

**Bismillah-i-Rahman-i-Raheem.**

Chair, Ladies and Gentlemen,

Let me begin by thanking Mr. Shoaib Sultan Khan, Chairman Rural Support Programme Network (RSPN) and his organizing team for inviting me to discuss the flagship social protection initiative of the Government of Pakistan, with this select gathering of development professionals.

Benazir Income Support Programme (BISP) is the response of the Pakistan People's Party's Government to the suffering of the most vulnerable poor of Pakistan. The people of Pakistan have paid a heavy price as a consequence of the insensitive economic policies and failure of the previous regime to contain inflation. The representative and democratic government of the Pakistan People's Party is fully conscious of the difficult times that the people of Pakistan, especially the poor are passing through. Double digit inflation of the last few years has badly affected the purchasing power of the poor sections of society.

Poverty in Pakistan is acute in nature. The poor suffer not only because of hunger and lack of availability of social services; they suffer also due to the unfair disadvantage of lack of opportunities for economic activity - simply because it takes all their energies and resources just to survive. Comprehensive measures to address the economic difficulties are being taken by the Government. Long term strategies of the Government to reduce poverty include the development and implementation of policies for:

- Accelerating economic growth and maintaining macroeconomic stability;
- Investing in human capital through special programmes in the Education, Health and Population Welfare sectors; and
- Governance reforms to bring about efficient, cost effective and transparent service delivery at the doorstep.

Ladies and Gentlemen:

The urgency of the situation however, demands affirmative action to provide direct relief to the poor and urgent measures to augment the long term poverty reduction strategy. Expanding the social safety net for the most vulnerable section of society through the BISP is an emergency relief measure for the poorest of the poor. The programme will provide direct relief through cash grants, to be sustained over a period of time, and give breathing space to the poor for whom sustenance is the main issue. The programme would also provide the government with the necessary alternative to the existing social protection mechanisms; which have failed to deliver the goods, in these exceptionally difficult times. The Zakat and Bait-ul-Maal systems

and the employees' social security and old-age benefit institutions are insufficient to provide the needed protection to a large segment of the population.

The BISP is the only Government initiative which aims to provide direct relief to the most vulnerable and poor households; that is households headed by females or where the household's suffering is augmented due to a mental or physical disability or chronic illness in the family. Under the Programme only a female head of the household is entitled to receive the cash support. I am confident that this gender sensitive orientation of the programme will also have an added impact on women empowerment. We all know the harsh realities of our society for the poor families with no male earning hand. We aim to change these realities.

Ladies and Gentlemen:

Our Government is focused on welfare of the poor and committed to achieving results in the shortest possible time. For this purpose Rupees 34 billion have been allocated for BISP during the fiscal year 2008-09. It is the third largest allocation for the current budget and constitutes 0.3 percent of GDP. The programme will cover 12 to 14 percent of the population in low income brackets in the entire country, including FATA, Northern Areas and Azad Jammu and Kashmir. Special attention has been accorded to remote areas in Balochistan, Chitral, North and South Waziristan, Kohistan and Tharparkar.

The BISP will compensate economically vulnerable families for the erosion that their purchasing power has suffered. The programme will disburse Rupees 2000 every alternate month to around 3.4 million families that have a monthly income of less than Rupees 6000. For a family earning Rupees 5000 per month, a thousand rupees payout will amount to a Twenty percent increase in their current purchasing power. Families in low income brackets spend between Fifty to Seventy percent of their income on food. At current flour prices, the Rupees 1000 a month support will be sufficient to finance 20 to 25 days of flour needs for a five to six member family. This is a significant contribution. The payout will not be able to alleviate their poverty, but it will certainly serve to protect their nutrition intake to a large extent.

To ensure a nonpartisan approach, all members of Parliament, irrespective of party affiliation, have been provided equal opportunity to recommend deserving families, based on the specified criteria. The representatives of people are aware of the problems of their communities and it is from the people they draw their strength. To further ensure objectivity and transparency, the programme management, recipient selection, verification and disbursement processes have been separated. Parliamentarians' recommendations would be independently verified by a computer-based mechanism through NADRA, which after the criteria based screening would directly transmit the final list of recipients electronically to the Pakistan Post. The

funds would be electronically transferred from the Treasury to the Pakistan Post. Payment will be made by money order at the doorsteps of the recipients. An internal monitoring mechanism is being put in place to ensure the delivery of exact amount to the designated families.

Our friends in the various Rural Support Programmes have witnessed the nature of developmental problems in Pakistan. Lack of resources even to feed the hungry children is the worst of all crises a family can face. The gravity of the present situation of the poor required a programme for targeted short term interventions to provide direct relief and protection to the vulnerable poor segment of society. The BISP through direct financial assistance to the most vulnerable section of the society not only provides for immediate needs but will also serve as a cushion till the time that long term macroeconomic measures of employment generation, skill development, enhancement of social sector facilities, micro enterprise development etc. start making their impact.

We are aware of our commitments to the comity of nations towards the achievement of Millennium Development Goals (MDGs). At the United Nations Millennium Declaration the nations of the world agreed to “spare no effort to free our fellow men, women and children from the abject and dehumanising conditions of extreme poverty”. The first MDG aims to half the population living on less than a dollar a day. In the BISP we have targeted this very segment of the population, the poorest of the poor for whom it has become extremely difficult for even to fulfill the basic food needs. In our efforts to achieve these goals, we also seek the support of the multi-lateral and bilateral aid agencies, which are, I am sure ready to assist us in all our poverty reduction initiatives.

Although globalisation and increased international trade has created immense opportunities for growth and the accumulation of wealth for some, it has produced socio-economic conditions that make it difficult for many to meet their basic needs. Special initiatives for social protection are the need of the hour to deal with the adverse effects of the emerging global economic scenario.

Sometime back I came across an abstract from a novel (probably by an African author), God's Bits of Wood. One of the characters in the novel said that “Real misfortune is not just a matter of being hungry and thirsty; it is a matter of knowing that there are people who want you to be hungry and thirsty”. This statement really struck me and I imagined how helpless and miserable would someone be in such circumstances. It is my resolve not let our people suffer such a misfortune. The vision of Mohtrama Benazir Bhutto Shaheed, whose heart was always with the underprivileged, is there to protect our poor. Through the BISP our poor people will get the strength and the message that they are not alone, there are people who will not

let them go hungry, there are people in the corridors of power who will make sure that help will reach their doorsteps.

We own this responsibility; the Pakistan People's Party was given the mandate by the people of all the four provinces of Pakistan on the commitments we made in our election manifesto. We will fulfill all the promises. The Benazir Income Support Programme has seen the light of the day with the active patronage of President Asif Ali Zardari and strong support from Prime Minister Syed Yusuf Raza Gilani. We are looking for encouragement from you, the civil society, the media and the donor community in this noble endeavour.

I thank you ladies and gentlemen for your time and look forward to your questions and suggestions.