice of an indifferent Executive.

Likewise, when Article 189 of the Constitution gives the decisions of the Supreme Court `binding` effect and when Article 190 of the Constitution commands in no uncertain terms that `All executive and judicial authorities throughout Pakistan shall act in aid of the Supreme Court` the Constitution does not envision an Executive professing only `respect` towards the decisions of the Supreme Court but at the same time derisively or disdainfully paying little or no heed to implementation or execution of such decisions. [Obedience to the command of a court, and that too of the Apex Court of the country, is not a game of chess or a game of hide and seek.] It is, of course, a serious business and governance of the State and maintaining the constitutional balance and equilibrium cannot be allowed to be held hostage to political tomfoolery or shenanigans. Article 5 of the Constitution declares in most unambiguous terms that `(1) Loyalty to the State is the basic duty of every citizen. (2) Obedience to the Constitution and law is the inviolable obligation of every citizen`. In a recent interview with Mr. Hamid Mir on Geo Television the Co-Chairperson of the major political party in the ruling coalition at the federal level, who also happens to be the President of Pakistan, has categorically stated that under his Co-Chairpersonship his political party has taken a political decision not to obey some part of the judgment handed down by this Court in the case of Dr. Mobashir Hassan (*supra*). Even the Prime Minister of Pakistan and the Federal Minister for Law, Justice and Human Rights Division have been harping on the same theme for quite some time on different occasions

through speeches made on the floors of the National Assembly and the Senate and also through print and electronic media. Their conduct in the matter also goes a long way in confirming what they have been proclaiming. [Such an attitude, approach and conduct prima facie shows that the Co-Chairperson of the said political party, the Prime Minister and the Federal Minister for Law, Justice and Human Rights Division have allowed loyalty to a political party and its decisions to outweigh and outrun their loyalty to the State and their ‘inviolable obligation’ to obey the Constitution and all its commands.] We may unhesitatingly observe that in our country governed by a Constitution political loyalty cannot be accepted as stronger than loyalty to the State and dictates of a political master or party cannot be allowed to be put up as a defence to failure to obey the Constitution. The old sage Aristotle had once observed that ‘When laws do not rule, there is no Constitution’. Justice Louis Brandeis of the United States Supreme Court had observed in the case of *Olmstead v. United States* (227 U.S. 438, 485) that

‘In a government of laws, existence of the government will be imperiled if it fails to observe the law scrupulously. Our Government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example. Crime is contagious. If the Government becomes a lawbreaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy’.

As already observed above, we the Judges of the Supreme Court have made an oath before Allah Almighty to ‘preserve, protect and defend the Constitution of the Islamic Republic of Pakistan’ and, thus, it is our bounden duty to take appropriate action whenever we find that the Constitution is not being obeyed or its express commands are, wittingly or otherwise, being disregarded. Let nobody forget that in the not too distant past we stuck to our commitment to the Constitution and constitutionalism and were not shy of giving personal sacrifices for fulfillment of that commitment.

5. This brings us to the actions we may take against willful disobedience to and non-compliance of some parts of the judgment rendered and some of the directions issued by this Court in the case of Dr. Mobashir Hassan (supra). This Court has inter alia the following options available with it in this regard:

Option No. 1: [In such a case of a brazen and blatant failure or refusal of the Federal Government to obey and execute the relevant judgment and directions of this Court the buck stops at the office of the Chief Executive of the Federation, i.e. the Prime Minister.] At the time of entering upon his exalted office the Prime Minister had made an oath that ‘— I am a Muslim and believe in the Unity and Oneness of Almighty Allah, the Books of Allah, the Holy Quran being the last of them, — the Day of Judgment, and all the requirements and

teachings of the Holy Quran and Sunnah`. He had further sworn before Allah Almighty that `as Prime Minister of Pakistan, I will discharge my duties, and perform my functions, honestly, to the best of my ability, faithfully in accordance with the Constitution of the Islamic Republic of Pakistan and the law` and that `I will not allow my personal interest to influence my official conduct or my official decisions`.

While invoking the name of Allah, the most Beneficent, the most Merciful, and also seeking His help and guidance, the Prime Minister had also made an oath that `I will preserve, protect and defend the Constitution of the Islamic Republic of Pakistan`. It is evident that in his oath the Prime Minister had made an unambiguous commitment with Allah Almighty not only to conduct himself completely in accord with the commands and requirements of the Constitution, including those of Articles 2A, 37(d), 189 and 190 thereof, but also totally in sync with the requirements and teachings of the Holy Quran. In the matter of making of oaths the Holy Quran has inter alia ordained as follows:

`And make not Allah`s name an excuse in your oaths against doing good, or acting rightly, or making peace between persons; For Allah is One who heareth and knoweth all things. Allah will not call you to account for thoughtlessness in your oaths, but for the intention in your heart; And He is oft-forgiving, most forbearing.` (S. II: 224-225) `Allah will not call you to account for what is futile in your oaths, but He will call you to account for your deliberate oaths: – But keep to your oaths. Thus Allah makes clear to you His signs, that ye may be grateful`. `And take not your oaths, to practise deception between yourselves, with the result that somebody`s foot may slip after it was firmly planted, and ye may have to taste the evil consequences of having hindered men from the path of Allah, and a mighty wrath descend on you`. (S. XVI: 94) `They swear their strongest oaths by Allah that, if only thou wouldst command them, they would leave their homes. Say: Swear ye not; Obedience is more reasonable; Verily Allah is well acquainted with all ye do.` (S. XXIV: 53) `God has already ordained for you, (O men), the dissolution of your oaths (in some cases): and God is your protector, and He is full of knowledge and wisdom.` (S. LXVI: 2) `Heed not the type of despicable man, -ready with oaths` (S. LXVIII: 10) According to clause (f) of Article 62(1) of the Constitution `A person shall not be qualified to be elected or chosen as a member of Majlis-e-Shoora (Parliament) unless – he is sagacious, righteous, non-profligate, honest and ameen, there beine no declaration to the contrary by a court of law` (*underlining has been supplied for emphasis*). By virtue of Article 113 of the Constitution the same qualifications are also required for election to or being chosen as a member of a Provincial Assembly. In the above mentioned backdrop the apparent persistent, obstinate and contumacious resistance, failure or refusal of the Chief Executive of the Federation, i.e. the Prime Minister to completely obey, carry out or execute the directions issued by this Court in the case of *Dr. Mobashir Hassan* (*supra*) reflects, at least *prima facie*, that he may not be an `honest` person on account of his not being honest to the oath of his office and

seemingly he may not be an `ameen` due to his persistent betrayal of the trust reposed in him as a person responsible for preserving, protecting and defending the Constitution and also on account of allowing his personal political interest to influence his official conduct and decisions. According to the Preamble to the Constitution `sovereignty over the entire Universe belongs to Almighty Allah alone, and the authority to be exercised by the people of Pakistan within the limits prescribed by Him is a sacred trust` and `the State shall exercise its powers and authority through the chosen representatives of the people`. [A chosen representative of the people deliberately violating such a sacred trust and disregarding his commitment in that regard with Allah Almighty may hardly qualify to be accepted as `ameen`.] In the circumstances of this case mentioned above this Court has an option to record a finding in the above mentioned regards and it may hand down a declaration to that effect in terms of clause (f) of Article 62(1) of the Constitution which finding or declaration may have the effect of a permanent clog on the Prime Minister's qualification for election to or being chosen as a member of Majlise Shoora (Parliament) or a Provincial Assembly. Somewhat similar oaths had also been made by the Co-Chairperson of the relevant political party before entering upon the office of the President of Pakistan and by the Federal Minister for Law, Justice and Human Rights Division before entering upon the office of a Federal Minister and apparent breaches of their oaths may also entail the same consequences.

Option No. 2: Proceedings may be initiated against the Chief Executive of the Federation, i.e. the Prime Minister, the Federal Minister for Law, Justice and Human Rights Division and the Federal Secretary Law, Justice and Human Rights Division for committing contempt of this Court by persistently, obstinately and contumaciously resisting, failing or refusing to implement or execute in full the directions issued by this Court in its judgment delivered in the case of Dr. Mobashir Hassan (supra). It may not be lost sight of that, apart from the other consequences, by virtue of the provisions of clauses (g) and (h) of Article 63(1) read with Article 113 of the Constitution a possible conviction on such a charge may entail a disqualification from being elected or chosen as, and from being, a member of Majlis-e-Shoora (Parliament) or a Provincial Assembly for at least a period of five years.

Option No. 3: In exercise of its powers under Article 187 of the Constitution read with Rules 1 and 2 of Order XXXII of the Supreme Court Rules, 1980 and all other enabling provisions this Court may appoint a Commission to execute the relevant parts of the judgment passed and directions issued in the case of Dr. Mobashir Hassan (supra).

Option No. 4: Although in the present proceedings nobody has so far raised the issue pertaining to the protections contemplated by Article 248 of the Constitution yet if anybody likely to be affected by exercise of these options by

this Court wishes to be heard on that question then an opportunity may be afforded to him in that respect before exercise of any of these options.

