SDPI
Sustainable Development Policy Institute

IDRC · CRDI
International Development Research Centre
Centre de recherches pour le développement international

Canada

National Report on

Fiscal and Trade Policy Measures to Promote Healthy Diets in Pakistan

Acknowledgment

This is a National Report on Fiscal and Trade Policy Measures to Promote Healthy Diets in Pakistan for the South Asian Coalition for Improved Nutrition.

This National report has been authored by the Sustainable Development Policy Institute (SDPI) team, which included Sakib Sherani, former Principal Economic Adviser, Ministry of Finance, Government of Pakistan, and ex-member of the Economic Advisory Council under various Prime Ministers, Maaz Sherani, associate at Macro Economic Insights (SMC-Pvt.) Ltd, Qasim Shah Deputy Executive Director SDPI and Dua Mobeen Project Assistant.

This work was carried out with the aid of a grant from the International Development Research Centre, Ottawa, Canada. The views expressed herein do not necessarily represent those of IDRC or its Board of Governors.

Glossary

AAP	Accelerated Action Plan for Stunting & Malnutrition
AI	Artificial Intelligence
AJK	Azad and Jammu Kashmir
BCC	Behavioural Change Communication
BISP	Benazir Income Support Programme
CCTs	Conditional Cash Transfers
CMAM	Community-based Management of Acute Malnutrition
CPI	Consumer Price Index
DCCNs	District Coordination Committees for Nutrition
DMACs	District Malnutrition Addressing Committees
DRM	Disaster Risk Management
EFF	Extended Fund Facility
FAO	Food and Agriculture Organisation
FATA	Federally Administered Tribal Agencies
GB	Gilgit Baltistan
GMO	Genetically Modified Organisms
GoP	Government of Pakistan
HHs	Households
ICDS	Integrated Child Development Services
IFA	Iron and Folic Acid
IMF	International Monetary Fund
IRMNCH-NP	Integrated Reproductive, Maternal, Newborn, Child Health and Nutrition Program
IYCF	Infant and Young Child Feeding
LHWs	Lady Health Workers
LIMS	Land Information and Management System
M&E	Monitoring and Evaluation
MIYCN	Maternal, Infant and Young Child Nutrition
MNCH	Maternal, Newborn, Child Health
MNFS&R	Ministry of National Food Security & Research
MNHSR&C	Ministry of National Health Services, Regulation and Coordination
MNP	Micro Nutrient Powder
MSNS	Multi-Sectoral Nutrition Strategy
NAFSA	National Agri-trade & Food Safety Authority
NFSA	National Food Security Act
NSDA	National Seed Development Authority
NCDs	Non-Communicable Diseases
NTBs	Non-Tariff Barriers
NSER	National Socio-Economic Registry
PARC	Pakistan Agricultural Research Council

PASS	Poverty Alleviation and Social Safety (Ministry of)
PASSCO	Pakistan Agricultural Storage and Services Corporation Ltd.
P&D	Planning and Development
PBM	Pakistan Bait-ul-Maal
PBS	Pakistan Bureau of Statistics
PDS	Public Distribution System
PFA	Punjab Food Authority
PINS	Program for Improved Nutrition in Sindh
PLW	Pregnant and Lactating Women
PPAF	Pakistan Poverty Alleviation Fund
PPP	Public Private Partnership
PSDP	Public Sector Development Programme
RMNCH	Reproductive, Maternal, Newborn, Child Health
RUTF	Ready-To-Use Therapeutic Foods
RUSF	Ready-To-Use Supplementary Foods
SFA	Sindh Food Authority
SSBs	Sugar Sweetened Beverages
SDGs	Sustainable Development Goals
SPS	Sanitary and Phytosanitary
SWFs	Sovereign Wealth Funds
TTS	Track and Trace System
TVO	Trust for Voluntary Organizations
UNDP	United Nations Development Programme
UNICEF	United Nations International Children's Emergency Fund
USC	Utility Stores Corporation
VAT	Value Added Tax
WASH	Water, Sanitation and Hygiene
WB	World Bank
WFP	World Food Programme
WHO	World Health Organisation

National Report on Fiscal and Trade Policy Measures to Promote Healthy Diets in Pakistan

EXECUTIVE SUMMARY

Pakistan faces an alarmingly high 'triple burden' of malnutrition, described by the WHO as *undernutrition*, leading to stunting, wasting and micronutrient deficiencies, on the one hand, and *over-nutrition* on the other, causing overweight as well as obesity. A third factor of malnutrition-linked non-communicable diseases (NCDs) completes the triple burden of malnutrition which the country is experiencing.

The scale of the malnutrition challenge is daunting, as are its ramifications. According to the Food and Agriculture Organisation of the United Nations (FAO), 20.7% of Pakistan's population was undernourished in 2022, or, nearly 50 million citizens. Deficiencies in vital vitamins and minerals—which underpin immunity, cognition, and growth—are widespread among children and women.

Nearly half of an average household's monthly expenditure goes towards food. A combination of high multidimensional poverty, compounded by unprecedented food inflation since 2018, meant that nearly 60 percent of the population could not afford a healthy diet in 2022, as per the World Bank. The proportion of the population unable to afford a healthy diet was significantly larger in the case of Pakistan than the average for all low- and middle-income countries (LMICs) combined.

According to FAO, some 34 percent of children in the country under 5 years are stunted, while 7 percent of this cohort suffers from acute malnutrition ('wasting'). Malnutrition has affected the cognitive ability of a large swath of the under-10 cohort, with the country's *learning poverty rate* — the percentage of children unable to read and understand a short age-appropriate text by age 10 — at 75 percent before the COVID-19 pandemic and the 2022 floods, as per the World Bank. This level was more than 19 percentage points above the average for lower-middle-income countries. After the pandemic and the 2022 floods, learning poverty is estimated to have risen further.

The debilitating effects of malnutrition manifest themselves across the life span, from pregnancy to lactating mothers, to early childhood through to young adults and all the way to mature adulthood.

Pakistan also faces a high burden of malnutrition-linked non-communicable diseases, such as anaemia in women, obesity, diabetes, hypertension and cardiovascular disease. Overall, malnutrition is estimated to cost the country between 3% to 3.7% of GDP annually, reducing productivity, raising healthcare costs, and impeding human capital development.

Addressing the nutrition challenge has gained policy salience and traction over the past few years, especially in light of the country's commitments on the UN's Sustainable Development Goals (SDGs). To combat malnutrition specifically, as well as to increase food security of vulnerable segments of the population, the Government of Pakistan has launched, since 2018, a number of initiatives and programs under two flagship integrated national strategies. A major innovation in the government's approach has been that it is now addressing the issue in a multi-sectoral manner.

While Pakistan has adopted, somewhat belatedly and up to a large extent but not fully, a multi-sectoral approach to tackling the nutrition challenge, the government's strategy needs to overcome some critical gaps. These gaps relate to:

- The absence of an integrated and holistic framework for food security, anchored by a national food security law – the proposed National Food Security Act
- Moving from a narrower focus on at-risk districts and the Pregnant and Lactating Women (PLW) cohort to the nation-wide upscaling of key initiatives and programs, particularly relating to provision of school meals and in the nutrition-linked conditional cash transfer scheme under BISP (*Nashaunuma*)
- Upscaling Vitamin A, D and iron fortification efforts
- Adequately financing both nutrition-specific as well as nutrition-sensitive public spending. While nutrition-linked spending has increased nearly five-fold since 2016-17, it remains inadequate relative to GDP or in real, inflation-adjusted terms. This is especially relevant for nutrition-specific public expenditure on national programs, which has been budgeted at 0.06 per cent of GDP for 2025-26 at the federal level. Overall national expenditure – federal plus provincial – on food security, food safety and nutrition amounts to 1.3 per cent of GDP.
- In this context, protecting nutrition-specific spending from intra-year seasonality and inter-year volatility is imperative. The government's nutrition-specific programs are largely seasonal, centred around Ramazan and are not available to vulnerable cohorts around the year. This gap in delivery needs to be addressed.

  In addition to increasing its quantum significantly, nutrition-specific public expenditure needs to be protected from inter-year budgetary cuts. A significant degree of year-to-year volatility in budgetary allocations suggest that this expenditure head is regarded as lower-priority than other social safety spending.

- Addressing the heightened vulnerability of the farm sector due to the recent policy reversal on crop procurement and support prices
- Crop and livestock insurance and other market-based mechanisms for farmer support
- Greater sustainability and stability of domestic food systems
- An enhanced focus on crop diversification and improving crop yields in a climate-smart agriculture framework
- Farm mechanisation
- Tapping into green and innovative financing

Important lessons can be learnt from cross-country experience, including with regards to successful policy interventions, spanning program design to implementation. India's rights-based legislation on food security, Brazil's *Fome Zero* (Zero Hunger) program, and Indonesia's ambitious school meals initiative offer valuable lessons in this context.

Key recommended fiscal policy interventions include a greater emphasis on domestic resource mobilisation; introducing higher excise taxes on Sugar Sweetened Beverages (SSBs), ultra-processed food, high sugar-content confectioneries and "junk" food; earmarking of revenue from specific taxes; re-prioritisation of expenditure; reducing leakages in public spending; higher public sector investment in agriculture especially for climate-resilient crops and livestock solutions; higher allocations for national school meal programs as well as consumption subsidies for nutrition-dense foods and for dietary diversity.

On the trade side, the recommended policy interventions include reduced tariffs and Non-Tariff Barriers (NTBs) on high-nutrition food imports, and application of higher import duties on unhealthy foods such as sugar sweetened beverages and ultra-processed foods. In addition, tighter bio-safety laws and strengthening of the Sanitary and Phytosanitary (SPS) measures compliance and monitoring regime, together with adoption of, and adherence to, international food safety standards will yield significant pay-offs.

The availability of financing for the policy agenda with regards to addressing Pakistan's food security and malnutrition challenge is often viewed as a binding constraint. It is important to remember, however, that the total annual loss to the country from the twin burden and its associated costs is estimated at well over 3 per cent of GDP. In addition, the pay-offs from relatively modest investments such as in farm mechanisation, or even in larger investments required for irrigation and grain storage for example, are a far larger order of magnitude. It is therefore essential that a strategic view is adopted to financing the food security and nutrition agenda.

Overall, food insecurity and malnutrition pose a severe long term, intergenerational challenge to public health, economic growth, and human development. To effectively tackle this challenge, an integrated, cross-cutting approach is required, with the foundational, organising principle being the recognition of nutrition as a basic constitutional right.

1.

PAKISTAN'S NUTRITION CHALLENGE

Pakistan faces an alarmingly high 'double burden' of malnutrition, described by the WHO as undernutrition, leading to stunting, wasting and micronutrient deficiencies, on the one hand, and over-nutrition on the other, causing overweight as well as obesity. A third factor of malnutrition-linked non-communicable diseases (NCDs) completes the *triple burden* of malnutrition which the country is experiencing.

The scale of the malnutrition challenge is daunting, as are its ramifications. According to the United Nation's Food and Agriculture Organisation (FAO), 20.7% of Pakistan's population was undernourished as of 2022, amounting to nearly 50 million citizens. The prevalence of undernourishment as a percentage of the population has nearly doubled from a recent low of 10.6% attained in 2017. The average for lower middle-income countries is 14%, and for South Asia as a whole, 14.7%. At its current level, Pakistan ranks 27th in the world in terms of the prevalence rate of undernourishment. In terms of relative global standing, Pakistan's percentile rank is at 15th (i.e. 85% of the ranked countries score better).

A combination of unprecedented flooding that affected large parts of the country in 2022 and record food inflation since 2018, appear to explain the spike in the prevalence rate of undernourishment in the country over this period. Nearly half of an average household's monthly expenditure goes towards food. Unparalleled food inflation, a decline in real incomes and pre-existence of high multidimensional poverty, mean that nearly 60 percent of the population cannot afford a healthy diet, as per the World Bank (covered in greater detail in a later section). The prevalence of undernourishment coincides with a high degree of moderate or severe food insecurity in the population, at 44.9% as of 2022 as per the FAO. Pakistan ranked 109th out of 127 countries in the Global Hunger Index 2024.

Box: Definitions of a Healthy Diet

What constitutes a 'healthy diet'? Some of the internationally accepted definitions are as follows.

World Health Organization (WHO)

A healthy diet protects against malnutrition and noncommunicable diseases like heart disease, diabetes, stroke, and cancer; it also supports optimal growth and well-being.

Key dietary intake recommendations include:

- Energy balance – matching intake to expenditure
- Carbohydrates should primarily come from legumes and whole grains
- Total dietary energy source should be diversified, with fats providing up to 30% of energy, saturated fats up to 10%, trans fats less than 1%, with a shift to unsaturated fats
- Free sugars should provide less than 10% of total energy (ideally < 5%)
- Salt intake should not exceed 2g of sodium (~5g salt) per day
- At least 400g of fruits and vegetables intake daily for adults
- Exclusive breastfeeding for 6 months, followed by diverse complementary feeding

FAO-WHO joint definition of Healthy and Sustainable Diets

A sustainable and healthy diet:

- Has low environmental impact while contributing to nutrition security
- Is nutritionally adequate, safe, healthy, accessible, equitable, and culturally acceptable
- Emphasizes diverse, adequate, moderate, and balanced eating

UN Food Systems Summit (2021) definition

Defines a healthy diet as health-promoting and disease-preventing, providing adequate nutrients without excess from nutritious foods, and avoiding health-harming substances. It is universal and adaptable to local contexts.

