



Public Financing of Education in Pakistan

**Analysis of Federal, Provincial and District Budgets
2010-11 to 2013-14**



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Foreword

Public financing of education in Pakistan (2010-11 to 2013-14) is the fifth in a series of publications that seek to analyze education expenditure of the federal, provincial and district governments. It has been prepared as part of a wider I-SAPS initiative that aims to generate demand and stimulate policy response for enhancing effectiveness of public spending on education. It focuses both on issues of quantity and composition of education expenditure. The study examines the patterns of allocation and expenditure at the aggregate and sub-sector level of the federal, provincial and district levels over the past four years. There are separate chapters on each province with a breakdown by Primary, Secondary, and Higher Education.

In comparison with the previous publications, this study has a number of new features. The first is that it uses data from the Project to Improve Financial Reporting and Auditing (PIFRA) as against the revised estimates from the budget books relied in the previous reports. Moreover, district education expenditure has also been included to give a fuller picture. In doing so, access to accurate and reliable expenditure reports has been a major challenge.

Going forward, our ambition is to continue publication of such studies and ground them in tighter frameworks of efficiency and effectiveness. Given the budget constraints, there is a strong case for Pakistan to focus on the results it buys from investment in education. It is hoped that it should be possible in the future to join up this kind of study in the larger debate of enrolment, learning levels, and value for money.

We very much hope that it would be useful as a reference on levels of education expenditure and the issues in its effectiveness. We welcome feedback and suggestions from all stakeholders. It is our sincere hope that the study will provide useful insights to all those working for the better transformation of the education sector of Pakistan

Salman Humayun, Ph.D.
Executive Director
I-SAPS
December, 2013

Acknowledgments

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I-SAPS wishes to thank Abbas Rashid of Campaign for Quality Education (CQE), Abrar Hafeez, Secretary General, Consumer Rights Commission of Pakistan (CRCP) and Mr. Ahmad Ali, Research Fellow, I-SAPS for their facilitation in post-budget policy dialogues on education financing which has immensely enriched the analysis. We are also thankful to the experts who reviewed the draft chapters and suggested improvements. We highly regard the support of many individuals and cooperation of the Education and Finance Departments in the compilation of this study.

The study would not have been possible without the generous support we received from the Department for International Development (DFID). We are grateful to the DFID team for the solicitous guidance they offered us throughout the research process.

Acronyms

ADP	Annual Development Programme
CRCP	Consumer Rights Commission of Pakistan
DCTE	Directorate of Curriculum and Teachers Education
DFID	Department for International Development
EFA	Education for All
EMIS	Education Management Information System
FABS	Financial Accounting and Budgeting System
FPA	Foreign Project Assistance
GDP	Gross Domestic Product
GoB	Government of Balochistan
GoKP	Government of Khyber Pakhtunkhwa
GoP	Government of Punjab
GoS	Government of Sindh
HEC	Higher Education Commission
ICT	Islamabad Capital Territory
I-SAPS	Institute of Social and Policy Sciences
KP	Khyber Pakhtunkhwa
LGO	Local Government Ordinance
MDGs	Millennium Development Goals
PITE	Provincial Institute for Teacher Education

PTC	Parent Teachers Council
PIFRA	Project to Improve Financial Reporting and Auditing
PSLM	Pakistan Social and Living Measurement Standards Survey
RITE	Regional Institute of Teacher Education
SAP	Systems, Applications, Products in Data Processing
SERP	Sindh Education Reforms Programme
UPE	Universal Primary Education

Symbols

- % The symbol refers to percent.
- 0 Zero means that the amount is nil or negligible.
- The symbol signifies that the data is not available or is not separately reported.

Notes

- The terms 'budget estimates' and 'allocations' are used interchangeably.
- The terms 'revised estimates', 'utilization', 'spending' and 'expenditure' are used interchangeably.

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Executive Summary

Education financing in Pakistan has long been an issue that has generated wider policy discussions.

Pakistan's education sector currently faces numerous challenges with regard to increasing the allocations, quality enhancement and developing a thorough monitoring mechanism. Institute of Social

and Policy Sciences (I-SAPS) has been reporting and comparing the public expenditure of the provincial and federal governments since 2007-08. The current study is a sequel to these reports covering the years 2010-11 to 2013-14.

● 2007-08

Year Since I-SAPS has been publishing budget reports

► This Year (2013-14)

Government Financial Management Information System date included (PIFRA)

► This Year (2013-14)

District education expenditures have also been added

In comparison with the previous I-SAPS reports on education financing, two improvements have been introduced into the analysis. The study now provides data on actual expenditures from the Government Financial Management Information System (SAP System colloquially referred to as PIFRA). District education expenditure is also part of this report, in contrast to the previous analyses which relied only on federal and provincial tier expenditure. However, the analysis concentrates on the public education sector while private schools have been excluded from the purview of the study. Moreover, it is understood that considerable contributions are made by the international donors and governments in the education sector. The study covers only that part of the foreign aid which is included in government budgets; off-the-budget foreign aid is not covered.

Khyber Pakhtunkhwa is on the top and the Punjab government at the bottom in terms of increase in actual expenditure on education between 2011-12 and 2012-13, in percentage terms. In comparison with 2011-12, the actual expenditure on education went up in all the provinces in 2012-13. The highest

increase was recorded for Khyber Pakhtunkhwa (25 percent), followed by Balochistan (17 percent), Federal (14.3 percent) and the Punjab government (14.2 percent). There was substantial increase in provincial education expenditure in Sindh, but it is not comparable with other provinces due to inclusion of only partial district expenditure in the provincial budget for 2011-12.

In initial months of 2012-13, Development expenditure remained abysmally low

Federal

24% of dev. budget spent

Punjab

4% of dev. budget spent

Sindh

data not available

KP

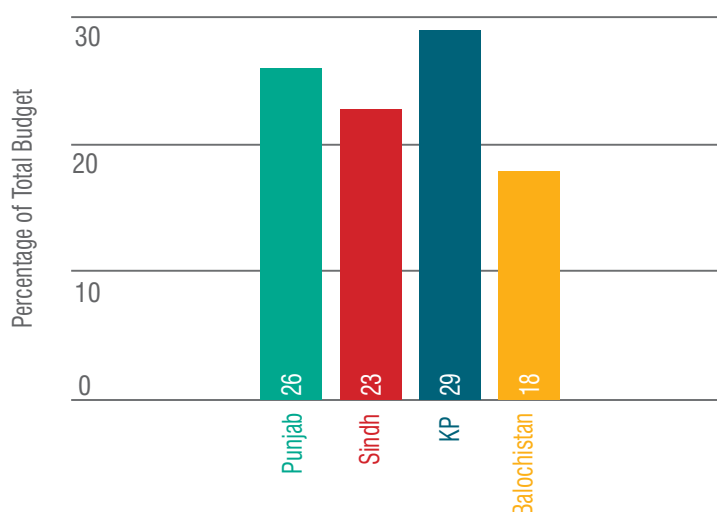
8% of dev. budget spent

Balochistan

8% of dev. budget spent

The allocations for education sector have been in the range of 18-29 percent of the total provincial outlay for the four provinces, this year. The allocations and expenditure for education have been consistently rising over the past few years. In 2013-14, the highest allocation for education is in Khyber Pakhtunkhwa which has earmarked 29 percent of its total budget on education whereas the lowest proportion has been for Balochistan which allocated 18 percent of its total budget on education sector. Punjab has apportioned 26 percent of its total budget for education sector while Sindh has allocated 23 percent of its total budget for education.

Chart 1: Education Sector Budgetary Allocations as Proportion of Total Provincial Budget 2013-14

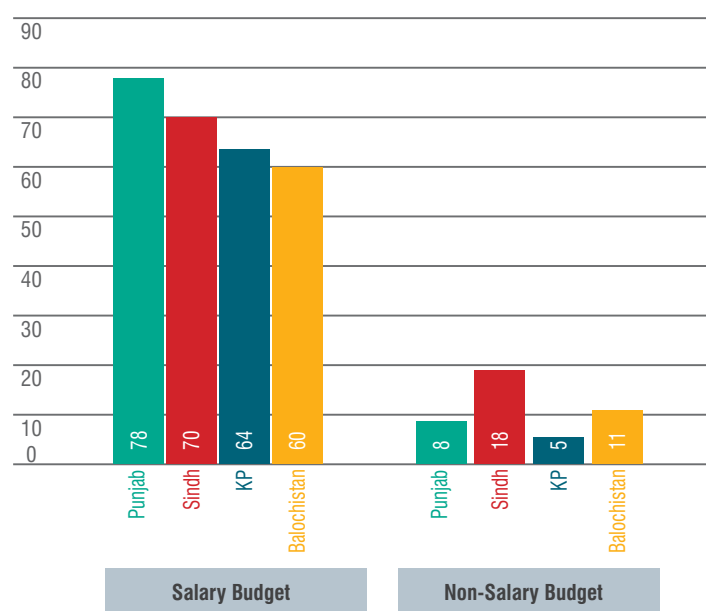


Source: FABS Reports from PIFRA SAP System

Current expenditure accounts for bulk of the education budget. This year, the proportion of current budget allocations in the total education budget has been in the range of 69-88 percent with Sindh allocating 88 percent of its education budget on salaries and non-salary expenditure. Lowest expenditure in this regard is of Khyber Pakhtunkhwa which has allocated 69 percent of its total education budget for current expenditure. Punjab has apportioned 86 percent of its education budget while Balochistan has allocated 71 percent of its total education budget for current expenditure.

Salary and allowances account for bulk of education expenditure and absorb the largest proportion of annual increase in expenditure. While a substantial increase has been noted in the overall size of education expenditure, it is mainly on the recurrent side. Considering the share of salary expenditure in the recurrent expenditure, Khyber Pakhtunkhwa spent the most (95 percent in 2011-12 and 93 percent in 2012-13). This is followed by Punjab which spent 91 percent of its current budget on salaries and allowances in 2011-12 and 88 percent in 2012-13. Balochistan spent 88 percent and 90 percent in 2011-12 and 2012-13, respectively, on salary expenditure. Sindh used 81 percent and 88 percent whereas the Federal government spent 27 per cent and 32 percent, respectively, in 2011-12 and 2012-13.

Chart 2: Salary and Non-Salary Allocation as Proportion of Total Education Budget 2013-14



Source: FABS Reports from PIFRA SAP System

Non-salary expenditure is relatively a tiny proportion of the total education expenditure in all the provinces, compared with the allocations for salary budget. Over 2013-14, Sindh has allocated the highest proportion of its total education outlay, i.e., 18 percent, for non-salary expenses, followed by Balochistan's 11 percent and Punjab's 8 percent. Khyber Pakhtunkhwa has apportioned the lowest non-salary budget this year by marking only 5 percent of its education budget in this regard. Salary budget continues to consume a major chunk of education budgets for all the provinces.

Development budget receives reasonable share in the total education budget outlay for Khyber Pakhtunkhwa and Balochistan in 2013-14. This year,

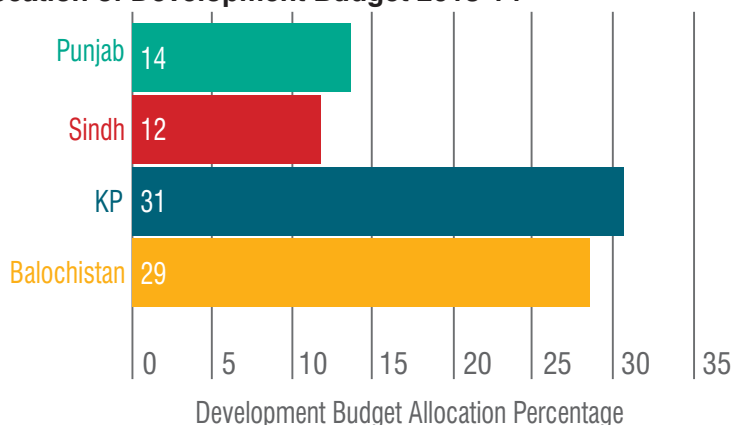
699

Sindh is the only province in which allocations for Culture and Tourism and Antiques departments are lumped together with the education budget.

For Details, see page 48

the percentage allocation for development budget was in the range of 12-31 percent with Sindh having the lowest share of 12 percent in the overall education budget whereas the highest was recorded for Khyber Pakhtunkhwa having an allocation of 31 percent in the budget. Balochistan has allocated 29 percent of its educational budget for development purposes whereas the percentage share of development budget in the overall education budget for Punjab is 14 percent.

Chart 3: Allocation of Development Budget 2013-14



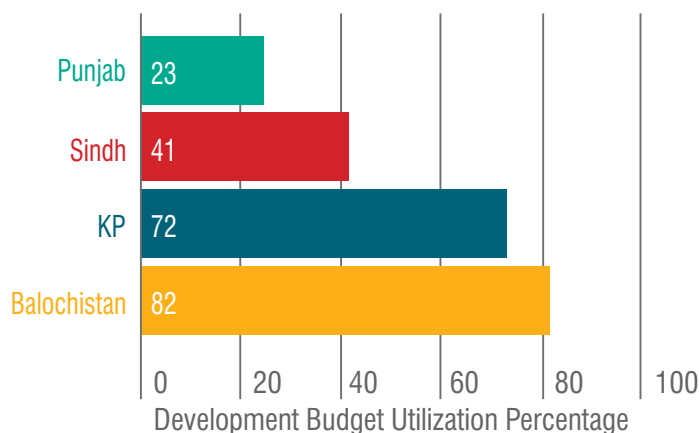
Source: FABS Reports from PIFRA SAP System

In Balochistan, the regular expenses of Bolan Medical College, Institute of Public Health and Post-Graduate Medical Institute are charged from the education budget instead of being apportioned from the health budget.

For Details, see page 73

The issue that needs considerable attention with regard to development budget is the utilization of the allocated funds. In 2012-13, the utilization of allocated development budget was to the tune of 23 percent for Punjab, 41 percent in Sindh, 72 percent in Khyber Pakhtunkhwa and 82 percent in Balochistan.