Option No. 5: It is a statutory duty of the Chairman, National Accountability Bureau under the National Accountability Ordinance, 1999 to proceed against any person *prima facie* involved in misuse of authority while holding a public office. On the last date of hearing, i.e. 03.01.2012 this Court had directed the Chairman to attend to the matters of appointment of Mr. Adnan Khawaja as Managing Director of the Oil and Gas Development Company Limited (OGDCL) against merit and appointment/promotion of Mr. Ahmed Riaz Sheikh as Additional Director, Federal Investigation Agency (FIA) at a time when both of them were convicted persons and to proceed against all those who were responsible for such appointments/promotion. The Chairman has also failed so far to initiate any action against Malik Muhammad Qayyum, former Attorney General for Pakistan, in view of the direction issued in that regard in the judgment passed in the case of Dr Mobashir Hassan (*supra*), as modified in review to his extent. Today the Chairman has appeared before this Court in person and he has not only failed to advance any satisfactory explanation for his inaction in the above mentioned regards but has also manifested defiance towards this Court by categorically refusing to carry out the earlier directions issued by this Court *qua* proceeding in the matter of the above mentioned persons. Such inaction on his part in derogation of his statutory duty *prima facie* amounts to misconduct attracting the last part of section 6(b)(i) of the National Accountability Ordinance, 1999 dealing with removal of the Chairman from his office. Apart from that we have gathered an impression that he has attempted to screen, shield and protect the relevant persons from criminal charges which may attract consequences in some criminal and other laws. In these circumstances appropriate recommendations or directions may be made or issued by this Court in such regards.

Option No. 6: The constitutional balance *vis-à-vis* trichotomy and separation of powers between the Legislature, the Judiciary and the Executive is very delicately poised and if in a given situation the Executive is bent upon defying a final judicial verdict and is ready to go to any limit in such defiance then instead of insisting upon the Executive to implement the judicial verdict and thereby running the risk of bringing down the constitutional structure itself this Court may exercise judicial restraint and leave the matter to the better judgment of the people of the country or their representatives in the Parliament to appropriately deal with the delinquent. After all the ultimate ownership of the Constitution and of its organs, institutions, mechanisms and processes rests with the people of the country and there may be situations where the people themselves may be better suited to force a recalcitrant to obey the Constitution. It may be advantageous to reproduce here the relevant words of the Preamble to the Constitution of the Islamic Republic of Pakistan, 1973: `we, the people of Pakistan – Do hereby,

through our representatives in the National Assembly, adopt, enact and give to ourselves, this Constitution`.

6. The learned Attorney-General for Pakistan is hereby put on notice to address arguments before this Court on the next date of hearing, after obtaining instructions from those concerned, as to why any of the above mentioned options may not be exercised by us in these matters. It goes without saying that any person likely to be affected by exercise of the above mentioned options may appear before this Court on the next date of hearing and address this Court in the relevant regard so that he may not be able to complain in future that he had been condemned by this Court unheard. The learned Attorney-General for Pakistan is directed to inform all such persons mentioned above about the passage of this order and also about the next date of hearing.
7. On account of constitutional importance of these matters the Honourable Chief Justice is requested to consider the desirability of hearing of these matters on the next date of hearing by a Larger Bench of this Court.
8. Adjourned to 16.01.2012 on which date the learned Attorney-General for Pakistan, the Federal Secretary Law, Justice and Human Rights Division, the Chairman National Accountability Bureau and the learned Prosecutor-General Accountability shall appear before this Court in person.

Islamabad, 10th January 2012, *Source: Dawn News, Karachi 11 January 2012.*

2. Text of Supreme Court Order in Balochistan Case

(Original Jurisdiction)

Present.

Mr. Justice Iftikhar Muhammad Chaudhry, HCJ

Mr. Justice Khilji Arif Hussain

Mr. Justice Tariq Parvez

Const. P.77 of 2010 and HRCs No.13124-P, 40303-P, 40220-G and 43103-B/2011 And C.M.A. 42-43/2012

President Balochistan High

Court Bar Association Petitioner

VERSUS

Federation of Pakistan & others Respondents

AND

C.M.A NO.431 OF 2012 In Const. Petition No.77 of 2010

(Gruesome & Sensational Murder of wife and daughter of Mir Bakhtiar Domki at Karachi on 30.01.2012)

AND

C.M.A NO.178-Q OF 2012 In Const. P.No.77 of 2010

(Appeal for missing persons cases of Balochistan)

For the petitioner (s):

Syed Ayaz Zahoor, Sr. ASC

Mr. Hadi Shakeel Ahmed, ASC

Mr. Kamran Murtaza, ASC

Syed Qair Shah, ASC

Malik Zahoor Shahwani, Adv.

President Balochistan High

Court Bar

Complainants:

Mr. Nasrullah Baloch,

Voice for Baloch Missing Persons

Ms. Sumaira Baloch,

Azam Khan and

Ms. Rukhsana Baloch

On Court Notice:

Malik Sikandar Khan, DAG

For Govt. of Balochistan:

Mr. Amanullah Kanrani,

Advocate General

Mr. Naseebullah Bazai, Secy.

Home Deptt.

Rao Amin Hashim, I.G. P.

Mr. Ahsan Mahboob, CCPO, Quetta

Mr. Hamid Shakeel, DIG Quetta

Qazi Abdul Wahid, DIG Operation

Mr. Noshed Younis, AIG Crime/Focal

Person for Missing Persons.

Mr. Fared Barech, SP Operation

Fayaz Bhatti, SP Investigation

Muhammad Tariq, SP City

Noor Muhammad, SHO

Zafar Iqbal, Dy.Dir. Home Deptt.

For FC Maj.Gen.Obaidullah, IG

For Sindh Police: Mr. Mushtaq Mahr, DIG. CID

Mr. Naeem Sheikh, SSP

For M/o Defence & IB:

Nemo

Date of Hearing: 06-04-2012

ORDER

1. In pursuance of earlier order of this Court dated 05.04.2012, the learned Deputy Attorney General, in respect of the statement made by the Provincial Ministers namely M/s Sadiq Umrani and Ali Madad Jattak, dated 06.02.2012, on the floor of House of Provincial Assembly, whereby they involved FC Personnel in kidnapping two persons and consequently murdering them in the area of Mastung, has submitted that such statement

has been contradicted by the PRO of Inspector General of FC on 07.02.2012 and this report also appeared in various Newspapers.

2. Apparently, the allegations are of very serious nature and entail independent consequences in terms of Article 63(1)(g) of the Constitution, which reads as under:-

63(1) A person shall be disqualified from being elected or chosen as, and from being, member of the Majlis-e-Shoora (Parliament), if-

(a)

(b)

(c)

(d)

(e)

(f)

(g) he has been convicted by a court of competent jurisdiction for propagating any opinion, or acting in any manner, prejudicial to the ideology of Pakistan, or the sovereignty, integrity or security of Pakistan, or the integrity, or independence of the judiciary of Pakistan, or which defames or brings into ridicule the judiciary or the Armed Forces of Pakistan, unless a period of five years has lapsed since his release;

We prima-facie are of the opinion that contradiction on behalf of Inspector General of FC itself is not sufficient, as compared to the statements of two chosen representatives on the floor of the House of Assembly because presumption is that a representative, who takes oath under the Constitution, is fully aware of consequences of the statement, whichever is being made.

3. We had directed the learned Attorney General for Pakistan to appear before this Court in the instant case, particularly, in the context of said statements to provide assistance that how the controversy can be resolved because on the one hand there is a Force i.e. FC, which has been called out to assist the civil administration and on the other hand there is a statement on the floor of the Assembly made by the representatives, but he has not attended the Court and sent a request for adjournment stating that he could not reach Quetta. In view of the importance of the matter regarding law & order situation, prevailing in Balochistan Province, it was his duty to be present here because he is the person, who represents the Federation and for such reason he should have made arrangements before time to reach Quetta to attend this Court instead of giving preference to other matters at Islamabad and thereby he has not given any importance to this Court. Therefore, we record our displeasure and direct him to be careful in future to attend this Court instead of giving preference to his other professional engagements. However, we postpone this case with direction that he should collect necessary documents and provide assistance in this behalf.
4. Meanwhile, the learned Advocate General is also put to notice to look into this aspect carefully and provide assistance to pass an appropriate order in this behalf.

5. The learned Deputy Attorney General has stated that directions relating to the Federal Government shall be adequately responded to before the next date of hearing, as on account of non-availability of the learned Attorney General instructions have not been obtained from the concerned quarters.
6. Mr. Hamid Shakeel, Acting DIG (Investigation) has stated that he would submit a comprehensive report about the status/position of Hafiz Saeed-ur-Rehman S/o Allah Bakhsh, who is missing since 2003 and in view of the letter dated 06.06.2009, received from Ministry of Interior, National Crisis Management Cell, Islamabad, he is undergoing imprisonment in Gujranwala Jail. He is directed to collect a report and submit the same to the Registrar of this Court by Monday i.e. 09.04.2012 through fax for our perusal in Chambers. A copy of the same shall also be handed over to the President, Balochistan High Court of Bar Association.
7. Similarly, the Inspector General of Police and Home Secretary, Balochistan are directed to collect the names of the missing persons from the President of Balochistan High Court Bar Association, who would prepare a list on the basis of the reports received from Pakistan Human Rights Commission and make all necessary efforts to trace out them. Needless to observe, if any one of them is found involved in the cases relating to any offence, they should be charged according to the relevant provisions of law instead of illegally detaining them by any of the agencies. We have repeated time and again that as far as the detention of such persons/missing persons is concerned, it cannot be condoned unless it is proved that they are involved in some of the cases.
8. It is also to be noted that in the list prepared by the Home Secretary about 265 persons have died in target killings on sectarian reasons and only few persons have been arrested and so far no breakthrough has been made either by the police or by the Levies, although such incidents are being repeated off and on as during the last 10 days two incidents took place and prior to it, 15; 39; 81; 118; and 10 persons have been killed in 2008; 2009; 2010; 2011; and 2012, respectively. Both the agencies are directed to probe into the matters, bring the accused persons into book so they may face trial before the Courts of law. In this behalf, they are also directed to take interest in tracing out the accused persons, who are involved in the commission of offence because prima facie it seems that in number of cases the accused persons have not been traced out so far and the cases are pending investigation without any progress.
9. It has been informed by the Home Secretary that 227 Personnel of Frontier Corps have been killed during this period on account of target killings. The IGP should also point out that as to whether FIRs of such cases have been registered and if so, what is the progress of the cases, and if any accused is involved therein then as to whether he has been tried by the Courts and what are the results of the trial.
10. During the course of hearing, we have noted with great concern that two persons had died in the area of Saryab and an FIR to this effect was

registered against unknown persons, but the police without showing much interest except registering the case had not made any progress. Similarly, it has been reported that in the same manner two persons were found dead today in the area of Mastung, one of them has been identified as Hafiz Munawar. The Home Secretary and Inspector General of Police, Balochistan are directed to look into this case as well and trace out the culprits.