Planetary Health Diet (EAT–Lancet Commission, 2019)

A global flexitarian diet designed to feed 10 billion people by 2050 while being environmentally sustainable. Encourages mostly plant-based foods, moderate animal-source foods, limited red meat and sugar, and emphasizes sustainability and affordability.

cont'd …

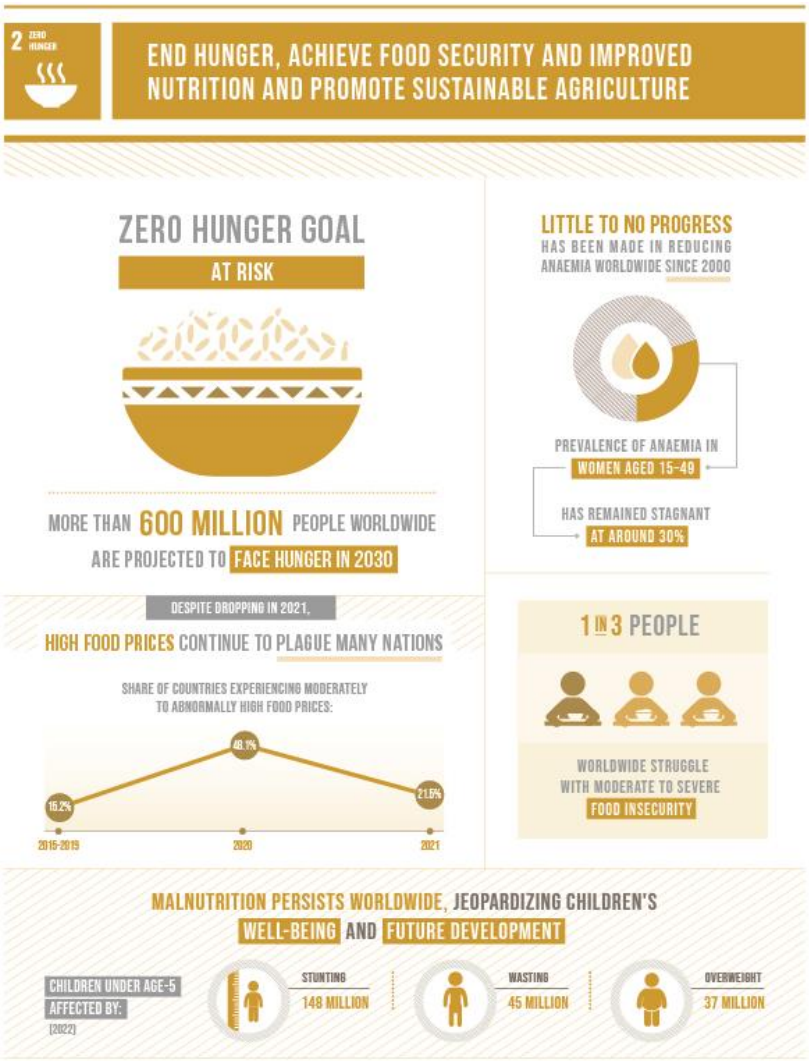
Sources: World Health Organisation https://www.who.int/health-topics/healthy-diet/#tab=tab_1; *What are healthy diets? Joint statement by the Food and Agriculture Organization of the United Nations and the World Health Organization*. Geneva: World Health Organization and Food and Agriculture Organization of the United Nations; 2024. https://doi.org/10.4060/cd2223en. *Food in the Anthropocene: the EAT–Lancet Commission on healthy diets from sustainable food systems*. Willett, Walter et al. The Lancet, Volume 393, Issue 10170, 447 – 492.

Table 1: Malnutrition prevalence and burden indicators

Indicator	Measure	Year	Pakistan	South Asia	LMICs
Nutrition/Food Security:					
Prevalence of undernourishment	% of population	2022	20.7%	14.5%	14.0%
Prevalence of moderate or severe food insecurity (%)	% of population	2022	44.9%	41.1%	43.1%
Global Food Security Index	Rank	2022			
Availability	Rank	2022	=61/113	...	...
Affordability	Rank	2022	=75/113	...	...
Population % unable to afford healthy diet	% of population	2022	58.7%	54.5%	52.6%
Burden of malnutrition:					
Percentage of children under 5 years of age who are stunted (modelled estimates)	% of population	2022	34.0%	31.5%	29.0%
Percentage of children under 5 years affected by wasting	% of population	2022	7.1%	13.8%	9.7%
Prevalence of anemia among women of reproductive age (15-49 years)	% of cohort	2022	46.3%	48.8%	43.3%
Prevalence of obesity in the adult population (18 years and older)	% of population	2022	23.0%	9.7%	12.1%

Source: FAOStat; FAO, IFAD, UNICEF, WFP and WHO. 2024. *The State of Food Security and Nutrition in the World 2024 – Financing to end hunger, food insecurity and malnutrition in all its forms*. Rome. https://doi.org/10.4060/cd1254en

Global progress against the UN's Sustainable Development Goal to end hunger and achieve food security and improved nutrition and promote sustainable agriculture (SDG Goal 2) has been "[…] uneven and insufficient", according to the Food and Agriculture Organisation's flagship publication, *2024 State of Food Security and Nutrition in the World*.



THE SUSTAINABLE DEVELOPMENT GOALS REPORT 2023: SPECIAL EDITION- UNSTATS.UN.ORG/SDGS/REPORT/2023/

In the case of Pakistan, out of 16 sub-indicators tracked under the Zero Hunger SDG (SDG Goal 2), the Pakistan SDGs Status Report 2023 issued by the Ministry of Planning, Development and Special Initiatives, lists 8 as on target, 4 showing moderate improvement, and another 4 as stagnant (see **Table 2**).

Table 2: Status of progress on SDG Goal 2

Sustainable Development Goal 2:

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

	Indicator	On Track	Moderately Improving	Stagnant	Decreasing
2.1.1	Prevalence of undernourishment	●			
2.1.2	Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES)			●	
2.2.1	Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age		●		
2.2.2	Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age, by type (wasting and overweight)				
	Wasting	●			
	Overweight		●		
2.2.3	Prevalence of anaemia in women aged 15 to 49 years, by pregnancy status (percentage)	●			
	Pregnant	●			
	Non-pregnant	●			
2.3.1	Volume of production per labour unit by classes of farming/pastoral/forestry enterprise size		●		
2.3.2	Average income of small-scale food producers, by sex and indigenous status		●		
2.4.1	Proportion of agricultural area under productive and sustainable agriculture	●			
2.5.1	Number of (a) plant and (b) animal genetic resources for food and agriculture secured in either medium- or long-term conservation facilities				
	Plant	●			
	Animal			●	
2.a.1	The agriculture orientation index for government expenditures			●	
2.a.2	Total official flows (official development assistance plus other official flows) to the agriculture sector	●			
2.b.1	Agricultural export subsidies			●	
	Total	**8**	**4**	**4**	**0**

Source: Pakistan SDGs Status Report 2023; Ministry of Planning, Development and Special Initiatives

As a result of the high prevalence of undernourishment, deficiencies in vital vitamins and minerals—which underpin immunity, cognition, and growth—are widespread among children and women. Micronutrient gaps are large, especially among vulnerable groups such as children and women of child-bearing age. Approximately 54% of children suffer from anaemia, with prevalence among women (15-49 years) estimated at slightly over 46%. Both groups suffer from high to very high levels of deficiency in vitamins D and A, iron and zinc.

According to FAO, as of 2022, 34 percent of children in the country under 5 years suffered from stunting, while 7 percent of this cohort suffered from acute malnutrition ('wasting'). Malnutrition has affected the cognitive ability of a large swath of the under-10 cohort, with the country's *learning poverty rate* — the percentage of children unable to read and understand a short age-appropriate text by age 10 — at 75 percent before the COVID-19 pandemic and the 2022 floods. According to the World Bank's Human Capital Report, this level was more than 19 percentage points above the average for lower-middle-income countries. After the pandemic and the 2022 floods, learning poverty is estimated to have risen further.

Malnutrition-linked non-communicable diseases (NCDs) are on the rise. As noted above, prevalence of anaemia in women and children is very high. In addition, rising obesity, especially among women and in the rural population, caused by the widespread availability of food and drinks with a high sugar content together with lifestyle factors, has been linked to Type 2 diabetes. As of 2023, Pakistan had the third largest number of diabetics in the world.

Another area of rising concern is the increase in cardiovascular disease and hypertension among the population. Excessive salt-intake and consumption of high-sugar diets are among the leading causes cited, in addition to lifestyle factors such as sedentary living.

Multiple disparities

Malnourishment in Pakistan has income, regional, gender as well as generational dimensions. Lower-income households, women, girls, rural areas, and ex-FATA, Balochistan and Gilgit-Baltistan in particular, are more disadvantaged in terms of access to a healthy and adequate diet.

In terms of income disparity, the highest income quartile households have been estimated to consume 1,015 calories more than those in the lowest quartile, translating into a 47% higher caloric intake among wealthier households, according to one study (Hameed, Abdul et al. 2021).

In addition, a 2023 study by Hayat, Naveed et al. on Pakistan's consumption patterns, highlights that Pakistan is a food-deficit country because high dietary-value food commodities like milk, meat, and fruits are 'luxury' items, that is they are income-elastic, with consumption increasing or decreasing based on changes in household income. However, low dietary-value food commodities like cereals, pulses, vegetables, sugar, and ghee are income-inelastic, and remain staple household necessities.

Underscoring the gender inequality dimension to food access, UNICEF states that "women's diets in many countries contain limited fruits, vegetables, dairy, fish, and meat. During pregnancy, poor diets lacking in key nutrients – like iodine, iron, folate, calcium and zinc – can cause anaemia, pre-eclampsia, haemorrhage, and death in mothers."[1] As noted in the previous section, both vulnerable cohorts, women as well as children, suffer from high to very high levels of deficiency in vitamins D and A, iron and zinc. Nearly 54% of all children suffer from anaemia, while slightly over 46% of women aged between 15-49 years are afflicted.

On top of income and gender inequality, there is a visible dimension of spatial/geographic disparity in Pakistan's malnutrition challenge. Malnourishment is high in rural areas (46%) and in certain regions like ex-FATA (58%), Gilgit-Baltistan (51%) and Balochistan (52%). The average daily energy intake in Balochistan is estimated at 2,146 calories, compared to the national median daily calorie intake per adult equivalent of 2,533 calories, as per Hameed, Abdul et al.'s 2021 analysis of food and nutrition security in Pakistan.

The country's dietary pattern also shows another imbalance that needs to be corrected. The average diet is heavily skewed towards carbohydrates, which account for 76% of total calories, while fats contribute 12.4% and proteins only 11.6%. In contrast, WHO guidelines recommend a balanced diet with 10-15% protein, 15-30% fats, and 55-75% carbohydrates. As a result, nearly 78.7 million people in Pakistan fail to meet the optimal dietary balance.

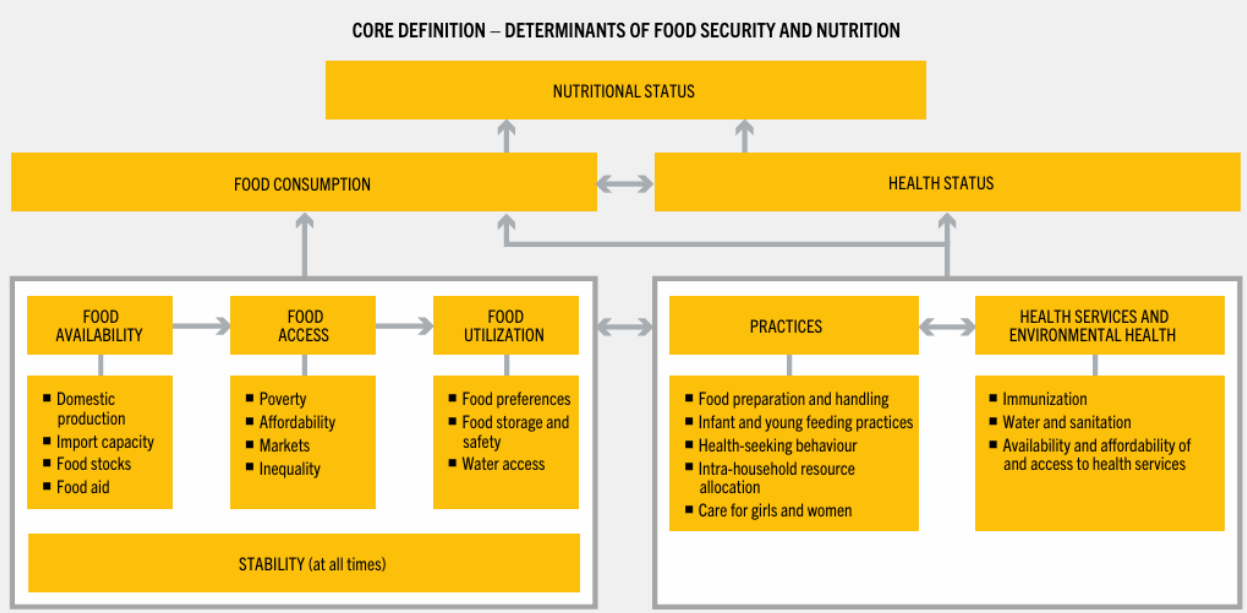
Food insecurity in Pakistan is primarily attributable to the limited economic access of the poorest and most vulnerable to food. Overall, malnutrition is estimated to cost Pakistan between 3 per cent to 3.7 per cent of GDP annually, reducing productivity, raising healthcare costs, and impeding human capital development.

[1] https://www.unicef.org/nutrition/maternal

LEADING CAUSES

The factors that impact nutrition outcomes can broadly be categorised as supply-side and demand-side causes. Supply-side factors impact the *availability* of a nutrition-adequate diet, including the long run *stability* of food systems, while demand-side factors affect the *affordability* and *utilisation* of such a diet. Lifestyle choices and health outcomes are also included in demand-side factors.

A schematic from the United Nations Food and Agriculture Organisation (FAO) lays out the determinants of food security and nutrition.



SOURCES: Adapted from FAO, IFAD, UNICEF, WFP & WHO. 2018. *The State of Food Security and Nutrition in the World 2018. Building climate resilience for food security and nutrition*. Rome, FAO. https://www.fao.org/3/i9553en/i9553en.pdf; IPC (Integrated Food Security Phase Classification). 2021. *Technical Manual Version 3.1. Evidence and Standards for Better Food Security and Nutrition Decisions*. Rome. https://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/manual/IPC_Technical_Manual_3_Final.pdf

The factors at work are detailed below.

Supply-side factors:

Availability

Pakistan ranked 84th overall out of 113 countries in the Global Food Security Index 2022. For the cohort of low middle income countries, its rank was 24th out of 32. In terms of food availability, it was ranked 61st out of all countries, and 9th out of the cohort of 24 countries representing low middle income status economies.

In terms of per capita food availability, 2,483 kilocalories per person per day were estimated to be available to each citizen as of 2019. Food availability in recent years has been impacted by a number of factors, including erratic production of key crops, volatile international and domestic prices, inconsistent agriculture sector policies, including relating to domestic procurement, support prices and timing and quantum of international purchases of key crops. Climate-related events such as heat waves, drought and flooding have played a significant and growing role in the past few years in impacting food availability in the country.

Stability

According to the FAO, the stability dimension of food security "*is the condition in which the whole system is stable, thus ensuring that households are food secure at all times. Stability issues can refer to short-term instability (which can lead to acute food insecurity) or medium- to long-term instability (which can lead to chronic food insecurity). Climatic, economic, social and political factors can all be a source of instability*."

Pakistan's food system is highly vulnerable to the effects of climate change. According to the Climate Risk Index 2025 by German Watch, Pakistan is the number 1 most affected country in the world from climate change. Drought, heat waves, excess precipitation and flooding, and changes in rainfall patterns have already begun to manifest themselves with devastating consequences.

The country has experienced several significant flooding episodes within a space of a few years, with two mega events occurring in 2010 and 2022 on a scale which was previously characterised as 'once-in-a-lifetime'. Severe flooding causes an increase in malnutrition and food-insecurity not just for the directly affected population, but for wider population groups via channels such as displacement, damage to standing crops, loss of seed stock, loss of livestock, standing water in fields during planting windows, water-borne disease and food inflation.