Chart 4: Utilization of Development Budget 2012-13



Source: FABS Reports from PIFRA SAP System

The implementation of development schemes remained extremely slow in the first half of the year. The statistics suggest that development expenditure was very low in the first few months of 2012-13, though the federal tier was an exception. At the federal level, 24 percent of the development budget was spent until November 2012. In contrast, the spending rates were 4 percent for Punjab and 8 percent each for Khyber Pakhtunkhwa and Balochistan. The corresponding data for Sindh was not available.

Primary and secondary education receive major chunk of the education budgets. Except for Balochistan, where the share of primary education has been considerably low as compared to secondary education, all other provinces have allocated almost equal or more budget for primary education as compared to the secondary education. Punjab is spending 86 percent of its educational budget on these two tiers of education followed by Khyber Pakhtunkhwa which has allocated 84 percent of its budget for primary and secondary education. Sindh and Balochistan have apportioned 68 percent and 62 percent education budget respectively for primary and secondary education.

Chart 5: Share of Educational Levels as Proportion of Total Education Budget 2013-14



Source: FABS Reports from PIFRA SAP System

In Khyber Pakhtunkhwa, the funds transferred to the bank accounts of the Parents Teachers Councils (PTCs), as part of the community participation goes out of the governmental system of financial control and the actual utilization of the funds is not reported in the public accounts.

For Details, see page 63

“

Classification of Punjab education budget is misleading for reasons such as block allocations and placement of colleges and universities under the 'others' category instead of higher education. As a result, expenditure for a given sub-sector cannot be accurately determined from the budget books.

For Details, see page 31

Some districts are disproportionately disadvantaged in terms of their share in education expenditure. District expenditure accounts for about two-thirds of total education expenditure in the provinces. By and large, it consists of salary and non-salary expenditure for primary, middle and secondary schools. Development expenditure is planned and executed by the provincial tier. In Punjab during 2012-13, three districts (Faisalabad, Gujrat and Lahore) out of the total 36 districts, account for 18 percent of total district education expenditure. The second group of 11 districts¹ consumes 39 percent of the total education expenditure of districts. Combined, these 14 districts used 57 per cent of the district expenditure for education. In Khyber Pakhtunkhwa during 2012-13, six districts (Mansehra, Mardan, Peshawar, Abbotabad, D.I.Khan and Swat) accounted for 40 per cent of the total district education expenditure whereas the second group of 7 districts (Bannu, Charsadda, Dir Lower, Karak, Haripur, Nowshera and Swabi) consumed 33 per cent of the total district education expenditure. Combined, these 13 districts used 73 per cent of the district expenditure for education out of total 25 districts of Khyber Pakhtunkhwa. District-wise estimates are not available for Sindh and Balochistan.

¹ Bahawalnagar, Gujranwala, Multan, R.Y.Khan, Rawalpindi, Sargodha, Sialkot, Bahawalpur, Khanewal, Sahiwal and Okara.



CHAPTER 1

Introduction

CHAPTER 1

Introduction

1.1 Background

In spite of the policy shifts and the reforms undertaken in the last few years, Pakistan has not been able to achieve the desired outcomes. Currently, Pakistan is spending 1.9 percent of its GDP on education and is globally ranked 177 in terms of public education spending. Although the successive Governments of Pakistan have shown some intent towards betterment of the education sector but the efforts have not been successful, so far, to come anywhere closer to the Millennium Development Goal (MDG) of achieving Universal Primary Education (UPE). According to United Nations Development Programme², the completion/survival rate has declined in the recent years where more than quarter of students enrolled at primary level do not complete their education. Pakistan's literacy rate stands at 58 percent which is well short of the targeted 88 percent by 2015. Gender disparities and rural-urban divide are also the issues which have plagued the progress of the country towards a sustainable educational development.

Pakistan's educational challenge is complicated and is strongly linked to the way public finance is planned, managed and monitored. Major issues which are relevant in this context include inadequate engagement of legislature in the budget-making process, insufficient allocations compared with the actual needs, untimely fiscal flow, corruption, huge administrative expenditure, lack of transparency etc. There has also been a very weak linkage between policy provisos, education data

▶ **1.9%**
GDP spent on education

● **177**
Global rank in education spending

▶ **58%**
Pakistan's literacy rate; 30% short of the 2015 target

² <http://www.undp.org/content/pakistan/en/home/mdgoverview/overview/mdg2/>

and the budgetary allocations. Although, these issues are known widely, yet there is a strong need for relevant empirical support to induce some kind of policy shift. Literature in this regard focuses, in general, on education spending in relation to GDP or total public expenditure and incompetence of the education system to sustain the available resources.

Despite all the above mentioned issues, there has been growing interest in public financing of education where the debate has shifted from low spending on education or the system's incapability to more specific issues focusing on ways to improve the effectiveness of public spending. Although, the issues have now been recognized to some extent, the need of a thorough analysis of the public spending on education remains.

The question is not only about finding more resources for education funding but the better and efficient use of the available ones. There are examples of countries who have expanded their public spending on education during the last few decades but without major breakthroughs. On the contrary, some countries have achieved greater impact by making better use of whatever little is available to them³.

Considering Pakistan in this context, we have meagre resources when it comes to education sector's public financing; but what is needed is the efficient use of the available resources. This can be achieved by strengthening the linkage of the resources with education management information system, policymaking and the action implementation. The policy debate in this context needs to be well-informed which would need a comprehensive and up-to-date analysis of the spending (allocated and actual) of federal, provincial and district governments within the education sector. The issues that exist in the current system can be tracked this way and can be tackled in order to introduce an equitable and efficient distribution of public spending.

With limited education funding available for the federal and provincial governments, there is a dire need to analyze, plan and monitor the whole allocation and spending process.

The study concentrates on the budgets of the federal and the provincial

The study unpacks the budget at:

Aggregate Level

e.g., total outlay, current budget and development budget

Functional Level

e.g., primary education, secondary education and higher education, and

Object Level

e.g., salary and non-salary

³ Whelan, Fenton (2009). *Lessons Learned: How Good Policies Produce Better Schools*. Fenton Whelan, London.

governments over four fiscal years (2010-11, 2011-12, 2012-13 and 2013-14). It unpacks the budgets at three levels i.e., aggregate, functional and object levels.

Institute of Social and Policy Sciences (I-SAPS) has undertaken this study to engage a wider audience in the process so that everyone has first-hand knowledge of the governments' allocations and spending on education and to see if there has been an improvement in the recent years. This study is part of a wider initiative that aims to generate demand and stimulate policy response for enhancing effectiveness of public spending on education.

1.2 Purpose of the Study

The aim of this study is to analyze the recent trends in education spending and to present the information in an easy to comprehend manner so that all stakeholders can track, monitor and participate in the debate on education financing, the way it is planned and executed; thus leading to the development of education sector in Pakistan. The findings of this study and the policy implications generating out of it are expected to contribute in highlighting flaws and anomalies in our education spending and to establish a framework for better linkage between policymaking, data and financing options.

1.3 Scope of Analysis

The current study is the fifth in a series of publications on public education financing in Pakistan focusing on the budgetary allocations and expenditures of federal and all provincial governments. District education budgets, unlike the previous versions, are also part of the ambit of this current study. The first study in this series covered a time period of three years starting from 2007-08. The second, third and the fourth studies built on the analysis by further extending the range of budgetary breakdown. The current study analyzes the federal and provincial education budgets over a period of four fiscal years starting from 2010-11 till 2013-14.

● 2007-08

Year since I-SAPS has been publishing budget reports

● This Year (2013-14)

Government Financial Management Information System data included (PIFRA)

▶ This Year (2013-14)

District education expenditures have also been added

In comparison with the previous I-SAPS' reports on education financing, this version has two major improvements. First, the study now provides data on actual expenditures from the Government Financial Management Information System (an SAP System colloquially referred to as PIFRA). This is in contrast with the previous

reports which extracted data from the budget books. Secondly, district education expenditure is also part of the report now in contrast with the previous versions which relied on federal and provincial tier expenditure. However, the analysis in this study concentrates on the public education sector only while excluding the private schools from the purview of the study. Moreover, it is understood that considerable contributions are made by the international donors and government in the education sector. The study only covers that part of the foreign aid which is mentioned in the government budgets; off-the-budget foreign aid is not covered in the analysis.

In addition to PIFRA reports and budget books, various newspaper articles, survey reports, research reports and other public education financing documents have been consulted for this study. The audience of this study comprises a broad range of stakeholders including, but not limited to, policymakers, civil society members, educationalists, government officials and media personnel.

1.4 Scheme of Chapters

There are six chapters in this study. The first chapter introduces the background, purpose of the study, structure of chapters and limitations of the study. Chapters 2, 3, 4, 5 and 6 analyze the education budgets of the Federal, Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan governments, respectively. In each of these chapters, similar formats have been maintained for ease of comparison and understanding.

The analysis of allocations and expenditure starts at the aggregate level to show a broader picture of the education budget. The education budget of 2013-14 has also been compared with 2012-13 to show any differences in allocations and expenditure. This is followed by an attempt to break-up the analysis and also present it at functional level. Wherever possible, district expenditure has also been discussed in detail. The trend analysis from 2010-11 to 2013-14 presents a detailed picture about the shift in policies at functional and aggregate levels.

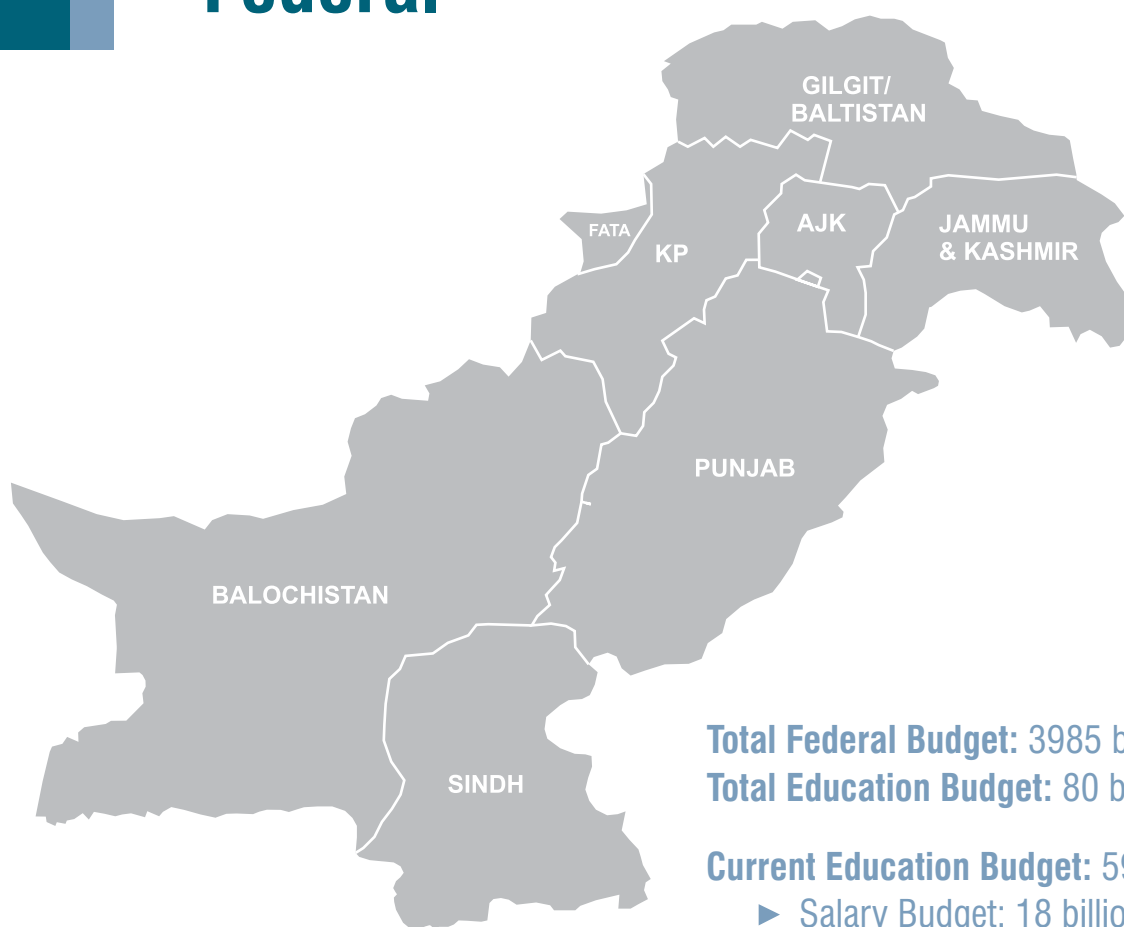
1.5 Limitations

Although, the study includes the districts' expenditure on education in the total outlays presented but separate information for district education budgets is not available for Balochistan and Sindh.

The development budget of Balochistan includes information about the allocations and expenditure on schemes funded through loans from foreign donors, which is mentioned separately under Foreign Project Assistance (FPA) component. In the development budgets of the federal and other provincial governments, the information about foreign-assisted projects is either dispersed or hidden. Therefore, a detailed analysis of the FPA for all the provinces and the federal tier was not possible.

CHAPTER 2

Public Financing of Education: Federal



Total Federal Budget: 3985 billion

Total Education Budget: 80 billion

Current Education Budget: 59.3 billion

- ▶ Salary Budget: 18 billion
- ▶ Non-Salary Budget: 41.3 billion

Development Education Budget: 21.1 billion

(Federal Education Budget, FY 2013-14)

CHAPTER 2

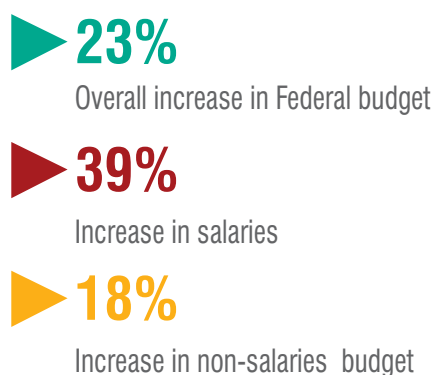
Public Financing of Education: Federal

Over the years, the education budget of the federal government has registered a significant increase. The same trend is observable in 2013-14. Major share of the budget is earmarked for higher education, whereas, the allocations for primary and secondary education are fairly lower⁴. This trend does not suit well with the commitment of the government to provide free and compulsory quality education to all the children between 5-16 years of age.