11. We may point out that as far as commission of the ordinary offences is concerned, the same do take place in the society on account of different considerations between the inhabitants, but in the cases where there are target killings; kidnappings/abductions for ransom; missing persons; and dead bodies are found, the law enforcement agencies are not taking interest otherwise we are of the opinion, as also observed in order dated 05.04.2012, that they are capable to deliver, however, it seems that interest with commitment is not being shown and such matters are taken by them lightly.
12. It is to be noted that in view of the grave situation of law and order, prevailing in the Province lot of problems are generated and as there are allegations and counter allegations against different sects and persons, therefore, the Provincial Administration as well as Federal Government must take interest and ensure that the rule of law is fully restored without any concession to any one whosoever be he, otherwise it would entail its own consequences.
13. No report has been submitted in respect of Dr. Din Muhammad, missing since long. The Inspector General of Police is directed to take all necessary steps to effect his recovery as prima facie there is sufficient clue available on record to trace him out and in this behalf, if need be, the IGP may hold a meeting with other law enforcement agencies like FC and secrete agencies working in the Province for the purpose and ensure that all those persons, who are missing, are traced out without further wastage of time.
14. Vide order dated 05.04.2012, directions were also issued to recover and produce the persons, who are missing with effect from 01.03.2012 from the area of New Saryab. In compliance of the order Muhammad Javed, Hazar Khan and Mazar Khan Sons of Habib Khan Murree and Malik Sher S/o Amir Khan Murree have been produced and according to the SHO, PS New Saryab FIR No.36 of 2012 dated 05.04.2012 has been registered against them under Sections 34, 365, 147, 148 & 149, PPC. It has also been stated in the report that on 22.03.2012 Muhammad Sher and Muhammad Hanif Sons of Habib Khan and Laal Muhammad S/o Doran Khan and Mir Khan S/o Amir Khan, who were also included in the missing persons, have returned to their homes. Mst. Sumaira, who is one of the relatives of the aforesaid missing persons, has confirmed that they have already come back, but so far as Amir Khan s/o Gul Bahar, Gul Mir and Mir Khan are concerned, they have not been produced. According to the report submitted by SHO, they are making efforts to effect their recoveries.

The Home Secretary and IG Police are directed to effect their recovery and submit report by fax on or before 10th April, 2012 to the Registrar of this Court for our perusal in Chambers and passing appropriate orders, if need be.

15. One Adam Khan son of Haji Sher Muhammad appeared and stated that his brother Mazar Khan was picked up by some persons in presence of Noor Muhammad, SHO and despite of his hue and cry, the SHO has not listen to him and so far his brother has not been recovered. The SHO, present in Court, in connection with some other cases, has stated that without prejudice to the plea of the applicant, he may be allowed an opportunity to recover his brother. He is allowed to do so and submit report through his IG Police to the Registrar of this Court by tomorrow i.e. 07.04.2012, which shall be put up in Chambers for our perusal and passing appropriate orders, if need be.
16. One Ms. Rukhsana Baloch has appeared and stated that on 03.04.2012 his brother Dr. Naseer alongwith his two friends namely Akhtar Lango and Hafeez Rodaini were picked up from a Hotel near their house and that the matter has been reported to the police, but so far no action has been taken. When inquired from the IG Police, he stated that as per the version of Muhammad Tariq, SP City, Quetta, a report has been registered in the daily Roznamcha about the missing of three persons. However, when asked as to why FIR has not been registered, he stated that as the complainant Ali Muhammad Baloch has nominated the officials, therefore, FIR was not registered. The explanation offered by him is not acceptable because he should have proceeded in accordance with law. We failed to understand that how and under what authority from an area where the police has jurisdiction, the citizens are being picked up in the manner, as it has been stated before us by various complainants. However, the IG Police ensures us that recovery of these persons shall be affected and the law shall take its own course. Intimation in this behalf shall be submitted to the Registrar of this Court by 10.04.2012 for our perusal in Chambers.
17. Mr. Sajid Tareen, Vice President of Balochistan High Court Bar Association has submitted an application wherein he stated that in the month of February, 2012 thirty (30) persons were picked up in presence of Azam Bazai, Tehsildar from the area of Tutak Sub Tehsil Baghbana, District Khuzdar and their properties were also set on fire. However, later on 14 persons have been released, but 16 persons are still missing. Notice of this application be given to the Home Secretary with direction to take all necessary steps to effect recovery of the aforesaid 16 persons. Meanwhile, Home Secretary shall also examine the Tehsildar and record his statement. He should complete this exercise and submit report to the Registrar on or before 16th April, 2012 for our perusal. Copy of this application be also sent to Tehsildar for his explanation/reply. On receipt of reply, if filed by him, copies shall be given to Mr. Zahoor Shahwani and Mr. Sajid Tareen,

President and Vice President of High Court Bar Association, Balochistan, respectively.

18. It has been informed that investigation in the murder case of granddaughter of Nawab Akbar Bhugti has been handed over to Mushtaq Ahmad Mahr, DIG, CID because Shabbir Sheikh, Additional IG, who was earlier conducting the investigation has left the country for America for a departmental course over there, although in view of the importance of the case we had not allowed him to leave the country before completion of the investigation of the case.

It has been stated that IG Police, Sindh himself is conducting the investigation, which is likely to achieve the result within a short time. However, we are not satisfied with this report. Let the IG Police, Sindh appear and explain. He should also examine that if need be, Shabbir Sheikh shall be called back so that investigation of the case may come to its logical conclusion.

19. In response to our order dated 05.04.2012, the learned Advocate General, Balochistan, has placed on record a report on behalf of the Secretary Local Government with regard to non holding of elections. No such report has been received from other provinces, perhaps, on account of non-attending the Court by the learned Attorney General for Pakistan. Same process be repeated to the learned Attorney General and meanwhile notice be also issued to all the Chief Secretaries that they should appear, in person, under instructions to make the statement as to why provisions of the Constitution in terms of Articles 32 and 140-A are not being complied with, on the next date of hearing.
20. As question relating to maintaining the law and order situation in the prevailing circumstances in the Province of Balochistan has attained much significance, and the activities noted hereinabove as well as in order dated 05.04.2012 relate to denial of the fundamental rights of the citizens enshrined in Articles 9, 14, 15 18 and 24 of the Constitution, therefore, not only it is the duty of the Provincial Government to take necessary steps but at the same time in terms of Article 148(3) of the Constitution, the Federal Government is also equally responsible to assist the Provincial Government in maintaining the law & order situation; restoring the peace; and to protect the lives and properties of its citizens, as it has already been observed by this Court while deciding the case of law and order situation in Karachi reported as Watan Party v. Federation of Pakistan (PLD 2011 Supreme Court 997). For sake of convenience, a relevant portion therefrom is reproduced hereinbelow:

“Declare that recent violence in Karachi represents unimaginable brutalities, bloodshed, kidnapping and throwing away dead bodies and torsos in bags; as illustration, indicating toll of 306 live in one month; detection of torture cells video of which has been produced; receiving Bhatta to strengthen the ranks of one group against the other; grabbing land during mafia etc., destroying

moveable and immovable properties of the citizens, establishes that the Fundamental Rights of the citizens enshrined in Articles 9,14,15,18 and 24 of the Constitution have not been protected/enforced by the Provincial Government/executive authority and this failure has made the lives and properties of the citizens insecure, inasmuch as Federal Government/executive has also not protected Province of Sindh against internal disturbance, thus the government of Province of Sindh, on this account, too, failed to carry out functions in accordance with the provisions of the Constitution [Article 148(3)].”

The Chief Secretary, Home Secretary and Inspector General of Police, Balochistan, may go through the same and follow them in order to ensure restoration of peace in the Province of Balochistan.

21. In view of the facts and circumstances of the case, we direct that the order dated 5.4.2012 and the instant order be sent to the Prime Minister through Principal Secretary, Secretary Establishment, Secretary Interior, and the Secretary Defence as well as Governor, Chief Minister/Chief Executive, Government of Balochistan for perusal and taking necessary steps under the Constitution to enforce the constitutional provisions and to protect the citizens from atrocities, which they are facing in the province of Balochistan. Learned Attorney General shall ensure that orders are duly conveyed to the functionaries noted hereinabove.
22. Let this case be fixed on 12.04.2012 at Islamabad at Sr.No.1 to ascertain the compliance of the directions made hereinabove as well as in order dated 05.04.2012 and thereafter for further hearing, the case shall be heard at Quetta Branch Registry of this Court in the week commencing from 30th instant. The learned Attorney General for Pakistan and learned Advocate General, Balochistan are required to remain in attendance.

Chief Justice

Judge

Judge

QUETTA

06.04.2012

2 Constitution Petition No.77 of 2010, etc.

09 April 2012, *Source: The News International Karachi.*

3. Ruling of the Speaker National Assembly in the matter of Syed Yousuf Raza Gillani, Prime Minister of Pakistan, under clause (2) of Article 63 of the Constitution

1. The Criminal Petition No.06 of 2012 in Suo Motu case No.4 of 2010 was decided by the Supreme Court of Pakistan vide Short Order dated 26.4.2012 whereby the Prime Minister of Pakistan was punished under Section 5 of Contempt of Court Ordinance, 2003 (Ordinance V of 2003) with

imprisonment till the rising of the Court. Sentence was executed forthwith. The detailed judgment was released on 8.5.2012. Both the Orders have been conveyed to me.