Demand-side factors:

Affordability

Nearly half of an average Pakistani household's monthly expenditure goes towards food. A combination of low economic growth and unprecedented inflation since 2018, especially food inflation, has culminated in a large-magnitude economic shock for poor and vulnerable households. The decline in real incomes over this period has been compounded by structural as well as cyclical factors affecting food affordability. These have included:

- High pre-existing multidimensional poverty
- A commodity prices super-cycle post-Russian invasion of Ukraine, and
- Price surges induced by supply disruptions due to climate-related events (drought, heatwaves and massive flooding) in 2022

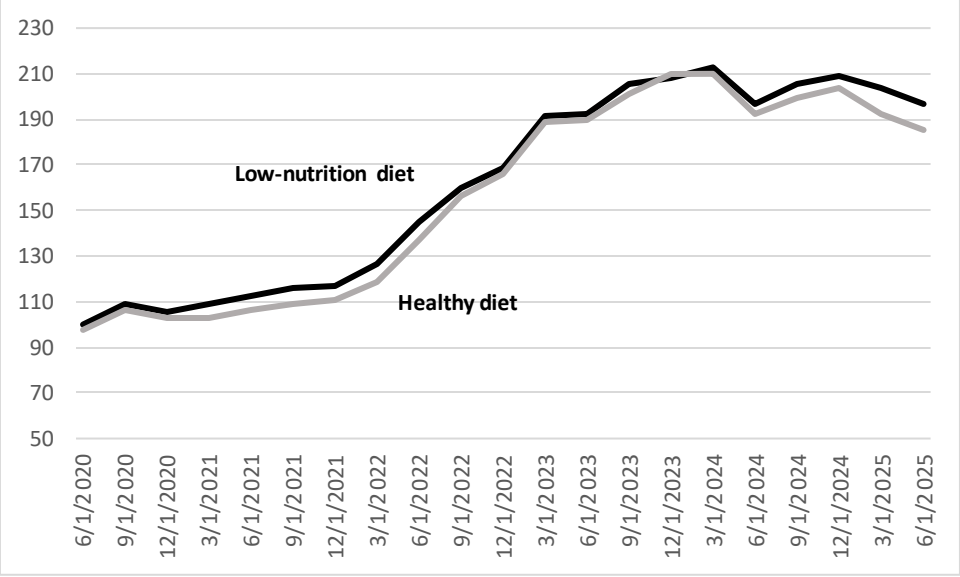
As a result of the confluence of these adverse factors, 58.7 percent of the population was estimated to be unable to afford a healthy diet in 2022, as per the World Bank's Food Prices for Nutrition 3.0 database. The cost of a healthy diet is determined as the cost of purchasing the least expensive, locally available foods required to fulfil the energy intake of 2330 kcal/day. The percentage of the population unable to afford a healthy diet in Pakistan was significantly higher than the average for South Asia as a whole (54.5%), and for low- and middle-income countries (52.6%).

To put the difficult economic context of the past few years into numbers:

- Real GDP growth has averaged only 1.7 per cent between 2023 and 2025, the lowest three-year average rate of growth since 1952.
- The average annual rate of economic growth over this period has been less than population growth. Both inflation as well as unemployment have been at very elevated levels.
- Unemployment is officially reported at 22 per cent, as of 2023. This translates into 18.8 million unemployed Pakistanis as per the definition used in the 7th Population and Housing Census.
- Since March 2022, headline CPI inflation has totalled a cumulative 63 per cent. This represents a significant decline in purchasing power of households over this period. Both rural as well as urban faced a similar magnitude of cumulative inflationary pressure for the period under consideration.
- Nominal wage growth for low-wage categories reported by PBS has lagged CPI inflation during this period, with real wages for these categories declining nearly 3 per cent between July 2023 and June 2025. The decline in real wage is much steeper from March 2022 onwards.

- Cumulative food inflation between March 2022 and June 2025 has totalled 59 per cent. Urban households faced a higher rate of cumulative food inflation over this period, at 61 per cent versus 57 per cent for rural households.
- Price inflation of non-perishable food commodities was significantly higher over this period as compared to perishable food items, at 60.4 per cent versus 52.7 per cent.
- In terms of relative price changes, a basket of nutrition-rich food from the CPI rose moderately higher (56.2%) between March 2022 and June 2025 than a basket of food commodities in the CPI constituting a relatively low-nutrition diet (55.2%), though the order of magnitude was not significantly larger.
- Using an international poverty line of US$ 4.2/day, the World Bank has recently reported that nearly 45 per cent of the country's population is estimated to be below the poverty line. According to UNDP, over 93 million Pakistanis were in multi-dimensional poverty as of 2022.

Figure 1: Relative price changes nutrition-rich versus low-nutrition foods
June 2020 = 100



Source: PBS (data); Authors (calculation)

Subsidies/transfers

Augmenting food affordability via household income, are government subsidies and transfers to vulnerable population segments via social safety nets. In Pakistan's case, total federal government expenditure on subsidies and transfers for fiscal year 2025-26 is budgeted at Rs 3,114 billion, or 2.4 per cent of GDP.

A significant portion of the total budgeted outlay relates to unconditional cash transfers under the government's flagship social safety net program, the Benazir Income Support Programme (BISP). The allocation for BISP totals Rs 716 billion, or 23 per cent of the total budgeted outlay for subsidies and transfers for 2025-26. A small component of the overall BISP program, totalling around Rs 8.5 billion, is in the form of conditional cash transfers, including a food safety net for Pregnant and Lactating Women (PLW), titled *BISP Nashaunuma*.

However, beyond BISP, the majority of the budgeted allocations for subsidies and transfers are not in the form of direct consumption subsidies. A substantial allocation each year under the subsidies budget line is for power tariffs and settling of the energy circular debt. The bulk of the remainder are government and organisational-related, such as grants for running the AJK and GB governments, grants for security-related expenditure, cash support for Pakistan Railways, and grants for miscellaneous projects.

Post-devolution following the 18th constitutional amendment, a significant portion of the expenditure on food security/safety and nutrition is incurred by provinces. For 2025-26, overall budgeted provincial expenditures under these heads amount to around Rs 676 billion. Punjab and Sindh have the largest allocations, being the bigger two provinces, amounting to Rs 452 billion.

For KP and Balochistan, food subsidies or nutrition support, school meal programmes, and food safety are not captured in separate line-items, and appear to be embedded in broader agriculture, health, and welfare allocations.

The disaggregated estimated break up province-wise for nutrition-specific as well as nutrition-sensitive budgetary allocations is as follows:

Punjab: Rs 307.5 billion

Sindh: Rs 144.5 billion

KP: Rs 140.2 billion

Balochistan: Rs 83.3 billion

Nationally, combining federal as well as provincial expenditure on food security, food safety and nutrition, a sum of around Rs 1,683.24 billion has been budgeted for 2025-26, amounting to approximately 1.3 per cent of GDP.

In addition to the question of adequacy, a long-standing issue with government expenditure on subsidies is that they are not well-targeted, including the direct consumption subsidies meant for the poor. The issue of the subsidy spending envelope and its efficiency is examined in the **Box** on **Improving the nutrition subsid** on page 35.

Utilisation

The *utilisation* aspect of food security refers to the conditions and choices under which households consume the food that is both available as well as accessible to them. According to the FAO, the utilisation aspect can be defined as *"If food is available and households have adequate access to it, the next question is whether or not households are maximizing the consumption of adequate nutrition and energy. Sufficient energy and nutrient intake by individuals is the result of good caring and feeding practices, food preparation, dietary diversity and intra-household distribution of food, and access to clean water, sanitation and health care. Combined with good biological utilization of food consumed, this determines the nutritional status of individuals."*[2]

Healthy dietary and lifestyle choices, access to safe drinking water, proper sanitation and hygiene practices, safe storage of food and breastfeeding of infants constitute optimal utilisation of available food for best nutritional and child development outcomes.

In this context, 91 per cent of Pakistani households were reported to have access to improved drinking water, as per the 7th Population & Housing Census – 2023. Nonetheless, UNICEF estimates that up to 70 per cent of households drink bacterially contaminated water. As a result, a high number of children are affected by diarrhoea, with 53,000 children under five dying annually.

In terms of basic sanitation services, almost 71 per cent of the population had access, according to data from WHO/UNICEF Joint Monitoring Programme (JMP) for Water Supply, Sanitation and Hygiene 2023. This figure is slightly lower than the average for South Asia as a whole.

[2] Source: FAO, IFAD, UNICEF, WFP and WHO. 2024. The State of Food Security and Nutrition in the World 2024 – Financing to end hunger, food insecurity and malnutrition in all its forms. Rome. https://doi.org/10.4060/cd1254en

2.

POLICY LANDSCAPE

Current policies + institutional arrangements

Following the passage of the Eighteenth Amendment to the Constitution in 2010, *Nutrition* and *Food Security* were devolved to the provinces. Country-level policy formulation and national coordination rests with the Centre, including policies on international procurement of food grains and agricultural commodities.

Institutional arrangements

At the federal level, the lead ministry for food security and nutrition-related initiatives is the Ministry of National Food Security & Research (MNFS&R), and lead agency is the Planning Commission under the Ministry of Planning, Development & Special Initiatives.

MNFS&R is mainly responsible for policy formulation, economic coordination and planning "in respect of food grain and agriculture". Its areas of responsibility also include procurement of food grains, fertilizer, import price stabilization of agriculture produce, international liaison, as well as conducting economic research for framing of agricultural policies.

The Planning Commission has a dedicated member for Food Security and Climate Change. In addition, it also houses the [•] National Nutrition Forum (NNF), which is chaired by the Planning Commission's Deputy Chairman. The NNF oversees multi-sector coordination, financial tracking, and data systems.

Other relevant ministries and agencies at the federal level include:

- Ministry of National Health Services, Regulation and Coordination (MNHSR&C)
    - [•] National Nutrition Institute and Federal Nutrition Cell under MNHSR&C
- Ministry of Poverty Alleviation and Social Safety (PASS). The PASS Division has four organisations under it dealing with social safety programs in the country. These are:
    - Benazir Income Support Programme (BISP)
    - Pakistan Bait-ul-Maal (PBM)
    - Pakistan Poverty Alleviation Fund (PPAF)
    - Trust for Voluntary Organizations (TVO)

- NAFSA (National Agri-trade & Food Safety Authority), formed in May 2025 to align local production with global safety and trade standards
- National Seed Development Authority (NSDA) instituted to formulate policies for biotech and seeds
- LIMS (Land Information and Management System) launched in 2023 to provide GIS-based data to farmers

Provincial arrangements

In the case of Punjab, the following boards and authorities deal with food safety and nutrition:

- Punjab Nutrition Board
- Punjab Food Authority (PFA)
- Punjab Planning and Development (P&D) Board
- Punjab Food Department
- District Malnutrition Addressing Committees (DMACs)
- Nutrition Cells embedded within P&D Board

In the case of Sindh, there is a multi-tiered governance network, combining food safety, province-wide nutritional strategy, child health services, conditional social protection, and local implementation mechanisms. The main provincial government departments and bodies responsible for food safety and nutrition are:

- Sindh Food Authority (SFA)
- Sindh Food Department
- Sindh Planning & Development (P&D) Department

  Leads the Accelerated Action Plan for Stunting & Malnutrition (AAP) launched in 2017. Coordinates multi-sector efforts across Health, Agriculture, Education, Livestock, Fisheries, WASH, Social Protection, and Population Welfare in 23 districts.

- Sindh Social Protection Authority

  Manages the conditional cash transfer component of AAP for health and nutrition (pregnant/lactating women, child growth monitoring). Coordinates enrolment, payments, compliance verification, and monitoring and evaluation (M&E) under Health Department services.

- Sindh Health Department

  Provincial health department overseeing immunization, maternal and child health, nutrition support, and disease control. Implements child nutrition through Lady Health Workers, therapeutic centres, and policy coordination.

- Agriculture Department

  Responsible for implementing the "Agriculture for Nutrition" under AAP involving kitchen gardens, women's training, farmer field schools to increase household access to vegetables and fruits.

In addition to the above, the coordinating and supporting provincial bodies are:

- Sindh Education & Literacy Department

  Responsible for implementing school-based feeding programs, health awareness, and snacks policies, in addition to its primary responsibility with regards to provincial education,

- District and Local Governments

  District Coordination Committees for Nutrition (DCCNs) and Taluka-level committees have been formed under AAP for local implementation. Additionally, for Karachi the Commissioner acts as the divisional controller for prices and supplies, supports food inspections and local food distribution.

The work of these regulatory bodies is supported by provincial food safety laws.

The provincial set-ups in Khyber Pakhtunkhwa (KP) and Balochistan responsible for food safety, nutrition, and child health are similar to Punjab and Sindh, and are mapped out below.

Khyber Pakhtunkhwa (KP)

- KP Food Safety & Halal Food Authority (KP-FS&HFA)

  Statutory body established under the KP Food Safety & Halal Food Authority Act 2014. Responsible for licensing, food inspections, product registration, handler training, and operating food testing labs across the province

- KP Food Directorate / Department of Food

  The Food Department manages procurement, storage, distribution, rationing of essential food commodities (e.g. wheat, flour), market price monitoring, and food security oversight. District Food Controllers enforce licensing and distribution at divisional and district levels.

- KP Health Department & Directorate of Health Services

  The provincial health department oversees maternal and child health, immunization, nutrition screening, community-based therapeutic care, and related nutrition services through hospitals and Basic Health Units. Works alongside the provincial Expanded Program on Immunization and Lady Health Worker networks.

- People's Primary Healthcare Initiative (PPHI-KP)

  An NGO-partnership mechanism that previously managed rural health centers; supports nutrition and child health services in underserved regions under provincial oversight.

- Public Health Engineering Department (PHED-KP)

  Responsible for providing safe drinking water, sanitation, and hygiene infrastructure critical to reducing malnutrition and improving child health outcomes.

- Department of Agriculture & Livestock

  Supports nutrition-sensitive agriculture via kitchen gardens, livestock, horticulture extension, and nutrition-diversifying farming practices through departmental and district offices.

- Coordination Structures

  District- and divisional-level committees coordinate food safety, commodity distribution, nutritional screening, and health programs. These include district health offices, district food controllers, and local agriculture extension teams aligned under provincial departments.

Balochistan

- Balochistan Food Authority (BFA)

  Established under the Balochistan Food Authority Act (2014); responsible for food safety enforcement, inspections, licensing of food businesses, product registration, public awareness, and operating food labs.

- Balochistan Food Department

  Manages provincial procurement, storage, and distribution of essential commodities; supports food security and public distribution systems in coordination with BFA.

- Balochistan Health Department

  Responsible for child health, maternal care, nutrition intervention, therapeutic feeding centers, immunization, and disease control programs across the province.

- Balochistan Nutrition Programme (Flood Response/AAP-like initiatives)

  Operated in partnership with UNICEF and other agencies, focusing on screening children for malnutrition, providing therapeutic treatment, and maternal support across multiple districts—especially following flood crises.

- Balochistan Rural Support Programme (BRSP)

  An NGO that works closely with the provincial government in implementing community-level programs including health, nutrition awareness, sanitation, and livelihood enhancement; collaborates with UNICEF, WFP, and government departments on multisector nutrition efforts.

- Education Sector (for Child Nutrition)

  Under the Balochistan Education Sector Plan 2020–25, school-based nutrition messaging, mid-day meals or snack programs are supported by the Secondary Education department in coordination with health and social protection bodies.