2.1 EDUCATION BUDGET, 2012-13 and 2013-14

2.1.1 Total Level of Education Expenditure Commitment

The Federal Government has allocated Rs. 80.40 billion for education in 2013-14. Out of this total allocation, Rs. 59.28 billion (74 percent) will be absorbed in recurrent expenses. 30 percent of the recurrent budget will go to salaries and other employee-related expenses such as pensions and allowances, whereas, the rest of 70 percent will be used for non-salary expenses.



An amount of Rs. 21.12 billion (26 percent) is earmarked for development schemes which is an increase of 60 percent compared to the actual expenditure in 2012-13.

⁴ There has been zero allocation in development budgets for primary and secondary education in 2013-14.

30 percent of the recurrent federal education budget will go to salaries and other employee-related expenses, whereas, the rest of 70 percent will be used for non-salary expenses.

The overall increase in the federal education budget is 23 percent compared to the allocation in 2012-13. Compared to the actual education expenditure in 2012-13, the allocation for education in 2013-14 is reasonably higher (15 percent) than the amount allocated in 2012-13. Salaries have increased by 39 percent whereas the

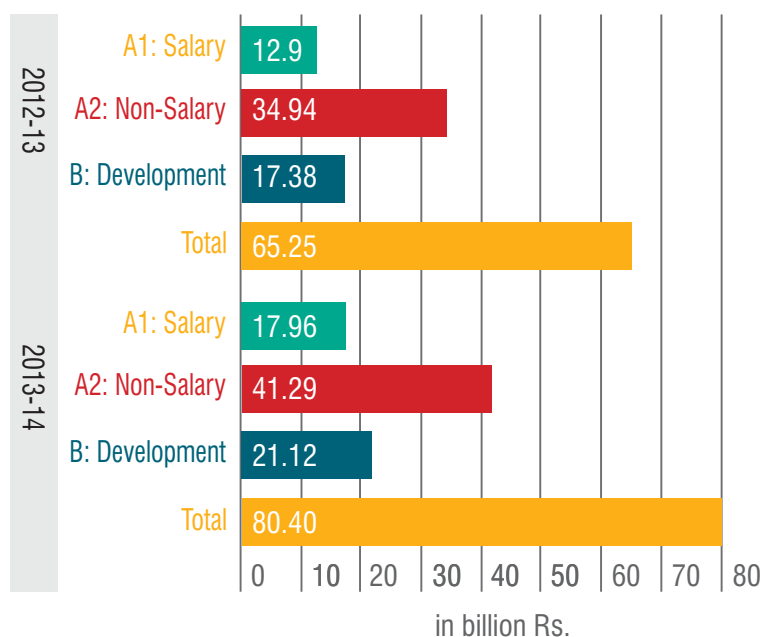
Table 2.1: Federal Education Budget at a Glance, 2012-13 & 2013-14 (Rs. million)

	2013-14	2012-13		Increase/Decrease vis-à-vis 2012-13	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Current	59,277.00	47,873.83	56,952.42	11,403.17 (24%)	2,324.58 (4%)
Salary	17,958.37	12,936.93	18,387.47	5,048.44 (39%)	402.10 (-2%)
Non-Salary	41,291.63	34,936.90	38,564.95	6,354.73 (18%)	2,726.68 (7%)
B. Development	21,121.00	17,376.58	13,190.48	3,744.42 (22%)	7,930.52 (60%)
Total (A+B)	80,398.00	65,250.41	70,142.90	15,147.59 (23%)	10,255.10 (15%)

Source: FABS Reports from PIFRA SAP System.

non-salary budget has also been raised by a margin of 18 percent compared to the allocated budget in 2012-13. When compared to the budget allocations in 2012-13, an additional amount of Rs. 5.05 billion, Rs. 6.35 billion and Rs. 3.74 billion has been apportioned for salaries, non-salary expenses and development expenditure, respectively, in 2013-14.

Chart 2.1: Change in Budgetary Allocations for Education, 2012-13 and 2013-14



Source: FABS Reports from PIFRA SAP System

2.1.2 Education Budget as a Proportion of Total Federal Budget

About 2 percent of the total federal budget is absorbed in education related expenses. The total federal outlay in 2013-14 was Rs. 3,985 billion out of which Rs. 80.40 billion (2 percent) has been allocated for education budget.

Table 2.2: Education Budget as Proportion of Total Federal Budget, 2013-14 (Rs. Million)

	Federal Budget	Education Budget	Education Budget as Proportion of Federal Budget
A. Current	3,196,000	59,277	1.9%
B. Development	789,000	21,121	2.7%
Total (A+B)	3,985,000	80,398	2.0%

Source: FABS Reports from PIFRA SAP System.

A breakdown of the share of education in the total federal outlay suggests that 2 percent and 3 percent of the federal current and development outlay, respectively, has been allocated for education.

2.1.1 Composition of Budget

The largest share of the education budget 2013-14 has been earmarked for higher education, i.e., Rs. 61.88 billion, which is 20 percent more compared

Table 2.3: Distribution of Education Budget, 2012-13 and 2013-14 (Rs. Million)

	2013-14			2012-13			Difference over 2012-13		
	Current	Dev.	Total	Current	Dev.	Total	Current	Dev.	Total
Primary Education	5,832	-	5,832	4,670.19	30.00	4,700.19	25%	-	24%
Secondary Education	7,434	-	7,434	5,606.93	25.52	5,632.45	33%	-	32%
Higher Education	43,364	18,519	61,883	35,766.47	15,859.19	51,625.66	21%	17%	20%
Others	2,647	2,602	5,249	1,830.24	1,461.88	3,292.12	45%	78%	59%
Total	59,277	21,121	80,398	47,873.83	17,376.58	65,250.41	24%	22%	23%

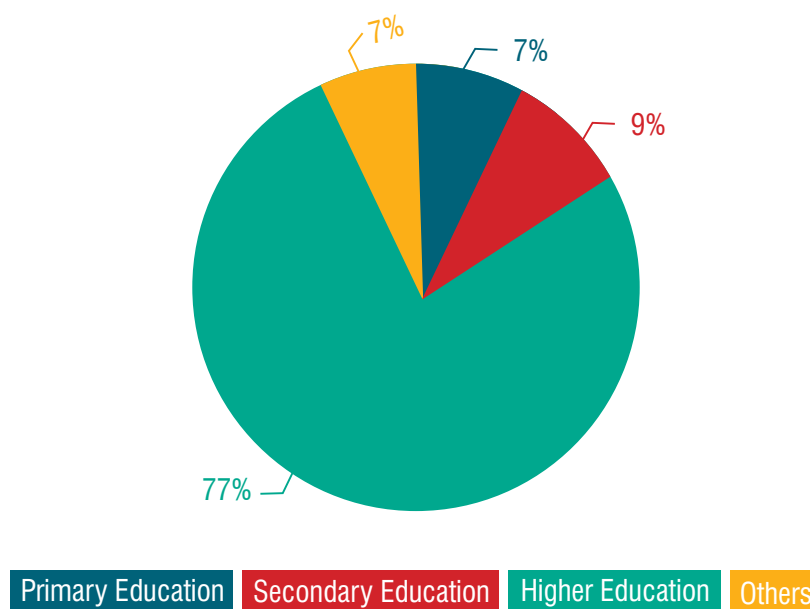
Source: FABS Reports from PIFRA SAP System.

A notable fact is that the federal government spent more than the allocated budget in 2010-11 and 2011-12. The excess spend was to the tune of Rs. 5.82 billion and Rs. 5.70 billion in 2010-11 and 2011-12 respectively.

to the allocation in 2012-13. Secondary education receives the second highest allocation in the education budget where the share has increased from Rs. 5.63 billion in 2012-13 to Rs. 7.43 billion in 2013-14.

The largest allocation is for higher education which will absorb about 77 percent of the education budget for 2013-14. This is followed by secondary education for which 9 percent of the education budget has been allocated. Primary education and other types of expenditures are allocated 7 percent each.

Chart 2.2: Percentage Distribution of Education Budget, 2013-14



Source: FABS Reports from PIFRA SAP System.

TRENDS IN EDUCATION EXPENDITURE, 2010-11 to 2013-14

2.1.4 Trends in Total Budget Allocations and Expenditures

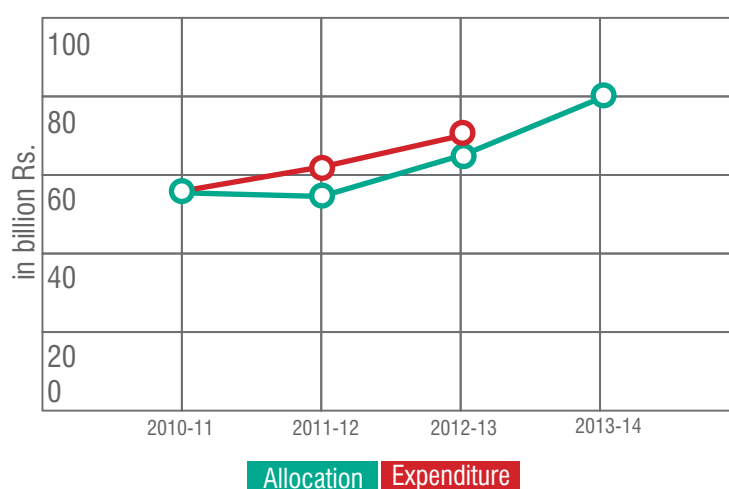
The education expenditure of Federal Government has registered a positive trend in the recent years (see Table A2.1 in Annex). In 2011-12, the total (actual) expenditure of the federal government on education was Rs. 61.36 billion, which showed an increase of 11 percent compared to 2010-11⁵. In 2012-13, a sum of Rs. 65.25 billion was allocated for education, which was higher to the tune of Rs. 3.90 billion in comparison with actual expenditure in the previous year. The overall budget allocation for 2013-14 has increased by 15 percent compared to actual expensed

⁵ In absolute terms, this increase was equivalent to Rs. 6.17 billion.

budget in 2012-13.

The utilization of allocated budget has been very high (and consistent) during all these years. In 2010-11, it stood at 99 percent. In 2011-12, the federal government spent Rs. 61.36 billion on education. The expenditure was in excess of allocation to the tune of Rs. 6.88 billion. The excess spending was largely in the higher education sector and amounted to Rs. 4.88 billion. The expenditure surpassed the allocation in 2012-13 too and stood at 107 percent of the allocated budget.

Chart 2.3: Trends in Total Education Budget Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

The largest portion of the federal education expenditure (in the range of 75-80 percent) is on higher education. In 2011-12, this sub-sector accounted for 79 percent of total education expenditure i.e., Rs. 48.34 billion. In 2012-13, the proportion remained 75 percent of the total education expenditure. The ratio of higher education has been increased to 77 percent in the budget allocation for 2013-14.

2.1.5 Trends in Salary and Non-Salary Budget Allocations and Expenditures

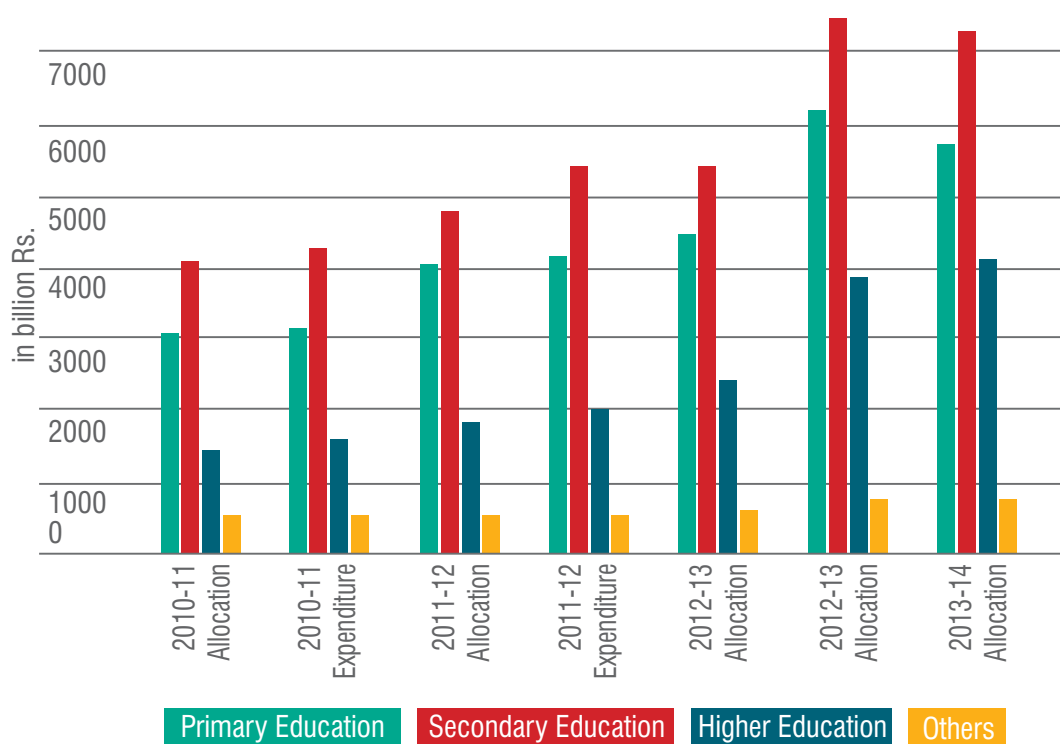
The largest proportion of Federal education budget is absorbed in the recurrent expenditure (see Table A2.2 in Annex) which includes salaries, allowances and other employee-related benefits, and non-salary operational costs.

These recurrent expenses account for over 70 percent of the federal government's total education expenditure. While the percentage remains by and large at this level, the absolute size of current expenditure increases substantially

every year. In the past three years, allocation has increased from Rs. 34.50 billion to Rs. 47.87 billion. A notable fact is that the government spent more than the allocated budget in 2010-11 and 2011-12. The excess spending was to the tune of Rs. 5.82 billion and Rs. 5.70 billion in 2010-11 and 2011-12 respectively.

