



The Department for International Development (DFID) leads the UK's global efforts to end extreme poverty, deliver the Global Goals for Sustainable Development (SDGs) and tackle a wide range of global development challenges. The UK's focus and international leadership on economic development is a vital part of Global Britain - harnessing the potential of new trade relationships, creating jobs and channelling investment to the world's poorest countries. Throughout history, sustained, job-creating growth has played the greatest role in lifting huge numbers of people out of grinding poverty. This is what developing countries want and is what the international system needs to help deliver. Whilst there is an urgent need for traditional aid in many parts of the world, ultimately economic development is how we will achieve the Global Goals and help countries move beyond the need for aid.

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| Planned budget for 2018/19 | £325m |
| Planned budget for 2019/20 | £302m |

| <p>Sector breakdown of 2018/19 bilateral spend</p> <table border="1"> <caption>Sector Breakdown of 2018/19 Bilateral Spend</caption> <thead> <tr> <th>Sector</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Human Development</td> <td>53%</td> </tr> <tr> <td>Governance and Security</td> <td>10%</td> </tr> <tr> <td>Economic Development</td> <td>7%</td> </tr> <tr> <td>Humanitarian</td> <td>2%</td> </tr> <tr> <td>Climate and Environment</td> <td>5%</td> </tr> </tbody> </table> | Sector | Percentage | Human Development | 53% | Governance and Security | 10% | Economic Development | 7% | Humanitarian | 2% | Climate and Environment | 5% | <p>Top 3 spending programmes in 2018/19 (as at 9th May 2018)</p> <table border="1"> <tbody> <tr> <td>Punjab Education Support Programme II</td> <td>£67.2m</td> </tr> <tr> <td>Pakistan Economic Corridors Programme</td> <td>£56.3m</td> </tr> <tr> <td>Khyber Pukhtunkhwa Education Sector Programme</td> <td>£41m</td> </tr> </tbody> </table> | Punjab Education Support Programme II | £67.2m | Pakistan Economic Corridors Programme | £56.3m | Khyber Pukhtunkhwa Education Sector Programme | £41m |
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| Sector | Percentage | | | | | | | | | | | | | | | | | | |
| Human Development | 53% | | | | | | | | | | | | | | | | | | |
| Governance and Security | 10% | | | | | | | | | | | | | | | | | | |
| Economic Development | 7% | | | | | | | | | | | | | | | | | | |
| Humanitarian | 2% | | | | | | | | | | | | | | | | | | |
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Contribution to the Global Goals and other government commitments (achieved as at March 2018)*

1.5 million children supported to gain a decent education

938 thousand people with sustainable access to clean water and/or sanitation

486 thousand additional women and girls using modern methods of family planning

Headline deliverables

- Ending extreme poverty and providing humanitarian assistance:** Since 2011, UK aid has delivered: primary education for more than 9 million children (of which 4.6m are girls); skills training for over 256,000 people (47% women); access to small loans for 5.8 million people (53% women); more than 1 million safer births; contributed to cash supplements for 5.2 million of the poorest women and their families; and humanitarian assistance for over 7.6 million people following natural disasters and conflict.
- Economic development:** The UK was integral to Pakistan's completion of a three year International Monetary Fund programme in September 2016, averting a financial crisis in 2013. Between 2013 and 2016, economic growth rose from 3.7% to 4.7%. The tax take has increased from 10% of GDP in 2013 to 12.5% in 2017.
- Building institutions:** The UK works at federal and provincial level to build capacity, improve public sector institutions and delivery, and tackle corruption. With UK support; citizens' budgets have been published in Punjab and Khyber Pakhtunkhwa; £160 million of bank loans have been facilitated for 30,000 small and medium enterprises; and 17 million poor people have access to digital banking. Pakistan joined the Open Government Partnership in 2016 demonstrating a commitment to greater government accountability and transparency.

* Results less than 1 million are rounded to the nearest thousand. Results over 1 million are rounded to the nearest hundred thousand.

Why DFID is investing in Pakistan

Helping to ensure a prosperous and stable Pakistan is critical for the future of millions of poor Pakistanis, and the stability and security of both the region and the UK. Almost a third of Pakistan's population lives in poverty (over 60 million people), with women most seriously affected. 22.6 million children do not go to school and half of the population, including two thirds of women, cannot read or write. One in eleven children die before their fifth birthday, every year 9,700 women die in childbirth and 44% of children under five are stunted. Pakistan's population is set to grow by 40 million people in the next 15 years and the economy needs to grow by more than 7% a year to create jobs for this growing young population. There is major inequality based on geography, gender, ethnicity, disability and faith and a significant modern slavery problem amongst the poor, minorities, women and children. Pakistan carries a high risk of natural disasters; it has the second highest number of refugees in the world and continues to suffer from extremism and militancy. Consolidating the growing democracy and capacity of government institutions remains essential.

How will the UK respond to opportunities and challenges?

In addition to our funding (which represents a small contribution to Pakistan's economy), it is our focus and strong relationships that mean we can help strengthen institutions, develop markets and build systems for a self-sufficient and better governed country. The UK will continue to help Pakistan improve its basic services, reduce poverty, and promote equality as it transitions to a prosperous and stable country. We will help to improve the investment climate in Pakistan, supporting the economy to grow, and creating better conditions for UK companies to invest and trade. We will also help to improve the democratic process and support free and fair elections, due in 2018. Over the next five years our assistance will target the poorest and most vulnerable more closely and build government systems and expertise to continue this work on a sustainable basis in the future.

What is being achieved for the UK?

The UK is well-positioned to provide support based on our strong political and historical ties with Pakistan. We focus both on immediate results and building the systems for a future when Pakistan no longer needs aid. DFID's work in Pakistan is firmly in our national interest. A more prosperous and inclusive country will help millions of poor people to have a better future (including children and marginalised groups currently locked into bonded labour) and improve stability and security in Pakistan. DFID's work supports wider UK objectives by helping to reduce threats to the UK which may emanate from Pakistan linked to extremism, illegal migration and foreign national offenders in the UK of Pakistani origin.

Partners

- DFID works with nine other UK government departments and the British Council to achieve the UK's objectives in Pakistan. In addition, there are multi-country programmes managed by DFID headquarters that complement our country office resources on issues ranging from polio eradication to regional water management.
- We work with partners who can manage risks effectively and achieve the best value for money in results for UK investment. This means that DFID works closely with the government of Pakistan, private sector organisations, multilateral organisations and international/local non-governmental organisations.
- DFID works with the World Bank Group and Asian Development Bank to support the government of Pakistan's economic reform programmes and areas for economic opportunity. We work with United Nations agencies to provide humanitarian assistance in response to crises, and to support the return and reintegration of displaced people in the tribal areas of the country.
- Most of our contracts with commercial partners and with government are based on payment by results, and financial aid linked to specific projects. Funds are withheld if results are not delivered.