- District-Level Coordination

  Local District Health Officers, Nutrition Programme officers, and local government entities manage child health, nutrition screening, and food aid in coordination with provincial authorities.

Policy landscape

To combat malnutrition specifically, as well as to increase food security of vulnerable segments of the population, the Government of Pakistan has launched, since 2018, a number of initiatives and programs under two flagship integrated national strategies.

The first was the Pakistan Multisectoral Nutrition Strategy (PMNS) 2018–25, which sought to align nutrition-specific (e.g. supplementation, food fortification) and nutrition-sensitive (e.g. agriculture, WASH, education) interventions across health, food systems, and social protection sectors.

The follow-up is an umbrella programme launched in July 2023 called The Pakistan Nutrition Initiative (PANI). It is designed as a multisectoral nutrition programme funded to the tune of PKR 8.5 billion and coordinated through the Planning Commission, as part of the *National Multisectoral Nutrition to Reduce Stunting & Other Forms of Malnutrition*.

PANI is designed to reduce stunting, wasting, and micronutrient deficiencies in 36 high-burden priority districts across Pakistan: Balochistan (12 districts), Sindh (10), Gilgit-Baltistan (5), KP (5), Punjab (2), AJK (2).

The PANI program caters for:

- Micronutrient provision – iron/folic acid supplements, deworming tablets.
- Therapeutic and supplementary feeding – distribution of ready-to-use therapeutic foods (RUTF) and supplementary foods (RUSF)
- Behaviour change & dietary promotion – community-level education, breastfeeding, and complementary feeding counselling
- Early childhood development – linking nutrition interventions to child development outcomes

The provinces are expected to align their nutrition strategies and allocate resources toward PANI.

A breakdown of the main provincial nutrition initiatives in Punjab and Sindh, covering policies, strategies, and on-the-ground programs follows.

Punjab

1. **Integrated RMNCH & Nutrition Program (IRMNCH-NP)**

   Launched in 2013, it merged MNCH, Lady Health Workers (LHW), stunting reduction, and the PMHI programs. The scope included nutrition screening of children & pregnant/lactating women, IYCF counseling, and supplementation (Iron, Vit-A, multi-micronutrient) in 36 districts of Punjab.

2. **Multi-Sectoral Nutrition Strategy (MSNS)**

   Initiated in 2015, the main components of MSNS included nutrition-focused strategies across 7 sectors (Health, Agriculture, Education, etc.), the formation of District Malnutrition Addressing Committees (DMACs) to monitor progress, Nutrition Cells embedded within the P&D Board. The program was supported by UNICEF and World Bank.

3. **Chief Minister's School Nutrition Programme**

   Launched in September 2024 with a focus on the province's southern districts (DG Khan, Rajanpur, Muzaffargarh). It has reportedly reached approx. 400,000 students in 3,527 schools who receive daily milk packs.

4. **School Nutrition Program**

   This is a pilot program initiated in December 2024/January 2025. It is run by the Punjab Food Authority (PFA). Under this pilot, 38,000 children in 25 schools are covered, with health screenings and two months of nutrient-rich meals.

5. **CM Punjab Meal Program**

   Targeted specifically towards enrolled special students in Special Education institutions across Punjab.

6. **Regulatory and Legislative Support**

   Legislative cover to these initiatives is provided by provincial legislation such as the Punjab Protection of Breast-Feeding and Child Nutrition Act, 2012, which safeguards breastfeeding, while also prohibiting unhealthy food promotion to children.

   Regulatory support is provided by the formation of the Punjab Nutrition Board, which is a new multi-sector coordination platform established in July 2024 to implement policies, fortify staples, scale up RUTF, and oversee stunting reduction.

Sindh

The following major provincial initiatives in Sindh are:

1. Accelerated Action Plan (AAP) for Reduction of Stunting & Malnutrition

Launched in 2017 under the Sindh P&D Board, with partnership of World Bank, UNICEF and WFP, AAP is the flagship program in Sindh. It is a multi-sectoral program combining specific and sensitive interventions in Health, WASH, Agriculture, Education, and Social Protection. It targeted 23 high-burden districts in the province, with a budgetary allocation of approx. Rs 6 billion in 2024–25.

2. Community Nutrition & WASH Integration

The nutrition part of the program focuses on provision of Nutrition Services such as outpatient therapeutic sites, nutrition stabilization centers in 23 districts providing RUTF, MNP, F-75/F-100, IFA, and deworming. The deployed staff is also trained in CMAM and IYCF.

3. Program for Improved Nutrition (PINS)

This EU-funded program focuses on distribution of fruit saplings across 10 districts, and the planting of *moringa* in 55,000+ households to boost vitamin-rich diets.

4. Human Milk Bank Initiative

Launched in 2024 by Sindh Institute of Child Health, the program's focus is on provision of safe donor breast milk for pre-term or vulnerable infants, with proper registration and Islamic jurisprudence compliance.

As the fight against malnutrition gains policy momentum, the government has rolled out a number of ideas and initiatives that are beginning to gain traction. Some of these have already been implemented.

There is a preliminary move towards a 'comprehensive regulatory framework' to integrate modern tech, high-quality seeds, coordinated policymaking, and farmer-friendly lending. In addition, a number of smart agriculture initiatives have already been rolled-out, including LIMS (Land Information and Management System) launched in 2023 to provide GIS-based data to farmers. New crop and livestock insurance schemes have been introduced, with budgetary allocation in the 2025-26 federal budget. There is an ongoing push for farm mechanisation subsidies, while new food safety and export standards have either been introduced or are in the offing.

Box: Recent policy measures regarding crop prices and procurement

Pakistan has introduced a major shift in its agriculture policy that could have profound consequences for food security, farmer welfare and public finances. As part of its agreed commitments under the IMF EFF, the GoP has consented to begin implementing a complete phasing out of the minimum support prices (MSP) system along with the direct procurement of key crops such as wheat, sugarcane and cotton, to be completed by June 2026. This policy will apply to both the federal government as well as provincial governments.

The motivation for the policy change emanates from the fact that large scale public procurement at the MSP was straining government budgets, leading to heavy provincial government borrowing for commodity financing. The bank borrowing on account of commodity financing was leading to a situation similar to the energy "circular debt" problem since the provincial governments were unable to retire the mounting loans, and were remaining current on debt servicing by incurring fresh borrowing.

In line with this change in a decades-old policy, the Punjab government, the largest procurer in the country, did not procure wheat in the current season (2025) or fix support prices, leading to substantial losses for farmers as they had to sell in the open market, often to middlemen, at falling prices which were significantly lower than the erstwhile MSP. According to estimates by the Pakistan Kissan Ittehad, a farmers' association, farmers across the country have suffered a collective loss in income of around Rs 2.2 trillion in the 2024-25 wheat season.[3]

The loss in income to farmers occurred because the policy was implemented in haste and without sufficient notice, and at a time when international prices had fallen substantially. Implementation of a tectonic policy change without proper institutional mechanisms in place to protect farmers from the loss of income, could have severe implications for food security in the country and possibly make Pakistan more dependent on agricultural imports. If so, this would be a perverse outcome since national food policy around the world is geared towards greater reliance on domestic production sources and reducing dependence on imports.

While many developing countries have chosen to continue with a policy regime of minimum support prices and public procurement of crops to support farmers, Pakistan's abrupt abandonment of its long-standing policy and the adoption of a radically different market-based model should have been preceded by some basic prerequisites and prior actions. These prior actions should have included:

[3] Source: https://profit.pakistantoday.com.pk/2025/06/04/farmers-suffer-rs-2-2-trillion-loss-in-wheat-alone-as-agriculture-sector-crumbles/.

1. Gradual phase-in:- An abrupt change in a long-standing policy regime should be phased-in gradually. Farmers should have been given advance notice of several years that a regime change is on the cards. A cut-off date of at least 3 years ahead would have allowed farmers to begin the process of planning and adjustment with regards to which crops to plant and what other measures to take in order to be better prepared for a market-based regime. Ideally, in the interim, the government should have educated farmers on the impending change and its implications via agriculture extension services, and prepared mitigation strategies.

2. Strategic planning and policy stability:- Sudden policy changes betray a lack of strategic planning and foresight. Policy clarity and certainty is an important signalling mechanism for investors, be it industrial investors making a greenfield investment or farmers planning their future crop planting choices.

3. Strengthened institutional and policy support mechanisms:- The phased and gradual introduction from price-based subsidies to a market-based model would have allowed the government to put in place the necessary institutional, legislative and policy support mechanisms to support the farm sector, especially small farmers, post-transition.

Some of these measures can include:

- Crop insurance and climate risk protection
- Expanded availability of agriculture credit
- Strengthened agri-extension services with wider coverage
- Subsidies for crop diversification (targeting, for example, high-nutrient crops, high-value crops, drought-resistant varieties etc.)
- Ramp up spending on agriculture research
- Ensure provision of certified seeds, unadulterated pesticides
- Subsidy for farm mechanisation equipment
- Public investment in rural markets and infrastructure

Overall, while the change in policy regime is expected to reduce the fiscal burden on the government, it is likely to place a strain on the agriculture sector for the next several years till farmers adjust fully.

Public expenditure on food security, safety and nutrition

Before examining the current and budgeted levels of government spending on food security, food safety and nutrition, two important related issues that need to be resolved *ex ante* are:

1. What budget lines qualify for inclusion under food security, food safety and nutrition? And, how much is Pakistan currently spending nationally (federal as well as provincial governments combined) in these areas?
2. How much does the country *need* to spend to achieve its target of meeting SDG 2?

Till recently, these issues are unaddressed internationally as well. As noted by *The State of Food Security and Nutrition in the World Report 2024* by the United Nation's Food and Agriculture Organisation (FAO), "[…] there is no coherent picture of the total amount of financial resources being spent on food security and nutrition and its decomposition, nor of the cost of meeting SDG Targets 2.1 and 2.2, in part due to the absence of an agreed upon definition of financing for food security and nutrition."

It proposes the following definition for financing for food security and nutrition:

> *Financing for food security and nutrition refers to the public and private financial resources, both domestic and foreign, that are directed towards eradicating hunger, food insecurity and all forms of malnutrition. They are targeted to ensure the availability, access, utilization and stability of nutritious and safe foods, and practices that favour healthy diets, as well as health, education and social protection services that enable these, and include the financial resources that are directed towards strengthening the resilience of agrifood systems to the major drivers and underlying structural factors of hunger, food insecurity and malnutrition.*
>
> Source: FAO, IFAD, UNICEF, WFP and WHO. 2024. The State of Food Security and Nutrition in the World 2024 – Financing to end hunger, food insecurity and malnutrition in all its forms. Rome. https://doi.org/10.4060/cd1254en

In the absence of centralised tracking and reporting on public sector expenditure on food security, food safety and nutrition, this report has taken the approach of compiling disaggregated budgetary allocations by both the federal government as well as provincial governments under expenditure heads categorised into two broad categories: *nutrition-specific* expenditure and *nutrition-sensitive* expenditure.

Nutrition-specific expenditures: Refers to spending on *direct* interventions that aim to address the immediate causes of malnutrition, such as inadequate dietary intake and disease.

Nutrition-sensitive expenditures: These are *indirect* interventions that tackle the underlying determinants of malnutrition, such as poverty, food insecurity, poor sanitation, and inadequate caregiving practices. These interventions come from non-health sectors (like agriculture, education, social protection, and WASH), but are designed to have positive nutrition outcomes.

In the following section, the report collates the total national public expenditure on food security, food safety and nutrition, and attempts to map federal budged expenditure against nutrition-specific and nutrition-sensitive spending.

Budgeted expenditures

Federal government expenditure on food security-related and nutrition-linked subsidies and transfers for fiscal year 2025-26 is budgeted at Rs 1,006 billion, or slightly less than 0.8 per cent of GDP (see **Table 3**). Total federal government expenditure on subsidies and transfers for fiscal year 2025-26 is budgeted at Rs 3,114 billion, or 17.7 per cent of total budgetary expenditure and 2.4 per cent of GDP. A significant portion of the total budgeted outlay relates to unconditional cash transfers under the government's flagship social safety net program, the Benazir Income Support Programme (BISP). The allocation for BISP totals Rs 716 billion, or 23 per cent of the total budgeted outlay for subsidies and grants for 2025-26. A small component of the overall BISP program, totalling a modest Rs 8.5 billion, is in the form of conditional cash transfers, including a food safety net for Pregnant and Lactating Women (PLW), titled *BISP Nashaunuma*.

However, beyond BISP a substantial allocation each year under the subsidies budget line is for power tariffs and settling of the energy circular debt. The bulk of the remainder are government and organisational-related, such as grants for running the AJK and GB governments, grants for security-related expenditure, cash support for Pakistan Railways, and grants for miscellaneous projects.

Importantly, under the government's fiscal austerity policy as part of its current IMF program, the overall allocation for subsidies and transfers in 2025-26 has been cut, from 2.7% to 2.4% of GDP, with the majority of the reduction applied to the subsidy allocation. Specifically, the budgeted allocation for *nutrition-specific* expenditures has been drastically reduced, by over 20 per cent, from Rs 101.4 billion in 2024-25 (estimated actual) to Rs 80.5 billion. The biggest cuts have been applied to the Ramzan package (-Rs 18 billion) and the PM's Utility Stores Corporation package (-Rs 42 billion).

At its budgeted level of Rs 80.5 billion, *nutrition-specific* federal expenditure accounts for only 2.6% of total subsidies and grants, and 0.06% of GDP. *Nutrition-sensitive* budget allocation for 2025-26 on the other hand, accounts for 29.7 per cent of total allocation for subsidies and grants, equivalent to 0.7 per cent of GDP.

Nutrition-linked expenditure for 2024-25 and 2025-26 (budgeted) at the federal government level have been split into the respective *nutrition-specific* and *nutrition-sensitive* categories in the following **Table**.