The distribution of expenditure among various sub-sectors of education shows an identical pattern throughout the years 2010-11 to 2013-14. At aggregate level, higher education receives the bulk of federal funds, followed by secondary education and primary education. Up to 3-5 percent of the total expenditure is absorbed in “others”, which includes administration, subsidiary services to education, and other miscellaneous types of expenses. The pattern of sub-sectoral allocations is also uniform as is evident from the breakdown of current expenditure for 2010-11 to 2013-14. Higher education consumes highest share (71-75 percent) followed by secondary education (11-13 percent), primary education (8-11 percent) and others/miscellaneous in the range of 3-5 percent.

Chart 2.4: Trends in Current Budget by Educational Level - Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

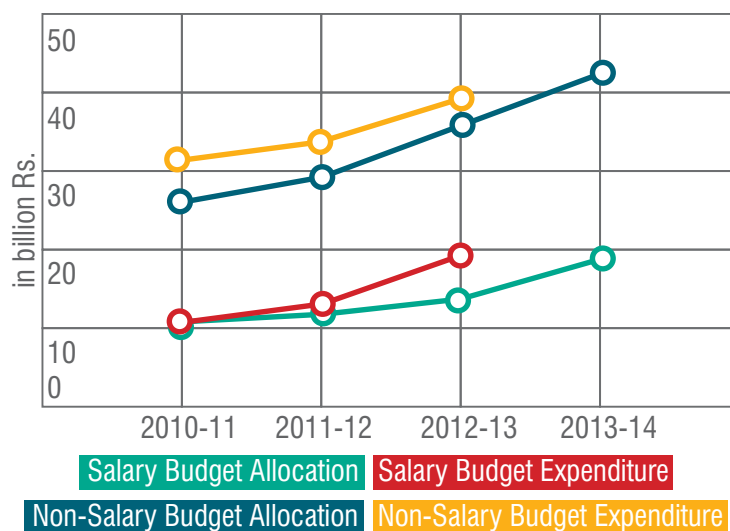
The apparent salary expenditure has remained in the range of 24-32 percent, between 2010-11 and 2012-13 (see Table A2.3 in Annex). This does not include the salary expenditure of tertiary/higher education in universities. HEC provides lump-

sum grants to the universities, which are further budgeted by the universities and major share of the universities budget goes to salaries. In the available salary budget data, 41-45 percent expenditure pertains to secondary education, followed by primary education, which gets 33-34 percent of the expenditure, higher education (other than the universities) receives 17-21 percent and 4-6 percent of the expenditure is incurred on other types of educational functions.

Overall non-salary budget and expenditure remained in the range of 70-76 percent over the past three years (see Table A2.4 in Annex). The non-salary expenditure predominantly goes to higher education, which comprises 93-95 percent of the total non-salary budget allocation and actual expenditure. The non-salary budget allocation and expenditure for primary and secondary education has remained nominal, usually below 1 percent of the total non-salary budget and expenditure. The non-salary budget for 'others' has been in the range of 3-5 percent during the last 3 years i.e. 2010-11 to 2012-13. However as mentioned above, a major share of the non-salary budget under higher education is meant for the salaries of the public sector universities.

In absolute terms, the education sector has been allocated an additional Rs. 15.15 billion in 2013-14, when compared with 2012-13.

Chart 2.5: Trends in Salary and Non-Salary Budget Allocations and Expenditures, 2010-11 to 2013-14



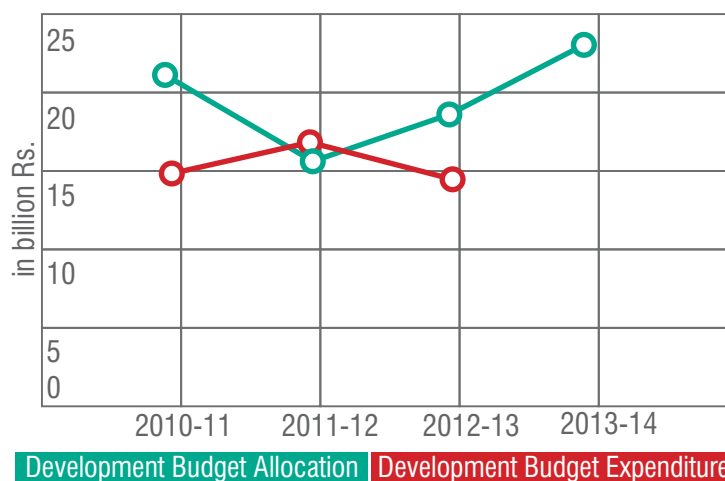
Source: FABS Reports from PIFRA SAP System

2.1.6 Trends in Development Budget Allocations and Expenditures

About a quarter of the total federal education budget is earmarked for development work every year. In 2012-13, the federal government allocated Rs. 17.38 billion for development schemes in education which is up by 16 percent (Rs. 2.4 billion) compared with the allocation made in the previous year. The bulk of this amount was to be absorbed in HEC. Same has been the trend during 2010-11 and 2011-12.

Over the past three years, it has been quite close to the range of 13-16 billion rupees per year. An important trend is visible in the form of declining proportion of development expenditure, which has gone down from 38 percent of total outlay for education in 2010-11 to 26 percent of total education outlay in 2012-13.

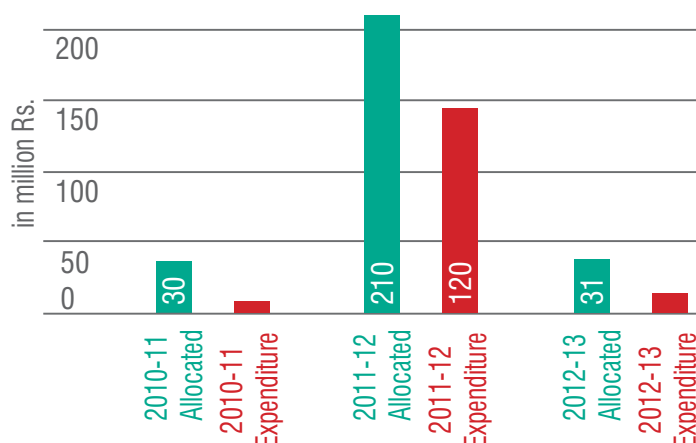
Chart 2.6: Trends in Development Budget Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System

A breakdown of development expenditure for various sub-sectors shows important changes (see Table A2.5 in Annex). The allocation for development schemes in 2012-13 for primary, secondary and higher education indicates an uneven pattern, indicating sudden surges and cutbacks. A steady pattern of incremental change is not visible for primary and secondary education. For example, development expenditure for these two sub-sectors went up suddenly in

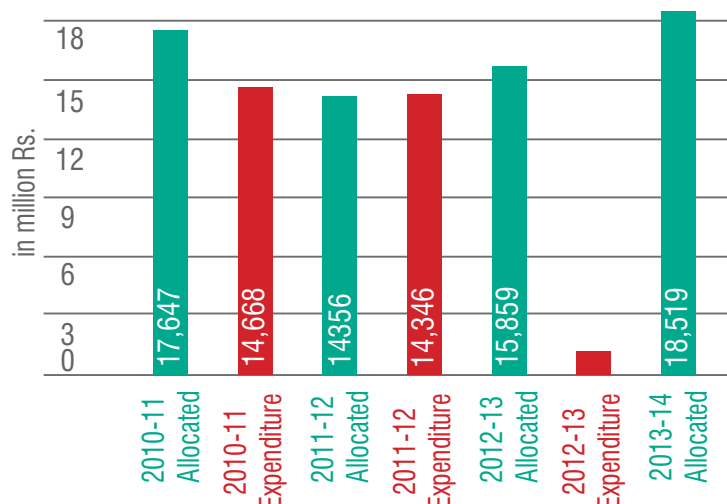
Chart 2.7: Trends in Development Budget by Primary Education - Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

2011-12, but it has faced huge cutbacks in 2012-13. The funding is more stable and predictable for higher education, as it has remained in the vicinity of 14-15 billion rupees annually.

Chart 2.8: Trends in Development Expenditure by Higher Education - Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

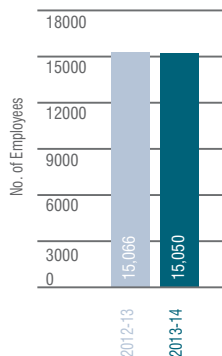
There is a disconnect between implementation of Article 25-A and the financial resources, as the government has not allocated additional budget for compliance of Article 25-A.

Bulk of the development expenditure goes to higher education. In 2010-11, this sub-sector accounted for 99 percent of total federal spending on education schemes. This percentage came down to 89 percent in 2011-12 and again rose to 91 percent in 2012-13. Primary education and secondary education are more like residuals. The funds earmarked for development schemes in these two sectors, taken together, are far less than those for the services which are subsidiary and non-definable by level of education.

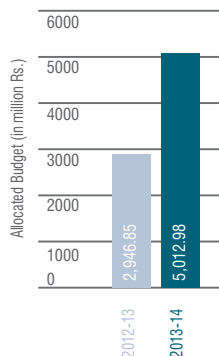
Issues in Federal Education Budget 2013-14

Despite decrease in number of employees, the salary budget for CAD increased by 67%, which is not justifiable.

No. of Employees - CAD



Salary Budget - CAD



CHAPTER 3

Public Financing of Education: Punjab



Total Provincial Budget: 898 billion

Total Education Budget: 233 billion

Current Education Budget: 200.1 billion

► **Salary Budget: 182.5 billion**

► **Non-Salary Budget: 17.6 billion**

Development Education Budget: 32.5 billion

(Punjab Education Budget, FY 2013-14)

CHAPTER 3

Public Financing of Education: Punjab

Thirty seven (37) percent population of Punjab aged 10 years or above has never attended a school. Net Enrolment Rate for primary is 64 percent, and it declines sharply at middle, high and higher secondary levels. Girls and children from poor families are more disadvantaged than their counterparts from upper income quintiles⁶.

▶ **37%**

% of population aged 10+ that has never attended school

3.1 EDUCATION BUDGET, 2012-13 and 2013-14

3.1.1 Total Level of Education Expenditure Commitment

The Government of Punjab (GoP) has allocated Rs. 232.57 billion for education in 2013-14. This amount includes education budget of districts as well.

▶ **5%**

Overall increase in Punjab budget

Out of this total allocation, Rs. 200.11 billion (86 percent) will be absorbed in recurrent expenses where 91 percent of the recurrent budget will go to salaries and other employee-related expenses such as pensions and allowances.

▶ **7%**

Increase in salaries

▶ **20%**

Increase in non-salaries budget

An amount of Rs. 32.46 billion (14 percent) is earmarked for development schemes which is an increase of 311 percent compared to the actual expenditure in

⁶ PSLM 2011-12.

2012-13. Although the development budget allocation in 2012-13 was Rs. 35.03 billion, the actual expenditure stood at a dismal 23 percent.

Table 3.1: Punjab Education Budget at a Glance, 2012-13 & 2013-14 (Rs. Million)

	2013-14	2012-13		Increase/Decrease vis-à-vis 2012-13	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Current	200,110.31	185,548.69	184,871.41	14,561.62 (8%)	15,238.90 (8%)
Salary	182,475.18	170,907.13	163,473.70	11,568.05 (7%)	19,001.48 (12%)
Non-Salary	17,635.14	14,641.56	21,397.71	2,993.58 (20%)	-3,762.57 (-18%)
B. Development	32,456.03	35,026.94	7,888.48	-2,570.91 (-7%)	24,567.55 (311%)
Total (A+B)	232,566.34	220,575.63	192,759.89	11,990.71 (5%)	39,806.45 (21%)

Source: FABS Reports from PIFRA SAP System.

Overall the education budget of Punjab has not increased much compared to the allocation in 2012-13. However, the amount allocated in 2013-14 is substantially higher (21 percent) than the actual education expenditure in 2012-13. Salaries have increased by 12 percent whereas the non-salary budget has been slashed by a margin of 18 percent compared to the expenditure in 2012-13. In absolute terms, the education sector has been allocated an additional amount of Rs. 11.99 billion compared to the allocation of 2012-13. Compared to the allocations in 2012-13, an extra amount of 11.57 billion and 2.99 billion has been apportioned for salaries and non-salary expenses, respectively; however, the development budget has been slashed by Rs. 2.57 billion.

Salaries have increased by 12% whereas the non-salary budget has been reduced by a margin of 18 per cent compared to the expenditure in 2012-13. Non-salary budget is essential for learning process.

Net Enrolment Rate at Primary Level



65%

Boys

Source: PSLM, 2011-12

Net Enrolment Rate at Primary Level



62%

Girls

Source: PSLM, 2011-12

3.1.2 Education Budget as a Proportion of Total Provincial Budget

About one fourth of the total provincial budget is absorbed in education related expenses. The total provincial outlay in 2013-14 was Rs. 897.57 billion out of which Rs. 232.57 billion (26 percent) has been allocated for education budget.

Table 3.2: Education Budget as Proportion of Total Provincial Budget, 2013-14 (Rs. Millions)

	Provincial Budget	Education Budget	Education Budget as Proportion of Provincial Budget
A. Current	607,569	200,110.31	33%
B. Development	290,000	32,456.03	11%
Total (A+B)	897,569	232,566.34	26%

Source: FABS Reports from PIFRA SAP System.

A breakdown of the share of education in the total provincial outlay suggests that 33 percent and 11 percent of the provincial current and development outlay, respectively, has been allocated for education.

3.1.3 Composition of Budget

The largest share of the education budget 2013-14 has been earmarked for secondary education, equivalent to Rs. 99.59 billion, which is an increase of 4 percent compared to the allocation in 2012-13. Primary education receives the second highest allocation in the education budget where the share has increased from Rs. 95 billion in 2012-13 to Rs. 98.96 billion in 2013-14.

Table 3.3: Distribution of Education Allocation, 2012-13 and 2013-14 (Rs. Million)

	2013-14			2012-13			Difference over 2012-13		
	Current	Dev.	Total	Current	Dev.	Total	Current	Dev.	Total
Primary Education	97,227.23	1,735.25	98,962.48	93,972.53	1023.35	94,995.88	3%	70%	4%
Secondary Education	73,693.75	25,900.70	99,594.45	68,043	23986.28	92,029.28	8%	8%	8%
Higher Education	21,758.35	4,430.92	26,189.27	16,818.35	8,794.30	25,612.65	29%	-50%	2%
Others	7,430.99	389.17	7,820.16	6,714.81	1222.1	7,936.91	11%	-68%	-1%
Total	200,110.31	32,456.03	232,566.34	185,548.69	35,026.94	220,575.63	8%	-7%	5%

Source: FABS Reports from PIFRA SAP System.