2. Meanwhile, on 30.4.2012, a reference under clause (2) of Article 63 by Moulvi Iqbal Haider was also received in my office. He prayed for referring the question of disqualification of Syed Yousuf Raza Gillani from being a member, to the Election Commission, as he has become disqualified from being a member of the Assembly due to his conviction by the Supreme Court of Pakistan under Contempt of Court Law.
3. I have gone through the said reference application, the Short Order and detailed judgment of the Supreme Court. I have also gone through the relevant provisions of the Constitution and the Contempt of Court Ordinance, 2003.
4. Before proceeding further, I may like to show my serious concerns regarding letters through which Short Order and detailed judgment of the Supreme Court were separately conveyed by the Assistant Registrar writing for Registrar and addressed directly to the Speaker. The Speaker holds a constitutional position. She is an elected head of the House and guardian of the rights of 342 Members of the country, representing the will of the people of Pakistan. The provision of clause (2) of Article 72 of the Constitution confers the privilege upon the Speaker to preside over a Joint Sittings of the Majlis-e-Shora (Parliament), comprising 446 members. She may often require to perform the functions of the President of Pakistan under Article 49. The Speaker is placed in Article 2 of Warrant of Precedence. In view of the above, the office of the Speaker demands the highest respect from other organs of the State and functionaries of the Government. The contents of the letters are in bad taste and also against the parliamentary norms and traditions.
5. Now coming to the point as to whether any question arises for disqualification of a member from being a Member of Parliament under clause (2) of Article 63 of the Constitution on the basis of material and information placed before me and the powers and jurisdiction of the Speaker under the said Article. I may like to reproduce the provision of clause (2) of Article 63 as under:-

“If any question arises whether a member of the Majlis-e-Shoora (Parliament) has become disqualified from being a member, the Speaker or, as the case may be, the Chairman shall, unless he decides that no such question has arisen, refer the question to the Election Commission within thirty days and if he fails to do so within the aforesaid period it shall be deemed to have been referred to the Election Commission.”
6. It would be advantageous here to quote the case law on the subject. It has been held in *Kanwar Intizar Muhammad Khan VS Federation of Pakistan and others* reported in 1995 MLD Lahore 1903 that the Speaker while examining a reference under Article 63 (2) of the Constitution is not

supposed to act merely as post office. If a reference is submitted to him, he is not bound to forward/transmit the same, to the Chief Election Commissioner for decision forthwith. The Speaker has to apply his own mind judiciously after fully taking into consideration the relevant provisions on the subject and then decide as to whether “any question” in the nature of disqualification has “arisen” which may justify the making of reference to the Chief Election Commissioner.” The same view was also expressed by Supreme Court of Pakistan in PLD 2005 SC 52.

7. The Supreme Court framed the following charge against Syed Yousuf Raza Gillani, Prime Minister of Pakistan:-

“That you, Syed Yousuf Raza Gillani, the Prime Minister of Pakistan, have willfully flouted, disregarded and disobeyed the direction given by this Court in para 178 in case of *Dr. Mobashir Hassan v Federation of Pakistan* (PLD 2010 SC 265)” to revive the request by the Government of Pakistan for mutual legal assistance and status of civil party and the claims lodged to the allegedly laundered moneys lying in foreign countries, including Switzerland, which were unauthorizedly withdrawn by communication by Malik Muhammad Qayyum, former Attorney General for Pakistan to the concerned authorities, which direction you were legally bound to obey and thereby committed contempt of Court within the meanings of Article 204 (2) of the Constitution of Islamic Republic of Pakistan, 1973 read with section 3 of the Contempt of Court Ordinance (Ordinance V of 2003), punishable under Section 5 of the Ordinance and within the cognizance of this Court. We hereby direct that you be tried by this Court on the above said charge.”

8. It appears from above, that no specific charge regarding the propagation of any opinion or acting in any manner against the independence of the judiciary or defaming or ridiculing the judiciary as contemplated under Article 63 (1) (g) has been framed.⁹ I may like to cite here the case of Mr. Makhdoom Javed Hashmi, the then MNA who, vide judgment dated: 12th April, 2004 passed by Sessions Judge, Islamabad in Session case No.52 of 2003 was convicted and sentenced to imprisonment of 19 years in aggregate under sections 124-A/131/109/505 (a)/ 468/471/500/469, PPC.
9. Makhdoom Javed Hashmi, MNA on 26.08.2004 filed three separate nomination papers as candidate for ascertainment of the Leader of the House. The Government side raised objection that Mr. Hashmi being convicted is no more Member of National Assembly as he has become disqualified under Article 63 (1) (g) for propagating and defaming the Armed Forces of Pakistan, therefore, he cannot be a candidate for ascertainment of the Leader of the House and his nomination papers be rejected. However the former Speaker of the National Assembly overruled the objection and accepted the nomination papers of Mr. Hashmi on

26.08.2004 and accordingly the Secretariat made all the arrangements/preparations for ascertainment of the Leader of the House for 27.8.2004 between two contesting candidates i.e. Mr. Shoukat Aziz and Makhdoom Javed Hashmi.

10. In the light of what has been stated above, I am of the view that the charges against Syed Yousuf Raza Gillani are not relatable to the grounds mentioned in paragraph (g) or (h) of clause (1) of Article 63, therefore, no question of disqualification of Syed Yousuf Raza Gillani from being a member arises under clause (2) of Article 63 of the Constitution.

The letters of the Assistant Registrar (IMP) for Registrar of the Supreme Court stands answered accordingly. Furthermore, the petition of Moulvi Iqbal Haider, Advocate being without any merit, is not maintainable and accordingly rejected.

Sd/

DR. FEHMIDA MIRZA

Speaker National Assembly

Dated: 24th May, 2012 Islamabad

Source: <http://dawn.com/2012/05/25/full-text-of-speakers-ruling/>

III: Human Rights

Highlights of State of Human Rights in Pakistan in 2011

Law and law-making

- Fresh legislation was not high on government's priorities in 2011 and some of the reasons, including its battle for survival, were obvious.
- The most remarkable feature of the legislative work that could be managed was the enactment of women-friendly laws and the government's trend-setting practice of supporting private members' bills.
- The need for domestic legislation required for the implementation of international instruments, including the newly ratified Covenants and the Convention against Torture, was left unrealized.
- Most of the 29 Acts adopted during the year revived or amended old statutes, one prominent exception being the 19 Amendment.

Administration of justice

- The Supreme Court's bid to clean up the administration of corrupt and irregular practices overshadowed the judicial system's functioning in 2011.
- The judiciary and the executive remained on a collision course for most of the time.
- The SC rejected the government's review petition against the NRO verdict of 2009 and all the cases disposed of under that measure stood reopened.

- The cases of disappearance were heard throughout the year but no breakthrough was possible.
- The National Judicial Conference's recommendation on public interest litigation and suo motu action could not be implemented.
- Nobody was hanged in 2011 but the government could not formalise the moratorium on execution, the number of people awarded death sentence was lower than in 2010.

Law and order

- 1,715 people were killed in sudden flare-ups of violence in Karachi.
- Crime remained rampant while poor investigative methods prevented bringing criminals to justice.
- Extrajudicial killings included 517 people killed in drone attacks, 337 in police encounters and 173 people abducted and murdered in Balochistan.
- 2,307 people were killed and 4,341 injured in terrorist raids, including suicide and sectarian attacks.

Jails and prisoners

- An overwhelming majority of the nearly 78,000 people being held in Pakistan's prisons were under trial.
- 92 inmates died in prisons across Pakistan in 2011.
- The plight of Pakistani and Indian fishermen detained and jailed for fishing in the other country's waters continued.
- 313 people were sentenced to death by various courts in 2011, including six women.
- HRCIP was able to verify 62 new cases of enforced disappearance, 35 of these disappearances occurred in Balochistan and 20 in Sindh.
- Dead bodies of 173 victims of enforced disappearance were recovered in Balochistan.

Freedom of movement

- Military operations and actions of extremist militants prevented the citizens from venturing into large parts of the country. Ethnic, sectarian and political violence and crime feuds made parts of Karachi no-go zones for large sections of the population.
- Despite official claims of putting in practice rules for regulating the Exit Control List, arbitrary restrictions on travel were reported. Excessive delays in issuance of passports proved a hindrance for those who wished to go abroad.
- 600 clerics were barred from various districts during Muharram in a bid to prevent sectarian tensions.
- The population of Kurram Agency remained besieged amid regular attacks by militants on the road connecting the region to the rest of the country.
- Escalating fuel cost and lack of public transport also made movement difficult and magnified the distances.

Freedom of thought, conscience and religion

- 389 people were killed and 601 injured in incidents of violence targeted against various Muslim sects in 2011.
- More than 100 Hazara Shias were killed in targeted attacks in Balochistan and a large number were reported to be fleeing the province.
- At least six Ahmedis were murdered in target killings on account of their faith.
- The Hindu community's concerns over the abduction and subsequent forced conversion of girls and young women were not addressed.
- At least eight people were booked under the blasphemy law. Another three were given capital punishment under that law.

Freedom of expression

- 16 journalists were killed in the country in 2011.
- Training for media men and women to understand and avoid risks in the field remained largely absent.
- In addition to the considerable risks, journalists often had to contend with non-payment of their salaries for months and sudden retrenchment without any severance pay.
- Besides journalists, others exposed to intimidation or violence for expressing their views included human rights defenders, political activists and progressive religious leaders.

Freedom of assembly

- The people increasingly used public gatherings to draw attention towards their pressing concerns including, crime, and gas and electricity shortages.
- 12 people were killed and 343 injured in police action to break up public gatherings or in attacks by non-state actors on rallies.
- Over 1,500 protesters were arrested and at least 4,962 people were booked on various charges following protests and sit-ins.
- Several political parties were able to hold big public meetings in Khyber Pakhtunkhwa. Threats of terror attacks had rendered such political gatherings impossible in recent years.