Table 3: Nutrition-specific and nutrition-sensitive expenditures (federal)

Budgeted expenditures (Rs bn)	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 Actual	2025-26 Budgeted
Nutrition-specific:	**27.4**	**24.1**	**25.5**	**63.8**	**22.0**	**45.8**	**38.0**	**61.6**	**101.4**	**80.5**
Subsidy to PASSCO for wheat stock + cost differential[1/]	14.0	5.7	6.5	7.0	7.0	7.0	4.0	10.0	12.0	20.0
Wheat subsidy - GB	6.1	14.1	12.7	13.3	7.0	8.8	4.0	16.6	15.9	20.0
Sale of wheat in FATA	0.3	0.3	0.3	0.0	-	-	-	-	-	-
PM Ramzan package	-	-	-	-	-	-	-	-	0.0	19.0
Ramazan package	2.0	2.0	3.0	2.5	8.0	8.0	5.0	12.5	18.0	0.0
USC PM package (incl. arrears)	-	-	-	-	-	13.0	21.0	22.5	42.0	0.0
USC sugar	5.0	2.0	3.0	1.0	-	-	-	-	5.0	15.0
Ehsaas Ration subsidy	-	-	-	-	-	2.0	-	-	-	-
Sale of essentials (Covid)	-	-	-	30.0	-	-	-	-	-	-
Subsidy to USC (Corona)	-	-	-	10.0	-	-	-	-	-	-
Provision for relief	-	-	-	-	-	7.0	-	-	-	-
USC Ration bags for Flood Areas	-	-	-	-	-	-	4.0	-	-	-
BISP Naushunama	-	-	-	-	-	-	-	-	8.5	6.5
Nutrition-sensitive:	**178.7**	**167.5**	**168.7**	**341.4**	**314.3**	**379.8**	**581.1**	**665.6**	**872.0**	**925.7**
Nat'l Food Security & Research	0.0	0.0	0.0	0.0	-	-	0.0	0.0	16.8	23.1
PM Youth Business/Agriculture Loan scheme	-	-	-	-	-	-	0.0	30.0	8.6	16.0
Production of Urea[2/]	25.1	10.8	0.0	7.0	6.0	25.0	15.0	25.0	3.0	0.0
Import of Urea	7.0	5.0	5.0	0.0	0.0	0.0	6.0	6.0	10.0	15.0
Mark-up subsidy - farm mechanisation/Kissan Package	-	-	-	-	-	-	-	6.4	5.0	7.0
PARC	-	-	-	-	-	-	-	-	6.4	6.7
Water resources division	-	-	-	-	-	0.0	0.0	0.0	3.9	4.1
Crops Loan Insurance scheme	0.5	0.7	1.0	0.9	1.5	0.2	0.2	0.2	0.4	1.0
Livestock loans insurance scheme	0.0	1.0	0.1	0.5	1.0	0.2	0.2	0.2	0.4	0.7
Additional subsidy for Urea (floods package)	-	-	-	-	-	-	18.0	-	-	-
Mark-up subsidy - Floods/Kissan Package	-	-	-	-	-	-	11.0	7.3	-	-
Mark-up subsidy - agri-loans to farmers by ZTBL	-	-	-	-	-	-	-	-	1.1	0.0
Waiver of mark up for farmers in flood-affected areas	-	-	-	-	-	-	5.0	-	-	-
Concessional credit for small farmers	-	-	-	-	-	-	-	8.0	-	-
Agri-loans by ZTBL	-	-	-	-	4.0	-	-			
Agriculture productivity initiatives	0.1	-	-	-	-	-	-	1.0	-	-
Agriculture Policy Institute	-	-	-	-	-	-	-	0.5	-	-
Credit guarantee scheme for small farmers	0.0	-	0.0	0.0	0.6	0.0	-	-	-	-
PM's package for Rabi crops	-	-	-	-	1.1	-	-			
Relief to Agriculture & SMEs	-	-	-	-	5.0	-	-			
Tariff differential for agriculture tubewells in Balochistan	2.3	0.4	5.4	8.5	7.0	9.4	7.0	10.0	10.0	5.0
Solarisation of agri tubewells in Balochistan	-	-	-	-	-	-	-	-	14.0	0.0
BISP (ex-Naushunama)	111.5	113.0	118.7	242.3	194.9	246.0	408.0	466.0	583.9	709.5
PSDP:										
Nat'l Food Security & Research	0.5	0.9	0.6	7.4	12.0	8.4	13.1	5.0	23.9	4.3
Water resources division	31.7	35.7	37.9	74.8	81.3	90.6	97.6	100.0	184.6	133.4
Total	**206.1**	**191.6**	**194.2**	**405.2**	**336.3**	**425.6**	**619.1**	**727.2**	**973.4**	**1,006.2**
Nutrition-specific	27.4	24.1	25.5	63.8	22.0	45.8	38.0	61.6	101.4	80.5
Nutrition-sensitive	178.7	167.5	168.7	341.4	314.3	379.8	581.1	665.6	872.0	925.7

[1/]Refers to *Wheat Reserved Stock* for some fiscal years. [2/]Referred to expenditure line *Fertiliser Plants* in some fiscal years.

Note - Only budgeted figures reported for PSDP for 2024-25.

n.m. - not mentioned; '-' indicates budget line not created for relevant year

Source: Federal budget 2025-26 documents, Ministry of Finance

It is important to note, however, that since food security and nutrition are devolved subjects under the Eighteenth Amendment, a significant part of the budgetary spending is incurred by provinces. For 2025-26, total budgeted provincial expenditures amount to Rs 675.5 billion. The budgetary allocations span both *nutrition-specific* as well as *nutrition-sensitive* spending, and cover agriculture and agri-research, livestock, irrigation, school meals, the *Saaf Pani* project in Punjab, and food subsidies. A significant portion of the allocation is for agriculture, however. Punjab is a case in point, where the budget for FY26 has allocated Rs 130 bn to agriculture, with funds aimed at allocations and subsidies for tractors, tube-well solarisation, farm mechanisation, insurance, and *Kissan* cards.

For KP and Balochistan, food subsidies or nutrition support, school meal programmes, and food safety are not captured in separate line-items, and appear to be embedded in broader agriculture, health, and welfare allocations.

The disaggregated estimated break up province-wise for nutrition-specific as well as nutrition-sensitive budgetary allocations is as follows:

Punjab: Rs 307.5 billion

Sindh: Rs 144.5 billion

KP: Rs 140.2 billion

Balochistan: Rs 83.3 billion

Nationally, combining federal as well as provincial expenditure on food security, food safety and nutrition, a sum of Rs 1,683.24 billion has been budgeted for 2025-26, amounting to 1.3 per cent of GDP.

While *prima facie* the combined budgetary allocation for nutrition-specific as well as nutrition-sensitive expenditure appears substantial, it is significantly inadequate when compared to the scale of the challenge. This becomes clear when the various affected population cohorts are "sized", and the relevant expenditure is viewed in per capita terms.

For example, the pro-poor spending allocation in the federal budget for 2025-26 in the case of the Government of Pakistan's flagship poverty alleviation program, the Benazir Income Support Programme (BISP), is Rs 716 billion or 0.5 per cent of GDP. With slightly over 106 million Pakistanis estimated to be below the poverty line as of 2025, using the World Bank's estimation at the international poverty line of US$ 3.65 per day, the BISP allocation translates into a per capita spend of Rs 6,744 per annum per poor person, or Rs 562 per poor person per month.

Similarly, in the case of nutrition-specific expenditure, the percentage of the country's population categorised by FAO as being moderately or severely food-insecure is 44.9%, or around 103 million people. With nutrition-specific expenditure budgeted at Rs 80.5 billion in the federal budget for 2025-26, per capita spending for the cohort translates to a paltry Rs 783 per annum. Even with provincial budgetary allocations included, it is clear that the per capita allocation for the cohort of moderately or severely food-insecure people is woefully inadequate.

Ten-year trend

Taking a ten-year view of the trend in nutrition-linked expenditure highlights the inadequacy of public spending and other gaps in service delivery more starkly (see **Table 4**).

Table 4: Ten-year trend in nutrition-linked public expenditure

									2024-25	2025-26
Federal budgeted expenditures - ten year snapshot	**2016-17**	**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**Actual**	**Budgeted**
Rs billion										
Nutrition-specific expenditure	27.4	24.1	25.5	63.8	22.0	45.8	38.0	61.6	101.4	80.5
Nutrition-sensitive expenditure	178.7	167.5	168.7	341.4	314.3	379.8	581.1	665.6	872.0	925.7
Total	**206.1**	**191.6**	**194.2**	**405.2**	**336.3**	**425.6**	**619.1**	**727.2**	**973.4**	**1,006.2**
As % GDP										
Nutrition-specific expenditure	0.08%	0.06%	0.06%	0.13%	0.04%	0.07%	0.05%	0.06%	0.09%	0.06%
Nutrition-sensitive expenditure	0.50%	0.43%	0.39%	0.72%	0.56%	0.57%	0.69%	0.63%	0.76%	0.71%
Total	**0.58%**	**0.49%**	**0.44%**	**0.85%**	**0.60%**	**0.64%**	**0.74%**	**0.69%**	**0.85%**	**0.78%**
Compound annual growth rate - nominal (CAGR, %)	**Ten year CAGR (FY2017-2026):**									
Nutrition-specific expenditure		12.7%								
Nutrition-sensitive expenditure		20.1%								
Total		**19.3%**								
Compound annual growth rate - real (CAGR, %)	**Ten year CAGR (FY2017-2026):**									
Nutrition-specific expenditure		1.0%								
Nutrition-sensitive expenditure		7.5%								
Total		**6.8%**								

Source: Federal budget documents, Ministry of Finance

The key takeaways from the ten-year spending pattern are as follows:

- Total nutrition-related federal public expenditure has shown a five-fold increase in nominal terms since 2016-17. While nutrition-specific spending has shown an almost three-fold increase in this period, it remains a relatively minor component and is dwarfed by nutrition-sensitive spending both in absolute terms as well as in terms of increase.
- The *Benazir Income Support Programme (BISP)* accounts for the lion's share in total federal nutrition-linked spending. It accounted for 74 per cent of total expenditure incurred in 2024-25, and is over 71 per cent of the budgeted spending in this head for 2025-26.
- The other spending elements that account for a large share of the nutrition-sensitive public expenditure include *water resources* and subsidies for import as well as *production of urea*. Direct consumption subsidies are extremely low, with production subsidies and subsidies/grants to government departments accounting for almost the entire share of overall non-BISP spending.
- Even with the inclusion of BISP and production subsidies, overall public spending and budgetary allocation for nutrition remains low, at less than 0.8 per cent of GDP for 2025-26. Nutrition-specific allocations amount to 0.06 per cent of GDP, down from 0.09 per cent of GDP for 2024-25.
- The overall increase in nutrition-linked expenditure translates into a nearly 20 per cent compound annual rate of growth in nominal terms. However, adjusted for inflation, the real increase in nutrition-linked expenditure is less than 7 per cent.
- Two notable features under nutrition-specific spending are its intra-year seasonality and its inter-year volatility. The government's nutrition-specific programs are largely seasonal, centred around Ramazan and are not available to vulnerable cohorts around the year. This gap in delivery needs to be addressed.

  The other feature is the inconsistent year-to-year budgetary allocation and spending for nutrition-linked outcomes. While overall pro-poor spending is technically protected from cuts, there is sufficient flexibility for budget makers to apply cuts especially in times of fiscal austerity under an IMF program. BISP expenditure remains the centrepiece of the social safety net focus of both the government as well as the IMF, and is usually the only budget line under pro-poor spending that remains protected.

The issues surrounding subsidies go beyond quantum of budgetary allocation, however. Subsidies only produce desired outcomes if they are well-designed and well-targeted. The issues of coverage as well as effective targeting of the subsidies are covered in the following **Box**.

Box: Improving the nutrition subsidy regime

As mentioned above, *prima facie* the overall national budgetary allocation for 2025-26 for nutrition-specific as well as nutrition-sensitive expenditure, at a combined 1.3 per cent of GDP, appears substantial. However, the budgeted spending envelope needs to be evaluated against 5 parameters to determine its effectiveness. These parameters are:

- Coverage
- Targeting
- Adequacy
- Efficiency
- Impact

Coverage refers both to what portion of the affected population cohort is being reached by government spending as well as which food categories are being covered by budgeted subsidies. *Targeting* refers to the extent to which recipients of the government spending are members of the affected cohort. More simply, the share of subsidy benefits reaching the poor versus the non-poor. For example, in the case of food subsidies, efficient targeting would involve budgeted expenditure being incurred on those who are unable to meet their or their household's basic dietary requirement. *Adequacy* refers to whether the budgeted expenditure, ideally in per capita terms, is sufficient to meet the desired objective or produce the intended outcome. *Efficiency* can refer to targeting efficiency as well as spending efficiency. In this case it denotes spending efficiency, or the administrative cost per unit of food or per calorie delivered to the intended cohort. *Impact* measures change in outcome over baseline or the starting point.

While the issue of adequacy of budgeted subsidies has been outlined in the previous section, targeting efficiency of budgeted subsidies is an important issue that needs to be addressed. Overall, poor targeting is well documented across the entire subsidy regime, be it in the case of electricity subsidies or fertiliser or wheat and sugar production. For example, it has been reported that only 30 to 40 per cent of wheat subsidy expenditure in Pakistan reaches the bottom 40 per cent of the population.[4]

[4] Source: Dawn. *Phase out subsidies to bring efficiency to agri-food system: WB*. November 11, 2022. https://www.dawn.com/news/1720284

In the context of nutrition-specific expenditure, the following measures can enhance the coverage, targeting as well as spending efficiency, and overall impact:

- Map with greater clarity and transparency current budgetary spending on nutrition and food security at both the federal as well as sub-national government level, and set up a centralised tracking and reporting mechanism under the Ministry of Planning, Development and Special Initiatives
- Increase coverage and spend on food subsidies, recycling fiscal savings from the disbanding of the minimum support price and crop procurement regime
- Replace universal subsidies with targeted subsidies using available digital registries such as BISP and NSER, and through platforms such as school meals and maternal health programs
- Re-orient food subsidies from current focus on caloric staples such as wheat and sugar to more diverse, nutrient-rich foods such as a combination of pulses, dairy, fruits and vegetables

3.

POLICY OPTIONS

There is a rich menu of generic policy options and instruments available, including institutional and behavioural interventions, with reference to promotion of nutrition-rich diets as well as discouraging low-nutrition and harmful diets.

Broadly, the interventions are cross-cutting and underscore the need for a holistic and integrated approach (outlined in greater detail for Pakistan in the following Chapter on page 42). In summary, the policy and institutional interventions need to work along the following axes:

Improved availability

Supply-side policies that expand the availability of nutrient-appropriate foods, via a combination of higher domestic production and targeted imports. These can include a combination of measures such as the following:

- *Expanded social protection and food assistance programs*
- *Improved supply via*:
  - Production subsidies for farmers; subsidised farm inputs
  - Switch to nutrient-rich crops and enhancement of yields
  - Research and development (R&D) in climate-resilient seeds/crops
  - Making agriculture extension services more effective
  - Reducing post-harvest losses
  - Investment in modern grain storage infrastructure
  - Improved farms-to-market roads and other rural infrastructure for access
  - Combination of fiscal incentives (tax breaks, subsidies) and reduction in import tariffs

Increased access and affordability

Improved economic access to food and stipulated healthy nutrition of vulnerable population segments can be ensured by a combination of the following:

- *Pro-poor social protection*
- *Income and livelihood support*

Encouraging healthy lifestyle changes

An important part of the state and policy responses to the food security/nutrition challenge is raising the health awareness of citizens through public campaigns. In addition to public awareness and advocacy programs, the use of behavioural nudges needs to be explored.

Other measures include re-orienting subsidies from staple grains to nutrient-rich foods, such as legumes (e.g. lentils, chickpeas), fruits and vegetables, and animal-sourced proteins (e.g. eggs, dairy). In addition, use of taxation and trade measures such as higher excise duties and import tariffs on ultra-processed, sugar-sweetened beverages and junk food need to be introduced.

Important lessons can be learnt from cross-country experience, including with regards to successful policy interventions, spanning program design to implementation. The following section summarises the key features of some of the successful nutrition-related interventions from around the world.