Compared to the allocations in 2012-13, in 2013-14 an extra amount of 11.57 billion and 2.99 billion has been apportioned for salaries and non-salary expenses, respectively; however, the development budget has been slashed by Rs. 2.57 billion.

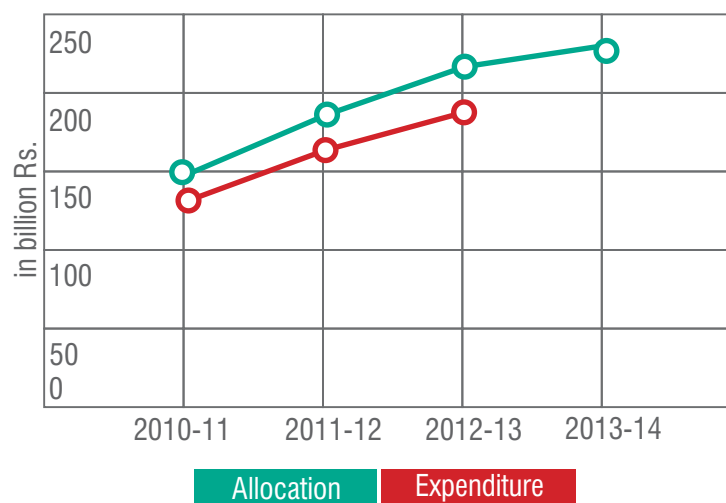
The largest allocation is for secondary education which will absorb about 43 percent of the education budget for 2013-14. This is followed by primary education for which 42.6 percent of the education budget has been allocated. Higher education and other types of expenditures are allocated 11 percent and 3 percent each. Considering the national focus on children of ages 5-16 years for compliance of the constitutional obligation under Article 25-A and the strategy to cater for the huge number of out-of-school children, the rationale for investing more than 85 percent of budget in primary and secondary education (with almost equal allocations) seems reasonable.

3.2 TRENDS IN EDUCATION EXPENDITURE, 2010-11 To 2013-14

3.2.1 Trends in Total Budget Allocations and Expenditures

As the largest province of Pakistan in terms of population, the size of education budget in Punjab is the highest, compared with Federal Government and other provinces. The education expenditure of Punjab Government has registered a positive trend in the recent years (see Table A3.1 in Annex). In 2011-12, the total (actual) expenditure of the provincial government and districts on education was Rs. 168.77 billion, which was an increase of 24 percent compared to 2010-11⁷. In 2012-13, a sum of Rs. 220.58 billion was allocated for education, which was higher to the tune of Rs. 51.8 billion in comparison with actual expenditure in the previous year. The overall budget allocation for 2013-14 has increased by 21 per cent compared to actual expensed budget in 2012-13.

Chart 3.1: Trends in Total Education Budget Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

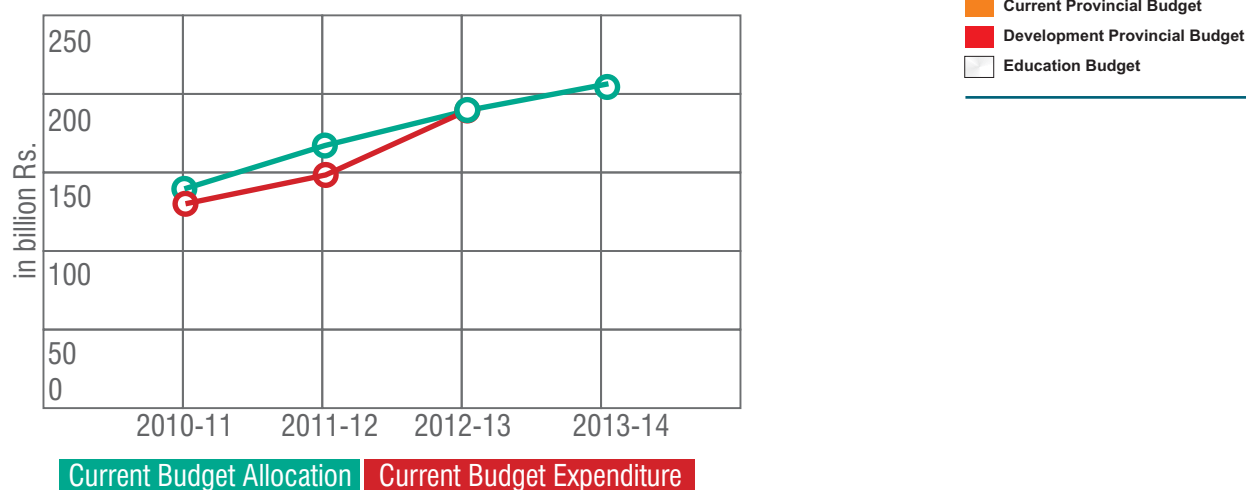
⁷ In absolute terms, this increase was equivalent to Rs. 31.40 billion.

The utilization of allocated current budget has been fairly high (and consistent) during all these years. In 2010-11, it stood at 89 percent. In 2011-12 and 2012-13, the utilization was 88 per cent and 87 per cent of the allocated budget, respectively. A breakdown of the overall education budget indicates high level of consistency in priorities during 2010-11, 2011-12 and 2012-13; where primary education received the largest proportion of budget, followed by secondary education, higher education and “others”. However, this trend has somewhat shifted in the allocations for 2013-14, where secondary education gets slightly more share of the budget than primary education.

3.2.2 Trends in Salary and Non-Salary Budget Allocations and Expenditures

The largest proportion of Punjab education budget, like other provinces, is absorbed in the recurrent expenditure (see Table A3.2 in Annex) which includes salaries, allowances and other employee-related benefits, and non-salary operational costs. In 2011-12, actual expenditure on these heads was in the range of Rs. 144.53 billion, which is around 86 percent of the total education expenditure of Punjab. In comparison with 2010-11, the recurrent expenditure on education in 2011-12 went up by a margin of Rs. 17.96 billion⁸.

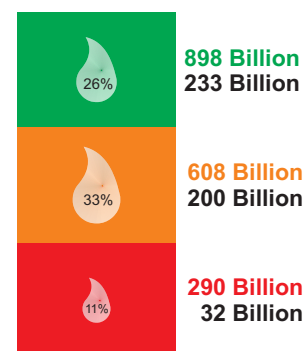
Chart 3.2: Trends in Current Budget Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

A major portion of the education budget comprises of recurrent expenses comprising of salaries, allowances and non-salary operational expenses. In 2012-13,

Education Budget as Proportion of Total Provincial Budget 2013-14

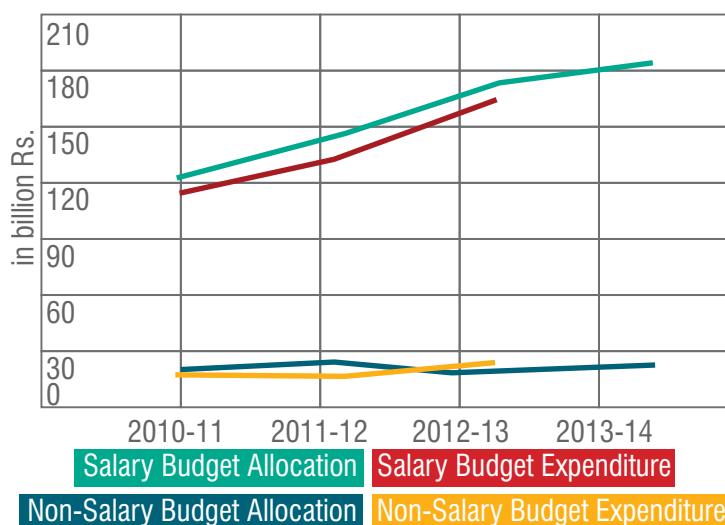


■ Total Provincial Budget
 ■ Current Provincial Budget
 ■ Development Provincial Budget
 ■ Education Budget

⁸ All this amount was used for salaries and related expenses, whereas, the non-salary budget was actually reduced by an amount of Rs. 0.59 billion.

Punjab government had planned to spend Rs. 185.55 billion on salary and non-salary expenses. The actual expenditure stood at 99.6 percent of the allocation. The largest proportion of this expenditure was spent on salaries of teaching and non-teaching staff in primary education, followed by secondary education sector, higher education institutes and 'others'.

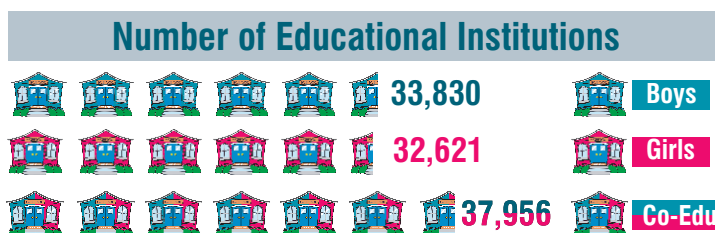
Chart 3.3: Trends in Salary and Non-Salary Budget Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System

On breaking down the current expenditure, by level of education, a consistent pattern is observed. Primary education has been absorbing the largest proportion of recurrent expenditure, followed by secondary education and higher education.

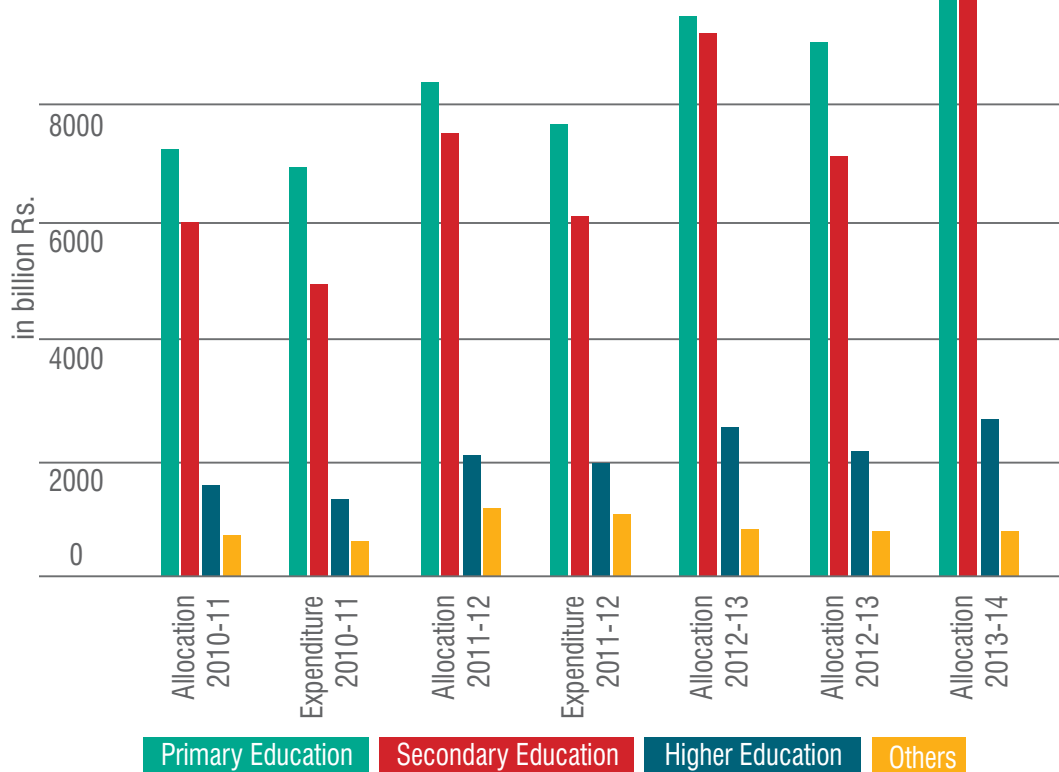
About 75 to 85 percent of the total education budget of Punjab is spent on salaries and other employee-related costs (see Table A3.3 in Annex). This ratio remained at 82 percent, 78 percent and 85 percent in 2010-11, 2011-12 and 2012-13 respectively. The salary expenditure is in the range of 90 percent of the total current expenditure for all these years. The Government spent Rs. 73.89 billion on salaries in primary education, Rs. 42.59 billion in secondary education and Rs. 10.89 billion



Source: NEMIS, 2011-12

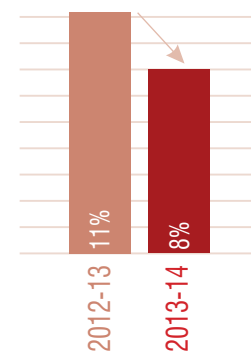
in higher education in 2011-12. This same trend has been maintained in the actual expenditures of 2012-13 and the allocations in 2013-14. Non-salary expenditure is very crucial for effective functioning of schools as it enables them to meet day-to-day operational costs. In 2011-12, the Punjab Government spent Rs. 13.60 billion on this head, which accounted for 8 percent of the total expenditure on education (see Table A3.4 in Annex). The non-salary expenditure had risen to 11 percent in 2012-13 whereas its share has declined to 8 percent of the total allocation in 2013-14.

Chart 3.4: Trends in Current Budget by Educational Level - Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System

The non-salary budget was slashed by 3% of total education expenditure in 2013-14. It is a serious concern as non-salary expenditure is very crucial for effective functioning of the schools as it enables them to meet day-to-day operational costs.