Freedom of association

- The extension of the Political Parties Act to FATA enabled political parties in Pakistan to formally work in the region and for political parties to be formed in FATA for the first time. There was no judicial forum in FATA to enforce the workers' constitutional rights.
- Certain labour laws contributed to limiting the freedom of association for workers.
- Nothing concrete was done to revive elected students unions at higher education institutions and hooligans continued to masquerade as student unions.

- NGOs and aid workers faced threats, attacks and abductions from militant groups.

Political participation

- 45 percent of the registered votes were determined to be bogus. Nearly as many new votes added to the voters' list were yet to be verified.
- Women were barred from exercising their right to vote in by elections in at least two constituencies.
- The local government system could not be revived in 2011.
- Women parliamentarians introduced 70 percent of the 115 private member's bills submitted from June 2008 to August 2011.
- 329 political activists were killed in violence in Karachi.

Women

- At least 943 women were killed in the name of honour, of which 93 were minors. Among the victims were seven Christian and two Hindu women.
- 701 women committed suicide and 428 tried to end their lives.
- Near 4,500 cases of domestic violence against women were reported.
- The country's first woman ombudsperson was appointed to receive and examine complaints of sexual harassment and other grievances.
- The provisions of Sexual Harassment Act had not been implemented by many ministries. Only three hospitals nationwide had adopted the law.

Children

- In flood-affected households, many children were pushed into hazardous labour or beggary because of a lack of any means of sustenance. As a result of floods, nearly 500,000 children under the age of five were at risk of contracting serious diseases.
- Chronic malnutrition among children in Punjab increased to 39 percent in 2011 from 32.5 percent in 2001. In Sindh, 17.5 percent of children under five years suffered from acute malnutrition, and nearly seven percent were severely malnourished. 15.1 percent children in the country faced absolute food scarcity.
- Infant mortality rate was 63.3 deaths per 1,000 births. The under five mortality rate was 89 deaths per 1,000 children. The ratio seemed too high to meet the MDG on child mortality.
- Over one thousand children languished in juvenile prisons across the country in 2011. No special courts were set up to exclusively hear juvenile cases.

Labour

- The total workforce was 57.3 million people by official count, out of which 51.9 million were said to be employed. Unemployment rose to 6 percent from 5.6 percent in 2009-10. However, a senior official put unemployment at 35 percent of the total workforce.

- Minimum wage remained unchanged at Rs 7,000 a month, and large numbers of domestic workers and other labourers did not even get that meagre amount. Non-payment of salaries, pensions and inordinate delays in payment were extensively reported.
- One in every 30 employed persons reported some occupational injury/disease within 12 months preceding an official survey.
- 3,407 bonded labourers were released in Sindh where debt bondage in agriculture remained endemic.
- Federal and provincial governments allocated Rs 54.81 billion for social security and social welfare in the budgets for 2010-11. Only Rs 39.36 billion were spent.

Education

- At least 33 percent children were believed to be out of school, and drop-out rate from primary to secondary schooling was nearly 50 percent.
- At least 33 percent children were believed to be out of school, and drop-out rate from primary to secondary schooling was nearly 50 percent.
- 542 primary schools for boys and 108 schools for girls were dysfunctional in FATA due to threats by extremist militants.
- Only 16 percent rural women in Sindh completed primary schooling and only 8 percent women did so in Balochistan.

Health

- The public healthcare system remained far from adequate. The 37-day doctors' strike in Punjab followed by a strike by nurses' contributed to people's problems. Lady health workers demanding regularisation of their service faced batons and tear-gas from police.
- The health budget was as low as 0.23 percent of the federal budget, the lowest in over ten years. 47 percent of that went unutilised.
- 31,655 victims contracted the dengue virus, of which 347 died.
- 197 polio cases were reported across the country.
- At least 2,131 people committed suicide and another 1,153 attempted it.

Housing

- With 37 percent of the population living in cities, Pakistan was the most urbanised country in South Asia. Over half of the urban population lived in slums.
- Housing finance from a formal source remained lacking for the overwhelming majority of the people.
- 1.5 million houses in Sindh and over 7,000 houses in Balochistan were destroyed or damaged in the floods in 2011.
- 12,279 houses were destroyed or damaged in the militancy-hit Bajaur and Mohmand districts of FATA.
- At least 137 people were killed and 291 injured in the collapse of poorly constructed and maintained structures.

- Of Rs 2.94 allocated in the federal and provincial budgets of 2010-11 on low-cost housing, only Rs 1.92 billion were spent.

Environment

- The draft of National Policy on Climate Change awaited the federal cabinet's approval. How Pakistan's international obligations would be affected by devolution of the subject of environment remained unaddressed.
- Pakistan was considerably lagging on indicators of MDG 7 (ensuring environmental sustainability).
- The murder of two activists working to protect the mangroves highlighted the dangers of advocating for protecting the environment.
- 1.04 billion trees had been planted in official campaigns since 2001 but the total forest area in the country stood at 4.21 million hectares. The forest cover in Balochistan declined to 1.2 percent.
- Over half the country's population lacked access to safe drinking water. Noise and air pollution levels in big cities exceeded permissible limits.

Refugees

- The number of the internally displaced persons in relief camps across the country peaked at over 1.2 million people. There were 470,000 displaced persons in Khyber Pakhtunkhwa at the end of 2011, down from around 1.1 million people the previous year.
- Over nine million people were displaced or otherwise affected by flooding in Sindh, and over 350,000 in parts of Balochistan.
- 365,000 people were expected to be displaced if a military operation was launched in North Waziristan.
- The ordeal of over a quarter of a million Pakistanis stranded in Bangladesh since 1971 continued without an end in sight.
- 52,096 Afghan refugees were repatriated to their country. Approximately 2 million registered Afghans remained in Pakistan.

Source: <http://www.hrcp-web.org/pdf/AR2011/Complete.pdf>

IV: Economy

Executive Summary of Economic Survey 2012

The Government remained focused on maintaining macroeconomic stability, growth, mobilizing domestic resources and increasing exports, balanced regional development and providing safety nets for the vulnerable groups. Despite numerous challenges, the economy performed better in 2011-12 than many developed and developing economies. These included sharp increase in fuel and commodity prices, recessionary trend globally and weak inflows. Domestically, economy was struck by heavy rains in Sindh and parts of

Balochistan costing \$3.7 billion. Notwithstanding these challenges, the Gross Domestic Product growth this year is estimated at 3.7 percent as compared to 3.0 percent last year.

In comparison, the global recovery is threatened by intensifying strains in the euro area and fragilities elsewhere. International Monetary Fund has maintained its growth forecast of 2.1 percent for United States in the year 2012, negative 0.3 percent for Euro area, 0.8 percent for United Kingdom, 5.7 percent for Emerging and Developing Economies after factoring China (8.2 percent) and India (6.9 percent) and 2.0 percent for Japan.

Despite global slowdown, Pakistan has managed to maintain its exports during July-April 2012 to last year's level which saw a phenomenal growth. Remittances remained buoyant and estimated at close to \$13 billion, an increase of 16 percent. Recessionary trend globally have, however, impacted capital flows to Pakistan. Current account balance was affected due to sharp increase in oil prices and import of 1.2 million metric tons of fertilizer.

Tax measures enforced by the Government in April 2011 has yielded dividend. July-April 2012 growth in FBR tax revenues demonstrated a growth of 24 percent with Rs. 1445 billion as compared to 1250 billion last year. Efforts are underway to reach the ambitious target of 1952 billion. Non-tax receipts have been less due to non disbursement of anticipated coalition support funds and delaying the expected auction of 3 G license to a later part of summer.

Growth and Stabilization

The economy is now showing signs of modest recovery. GDP growth for 2011-12 has been estimated 3.7 percent as compared to 3.0 percent in the previous fiscal year 2011. The Agriculture sector recorded a growth of 3.1 percent against 2.4 percent last year. The Large Scale Manufacturing (LSM) growth is 1.1 percent during July-March 2011-12 against 1.0 percent last year. Overall, the commodity producing sectors and especially the Agriculture sector have performed better. The Services sector recorded growth of 4.0 percent in 2011-12.

Flood Impact Assessment

This performance has been achieved despite severe monsoon rains triggered floods of an unprecedented scale in Southern Pakistan, engulfing 23 districts of Sindh Province and adjoining areas of northern Balochistan causing damages to crops, infrastructure and human settlements, thus adversely affecting national economy.

According to the World Bank and the Asian Development Bank (ADB) Damage and Needs Assessment (DNA) Report, approximately, 9.6 million people were affected in Sindh and Balochistan as a result of these rains. The total damages estimated to Agriculture, Energy, Transport and Communication, Health, Environment as well as the Forestry, Water Supply and Sanitation

amount to Rs. 324.5 billion (US \$3.7 billion). The rehabilitation and Cost of recovery is estimated at Rs. 239 billion (US \$2.8 billion). This is in addition to damages of \$10 billion to the economy during 2010 floods.

Commodity Producing Sector: The commodity producing sector has performed better in the outgoing fiscal year as compared to last year. Its growth rate this year was 3.3 percent against 1.5 percent during last year.

Agriculture Sector is a key sector of the economy and accounts for 21 percent of GDP. The supportive policies of the government resulted in a growth of 3.1 percent against 2.4 percent last year. Major Crops registered an accelerating growth of 3.2 percent compared to a negative growth of 0.2 percent last year. The major crops including Cotton, Sugarcane and Rice witnessed growth in production of 18.6 percent, 4.9 percent and 27.7 percent respectively. However, preliminary estimates of wheat production showed a negative growth due to late receding of flood waters in lower Sindh which hampered the timely cultivation of the wheat crop. Livestock has witnessed a marginally higher growth of 4.0 percent against the growth of 3.97 percent last year. Fisheries sector showed a growth of 1.8 percent. Forestry recorded a growth of 0.95 percent as compared to the contraction of 0.40 percent last year.