India: diversifying public food procurement

Policy: Inclusion of pulses and millets in government procurement (2013–present)

- Mechanism: The Indian government began procuring pulses, millets, and oilseeds under the Minimum Support Price (MSP) system.
- Programs Benefited: Mid-Day Meal Scheme, Public Distribution System (PDS), Integrated Child Development Services (ICDS)
- Nutrition Impact: Increased availability of protein- and micronutrient-rich foods in public feeding programs; supported dietary diversification.

Key Lesson: Public procurement can shift agricultural incentives toward nutrition-sensitive crops.

Mexico: Conditional Cash Transfers (*Oportunidades*/*Prospera*)

Policy: Conditional Cash Transfers (CCTs) tied to health and nutrition education (1997–2018)

Mechanism:

- Households received cash transfers conditional on child growth monitoring and health visits.
- Nutrition education and provision of fortified complementary foods were included.

Nutrition Impact:

- Stunting dropped by 10% over a decade.
- Improved child height-for-age scores and maternal knowledge on nutrition.

Key Lesson: CCTs that include nutrition behavior change and fortified foods can significantly reduce malnutrition.

Ethiopia: Productive Safety Net Program (PSNP)

Policy: Food and cash transfers for food-insecure households (2005–present)

Mechanism:

- Transfers provided in exchange for public works; direct support to vulnerable groups.
- Linked with nutrition-sensitive agriculture and health services.

Nutrition Impact:

- Improved household food security and dietary diversity.
- Better child nutrition outcomes, especially in the lean season.

Key Lesson: Integrated safety nets can promote nutrition resilience in chronically food-insecure regions.

Bangladesh: Fortification and Subsidy Reform

Policy: Salt iodization and food fortification + shift toward consumer subsidies (2000s–present)

Mechanism:

- Universal salt iodization and fortification of edible oil with vitamin A.
- Government began targeting subsidies to low-income households via food cards and smartcards.

Nutrition Impact:

- Virtual elimination of iodine deficiency in many regions.
- Improved consumption of fortified foods among low-income groups.

Key Lesson: Micronutrient fortification + targeted consumer subsidies can yield large-scale, cost-effective gains.

Indonesia: Sugar-Sweetened Beverages Tax Proposal (Proposed)

Policy: Proposed SSB tax and nutrition labelling reforms (2019–present)

Mechanism:

Planned taxes on sugar-sweetened beverages, plus front-of-pack warning labels for unhealthy foods.

- Nutrition Goal: Reduce consumption of ultra-processed foods and tackle rising obesity and diabetes alongside undernutrition.

- Status: Still in debate, but aligns with successful models from other countries (e.g., Mexico, South Africa).

Key Lesson: Fiscal disincentives for low-nutrition foods can be essential in double burden contexts.

Brazil: Zero Hunger (*Fome Zero*) and school feeding reform

One of the most acclaimed and successful recent nutrition programs is Brazil's "Zero Hunger" (*Fome Zero*) initiative, in particular its National School Feeding Program (PNAE) and Food Acquisition Program (PAA) components. Launched in 2003, it has won global recognition and has been cited as a model program by the UN FAO, WFP, and World Bank. *Fome Zero* has inspired similar programs across Latin America, Africa (e.g. in Ghana, Kenya), and Asia.

The goal of the program was to eradicate hunger and extreme poverty by ensuring access to adequate, nutritious food — especially for vulnerable populations including children, low-income families, and rural communities.

Key components of *Fome Zero* include:

- **PNAE – National School Feeding Program**
  - It provides free, nutritious meals daily to all children in public schools.
  - Requires that at least 30% of food procurement is from local family farmers, emphasizing fresh and minimally processed foods.
  - Menus are regionally adapted and must meet specific nutritional guidelines set by law.
  - Nutritionists are employed to design school meals that meet daily dietary requirements.
- **PAA – Food Acquisition Program**
  - The government purchases surplus food from smallholder farmers (without requiring middlemen).
  - This food is then distributed to schools, hospitals, and food-insecure populations.
  - The program offers guaranteed markets and fair prices to poor farmers, while supplying diverse, nutritious foods to public institutions.
- **Bolsa Família (Conditional Cash Transfers)**

The *Bolsa Familia* involves cash assistance to low-income families, conditional on school attendance, vaccinations, and regular health checkups, including growth monitoring of children.

Fome Zero has been an outstanding success in terms of its impact. Under it, Brazil recorded a dramatic improvement in diet quality for children and drastically reduced child stunting and underweight rates. Some of its main successes have been:

- Brazil was removed from the FAO Hunger Map in 2014
- Stunting among children under 5 halved between 1996 and 2006
- Underweight prevalence also halved
- A dramatic improvement recorded in diet diversity for poor children and school-going youth
- Increased access to fresh produce, dairy, and protein in school and community meals

In addition to its nutrition-linked achievements, *Fome Zero* has notched up success in its secondary goals, including:

- Support for small farmers

  Over 4 million family farmers have gained access to stable public markets, leading to improved incomes as well as greater investment in diversified agriculture.

- Social equity and inclusion

  A strong focus on racial and gender equity, especially in rural and marginalized communities. The program has empowered women farmers and Afro-Brazilian and Indigenous producers.

The key lesson from the design and success of *Fome Zero* is that linking agriculture to nutrition through local procurement is both effective as well as scalable. Other lessons relevant for countries such as Pakistan relate to:

- Importance of multisectoral coordination (agriculture, education, social protection, health)
- Relevance of legal frameworks to ensure program sustainability beyond political cycles
- Targeted programs that combine nutrition, income support, and local food systems can simultaneously address malnutrition, poverty, and rural livelihoods.

4.

POLICY RECOMMENDATIONS

Tackling the nutrition and food security challenge in the country requires a well thought-out, clearly articulated and well financed multi-sectoral approach. It is a positive development that the Government of Pakistan has adopted, to a large extent, a multi-sectoral approach since the past few years. However, the current national strategy has some gaps, both in formulation, as well as in financing and implementation.

The broad range of policy interventions required encompass fiscal and trade measures, institutional arrangements, public awareness campaigns and use of behavioural nudges, and changes in legislation as well as in banking rules and regulations. These are discussed in detail in the following sections.

GOALS

The main goals of government policy with regards to nutrition and food security need to be:

- Ensure comprehensive rights-based food security, both at a national level as well as at a household level, in the medium term as well as in the long run. Food security encompasses availability, bio-safety, affordability, diversity and the meeting of strategic requirements.
- Achieve the Sustainable Development Goal on Hunger (SDG #2)
- Drastically improve nutrition outcomes especially of at-risk population cohorts (new-born + children under 5 years, PLWs, vulnerable food-insecure districts of the country)
- Encourage food diversity, both in production as well as consumption
- Balance welfare interests of stakeholders such as farmers and consumers

APPROACH

A multi-sectoral approach with appropriate interventions that are both nutrition-specific as well as nutrition-sensitive needs to be implemented. The state's focus should be on improved supply especially of high-nutrient foods that promote dietary diversity, greater affordability of a minimum intake of a healthy diet especially for at-risk population cohorts, and greater sustainability and stability of domestic food systems. An integrated framework for food security and nutrition needs to be adopted based on the following 4 pillars.

1. **Availability**

Main objective:

Ensuring the minimum nutrition needs of the entire population are met, including of diet diversity, with a strategic reserve for grains

Key strategies:

Supply-side policies that expand the availability of nutrition-specific as well as nutrition-sensitive foods to the population, by encouraging domestic production, through timely imports and via public distribution systems and social protection measures including food assistance programs.

Improved supply:

- Reinstate the crop support price mechanism for the medium term; institute gradual phase-out
- Ensure improved availability of agri-inputs (quality seeds, unadulterated pesticide, fertiliser, water)
- Increase significantly public sector investment in research relating to climate-resilient crops and livestock
- Ramp up public sector investment in irrigation and water management
- Public sector investment in farm infrastructure, including farm-to-market roads
- Effective agriculture extension services with expanded outreach
- Production subsidies to farmers focusing on nutrition-dense and climate-resilient crops
- Develop expanded strategic grain reserves to manage supply + price shocks
- Promotion of farm mechanisation
    - Provision of interest-free/subsidised loans
    - Allow hypothecation
- Reduce post-harvest losses
- Modern grain storage infrastructure
- Improved farms-to-market roads for access

- Lower or exempted tax rates and import tariffs on basic and essential foods including pasteurised milk, baby formula etc.
- Inclusion in public distribution system (public schools, colleges, universities, armed forces, prison system etc.)
- Introduce fiscal incentives including tax breaks, and expanded credit access for farmers growing high-nutrient crops
- Improve local supply of meat, fish and fruits as well as vegetables by strengthening non-staple food systems
- Micronutrient Interventions:
  - Fortify staple foods (e.g. wheat flour with iron)
  - Supplementation (Vitamins A and D, iron-folic acid for pregnant women)

It is important to note that not all initiatives revolve around fiscal or trade measures. Some require institutional responses, such as improved governance and/or re-ordered institutional arrangements. Examples would include the timely provision of quality seeds and unadulterated pesticide. Or, increasing the efficacy of agriculture extension services.

The above measures will need to be complemented by the following food-related social protection interventions, some of which straddle both *availability* as well as *affordability* objectives.

2. Affordability

Main objective:

Improving economic and physical access to nutrition-appropriate food for all citizens.

Key strategies:

Pro-poor social protection:

- Higher overall allocations for social safety nets
- Adequate budgetary provision for targeted consumption subsidies for high-nutrition foods
- Enhanced coverage of nutrition-specific conditional cash transfer programs under BISP
- Nation-wide government school feeding programs with local procurement
- Mandating procurement for public food systems and conditional programs from small farmers
- Food kitchens on public-private partnership (PPP) basis

Income and livelihood support:

- Mandating of minimum wages that are close to living wages
- Livelihood and food support for poor households via guaranteed employment public works schemes in rural areas

3. Utilisation (ensuring healthy use)

Main objective:

Promoting use of appropriate diets and lifestyle adoption to ensure overall nutritional well-being (the "utilisation" aspect).

Key Strategies:

- Maternal, Infant and Young Child Nutrition (MIYCN) interventions to promote exclusive breastfeeding (0–6 months), with timely complementary feeding
- Hygiene and sanitation (WASH): promote handwashing, safe water, toilet access
- Link WASH with community-based nutrition programs
- Nutrition Education: nutrition counselling via community health workers; public awareness and advocacy campaigns; behavioural change communication (BCC) using local media and health systems; use of behavioural nudges to promote dietary diversity etc.

4. Stability

Main objective:

Reducing vulnerability to shocks (climate, economic, conflict) that threaten food systems.

Key Strategies:

- Climate-smart agriculture
  - Promote drought/flood-tolerant varieties, agroforestry
  - Establish early warning systems for food and weather shocks
- Disaster Risk Management (DRM)
  - Maintain strategic grain reserves
  - Ensure community-based disaster preparedness and response
- Shock-responsive safety nets
  - Flexible social assistance to respond to crises (e.g. pandemics, price spikes, supply disruptions)
- Peace and conflict mitigation
  - Integrate food security into mitigation strategies in conflict-prone or affected areas

Institutional Arrangements

Pakistan's current institutional arrangements for dealing with the subjects of food security and nutrition are fragmented, with some significant gaps. These can be addressed with the following proposed measures.

- **Enact a National Food Security Act (NFSA)**

  Pakistan lacks comprehensive legislation that integrates food entitlements and social safety net programs into a single legal or institutional framework. A National Food Security Policy was approved by the Cabinet in 2018, but has not yet been approved by the parliament. Similarly, the National Agri-trade and Food Safety Authority NAFSA was formed in May 2025 to align local production with global safety and trade standards. In addition, there are provincial food safety laws and relevant authorities for implementation.

  However, the current approach is fragmented across multiple policies, different levels of government and myriad ministries, departments and agencies. The country needs to enact a National Food Security Act (NFSA) on the lines of India's landmark 2013 legislation. The NFSA should establish a rights-based approach to nutrition with a constitutionally-mandated express obligation of the state to provide the same. It should cover food entitlements, public distribution systems, nutrition support, in addition to bio-safety and climate-smart agriculture.

  The proposed NFSA should incorporate the following key elements:

  - Make subsidised access to basic foods and a minimum healthy amount of nutrition a constitutional and legal entitlement for all vulnerable and at-risk citizens
  - Define a minimum healthy recommended diet and establish state responsibility in its provision
  - Integrate food security and nutrition-linked goals into national development plans
  - Integrate food with education, health services and social protection. Expand the scope of existing programs aimed at Mothers, Infants, Young Child Nutrition (MIYCN) and Pregnant and Lactating Women (PLWs)
  - Mandate a nation-wide school meals program in government-run schools
  - Mandate fortification of diets especially targeting infants and young children and PLWs (Vitamins A and D, folate, iron).
  - Define institutional responsibility for formulation of policy, rules and regulations, coordination, oversight and implementation
  - Define roles and responsibilities of Centre and provinces, with a view to aligning provincial food safety, nutrition and agriculture-related programs to a common national goal

- Mandate centralised public expenditure tracking on nutrition-sensitive programs
- Protect basic and essential foods from taxation, duties and government levies
- Define a minimum quantum of annual public spending across all food security-related programs of the federal and provincial governments. This spending should be protected via the proposed NFSA legislation
- Strengthening food management systems
- Mandatory front-of-pack labelling of sugar content
- Bio-safety provisions relating to GMO crops

- **Strengthen and expand agriculture extension services**

  The proposed legislation via the NFSA will cover most institutional aspects of food security, one area that will require separate focus is that of agriculture extension services. Agriculture extension services play a vital role in improving crop yields and productivity in the livestock sector. Going forward, their role will be even more critical in introducing climate-smart seeds, technologies, methods and responses to changing crop and rainfall patterns etc.

  Since agriculture extension services fall under the purview of the provinces post-18th amendment, the sub-national governments will need to take necessary measures to ensure the "gap" caused by the current near-absence of effective extension services with any meaningful outreach is bridged.

Box: India's National Food Security Act (2013)

India passed a landmark National Food Security Act in 2013 that provides a legal, enforceable and justiciable right to subsidized food grains to 75% of the rural population and 50% of the urban population. Currently, it is estimated that the provisions of the Act impact approximately 67% of the total population i.e. over 800 million people, making it the largest food-based safety net in the world.

The Act focuses broadly on food entitlements, public distribution systems and nutrition support. Its specific focus is on establishing children's entitlements to free age-appropriate meals, with special priority to vulnerable groups like children, pregnant women, destitute and homeless persons.

Under the Act, India launched the Mid-Day Meal Scheme in government-run schools, and strengthened the pre-existing Integrated Child Development Services (ICDS) scheme by ensuring provision of free meals via the *Anganwadi* centres ('courtyard shelters') in rural areas.

- **Strengthen the Sanitary and Phytosanitary (SPS) measures regime**

SPS measures are regulations applied by countries to: 1) ensure food safety by controlling contaminants, pesticides, toxins, and pathogens; 2) prevent the spread of pests and diseases among animals and plants; 3) safeguard human, animal, and plant life from risks arising from imported or domestically produced food.

Safety, diversity, and the nutritional quality of food play a crucial role in public health. Sanitary and Phytosanitary (SPS) measures, while traditionally seen as tools for protecting plant, animal, and human life, are increasingly recognized as central components of trade policy that influence food systems, especially in developing countries.