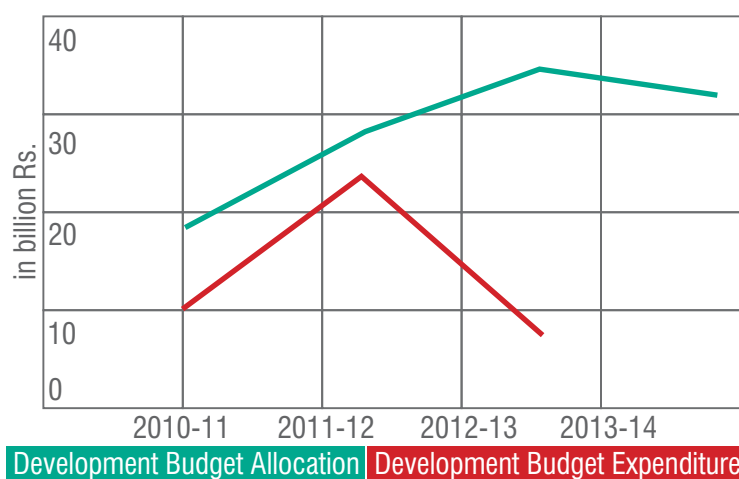


3.2.3 Trends in Development Budget Allocations and Expenditures

A very small proportion of government's education budget is earmarked for development schemes every year. In recent years, the allocation has been in the range of 4-16 percent of the total allocation. However, actual expenditure has been even lower where in 2010-11, 2011-12 and 2012-13, it stood at Rs. 10.80 billion (short by 4 percent), Rs. 24.24 billion (short by 1 percent) and Rs. 7.89 billion (short by 12 percent) respectively; representing mere 8 percent, 14 percent and 4 percent of total education expenditure of Punjab. This means that the resources earmarked for increasing the capacity of education system to absorb additional out-of-school children and deliver better quality education are too little to make any difference.

Bulk of the government resources are being absorbed in salaries and allowances.

Chart 3.5: Trends in Development Budget Allocations and Expenditures, 2010-11 to 2013-14



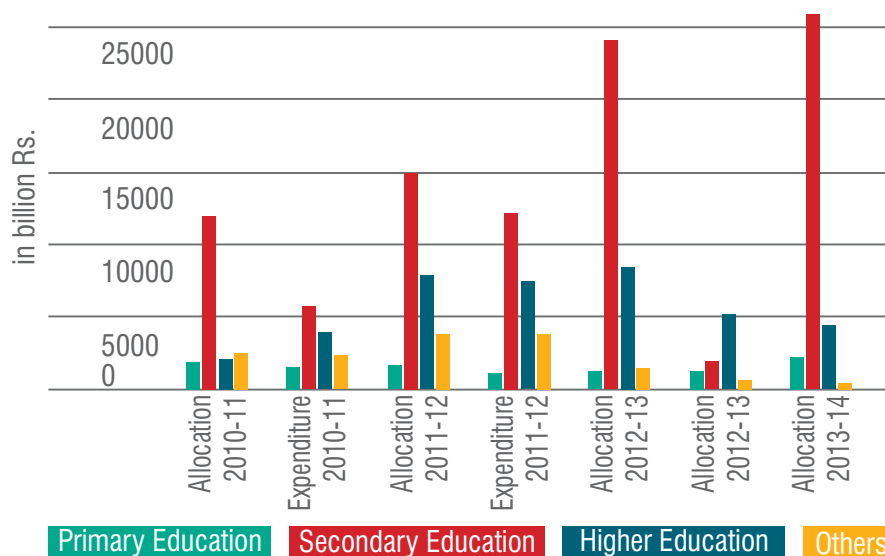
Source: FABS Reports from PIFRA SAP System

Development Budget:

The resources earmarked for increasing the capacity of education system to absorb additional out-of-school children and deliver better quality education are too little to make any difference. Bulk of the government resources are being absorbed in salaries and allowances.

A breakdown of the education budget indicates that development priorities have not changed in recent years (see Table A3.5 in the annex). The largest proportion of development expenditure is absorbed in secondary education, and primary education generally gets the lowest share of development budget. In 2011-

Chart 3.6: Trends in Development Expenditure by Educational Level - Allocations and Expenditures, 2010-11 to 2013-14



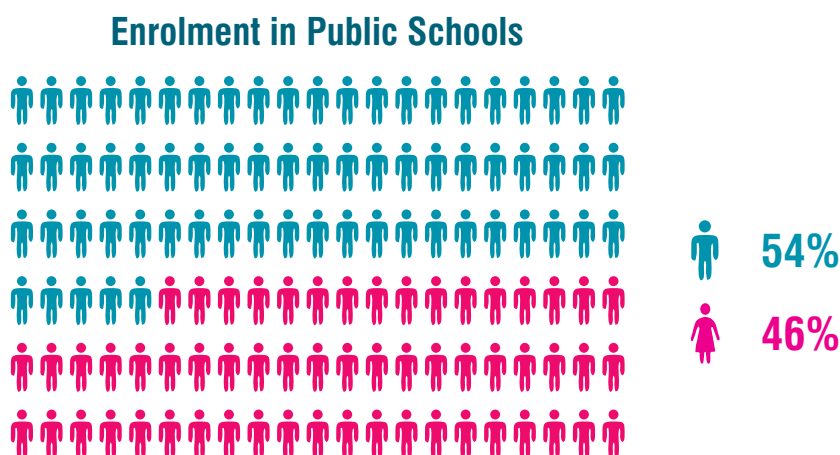
Source: FABS Reports from PIFRA SAP System

12, development expenditure was to the tune of Rs. 12.12 billion in secondary education, Rs. 7.38 billion in higher education, Rs. 3.81 billion in 'others' and Rs. 0.94 billion in primary education. Over the years, the development expenditure on primary education has substantially decreased. In absolute terms, the amount expensed on primary education has been reduced to Rs. 0.94 billion in 2011-12 from Rs. 1.23 billion in 2010-11. This amount was further slashed to 0.46 billion in 2012-13. Although, the allocated amount for primary education is higher in the budget of 2013-14, i.e., Rs. 1.74 billion; it is yet to be seen if this sector actually receives the designated amount or not.

3.2.4 Trends in District Expenditure

Districts are responsible for financing primary and secondary education in Punjab. The major source is eventually the provincial government which provides funds as a single line transfer to districts. District education expenditure, by and large, consists of salary and a small amount of non-salary expenditure on primary and secondary education. Development expenditure at district level is negligible. This is largely attributed to the provincial government's dominance in education policy and planning and financing of development schemes in education.

Due to sheer size of primary and secondary education salary costs, districts are responsible for spending about three quarters of the total education budget of the province. The proportion of their aggregate actual expenditure for education has been in the vicinity of 74 percent, 70 percent and 77 percent of total education expenditure in 2010-11, 2011-12 and 2012-13 respectively. The allocation in 2013-14 is 69 percent of the total education outlay, which may go up in actual expenditure. The development expenditure at the districts level has almost dried up as only 0.2 percent of the district education allocation has been earmarked for development expenditure in 2013-14.



Source: NEMIS, 2011-12

The largest proportion of development expenditure is absorbed in secondary education, and primary education generally gets the lowest share of development budget.

Table 3.4 arranges districts according to their actual expenditure in 2012-13 in four expenditure ranges. It shows that three districts, namely Faisalabad, Gujrat and Lahore, are the largest recipients of public funds. They account for 18 percent of total district education expenditure and 14 percent of Punjab's total educational expenditure.

The second group comprises of eleven districts whose annual education expenditure lies within the range of Rs. 4 – 6.6 billion. Taken together, these eleven districts consume 30 percent of total education expenditure of Punjab, and 39 percent of total education expenditure of districts.

Table 3.4: Variation in Annual Education Expenditure of Districts in Punjab - 2012-13

S. No	Annual Expenditure Range	No. of Districts	Names of Districts	% of Total District Education Expenditure	% of Total Punjab Education Expenditure
1	8 billion and above	3	Faisalabad, Lahore, Gujrat	18%	14%
2	4-6.55 billion	11	Bahawalnagar, Gujranwala, Multan, R.Y.Khan, Rawalpindi, Sargodha, Sialkot, Bahawalpur, Khanewal, Sahiwal, Okara	39%	30%
3	3-3.99 billion	11	Attock, Chakwal, D.G. Khan, T.T. Singh, Vehari, Layyah, Mianwali, Muzaffargarh, Narowal, Sheikhupura, Kasur	27%	21%
4	Less than 2 billion	11	Chiniot, Hafizabad, Jhelum, Khushab, Lodhran, Pakpattan, Rajanpur, Bhakkar, Jhang, M. Bahuddin, Nankana Sahib	16%	13%
Total	36	11		100%	77%

Source: FABS Reports from PIFRA SAP System

The third group of eleven districts is recipient of 27 percent of the district education expenditure and 21 percent of the total education expenditure. There are eleven districts in the fourth group which spent less than Rs. 2 billion in 2012-13. They include Chiniot, Hafizabad, Jhelum, Khushab, Lodhran, Pakpattan, Rajanpur, Bhakar, Jhang, MandiBahauddin and Nankana Sahib. The total expenditure of these eleven districts is less than the combined expenditure of three districts namely Faisalabad, Gujrat and Lahore.

On average, per district expenditure on primary and secondary education was Rs. 4.12 billion in 2012-13. The bulk of this expenditure (Rs. 4 billion) denotes

Allocation at District Level:

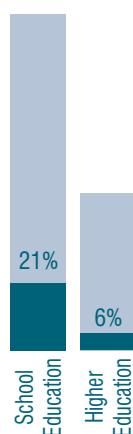
The development expenditure at the districts level has almost dried up as only 0.2 percent of the district education allocation has been earmarked for development expenditure in 2013-14.

salaries and employee-related expenses whereas average non-salary expenditure per district was relatively a small proportion (Rs. 138 million).

Issues in Punjab Education Budget 2013-14

Block Grants are Prone to Political manipulation.
Punjab has put 21% block grants in school education and 6% in higher education.

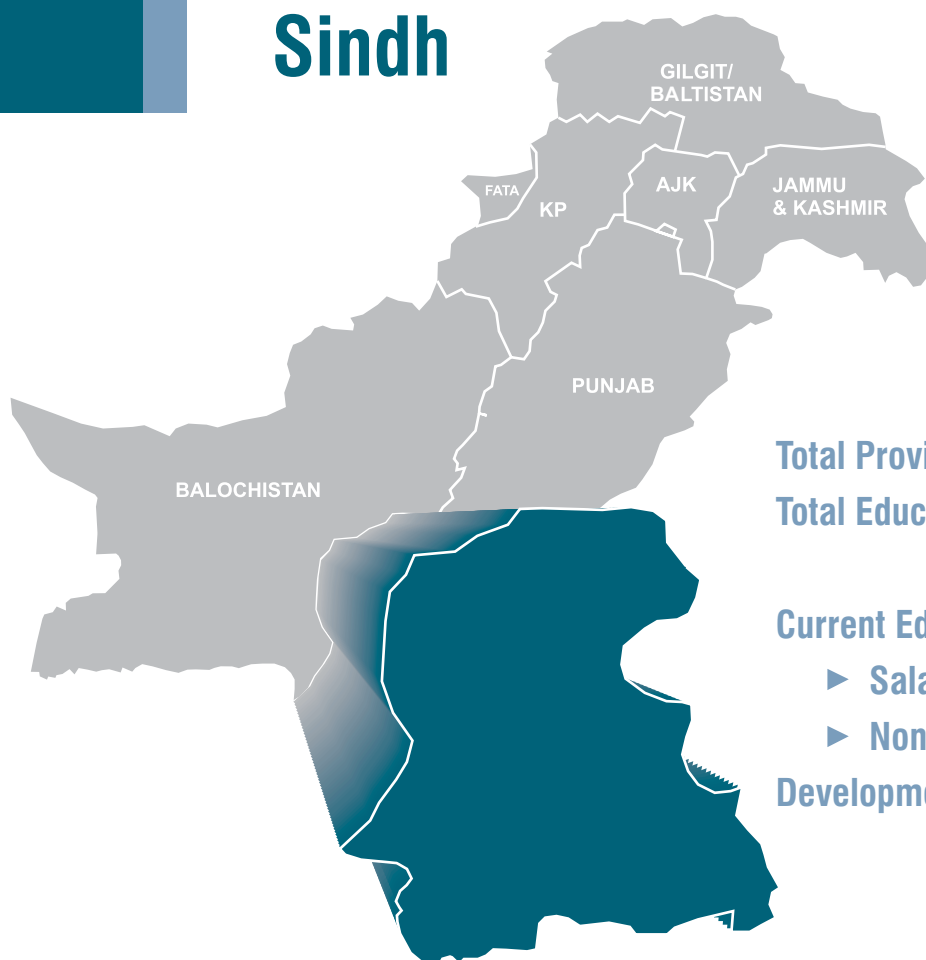
Block Grants 2013-14



Source: Punjab Budget Books 2013-14

CHAPTER 4

Public Financing of Education: Sindh



Total Provincial Budget: 586 billion

Total Education Budget: 136 billion

Current Education Budget: 118.7 billion

- ▶ **Salary Budget: 94.2 billion**
- ▶ **Non-Salary Budget: 24.7 billion**

Development Education Budget: 16.9 billion

(Sindh Education Budget, FY 2013-14)

CHAPTER 4

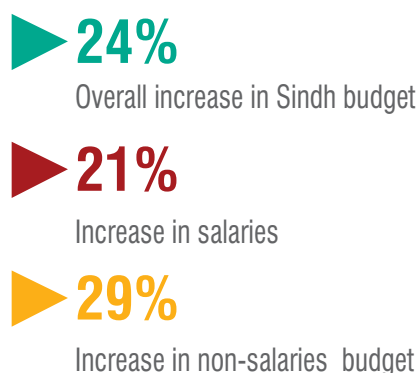
Public Financing of Education: Sindh

Thirty nine (39) percent population of Sindh aged 10 years or above has never attended a school. Net Enrolment Rate for primary is 50 percent, and it declines sharply at middle, high and higher secondary levels. Girls and children from poor families are more disadvantaged than their counterparts from upper income quintiles⁹.

4.1 EDUCATION BUDGET, 2012-13 and 2013-14

4.1.1 Total Level of Education Expenditure Commitment

The Government of Sindh (GoS) has allocated Rs. 135.55 billion for education in 2013-14. This amount includes education budget of districts as well. Out of this total allocation, Rs. 118.66 billion (88 percent) will be absorbed in recurrent expenses. 79 percent of the recurrent budget will go to salaries and other employee-related expenses such as pay and allowances.



An amount of Rs. 16.89 billion (12.5 per cent) is allocated for development schemes which is an increase of 243 percent compared to the actual development budget expenditure in 2012-13. Although, there has been substantial increase in percentage terms, such low share of development expenditure in the provincial education budget does not

⁹ PSLM 2011-12.

gel well with commitment of the Government to improve the infrastructure and facilities provided to schools.