Manufacturing Sector: The growth of the manufacturing sector is estimated at 3.6 percent compared to 3.1 percent last year. Small scale manufacturing maintained its growth of last year at 7.5 percent and slaughtering growth is estimated at 4.5 percent against 4.4 percent last year. Large Scale Manufacturing (LSM) has shown a growth of 1.1 percent during July-March 2011-12 against 1.0 percent last year. The Construction Sector has shown 6.5 percent growth as compared to negative growth of 7.1 percent last year. Mining and Quarrying sector recorded a positive growth of 4.4 percent during July-March of the fiscal year 2011-12 against negative growth of 1.3 percent last year. Electricity and gas distribution witnessed a negative growth of 1.6 percent against - 7.3 percent last year.

Services Sector: The Services sector has registered a growth rate of 4.0 percent during July-March of the fiscal year 2011-12 against 4.4 percent last year. It is dominated by Finance and Insurance at 6.5 percent, Social and Community Services 6.8 percent and Wholesale and Retail Trade 3.6 percent.

Consumption: Real private consumption grew at 11.6 percent in fiscal year 2011-12 as compared to 3.7 percent growth last year and real government consumption grew at 8.2 percent as compared to 5.2 percent last year. Private consumption expenditure has reached 75 percent of GDP; whereas public

consumption expenditures are 13 percent of GDP. Private consumption has increased on the back of sustained growth in remittances. Total consumption has reached 88.4 percent of GDP in fiscal year 2011-12 as compared to 83 percent last fiscal year. Furthermore, increase in rural income due to higher production of crops and sharp increase in commodity prices also supported the consumption demand.

Per capita real income grew at 2.3 percent in 2011-12 as compared to 1.3 percent growth last year. In dollar terms, it increased from \$1258 in 2010-11 to \$1372 in 2011-12.

Real Investment has declined from 13.1 percent of GDP last year to 12.5 percent of GDP in 2011-12; fixed investment has declined to 10.9 percent of GDP in 2011-12 from 11.5 percent of GDP last year. Similarly Private investment also contracted to 7.9 percent of GDP in 2011-12 as compared to 8.6 percent of GDP last year. Public investment as a percent of GDP is 3.0 percent in 2011-12 against the 2.9 percent last year. National savings are 10.7 percent of GDP in 2011-12 as compared to 13.2 percent in 2010-11.

Foreign Direct Investment stood at \$668 million during July-April 2011-12 as against \$1293 million last year. The capital flows were affected because of global financial crunch and euro zone crisis. Oil and Gas Exploration remained the major sector for foreign investors. The share of Oil and Gas Exploration in total FDI during July-April 2011-12 stood at 70 percent.

Workers's Remittances witnessed a strong growth of 25.8 percent in 2011 over the previous year 2010. During July-April 2011-12, worker's remittances grew by 20.2 percent at \$10.9 billion. The buoyancy in remittances is largely attributed to the government's efforts to divert remittances from informal to formal channel. Data on remittances suggests that the monthly average for the period of July-April 2011-12 stood at \$1.09 billion compared to \$0.90 billion during the corresponding period last year. The upsurge in the remittances is attributed to the government's efforts of redirecting these flows from informal to formal channels.

Fiscal Development: The Medium Term Budgetary Framework has improved the budget preparation process. Medium-term fiscal framework and budget policies have been incorporated into a medium-term Budget Strategy Paper on rolling basis, which include medium-term indicative budget ceilings for the recurrent and development budgets, and provides an opportunity to discuss the budget between technical and political levels prior to the presentation of the annual budget. The political level involvement includes Cabinet, Standing

Committees on Finance & Revenue, and political parties. The Output Based Budget (OBB) has also been institutionalized in the federal government which presents policies of the ministries in the shape of goals, outcomes, outputs and medium-term budgets. The OBB also presents key performance indicators for the outputs to introduce government wide monitoring system.

18th amendment in the Constitution of the Islamic Republic of Pakistan was an historic step forward abolishing the concurrent list transferring additional functions to the Provinces. It was combined with a path breaking 7th National Finance Commission Award in 2010. In addition, the Government resolved long standing demands of the Khyber Pakhtunkhwa relating to Net Hydel Profit and Royalty and Gas Development Surcharge of Sindh and Balochistan. The award also acknowledged multiple criteria for transfer of resources. Share of Balochistan has increased from 5.1 to 9.0 percent. Likewise, Khyber Pakhtunkhwa has been assigned 1 percent of the total divisible pool to mitigate the impact of campaign against extremism. This has allowed transfer of 70 percent of the divisible pool to the provinces and FATA and Gilgit-Baltistan. During the last two years, Federal Government has transferred over Rs. 800 billion additional over 2009-10 resource transfer of Rs. 633 billion. This should help the provinces to earmark more resources to social sectors and development of infrastructure.

Government continued its efforts to broaden the tax base and simplifying the tax structure. Efforts are underway to move towards two main taxes, i.e. income tax and sales tax. As a result, Special Excise Duties and Regulatory Duties have been abolished. A three years plan to phase out Federal Excise Duties is under implementation. Capital Gain Tax has been levied on sales of securities in the stock exchange. Sales tax exemptions and zero ratings have been withdrawn on all items including textile, leather, fertilizer, pesticides, sports goods and tractors except food items, health, education and agriculture produce. The Government has strengthened automated e-filing and electronic payment and refund system to ensure expeditious settlement of refund claims expeditiously. For this, a centralized sales tax refund cheque issuance system is now operational in the Federal Board of Revenue. Broadening the tax base identifying potential taxpayers has remained a key focus for which a dedicated unit has been established in the FBR. These efforts are now paying dividend. Federal Board of Revenue target for 2011-12 was set at Rs. 1952 billion. During first ten months, tax collection stood at Rs. 1,426.0 billion against Rs. 1,149.8 billion in the comparable period of last year, showing an increase of 24 percent. It does not include Rs. 19 billion collected by Sindh province on GST on services.

Efforts are being made to manage the fiscal deficit within acceptable level through an expenditure management strategy, austerity measures and reforms in public sector enterprises. The government is committed to

simplification of tax regime, broadening the tax and mobilizing domestic resources. The operational expenditure of the federal ministries was reduced by 20 percent. A general ban was placed on recruitment and purchase of durable goods. Official transport assigned to entitled officers of BPS-20 to 22 was monetized to reduce expenditure on POL and repair and maintenance as well as drivers. Subsidy expenditure was rationalized. As a result of these efforts, overall fiscal deficit was at 5.0 percent of GDP in July-April 2012 against 5.5 percent of GDP of the comparable period of last year. It is noteworthy that containing the deficit during the period under review was quite challenging as the burden of financing fell directly on domestic sources due to the non materialization of external inflows.

Unlike the past, it was for the first time in many years that Public Sector Development Program did not face any cut. Despite huge financial constraints, the Government made a special effort to fully fund the PSDP. Accordingly, Rs. 304 billion were released that facilitated in completion of 200 projects. The Government efforts can be gauged from the fact that Rs. 2.2 trillion were provided during the last four years for PSDP.

Money and Credit: The SBP lowered the discount rate by cumulative 200 bps points to 12 percent during the first half of fiscal year 2011-12 in line with inflationary trend in the country. During the first eleven months of the current fiscal year (June 2011-11th May 2012) broad money (M2) witnessed an expansion of 9.1 percent as compared to 11.47 percent as compared to last year. The deceleration in money supply is primarily driven by the significant fall in the Net Foreign Assets of the banking system along with increased government borrowing and a one-off settlement of circular debt. Net Domestic Assets (NDA) during July 2011 - 11th May 2012 stood at Rs. 880.9 billion against Rs. 481.6 billion during the same period last year. The expansion in NDA is mainly contributed by a rise in demand for private sector credit and government borrowings. Conversely, Net Foreign Assets (NFA) witnessed a contraction. During July 2011-11th May, 2012, credit to the private sector witnessed a net increase of Rs. 234.8 billion compared to Rs. 107.8 billion in the same period last year. Year-on-year growth in private sector credit was up 7.5 percent by 11th May, 2012.

The weighted average lending rate (including zero mark-up) on outstanding loans stood at 12.8 percent while the weighted average deposit rate (including zero mark-up) stood at 6.98 percent in March 2012. This resulted in a spread of 5.8 percent. The decline in the weighted average lending rate is due to the lag involved in contracting fresh loans in the new declining interest rate environment and the decline in banks return on government securities. It is pertinent to mention that since the SBP was following a tight monetary policy

till August 2011 and the interest rates were moving up, the banking spread remained high.

Capital Markets: The KSE 100 index stood at 12,496 on June 20, 2011. It crossed the barrier of 14,000 and closed at 14,618 on 7th May, 2012, the highest level seen in last four years showing a growth of 17 percent over the closing index of last financial year. The Government has now levied Capital Gain Tax on securities. The net investment by the foreign investors in Pakistan's Stock Markets during July-March, 2011-12 reflected a net outflow of US\$176 million. This indicates that bullish trend observed in Pakistani equity market is due to the restoration of the confidence of local investors and institutions. During fiscal year 2011-12, the leading stock markets indices of the world observed mixed trends with negative growth of 18.1 percent in China to 19.03 percent positive growth in case of Philippines. Pakistani Stock market performed well as compared to markets of the world during the current fiscal year. This was mainly due to the steps taken by the government to boost the confidence of the equity market investors which included reforms in the Capital gains tax, etc.