An effective SPS measures regime is important for:

Ensuring safe food imports:- One of the direct contributions of SPS measures to food security is the protection of consumers from unsafe imports. This includes preventing the entry of contaminated or substandard food products that may carry harmful pathogens or toxins.

Enabling trade in nutritious foods:- SPS measures, when appropriately calibrated, can facilitate trade in diverse and nutrient-rich foods such as fruits, vegetables, legumes, dairy, and fortified products. For example, SPS exemptions or simplified protocols for the import of Ready-to-Use Therapeutic Foods (RUTFs) or specialized infant formulas can significantly bolster domestic nutritional interventions.

Conversely, overly stringent or misaligned SPS regulations can act as non-tariff barriers, reducing access to affordable, nutritious foods and limiting dietary diversity, particularly for low-income households.

Supporting domestic agricultural development:- SPS compliance is not only relevant at the border. By incentivizing safer production, harvesting, and storage practices, SPS measures can improve the quality of local food supplies. For instance, measures to control mycotoxins in cereals or veterinary drug residues in meat can enhance both safety and nutritional value.

Improved SPS enforcement helps reduce post-harvest losses, thus increasing food availability and stabilizing prices—two key pillars of food security.

Enabling export of high-value, nutritious crops:- Compliance with international SPS standards, such as those codified in the *Codex Alimentarius*, enables developing countries to access lucrative export markets for fruits, vegetables, spices, legumes, and organic products. This enhances rural incomes and employment, indirectly improving food access and affordability for vulnerable populations.

Two examples are provided by Uganda and Rwanda which have invested in aflatoxin control and SPS certification, enabling their groundnuts and maize to meet regional and European standards, thus boosting farmer incomes and economic resilience.

Other missing areas/gaps

In addition to the lack of an integrated framework incorporating all elements essential for national food security, another existing gap in the policy approach is that, so far, government delivery is focused on high-priority districts and pilot programmes, instead of a nation-wide approach. The outreach of nutrition-related programmes needs to be up-scaled to the entire country in order to make a meaningful impact.

In addition, a greater emphasis on the following areas in policy design and implementation is recommended:

- Climate-smart agriculture strategies
- Fortification + supplementation [Vitamin A, D, iron]
- Nation-wide meals programs for government-run schools based on a public-private partnership model, where feasible
- Farm mechanisation efforts, with hypothecation of agriculture machinery allowed, together with greater availability of bank credit with subsidised mark up
- Adoption at scale of agri-technology (agri-tech), including the use of Artificial Intelligence (AI)-powered tools

An integrated, cross-cutting approach is required, with the foundational, organising principle being the recognition of nutrition as a basic constitutional right.

FISCAL MEASURES

The ability to implement fiscal measures required to meet the goal of food security and improved nutrition outcomes revolves around creating fiscal space for financing essential initiatives and programs. The fiscal space will be underpinned by a combination of mobilisation of additional cost-effective resources, repurposing existing expenditures and introducing savings via improved governance, including better coordination between different agencies and tiers of government.

Some of the measures and programs requiring budgetary financing, both at the federal as well as provincial levels, include:

- Higher allocations for BISP *Nashaunuma* program
- Nation-wide roll out of expanded school meal programs
- Increase in tax expenditure and consumption subsidies for "healthy" diets
- Enforced mandatory fortification and supplementation
- Increased budgetary allocations for farm sector research, covering both crops as well as livestock
- Investment in climate-smart agriculture (seed research and development, for example)
- Public investments in irrigation and water management
- Higher budgetary allocations for storage, cold chain, grain silos
- Investments in upgrading agriculture extension services
- Subsidising mark-up for farm machinery
- Adoption at scale of agri-technology (agri-tech), including the use of Artificial Intelligence (AI)-powered tools
- Lower taxes and import duties for agriculture machinery
- Reversal of taxes imposed on baby formula, pasteurised milk and other essential foods

In sum, it is estimated that to make a meaningful impact, public sector spending on food security, food safety and nutrition combined will need to increase at the minimum by an additional 5-7 per cent of GDP per annum. To finance these initiatives, an expanded envelope of fiscal resources can come from a combination of the following measures.

- **Enhanced domestic resource mobilisation**

1. Higher tax collection

Pakistan's tax-GDP ratio has remained virtually stagnant over the past four decades at around 10 per cent. Actual tax collection is less than half the estimated revenue potential.

Despite the imperative to raise revenue, the country has failed to bring untaxed and lightly-taxed sectors into the tax net, such as real estate, wholesale and retail trade, professional services, and incomes of large farmers. Instead, FBR has relied largely on existing taxpayers for mobilising additional revenue. The bulk of the tax collection is from formal, organised, already-compliant businesses. This strategy has run its course. A substantial boost to tax revenue can come from higher 'base capturing' of existing tax bases such as services, corporate as well as personal income tax, property taxes.

2. Improved enforcement/compliance

The Pakistan Business Council estimates the value of annual illicit trade that Pakistan suffers from at a staggering US$ 68 billion, one of the highest levels in Asia. Illicit trade in this context spans smuggling, under-invoicing, mis-declaration of imports, counterfeiting and adulteration. This level is 20 per cent of the size of the reported economy, and its sheer quantum not only undercuts government revenue but also the survival of compliant formal firms.

The estimated annual tax loss from illicit trade is Rs. 8 trillion, amounting to around 60% of the tax revenue target for FY26. Weak and discriminatory enforcement by FBR is estimated to cost the exchequer over Rs 300 billion in lost taxes in the tobacco sector alone, followed by an estimated Rs 270 billion in the case of petroleum smuggling. The other sectors operating with high levels of informality and suffering from smuggling and misdeclaration include tea, tyres, footwear, fast-moving consumer goods, and beverages.

The launch of the Track and Trace System (TTS) by FBR has been successful so far in two tax evasion-prone sectors, sugar and cement. Replicating this success in the remaining high value tax evasion-prone sectors can substantially increase government revenue, which can be partially channelled into nutrition-specific and nutrition-sensitive spending.

3. Modernising tax administration

To successfully seize the revenue opportunity, the government needs to adopt tax policy that is predictable, easy-to-administer, non-discriminatory as well as equitable. This has to be complemented by a modern, impersonal, fit-for-purpose, technologically-enabled and data-driven tax administration. With split tax assignments as per the Constitution, Pakistan faces multiple agencies at the federal and provincial levels tasked with collecting taxes. This duplication adds to the cost of doing business, while increasing coordination issues especially with regards to capturing of taxpayer and transaction information.

A single, national tax administration agency that oversees an integrated Value Added Tax (VAT) across the country will overcome many of the above challenges.

4. Reducing tax expenditure via exemptions, concessional tax rates, special treatment

While a significant part of the economy is informal and undocumented, myriad policy exemptions have legally precluded substantial sectors as well as transactions from tax coverage. According to the Ministry of Finance, tax expenditure on account of exemptions on income tax, sales tax and import duties totalled Rs 2,435 billion in 2024-25, or 2.1 per cent of provisional GDP.

Reducing the exemptions granted to various sectors can increase the resource envelope available to the government to direct towards essential spending in human development, social protection, food security and nutrition.

- **Earmarking revenue from specific initiatives**

Taxing unhealthy foods and products such as Sugar Sweetened Beverages (SSBs), tobacco, high in fat, sugar and salt food (HFSS or 'junk' food) can yield substantial tax revenue while discouraging consumption of unhealthy products. Pakistan has among the highest prevalence rates of Type 2 diabetes and hypertension worldwide, which have been strongly linked to a high dietary intake of SSBs and HFSS.

The government has recently increased the Federal Excise Duty (FED) rate on SSBs to 20%, and proposals to double this to 40% over the next 1-2 years are purportedly under study. It is estimated by various studies that the revenue potential from SSBs at the current FED rate is anywhere between Rs 15 billion to Rs 50 billion annually.

In addition, the lost tax revenue due to weak enforcement in the tobacco sector is estimated to total between Rs 300-400 billion annually. Taken together, these are substantial revenue streams for the government that can be earmarked towards expanded coverage of nutrition-related initiatives, such as a nation-wide school meals programme, or defraying the cost of fortification and supplemental nutrition efforts. For instance, the Philippines earmarks the revenue from taxing sugary drinks for universal health care.

- **Re-prioritisation of public expenditure**

Total budgeted expenditure of the federal government for 2025-26 is Rs 17,573 billion. Of this, 47 per cent is earmarked for debt servicing (interest payments) on public debt, another 14 per cent for employee-related expenses (salaries, wages and pensions). Overall, approximately 61 per cent of the budgeted outlay can be categorised as non-discretionary. That leaves nearly 40 per cent of the expenditure outlay as discretionary spending, amounting to Rs 6,864 billion.

The implication is that even under conditions of a fiscal squeeze, there is enough flexibility for the government to re-prioritise spending with low economic value towards nutrition programs and food security-related initiatives.

- **Reducing spending leakages**

  As with any public spending, there are significant leakages associated with bureaucratic inefficiencies, cost over-runs, delays and corrupt as well as collusive practices involving contractors and suppliers. According to various estimates, leakages in public spending amount to anywhere between 25-40 per cent. With total national development spending (federal PSDP + provincial ADPs + SOEs) for 2025-26 budgeted at Rs 4,223 billion, any reduction in leakages will amount to a substantial saving in the public budget. This money can be used for expanding the coverage of nutrition-related programs.

- **Use of public-private partnerships**

  In some areas of spending, a public-private partnership (PPP) model can be explored to alleviate fiscal pressure on public finances. In India, for example, the government-mandated provision of school meals under the Midday Meal Scheme, or PM-POSHAN, involves using a PPP model in some states.

  PPPs are generally useful for physical infrastructure. With reference to food security, an area where PPPs can be exploited is for building farm-to-market roads for better access. Similarly, the use of PPPs can be explored for constructing food storage infrastructure, such as grain silos and cold storage facilities.

- **Mobilize international donor funding and innovative financing**

  Another avenue to augment the fiscal resources envelope is to tap into financing "buckets" available under green/climate finance, financing from international development partners, the use of blended finance, and from Sovereign Wealth Funds (SWFs).

  Pakistan has traditionally not actively sought investments from SWFs, even though they represent a significant pool of internationally-investable capital. As of 2024, the total Assets Under Management (AUM) of all 170 SWFs operating globally is estimated at US$ 11.5 trillion. The sustainable finance and "green" portfolio of these SWFs is estimated at between US$ 180-250 billion, representing between 1.5 to 2.2% of total AUM.

  Among these, the prominent ones that have begun dedicating a larger portion of their portfolio to green initiatives are Singapore's *Temasek*, which has committed heavily to climate-aligned investing, including in green energy, water management, and climate-smart agriculture. Through partnerships with firms like BlackRock, Temasek is co-investing in climate infrastructure in Asia and Africa. The *New Zealand Super Fund* has invested in green bonds issued by developing countries or international institutions financing climate-resilient infrastructure in Africa and Southeast Asia. The *Qatar Investment Authority* (QIA) has pledged to align its portfolio with the Paris Agreement, and has invested in green infrastructure projects in Africa, particularly in clean energy and sustainable transport.

UAE's *Mubadala* and *Masdar Initiative* have financed renewable energy projects in Egypt, Morocco, and Jordan. These include solar parks and wind farms. While the emphasis of investments by SWFs so far appears to be renewable energy infrastructure, there is a clear pattern where they are venturing into other areas such as sustainable agriculture.

Saudi Agricultural and Livestock Investment Company (SALIC), a subsidiary of Saudi Arabia's Public Investment Fund (PIF) has focused on food security through investment in agricultural land, grain, livestock, and food processing in countries like Sudan, Ukraine, Australia, and Pakistan. Similarly, Qatar Investment Authority (QIA) has invested in agri-business and farmland in Africa and Southeast Asia, aiming at long-term food security for Qatar. Abu Dhabi's ADQ has invested in agriculture and food processing companies operating in Egypt and Sub-Saharan Africa. Temasek of Singapore is also active in this space, investing in ag-tech and sustainable farming start-ups in India and other parts of Asia.

An emerging trend is that of Sovereign Sustainability Funds, or green sub-funds. These are special-purpose SWFs dedicated for sustainable investment. Leading among these is Ireland Strategic Investment Fund (ISIF), which has a sustainability mandate and invests in clean energy and agri-food projects.

Non-fiscal measures

Apart from fiscal measures, there is an important non-fiscal measure that is in the domain of SBP. This is with regards to agri-machinery used for farm mechanisation. This machinery is required to be imported and is essential for reducing losses at the time of harvesting (see example of wheat given on below). However, this is expensive equipment. While the provision of subsidised loans has already been suggested under fiscal measures, an important step requiring intervention of SBP pertains to allowing the hypothecation of agri-machinery. The ability to use the equipment as collateral will make the provision of bank loans easier.

Financing the policy agenda with regards to addressing Pakistan's food security and malnutrition challenge is often considered as a binding constraint. It is important to remember, however, that the total annual loss to the country from the twin burden is estimated at over 3 per cent of GDP. In addition, the pay-offs from relatively modest investments such as in farm mechanisation, or even in larger investments required for grain storage for example, are a far larger order of magnitude.

For example, current wheat harvesters used in Pakistan are estimated to cause a loss of up to 18% of the standing wheat due to inefficient design. Post-harvest crop losses are estimated at anywhere between 10-40% for various crops. The combined annual loss in purely monetary terms is estimated at hundreds of billions of Rupees that could have added to farmer incomes as well as consumer welfare via lower prices. The investments required to address these gaps are a small fraction of the potential benefits that can accrue, and hence should be thought of as strategic in nature.

Table 5: Summary of fiscal interventions and estimated incremental resource mobilisation

	Est. Range	
Measure	As % GDP	
	Lower bound	**Upper bound**
Enhanced domestic resource mobilisation	**3.5**	**4.9**
Increased tax collection via base capturing	2.5	3.5
Improved enforcement and compliance	0.7	0.9
Modernising tax administration	0.3	0.5
Reducing tax expenditure	0.3	0.5
Specific initiatives	0.1	0.2
Re-purposing public expenditure	0.3	0.5
Reducing spending leakages	0.5	0.7
Use of public-private partnership	0.3	0.5
Innovative financing	0.1	0.2
Total incremental fiscal resources	**5.1**	**7.5**

Source: Authors estimates

Quantifying the impact of the proposed fiscal measures, the report estimates that additional fiscal resources of between 5 to 7.5 per cent of GDP can potentially be available in the medium term via concerted, coordinated and focused effort. The incremental resources can be deployed for the strategic interventions required to enhance food security and safety, as well as nutrition-related outcomes.

TRADE POLICY

Trade policy, along with subsidies, plays an important role in food availability and affordability, nutrition-sufficiency, food diversity, and dietary choices of households. It is therefore essential to align the country's trade policy to improved access to nutritious and healthy foods.

The current trade regime in Pakistan imposes high tariffs on nutrient-dense food imports and distorts incentives through protection of less nutritious, bulk staples. This contributes to the unaffordability and inaccessibility of diverse, high-nutrition diets.