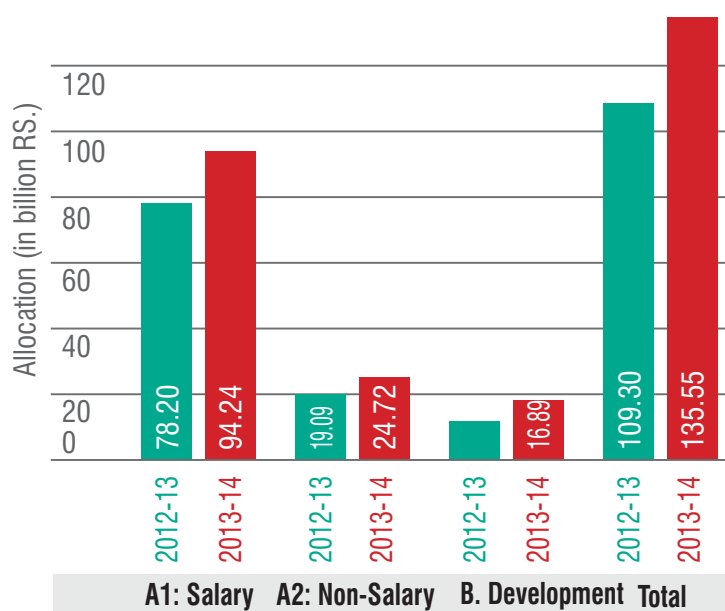
Table 4.1: Sindh Education Budget at a Glance, 2012-13 & 2013-14 (Rs. Million)

	2013-14	2012-13		Increase/Decrease vis-à-vis 2012-13	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Current	118,661.79	97,297.22	91,333.93	21,364.57 (22%)	27,327.86 (30%)
Salary	94,241.05	78,204.31	80,558.23	16,036.74 (21%)	13,682.82 (17%)
Non-Salary	24,720.74	19,093.04	10,775.69	5,627.70 (29%)	13,945.05 (129%)
B. Development	16,885.00	12,000.00	4,921.13	4,885.00 (41%)	11,963.87 (243%)
Total (A+B)	135,546.79	109,297.22	96,255.06	26,249.57 (24%)	39,291.73 (41%)

Source: FABS Reports from PIFRA SAP System.

Overall the education budget of Sindh has increased by a margin of 24 percent over 2012-13. Salaries have increased by 21 per cent whereas the non-salary budget has been raised by 29 percent. In absolute terms, the education sector has been allocated an additional amount of Rs. 26.25 billion compared with the allocation in 2012-13. Out of this increased allocation, Rs. 16.04 billion will be absorbed in salaries, Rs. 5.63 billion in non-salary expenses, and Rs. 4.89 billion have been

Chart 4.1: Change in Budgetary Allocations for Education, 2012-13 and 2013-14



Source: FABS Reports from PIFRA SAP System.

Low share of development expenditure (12.5%) in the provincial education budget shows lack of commitment to improve the infrastructure and facilities provided to schools.

allocated for development schemes.

The current budget allocation for the current financial year 2013-14 is Rs. 118.66 billion, which is 22 per cent higher than the preceding year 2012-13, which mainly goes to salaries. This amount includes district expenditure on primary and secondary education as well a sizeable amount of Rs. 14.34 billion for Sindh Education Reforms Program (SERP) and block provision of Rs. 1.57 billion for grants, under Secretariat/Policy/Curriculum.



119 Billion

Current Budget Allocation



14 Billion

Sindh Education Reforms Programme



2 Billion

Block Provision for Grants under Secretariat/Policy/Curriculum

4.1.2 Education Budget as a Proportion of Total Provincial Budget

About one fourth of the total provincial budget is absorbed in education related expenses. The total provincial outlay in 2013-14 is Rs. 585.91 billion out of which Rs. 135.55 billion (23 percent) has been allocated for education budget.

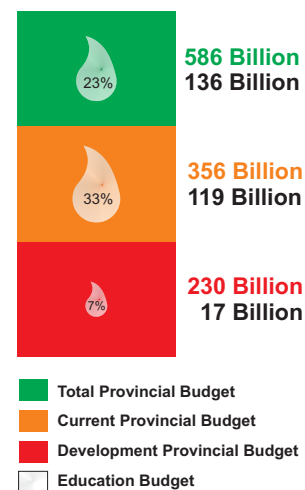
Table 4.2: Education Budget as Proportion of Total Provincial Budget, 2013-14 (Rs. Million)

	Provincial Budget	Education Budget	Education Budget as Proportion of Provincial Budget
A. Current	355,973.80	118,661.79	33%
B. Development	229,937.00	16,885.00	7%
Total (A+B)	585,910.80	135,546.79	23%

Source: FABS Reports from PIFRA SAP System.

A breakdown of the share of education in the total provincial outlay suggests that 33 percent and 7 percent of the provincial current and development outlay, respectively, has been allocated for education.

Education Budget as Proportion of Total Provincial Budget 2013-14



Net Enrolment Rate at Primary Level



53%

Boys

Source: PSLM, 2011-12

Net Enrolment Rate at Primary Level



47%

Girls

Source: PSLM, 2011-12

Teacher training is key to improve the quality of education. The data shows that despite having the resources, the expenditure on teacher training is very low. In 2012-13, the allocation for teacher training was 140 billion out of which only 82 billion was spent.

A breakdown of the share of education in the total provincial outlay suggests that 33 per cent and 7 per cent of the provincial current and development outlay, respectively, has been allocated for education.

4.1.3 Composition of Budget

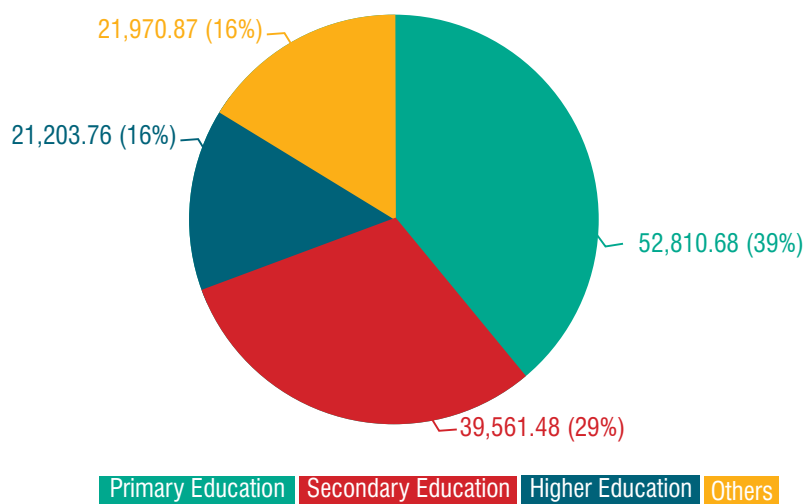
The largest share of the education budget 2013-14 has been earmarked for primary education, equivalent to Rs. 52.81 billion, which is an increase of 19 percent compared with the allocation in 2012-13. Secondary education receives the second highest allocation in the education budget where the share has increased from Rs. 28.65 billion in 2012-13 to Rs. 39.56 billion in 2013-14.

Table 4.3: Distribution of Education Budget, 2012-13 and 2013-14 (Rs. Million)

	2013-14			2012-13			Difference over 2012-13		
	Current	Dev.	Total	Current	Dev.	Total	Current	Dev.	Total
Primary Education	51,474.63	1,336.06	52,810.68	42,001.63	2,222.21	44,223.84	23%	-40%	19%
Secondary Education	31,375.96	8,185.52	39,561.5	26,130.1	2,524.71	28,654.8	20%	224%	38%
Higher Education	16,125.27	5,078.49	21,203.76	14,664.15	5,663.09	20,327.24	10%	-10%	4%
Others	19,685.9	2,284.93	21,970.9	14,501.5	1,589.99	16,091.5	36%	44%	37%
Total	118,661.8	16,885	135,546.8	97,297.3	12,000	109,297.3	22%	41%	24%

Source: FABS Reports from PIFRA SAP System.

The largest allocation is for primary education which will absorb about 39 percent of the education budget for 2013-14. This is followed by secondary education for which 29 per cent of the education budget has been allocated. Higher education and other types of expenditures are allocated 16 percent each. Considering the national focus on primary education and the strategy to cater for the huge number of out-of-school children, it is appreciable to see that primary and secondary education gets major chunk of the education budget.

Chart 4.2: Distribution of Education Expenditure, 2013-14 (Rs. Billion)

4.2 TRENDS IN EDUCATION EXPENDITURE, 2010-11 to 2013-14

4.2.1 Trends in Total Budget Allocations and Expenditures

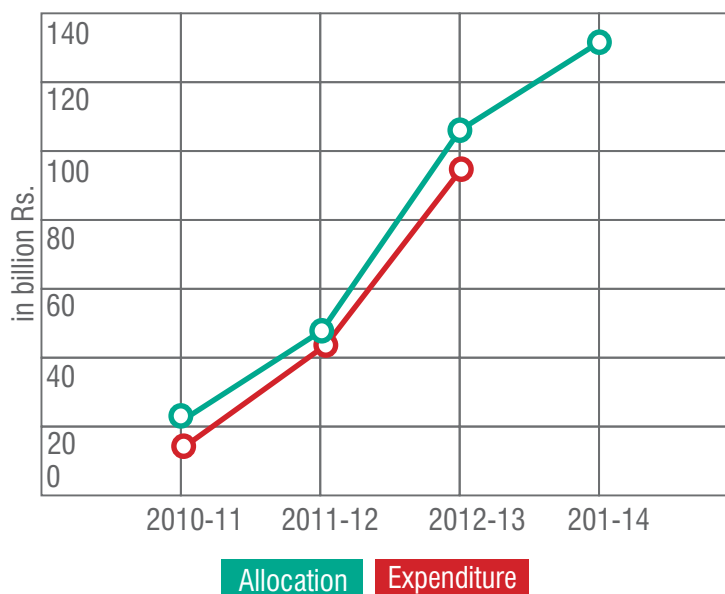
The education expenditure of Sindh Government has registered a positive trend in the recent years. Because district expenditure is not fully included in the statistics for 2010-11 and 2011-12 due to unavailability of data, it is not clear how resource allocation has changed in 2012-13 (which includes district expenditure as well) compared with previous years. However, inferences can be drawn about sectoral priorities. A breakdown (see Table A4.1 in Annex) suggests that primary education was a top priority, as it received 40 percent (Rs. 44.22 billion) of this outlay. Secondary education was the second highest priority, which got 26 percent (Rs. 28.65 billion); followed by 19 percent (Rs. 20.33 billion) for higher education and 15 percent (Rs. 16.09 billion) for other miscellaneous expenses.

Enrolment in Public Schools



Source: NEMIS, 2011-12

Chart 4.3: Trends in Total Education Budget Allocations and Expenditures, 2010-11 to 2013-14



Note: Figures for 2010-11 do not include district expenditure on education, whereas, figures for 2011-12 partially include district education expenditure. Source: FABS Reports from PIFRA SAP System.

4.2.2 Trends in Salary and Non-Salary Budget Allocations and Expenditures

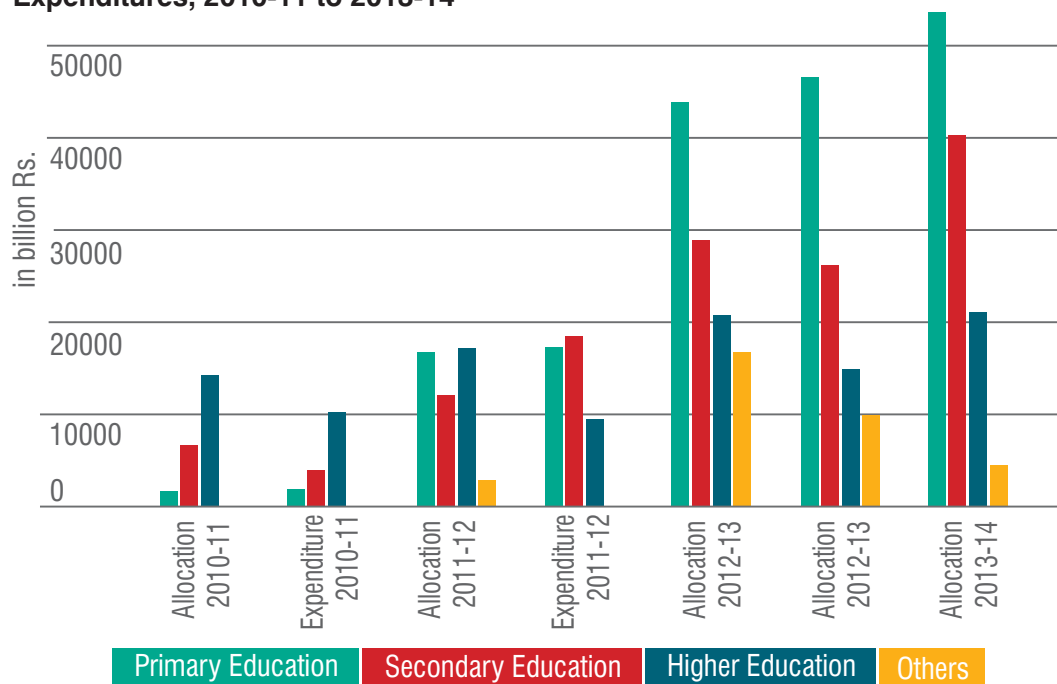
Bulk of the education expenditure comprises of recurrent expenses for salaries, allowances, and non-salary heads such as maintenance and repair, utilities, etc. (see Table A4.2 in Annex). The actual expenditure surged by a margin of 241 percent in 2011-12 compared with 2010-11, equivalent to Rs. 31 billion. Out of this additional expenditure, Rs. 28.65 billion was spent on salaries. A relatively smaller share, equivalent to Rs. 2.35 billion, was spent on non-salary heads.