The Government has enacted Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012 which will further strengthen the country's stock markets. The law requires stock exchanges to be demutualized within 119 days of its promulgation in accordance with timelines specified for completion of various milestones involved in demutualization exercise. Corporatization, demutualization of stock exchanges would entail converting their structure from non- profit, mutually owned organization to for-profit entities owned by shareholders.

Demutualization would result in increased transparency at stock exchanges and greater balance between interests of various stakeholders by clear segregation of commercial, regulatory functions and separation of trading rights and ownership rights. Demutualization is well-established global trend and almost all stock exchanges worldwide operate in demutualized set up. The enactment of this law has brought Pakistan capital market at par with other international jurisdictions like India, Malaysia, Singapore, USA, UK, Germany, Australia, Hong Kong, Turkey among others. It will help expand market outreach, attract new investors, improve liquidity and enable stock exchange to attract international strategic partners.

Inflation: Price stability remained the priority of the government. The Government has constituted a National Price Monitoring Committee headed by the Finance Secretary with representatives of Federal Ministries and Provincial departments. The Committee meets every month. In addition, the Cabinet and the Economic Committee of the Cabinet monitors the prices of essential items

and take corrective measures to ensure that prices remain under check. These efforts have yielded results. Inflation has declined for the third consecutive year. CPI was 10.8 percent during July-April, 2012 from a high of 25 percent in October 2008. It was in single digit in December 2012. This has been achieved despite sharp increase in international oil prices, effect of upward adjustment in the administered prices of electricity and gas, supply disruptions due to devastating floods of 2010 and heavy rains of 2011 and bank borrowings. Food and non-food inflation averaged 11.1 percent and 10.7 percent respectively against 18.8 percent and 10.8 percent in the same period of last year.

Trade and Payments: The Government pursued vigorously to secure concessional duties package on 75 items from the European Union. The World Trade Organization approved the package this year. It is expected that this will boost Pakistan's exports to EU, one of the major trading partner of Pakistan. Exports witnessed a strong performance last year attaining the highest level ever of \$25 billion showing a growth of 30 percent. It reflected both the price and quantity effect. Despite euro zone crisis, impacting the demand for Pakistan goods, Pakistan has successfully maintained its exports at last year's until April this year. Exports during July-April 2012 were \$20.5 billion compared to \$20.46 billion last year. The Afghan Transit Trade Agreement (APTTA) has encouraged formal trade between Pakistan and Afghanistan and the volume has risen to around \$2.5 billion annually. Efforts are underway to formalize Free Trade Agreements and Preferential Trade Agreements with many countries. It will help boosting Pakistan's exports. Efforts are also in hand to normalize trade relations with India.

Imports grew by 14.5 percent and stood at \$33.1 billion during July-April 2012. The current account deficit stood at \$3.4 billion in the same period. It was largely as a result of high oil prices and import of fertilizers. Continued support from current transfers in the form of workers' remittances helped in containing current account balance.

Pakistan has witnessed some geographical diversification in exports. During 2005-06, 47.2 percent of the country's exports were concentrated in five markets (USA, UK, Germany, Hong Kong and U.A.E.) of the world and remaining share of all other countries was 52.8 percent. This concentration is on continuous decline since 2005-06 and recently the share of these five markets stood at 35.7 percent whereas the share of all other countries increased to 64.3 percent during July-December 2011-12. This improvement in geographical diversification was mainly the result of Strategic Trade Policy Framework (STPF-2009-12) introduced by the government and the resulting increase in exports to China, Afghanistan and Bangladesh.

Pakistan's foreign exchange reserves reached to \$16.5 billion at the

end-April 2012 compared to \$17.0 billion at end-April 2011. The exchange rate averaged at Rs. 85.50/US\$ during July-April 2010-11, whereas it averaged at Rs. 88.55/US\$ during July-April 2011-12. The Pak Rupee depreciated by 3.4 percent during July-April 2011-12 over the depreciation of 2.2 percent in July-April 2010-11 period.

Public Debt: Pakistan's public debt stood at Rs. 12,024 billion as of March 31, 2012. During first nine months of the ongoing fiscal year, total public debt registered an increase of Rs. 1,315 billion which includes Rs. 391 billion consolidated by the Government into public debt against outstanding previous year's subsidies related to food and energy sectors. Public debt as a percent of GDP stood at 58.2 percent by end-March 2012. During July-March 2012, \$179 million was added to the EDL stock. At the end of March 2012, servicing of the public debt stood at Rs.720.3 billion against the budget amount of Rs. 1034.2 billion.

Population, Labour Force and Employment: Pakistan is endowed with demographic dividend with a bulging young population. They can be a productive asset of the country if put to proper training and skill development. Pakistan is also facing rapid urbanization. The population in urban areas has increased from 65.3 million in 2010-11 to 67.5 million in 2011-12. Accordingly, cities development is one of the key pillars of Pakistan's growth framework.

According to the Labour Force Survey 2010-11, Pakistan has a labour force of 57.2 million people which is 0.9 million more than the last year. Out of this potential labour force, the total number of people were employed during 2010-11 were 53.8 million, which is 0.6 million more than the last year. The total labour force working in the agricultural sector remained unchanged during the period 2008-2011. In manufacturing sector, the participation rate has increased from 13.2 percent in 2009-10 to 13.7 percent in 2010-11. Efforts are being made to develop an efficient, equitable and rights based labour market that provides the mechanisms for productivity growth in the economy which results in real wage increases.

The government is making sincere efforts to boost overseas employment which will not only reduce the unemployment burden in the country but will also enhance remittances. In this regard, MoUs have been signed with number of labour importing countries such as Malaysia, Kuwait, and Qatar etc. Emigrants sent abroad in 2010 were 0.4 million and 0.5 million in 2011. Saudi Arabia, Gulf State including United Arab Emirate (UAE), Oman and Kuwait are the largest market of Pakistani workers.

Transport and Communication: The transport and communication sector is a

major contributor to government revenues. Sustainable economic development is dependent on a robust and low cost transport system. Enhanced export competitiveness is also contingent upon the efficient performance of this sector. The government is committed to implementing a comprehensive and modernizing transport and logistics sector through continuous reforms in all of its sub sectors. The Ministry of Communications has prepared a draft National Transport Policy which covers all modes of transport sectors i.e. (i) Roads, (ii) Railways, (iii) Ports and Shipping and (iv) Aviation. This policy also includes the National Transport Corridor Improvement Program (NTCIP) to make it more productive and environment friendly.

The National Highway Authority completed 12 projects of flyovers, bridges, interchanges and the upgrading of roads during the last one year at a cost of Rs. 19.6 billion. At present, 46 development projects of roads covering 2,985 kms are ongoing costing Rs. 245 billion in different sections/packages. These projects include construction of roads, river bridges, tunnels, flyovers and interchanges. NHA has also launched and awarded 16 new development projects covering over 500 kms, including construction of a number of bridges, flyovers and interchanges costing Rs. 71 billion. NHA is simultaneously constructing 12 bridges across the rivers. These are: on river Chenab 4, on river Sutlej 2, on river Swan 1 and on river Indus 5.

The Cabinet Committee of Restructuring (CCOR) approved a restructuring framework for Pakistan Railways (PR). New Board of Directors of PR has been instituted, involving academia, management professionals, rail experts and executive functionaries. The Government arranged Rs. 6 billion loan for repair of locomotives and freight operations are also being prioritized for revenue generation. PR is being provided Rs. 2.3 billion per month from the budget to finance pay and pensions of Railway employees. An Asset Management Company is being established for optimum utilization of PR's assets. Private sector involvement is the focus moving forward, the Chamber of Commerce and Industries Lahore has been engaged for their freight transportation from Karachi to Lahore. Commercial management of rail operations and outsourcing of non-core functions is being initiated with an aim to improve efficiency of rail operations. Private Sector is also running a passenger train.

During the financial year, 16 kms of track was rehabilitated on the Pakistan Railways network besides doubling the previous 15 kms of track. Construction of a D Class railway station at new Multan City, renovation of Khudian Khas, Usmanwala, Raiwind and Kanganpur railway stations was carried out. Signaling system of four railway stations damaged during the riots of 2007 was rehabilitated during the period. During February 2012, 52 new design passenger coaches were imported from China. Remaining 150 passenger

coaches will be manufactured at Pakistan Railway Carriage Factory Islamabad by June 30, 2013. In addition, 22 passenger coaches have been rehabilitated at the Pakistan Railway Carriage Factory Islamabad during the last year. A new dry port was set up at Prem Nagar near Raiwind industrial area, Lahore through public-private partnership.

Teledensity in the country has increased by 68.3 percent in April 2012, showing 6.7 percent growth as compared to the previous year. Mobile penetration rose to 64.9 percent in 2011-12 against 60.4 percent in 2010-11. Fixed Local Loop teledensity now stands at 1.93 percent. Total mobile subscribers has reached 118.3 million by the end of March 2012. Subscribers of Local Loop (FLL + WLL) are 5.9 million, out of which 3.10 million belong to FLL and 2.8 million belong to WLL. Broadband subscribers reached 1.9 million at the end of February 2012.

There has been a cumulative investment of approximately US \$2.5 billion in the electronic media industry in Pakistan. More than 200,000 new jobs with diversified skills and qualifications have been provided. Additionally, over 7 million people have been accommodated through indirect employment. With the current growth rate of more than seven percent per annum in this sector, it is estimated that the cumulative investment in the electronic media industry will reach above \$3.0 billion by the end of the current financial year.

Energy: Energy is considered to be the lifeline of economic development. Pakistan's economy has been growing at an average growth rate of almost 3 percent for the last four years and demand of energy both at the production and consumer end is increasing rapidly. The Energy Committee headed by the Finance Minister presented a well articulated Energy Recovery Plan to the Cabinet in November 2011 which was approved after due deliberations.