Pakistan's simple average tariff for agriculture commodities was 13 per cent as of 2023 according to WTO, higher than the simple average for all imports at 10.3 per cent. While the country's tariff policy has generally been oriented towards raising revenue as well as protection for certain domestic sectors, it has also been flexible especially with regards to improved availability of three commodities in particular: wheat, sugar and urea fertiliser. Until the suspension of trade with India, this flexibility extended to raw cotton, onions and tomatoes during periods of domestic shortages. (See **Table 6** for import tariffs on a selected range of food products).

Table 6: Applicable import tariffs and para-tariffs on food items

Category	Examples	PCT Codes	Custom Duties %	Regulatory Duties %	Additional Custom Duties %
Whole grains & pulses	Chickpeas	713.1	3%	-	2%
	Lentils	713.399	3%	-	2%
	Husked (brown) Rice	1006.2	11%	-	2%
Protein sources	Meat from Chicken and other Poultry Products, Other meat and edible meat offal, fresh, chilled or frozen; Meat and edible meat offal, salted, in brine, dried or smoked; edible flours and meals of meat or meat offal	02.07, 02.08, 02.10	20%	10%	6%
	Live Fish, Fresh/Chilled Fish, Salted/Dried Fish	03.01, 03.02, 03.05	11%	10%	2%
	Frozen Fish, Other Fish Products (Fish Fillet etc.)	03.03, 03.04	20%	35%	6%
	Meat of Bovine Animals (Fresh, Chilled or Frozen)- Beef	02.01, 02.02	3%	-	2%
	Meat of Bovine Animals (Frozen)- Boneless	202.3	3%	5%	2%
	Meat of sheep or goats, fresh, chilled or frozen - Mutton	2.04	3%	-	2%
	Edible Offal of Bovine Animals, Swine, Sheep, Goats, Horses, Asses, Mules or Hinnies, (Fresh or Chilled) - Mutton and Beef	02.06.1000	3%	5%	2%
	Fresh Eggs	407.21	3%	20%	2%
	Fertilised Eggs for Incubation	407.11	11%	-	2%
Dairy	Milk and cream, not concentrated nor containing added sugar or other sweetening matter	4.01	20%	-	6%
	Milk and cream, concentrated nor containing added sugar or other sweetening matter	4.02	20%	25%	6%
	Yogurt; buttermilk, curdled milk and cream, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa	4.03	20%	20%	6%
Fruits & Vegetables	Fresh Apples, Pears, Quinces	8.08	20%	30% (except PCT codes 0808.1000)	6%
	Bananas, including plantains, fresh or dried	8.03	20%	10%	6%
	Citrus fruit, fresh or dried	8.05	20%	25% (except PCT codes 0805.1000 (Oranges), 0805.4000 (Grapefruit and pomelos) and 0805.9000 (Other fruits) where it is 15%)	6%
	Apricots, Cherries, Plums, Peaches , Strawberries, Raspberries, Fresh	8.09	20%	35% (except PCT codes 0809.1000, 0809.2100 (Sour Cherries) and 0809.3000 (Peaches) where it is 45%)	6%
	Fresh Grapes, Fresh Melons, Other Fresh Fruits	08.06, 08.07, 08.10	20%	45% on 0807.2000 (Papaws), 30% on Other fruit, fresh (except PCT code 0810.9010)	6%
	Onions, Shallots, Garlic, fresh or chilled	0703.1000, 0703.2000	3%		2%
	Potatoes (Fresh or Chilled), Tomatoes (Fresh or Chilled), Cabbages, Carrots, Turnips, Cucumbers and Gherkins, Salad Beetroot, Salsify, Celeriac, Radishes and similar edible roots, fresh or chilled	07.01, 07.02, 07.06, 07.07, 07.08	3%	(25% on Ware Potatoes - 0701.9000)	2%
	Cauliflowers, Kohlrabi, Kale and similar edible Brassicas, Lettuce, Chicory, fresh or chilled	07.04, 07.05	3%	10%	2%
	Potatoes (Frozen or Chilled), Frozen Peas, Beans, Spinach, Sweet Corn, Other vegetables, Mixture of vegetables, Vegetables provisionally preserved, Dried vegetables (Including Onions Mushrooms etc.)	07.10, 07.11, 07.12	16%	10%	4%
	Almonds (in shell)	0802.1100,	16%	20%	4%
	Almonds (shelled), Areca Nuts	0802.1200, 0802.8000	20%	20%	
	Hazelnuts, Walnuts, Chestnuts, Macademia Nuts, Kola Nuts, Other Nuts (both in shell and shelled)	0802.2100, 0802.2200, 0802.3100, 0802.3200, 0802.4100, 0802.4200, 0802.7000, 0802.9000	11%	-	2%
	Pistachios (both shelled and unshelled)	0802.5100, 0802.5200	3%		2%
	Dates, Figs, Pineapples, Avocados, Guavas, Mangoes and Mangosteens, fresh or dried	8.04	20%	25% (except PCT codes 0804.1010 (Fresh), 0804.1020 (Dried) where regulatory duties are 10% and 0804.2000)	6%
Fats (moderation)	Butter and other fats and oils derived from milk; dairy spread	0405.1000, 04.05 (Other fats)	20%	20%	6%

Currently, the government is engaged in tariff reform under its IMF program, whereby it has committed to gradually phasing out all para-tariffs such as regulatory duties and additional customs duties over the next 4-5 years. In addition, the customs duty slabs have been rationalised and the maximum customs duty will be capped at 15 per cent.

The main policy goals that need to be pursued via trade policy are:

- Increase affordability and access to nutrient-rich foods via trade reform
- Ensure bio-safety of both import as well as export of food by adherence to global standards
- Encourage imports of essential micronutrients and foods not sufficiently produced domestically
- Discourage imports of ultra-processed and other unhealthy foods such as SSBs

To achieve these goals, the key policy actions required are as follows:

1. **Reduce tariffs and NTBs on high-nutrition food imports**

- Lower import duties on:
  - Fortified complementary foods
  - Pulses, fruits, vegetables not widely grown domestically
  - Micronutrient supplements and premixes
- Remove Non-Tariff Barriers (NTBs) to nutrition
  - Streamline customs and food safety regulations to expedite imports of perishable nutritious foods and fortified products with WHO-approved ingredients

2. **Apply high import duties on unhealthy foods**

- Higher import duties on:
  - Sugar-sweetened beverages
  - Highly processed snacks low in nutritional value

The revenues from this source should be earmarked to fund national nutrition programs.

3. **Monitor trade impact on nutrition**

Establish a nutrition-sensitive trade monitoring unit within MNFS&R to:

- Track price and availability of key nutritious foods
- Evaluate unintended impacts of trade policy on food security

This measure will not only monitor the availability of diverse, affordable nutritious foods, but will also enhance national capacity to meet nutrition targets through trade integration.

4. Strengthen the SPS regime

Within trade policy, Sanitary and Phytosanitary (SPS) measures play a critical role in strengthening national food security and safety, and expanding access to nutrition. In addition, SPS compliance can greatly enhance farmer livelihoods by expanding access to export markets.

Ensuring safe food imports

SPS standards prevent entry of contaminated or unsafe foods, reducing the risk of foodborne illnesses (e.g., aflatoxin-contaminated maize or unsafe dairy).

Countries with strong SPS regimes can protect vulnerable populations—especially children—from unsafe food imports.

Enabling access to nutritious imports

When designed efficiently, SPS measures help facilitate trade in diverse, nutritious foods—fruits, vegetables, fortified foods, dairy, legumes, etc. For example, simplified SPS import procedures for fortified or infant foods can improve domestic diet quality, especially during crises.

Supporting local agricultural development

SPS enforcement helps improve local production practices, pest control, and post-harvest safety (e.g. mycotoxin control in grains), which improves nutrition quality of domestic foods and reduces post-harvest losses. These steps augment domestic food availability.

Access to export markets for high-value crops

Compliance with international SPS standards (for example *Codex*) allows smallholder producers to export fresh fruits, vegetables, pulses, nuts, spices and organic foods. These exports generate income, enhance livelihoods, and indirectly improve food access for rural populations.

In Pakistan's case, the weak enforcement of SPS and Codex compliance has limited the access to the EU market for dates, rice, fruits – significantly reducing export earnings and impacting local farmer incomes.

In addition to the *Codex Alimentarius*, there are several international compliance standards and frameworks related to food safety, quality, and nutrition, especially relevant for countries like Pakistan for the purposes of global food trade or reforming domestic food systems. Some of the major ones include:

- **Hazard Analysis and Critical Control Points (HACCP)**

  HACCP is a production risk management system that seeks to identify and control potential food safety hazards such as biological, chemical, or physical. It is often required by major importing countries (for example the EU and USA), and is increasingly being adopted in food processing and export-oriented companies in Pakistan.

- **ISO 22000 – Food Safety Management System**

  The ISO 22000 certification is issued by the International Organization for Standardization (ISO), and covers the entire food supply chain – from 'farm to fork'. It integrates HACCP principles with quality management, and while its certification is voluntary, it is often required for international food trade.

- **GLOBAL G.A.P. (Good Agricultural Practices)**

  Global GAP certification is a globally recognized farm assurance program that demonstrates a farm's commitment to food safety, sustainable agricultural practices, and responsible production including worker safety, environmental protection and food hygiene. It is a widely accepted standard by retailers and buyers worldwide, and is required by European buyers for exported fresh produce like mangoes or citrus from countries such as Pakistan.

- **Global Food Safety Initiative (GFSI) benchmarked standards**

  The GFSI is run by a global coalition of retailers, manufacturers, and other stakeholders in the food industry. Its primary goal is to harmonize food safety standards and reduce the need for multiple audits for businesses operating in global markets. These are private sector-led certification schemes widely accepted by multinational food companies and retailers. Examples of participating platforms include:

  - British Retail Consortium Global Standard (BRCGS)
  - International Featured Standards (IFS)
  - Safe Quality Food (SQF)

- **Fortification standards (for example GAIN, WHO guidelines)**

  The fortification standards relate to micronutrient fortification of staple foods (wheat, oil, salt, and milk), and is used by many developing countries, including Pakistan, to combat hidden hunger. In Pakistan's case it is used for wheat flour fortification, for example.

Policy agenda

Policy interventions with regard to improving SPS compliance and monitoring include:

- Strengthening the SPS infrastructure, including labs, border inspection, certification bodies
- Prioritising SPS compliance in nutrition-sensitive value chains – pulses, vegetables, dairy, fortified staples
- Facilitating low-risk, nutrient-rich imports e.g. through SPS fast-tracking for infant food, RUTFs, fortified oil
- Enhancing alignment with *Codex Alimentarius* and other relevant international standards, and harmonize local standards to ease trade as well as protect consumers

CONCLUSION

Pakistan faces a daunting challenge with regards to food security and nutrition. Vulnerable population cohorts such as infants and young children, and pregnant and lactating women, are more exposed to the triple burden imposed. In addition, under-developed and conflict-prone regions are also affected disproportionately.

The consequences and costs of the triple burden of under-nutrition, over-nutrition and malnutrition-linked non-communicable diseases (NCDs) are substantial, estimated at between 3 and 3.7 per cent of GDP annually. However, more importantly, the consequences and costs are intergenerational, and will weigh on Pakistan's economic growth and human development trajectory for decades.

The policy response required is multi-sectoral as well as cross-cutting. It requires not just the allocation of greater fiscal resources, but a high level of sustained institutional commitment and focus. Mechanisms and arrangements for improved national coordination need to be put in place. While more fiscal resources are required, the additional requirement can be filled with targeted taxation, earmarking of revenues, re-prioritisation of public expenditure along with improvements in spending efficiency.

In any case, the investments required have enormous pay-offs in the longer run, and hence must be considered as *strategic investments* by the country.

Trade policy can also play an important role in augmenting the national supply of high-nutrition food, and in the adoption of dietary diversity. It plays a critical role in bio-safety as well as ensuring food safety with regards to imports. In addition, the strengthening of the SPS regime can positively impact farmer livelihoods by increasing export possibilities.

Underpinning the policy and institutional response should be a rights-based approach to the challenge via adoption of a national food security law.

References

Dawn. (2022, November 11). *Phase out subsidies to bring efficiency to agri-food system: WB.* Retrieved from https://www.dawn.com/news/1720284

Ersado, L., Hasan, A., Geven, K. M., Kathuria, A. K., Baron, J., Bend, M., & Ahmed, S. A. (2023). *Pakistan – Human Capital Review: Building capabilities throughout life.* Washington, DC: World Bank. http://hdl.handle.net/10986/39629
License: CC BY 3.0 IGO.

Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD), United Nations Children's Fund (UNICEF), World Food Programme (WFP), & World Health Organization (WHO). (2024). *The state of food security and nutrition in the world 2024 – Financing to end hunger, food insecurity and malnutrition in all its forms.* Rome: FAO. https://doi.org/10.4060/cd1254en

Food and Agriculture Organization (FAO). (2023). *Country Programming Framework: Pakistan 2023–2027.* Islamabad: FAO. https://doi.org/10.4060/cc5065en

GAIN. (n.d.). *GAIN Dashboard.* Retrieved from https://www.gainhealth.org/

Global Nutrition Report. (n.d.). *Country nutrition profiles.* Retrieved from https://globalnutritionreport.org/resources/nutrition-profiles/

Global Hunger Index. (n.d.). *Global Hunger Index (GHI): A peer-reviewed annual publication designed to comprehensively measure and track hunger at the global, regional, and country levels.* Retrieved from https://www.globalhungerindex.org/

Hameed, A., Padda, I. U. H., & Salam, A. (2021). Analysis of food and nutrition security in Pakistan: A contribution to Zero Hunger policies. *Sarhad Journal of Agriculture, 37*(3), 1025–1042. https://doi.org/10.17582/journal.sja/2021/37.3.1025.1042

Hayat, N., Mustafa, G., Alhafi Alotaibi, B., Nayak, R. K., & Naeem, M. (2023). Households food consumption pattern in Pakistan: Evidence from the recent Household Integrated Economic Survey. *Heliyon, 9*(9), e19518. https://doi.org/10.1016/j.heliyon.2023.e19518 (PubMed)

Pakistan Bureau of Statistics. (2023). *7th Population & Housing Census 2023.* Government of Pakistan.

Ministry of Finance. (Various years). *Budget documents.* Government of Pakistan.

Ministry of Planning, Development & Special Initiatives. (2023). *Pakistan SDGs Status Report 2023.* Government of Pakistan.

Federal Board of Revenue. (2024–2025). *Pakistan Customs Tariffs 2024–25.* Government of Pakistan.

Pakistan Business Council. (2023, November). *A framework to control illicit trade.*

UNICEF. (n.d.). *Maternal nutrition.* Retrieved October 3, 2025, from https://www.unicef.org/nutrition/maternal (UNICEF)

World Health Organization (WHO). (n.d.). *The 3 by 35 Initiative.*

World Bank. (n.d.). *Food Prices for Nutrition 3.0 database.*

World Bank Group. (2022). *Country Climate and Development Report: Pakistan 2022.* Washington, DC: World Bank.