The Plan focused on: (i) improving governance structure: it included dissolution of PEPCO and replaced by Central Power Purchase Authority, constituting new Boards of Directors (BODs) of 8 DISCOs and NTDC comprising professionals, issuance of explicit guidelines of professionalizing the BOD, hiring professional CEOs for DISCOs, GENCOs and CPPA, and business plans for each DISCO and GENCO to be developed by the newly hired CEO and approved by the new Board; (ii) Supportive legislative framework: NEPRA law was amended authorizing NEPRA to notify fuel adjustment, Cabinet has approved amendment making electricity theft a serious crime; (iii) Financial Sustainability of the System: the Government has increased electricity tariff by 90 percent and Rs. 1.25 per kwh very recently to recover the full cost of electricity supply which is still Rs. 3 per kwh below the determined tariff; (iv) Resolution of Circular Debt: the Government has provided Rs. 1122 billion from the budget during the last four years to resolve circular debt issue.

However, extremely low collection than required (90 percent of the billed amount) by DISCOs always leaves a high balance as receivables; (v) Supply Side Management: reduction in transmission and distribution losses as well as running the most efficient plants; (vi) Demand Side Management: Standard Operating Procedure (SOP) issued for recovery of private receivables, a limit of 45 days for payment overdue has been set for disconnection, Loss mapping in each DISCO initiated to identify losses and their sources, Government facilitating recovery of dues of Provincial and Federal Government departments, and Media campaign for prudent use of electricity; (vii) Promoting Private Sector Participation (viii) changing fuel mix and (ix) changing energy mix moving towards hydel and coal based generation. In addition, the Government has launched a major energy conservancy program that includes two holiday a week, closing the markets at 8:00 pm, lighting alternate pole of the Municipalities and using air conditioners in offices after 11:00 p.m.

The contribution of Hydel in electricity generation increased to 33.6 percent in 2011. Karachi Electricity Supply Corporation (KESC) contributed 8.3 percent, Pakistan Atomic Energy Commission (PAEC) 3.6 percent, Kot Addu Power Company (KAPCO) 6.2 and the Hub Power Company (HUBCO) 9.1 percent to total electricity generation. Independent Power Producers (IPPs) have contributed almost 25 percent. The Government is implementing a number of priority hydel projects such as 969 MW-Neelum Jhelum, 1410 MW-Tarbela 4th Extension, and Patrind in the private sector. Almost 96 percent of the work on the main dam at Mangla, spillway and allied facilities are completed and resettlement work is in progress. Likewise 99.7 percent work on Satpara and 72.1 percent on Gomal Zam dam have been completed. 7100 MW-Bunji, 4320 MW-Dasu, 80 MW Kurram Tungi Dam, 740-MW Munda Dam and 4500 MW-Diamer Bhasha Dam are in the pipeline. Pakistan is one of the beneficiaries of Tetra-partner power import project under the head of Central Asia-South Asia (CASA-1000) electricity trade. In addition, a number of thermal projects are under implementation including 747 Guddu refurbishment.

Pakistan has huge coal reserves estimated at over 185 billion tones. Thus the long term trend shows that there was an increase of production of coal; an average 7.7 percent change occurred during the last ten years. Federal as well as Sindh Governments are actively pursuing to provide necessary infrastructure at Thar for exploiting these coal reserves for power generation. Two blocs have been leased out on pilot basis. Efforts are underway to provide the missing transmission link between Matiari and Thar.

The Government is also working on different gas pipelines as well as import of LNG and LPG to address the gas shortages. In this regard, Liquified Natural Gas (LNG) Policy 2011 has been notified which encourages private parties to develop LNG projects and sets them free to participate in any segment

of the LNG value chain. The gas sector supply increased by 4.9 percent in July-March 2011-12 as compared with the corresponding period of last year. The average production of natural gas during July-March 2011-12 was 4236.1 million cubic feet per day (mmcf) as against 4050.6 (mmcf) during the corresponding period of last year showing an increase of 4.6 percent.

Social Safety Nets: The government is committed to a sustained poverty reduction strategy and to allocate a minimum of 4.5 percent of GDP to social and poverty related expenditures. The government prioritized 17 pro-poor sectors through the Medium Term Expenditure Framework (MTEF) which provides a link between the policy priorities and the budget realities. Expenditure on pro-poor sectors in 2007-08 stood at 5.6 percent of GDP, 7.5 percent in 2008-09, 7.6 percent in 2009-10. Total expenditures in 2010-11 were 6.9 percent of GDP. This was first year of the 7th National Finance Commission Award when 70 percent of the divisible pool was transferred to the provinces as well as transition was taking place as a result of 18th amendment.

The floods of 2010 and heavy rains of 2011 significantly hurt the efforts to improve standard of living of the people. The floods and rains affected approximately 20 million people directly and a much larger proportion indirectly; the loss to infrastructure and livelihood sources further impacted the people of these areas.

The Benazir Income Support Programme, a flagship program of the Government, has made a remarkable progress by providing much needed relief to over 4 million recipients all over Pakistan. Over the last 4 years, BISP has provided over Rs. 178 billion out of which Rs. 153 billion were contributed from domestic resources. A total amount of Rs. 122 billion has been disbursed to its recipients up to March 2012. The number of recipients is expected to be increased to 7 million once the on-going processing of data collected during the “nation-wide poverty scorecard targeting survey” is completed. BISP has launched a number of programmes including (i) Payment to Recipients, (ii) Graduation Initiatives, (iii) Waseela-e-Haq, (iv) Waseela-e-Rozgar, (v) Waseela-e-Sehat and (vi) Waseela-e-Taleem to mitigate the impact of stabilization program as well as inflation.

The Pakistan Poverty Alleviation Fund (PPAF) is yet another element of the country’s poverty reduction strategy. The PPAF is dedicated for micro credit, enterprise development, community based infrastructure and energy projects, livelihood enhancement and protection, social mobilization, and capacity building. The overall disbursements for core operations during the period of July-December 2012 were Rs. 8.5 billion.

Pakistan Bait-ul-Mal is making a significant contribution towards poverty reduction through its various services by providing assistance to

destitute, widows, orphans, invalid, infirm and other needy persons irrespective of their gender, caste, creed and religion through its ongoing core projects/schemes. A total of Rs. 1.8 billion has been utilised upto February 2012 on schemes such as individual Financial Assistance, child support program, vocational schools, sweet homes etc.

After devolution of the subject of Zakat, the Provinces/Federal Areas are directly managing the distribution of Zakat to the beneficiaries. Zakat funds have been utilized for assistance to the needy, indigent, poor, orphans, widows, handicapped and disabled for their subsistence and rehabilitation. Up to March 2012, a total amount of Rs. 7.8 billion was distributed amongst the provinces and other administrative areas.

Peoples Works Programme (PWP) I & II are welfare programmes comprising small development schemes providing village electrification, gas, farm to market roads, education, health and other services to create jobs at the local level. PWP-I & II have been provided over Rs. 38 billion during 2011-12.

Employees Old Age Benefits Institution provides monetary benefits to the old age workers through various programmes such as the Old Age Pension, Invalidity Pension, Survivors Pension and Old Age Grants. During the period of July-March 2012, Rs. 8 billion has been disbursed to 350,485 beneficiaries.

Workers Welfare Fund is also facilitating the poor labourers in industrial sector by providing funds for housing facilities and marriage grant, death grant and scholarships etc. During (July-March) 2011-12, Rs. 2.5 billion has been incurred for these schemes. Government has also taken various micro-finance initiatives in collaboration with all stakeholders to generate employment opportunities and to eliminate poverty.

The Government has provided huge subsidies during the last four years to the vulnerable and poor to mitigate the impact of stabilization, floods and international prices. These include: Rs. 1122 billion for the power sector, Rs. 104 billion for the petroleum sector in addition to foregone income of Rs. 136 billion from Petroleum Levy by adjusting it downward to keep the petroleum prices lower than the international market, Rs. 110 billion on fertilizer and Rs. 137 billion for food items such as sugar, wheat and subsidized items through Utilities Stores. In addition, Federal Government provided Rs. 42 billion to the flood affectees through Watan Card as well as Citizens Compensation Damages Program.

Environment: Pakistan continued to face challenges to achieve environmentally sound development. This has become increasingly difficult to achieve in the backdrop of back to back flooding and rains across the country as well as other exogenous and endogenous factors. The quality of the natural environment is not only an extremely important issue from the point of view of individual survival but it will also emerge as one of the principal human security issues in Pakistan. The environmental challenges include climate change

impacts, loss of biological diversity, deforestation and degradation of Air and Water quality.

A number of projects have been funded by the government to improve the capacity of relevant institutions to deal with increasing environmental degradation. In addition, there are a number of projects funded by the donors in which the government is a partner. These are being currently implemented to improve overall environment of the country. Government efforts alone, because of the limited resources at its disposal, are not enough and demand a much larger participation and support from other stakeholders including industry, civil society, and the public at large as well as the donors. National Climate Change Policy 2011 provides a framework for addressing the issues that Pakistan faces or will face in future due to the changing climate.

The level of access to drinking water is quite impressive in Pakistan. According to Pakistan Bureau of Statistics report (PBS) Pakistan Social and Living Standards Measurement Survey 2010-11, access to drinking water to urban and rural population of Pakistan is 94 and 84 percent, with an average of 87 percent in 2011. Sanitation facilities are also improving. According to a report released by the WHO/UNICEF Joint Monitoring Program (JMP) 2012, 92 percent people had access to drinking water by 2010 in Pakistan while this ratio was 85 percent and 89 percent in 1990 and 2000 respectively. The MDG target is to achieve the ratio of 93 percent by 2015.

Going forward, the government will continue to pursue policy of macroeconomic stability, growth and creating jobs, mobilizing domestic resources, incentivizing the private sector, and strengthening the social safety nets.

Source: http://www.finance.gov.pk/survey/chapter_12/ExecutiveSummary.pdf