- ▶ **241% (Rs. 31 Billion)**
increase in recurrent expenses
between 2010-11 and 2011-12
- **Rs. 28.65 Billion**
spent on salaries
- **Rs. 2.35 Billion**
spent on non-salary budget

Current expenditure accounted for 90 percent of total education budget in 2010-11 but increased to 99 percent in 2011-12 and 95 percent in 2012-13. In 2012-13, an amount of Rs. 97.30 billion was earmarked for recurrent expenditure but the actual expenditure remained 94 percent of the allocation. This amount included district expenditure on primary and secondary education as well as a sizeable amount of Rs. 9.77 billion for Sindh Education Reforms Program (SERP) and block provision of Rs. 1.51 billion for grants under the head of Secretariat, Policy and Curriculum.

The total (actual) current expenditure for education was Rs. 91.33 billion (including districts) in 2012-13. A breakdown suggests that primary education was the top priority, as it received 49 percent (Rs. 44.85 billion) of this outlay. Secondary

Chart 4.4: Trends in Current Budget by Educational Level - Allocations and Expenditures, 2010-11 to 2013-14



Although about 19 percent of the total current education budget for 2012-13 (equivalent to Rs. 19.09 billion) was earmarked for non-salary expenditure, the utilization rate remained a poor 44 percent.

Note: Figures for 2010-11 do not include district expenditure on education, whereas, figures for 2011-12 partially include district education expenditure. Figures for 2012-13 and 2013-14 include district expenditure.
Source: FABS Reports from PIFRA SAP System.

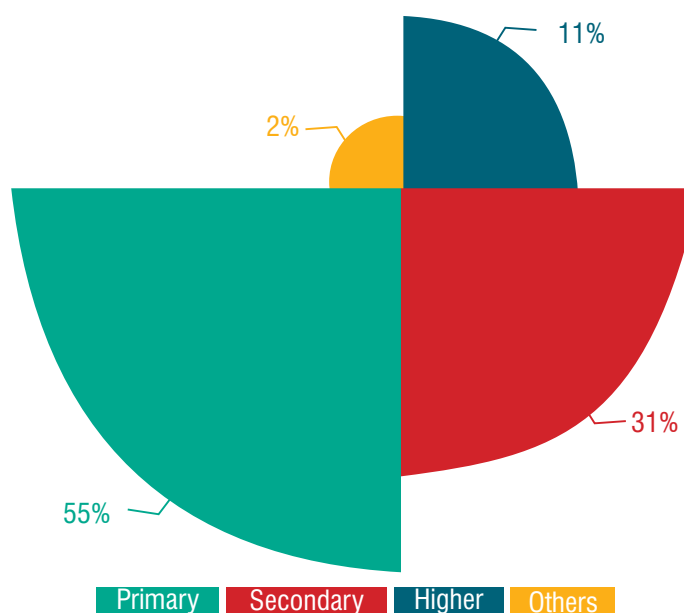
education was the second highest priority, which got 28 per cent (Rs. 25.46 billion); followed by 13 percent (Rs. 11.81 billion) for higher education, and 10 percent (Rs. 9.23 billion) for SERP and other miscellaneous expenses like archives and libraries, curriculum, schools for handicapped etc. The total salary expenditure remained 89 per cent during 2012-13. The non-salary operational expenditure was almost negligible in case of primary and secondary education.

In 2011-12, the provincial government spent Rs. 43.85 billion on salaries, allowances and non-salary expenses. Out of this amount, primary education consumed Rs. 18.45 billion, secondary education was provided Rs. 16.45 billion, whereas higher education received Rs. 8.96 billion. These amounts represent an increase of Rs. 17.39 billion on primary, Rs. 13.02 billion on secondary, and Rs. 0.60 billion on higher education. This increase is due to partial reflection of district expenditure. A similar pattern is observed from the allocations and expenditure for 2012-13 and 2013-14 in terms of sector priorities. Sindh Education Reforms Program

was uninitiated in 2012-13 with hefty allocation of Rs. 9.77 billion in 2012-13 whereas Rs. 14.34 billion are allocated for the purpose in 2013-14. However the expenditure under SERP was reduced by 42 percent against allocation in 2012-13.

Employee-related expenses account for about 79 percent of the total current expenditure in 2013-14 (see Table A4.3 in Annex). This percentage was lower in 2010-11 and 2011-12 because the statistics for these two years do not include district education expenditure. In 2012-13, an amount of Rs. 78.20 billion was earmarked for salaries and allowances, including districts' recurrent expenditure on primary and secondary education. But the actual expenditure surged to Rs. 80.56 billion, which is indicative of underestimation of salary budget. The largest proportion of this amount was spent on primary education (Rs. 44.65 billion; 55 percent), followed by secondary education (Rs. 25.37 billion; 31 percent), higher education (Rs. 9.14 billion; 11 percent) and other miscellaneous (Rs. 1.40 billion; 2 percent). Almost the same trend is exhibited in the sector-wise allocations for 2013-14.

Chart 4.5: Pattern of Actual Salary Expenditure, 2012-13

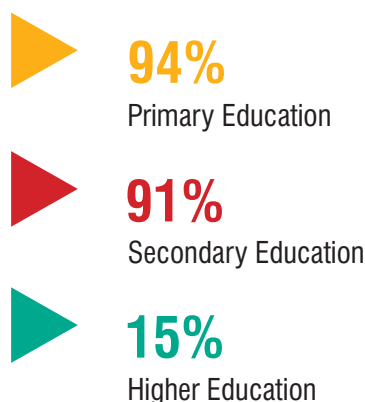


Source: FABS Reports from PIFRA SAP System.

Non-salary budget is a very small proportion of the current education budget (see Table A4.4 in Annex), despite the fact that it is extremely important for day-to-day functioning of schools. Although about 19 percent of the total current education budget for 2012-13 (equivalent to Rs. 19.09 billion) was earmarked for non-salary expenditure (which included Rs. 9.77 billion for Sindh Education Reform Program), the utilization rate remained only 44 percent. Precise estimates of non-salary budget cannot be worked out for 2010-11 and 2011-12 due to non-availability of data on

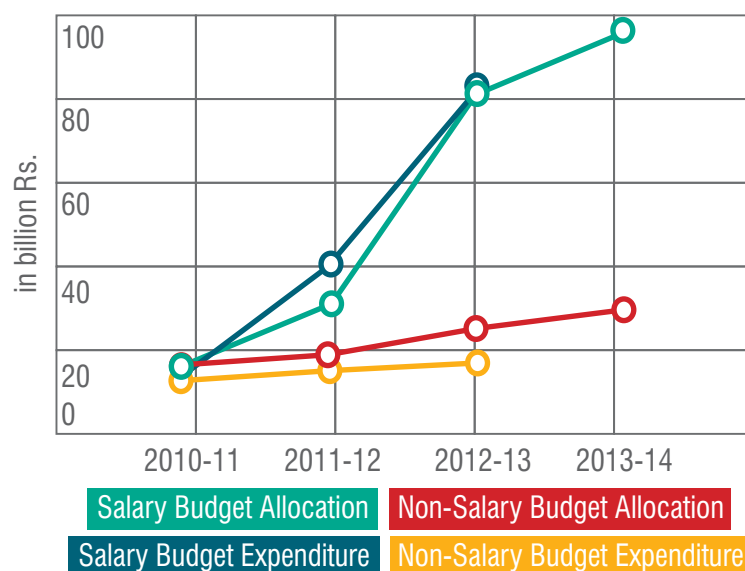
districts which makes the bulk of recurrent expenditure on primary and secondary education. About 20 percent of the total current education budget allocation in 2012-13, equivalent to Rs. 19.09 billion, was earmarked for non-salary expenditure. However it was reduced by 44 percent to Rs. 10.78 billion. The sectoral cut was 94 percent on non-salary expenditure for primary education, 91 percent cut was on secondary education, 15 percent on higher education and 35 percent cut was seen on 'others'. The non-salary allocation for the current financial year 2013-14 is 21 percent of the current budget but its actual realization is expected to be the same as in 2012-13. Historically, actual non-salary budget expenditure has been considerably low. There is a reasonable likelihood that it will remain so in 2013-14 as well.

Non-Salary Budget Cuts 2012-13



The non-salary allocation for the current financial year 2013-14 is 21 percent of the current budget but its actual realization is expected to be the same as in 2012-13. Historically, actual non-salary budget expenditure has been considerably low. There is a reasonable likelihood that it will remain so in 2013-14 as well.

Chart 4.6: Trends in Salary and Non-Salary Budget Allocations and Expenditures, 2010-11 to 2013-14



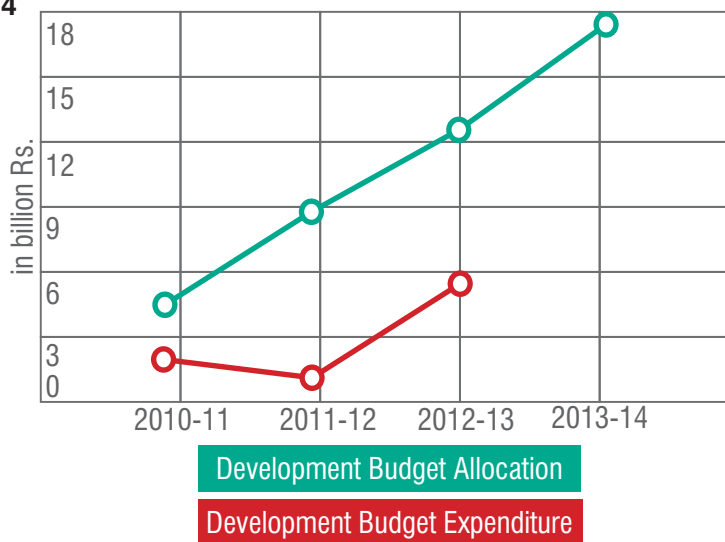
Note: Figures for 2010-11 do not include district expenditure on education, whereas, figures for 2011-12 partially include district education expenditure. Figures for 2012-13 and 2013-14 include district expenditure.

Source: FABS Reports from PIFRA SAP System.

4.2.3 Trends in Development Budget Allocations and Expenditures

The actual development expenditure in 2012-13 remained mere 5 percent of the total education outlay. Like the current education budget, a number of changes have taken place in the classification of the development budget as well. For the budgetary purposes, the development schemes are classified into elementary education, teacher education, Sindh Education Foundation, secondary education, college education, higher education and miscellaneous schemes. The recurrent expenditure on primary and secondary education was the responsibility of districts as part of devolved departments under Local Government Ordinance 2001. but the Local government system was rolled back in 2012-13 and now the entire budget is under the control of provincial government.

Chart 4.7: Trends in Development Budget Allocations and Expenditures, 2010-11 to 2013-14



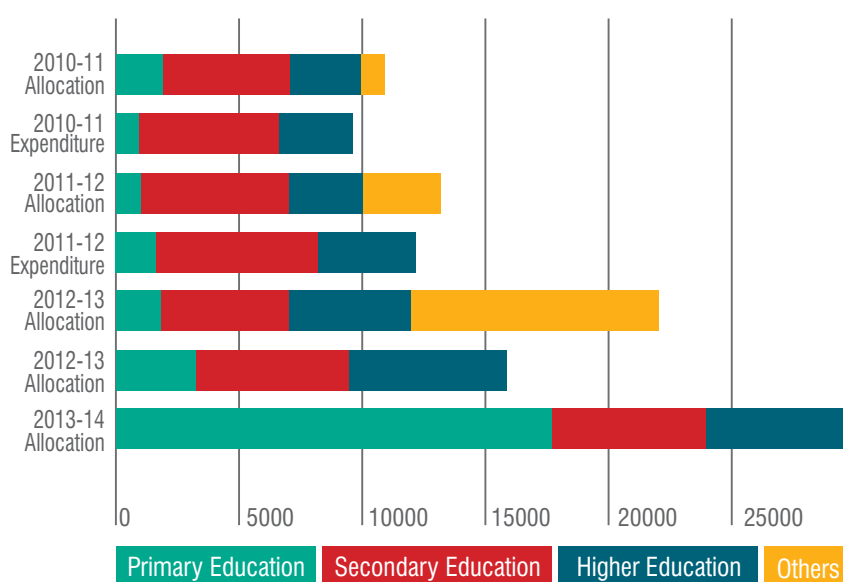
Note: Figures for 2010-11 do not include district expenditure on education, whereas, figures for 2011-12 partially include district education expenditure. Figures for 2012-13 and 2013-14 include district expenditure.
Source: FABS Reports from PIFRA SAP System.

Development schemes usually get a very small proportion of the overall Sindh education budget (see Table A4.5 in Annex). While the overall allocations for education development schemes have increased substantially in the past two years, the actual expenditure has remained low. In 2010-11, the provincial government spent Rs. 1.42 billion, which amounted to 10 percent of the total education budget of Sindh. In 2011-12, the allocation was increased by 108 percent, but the actual expenditure remained only 6 percent allocation¹⁰. In 2012-13, the allocation was

¹⁰ The total development expenditure was just Rs. 0.53 billion, equivalent to one percent of the total education budget.

increased by 46 percent, but given the past trajectory, the actual expenditure was 41 percent of the allocation or 5 percent of the total education expenditure.

Chart 4.8: Trends in Development budget by Educational Level - Allocations and Expenditures, 2010-11 to 2013-14

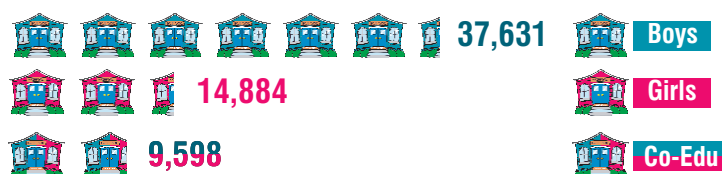


In 2011-12, the development budget allocation was increased by 108% of 2010-11 but the actual expenditure remained only 6% of the allocation.

Note: Figures for 2010-11 do not include district expenditure on education, whereas, figures for 2011-12 partially include district education expenditure. Figures for 2012-13 and 2013-14 include district expenditure.
Source: FABS Reports from PIFRA SAP System.

A breakdown of the development expenditure shows that higher education has remained the top priority in 2010-11, followed by primary education and secondary education. These sub-sectors received Rs.1329.64 million, Rs. 84.58 million, and Rs. 2.78 million respectively. In 2011-12, the provincial expenditure on 'others' was slightly higher than for primary and secondary education. In 2012-13, the priorities changed as the largest share of total allocation went to Higher Education, followed by secondary education, and primary education. However the

Number of Educational Institutions

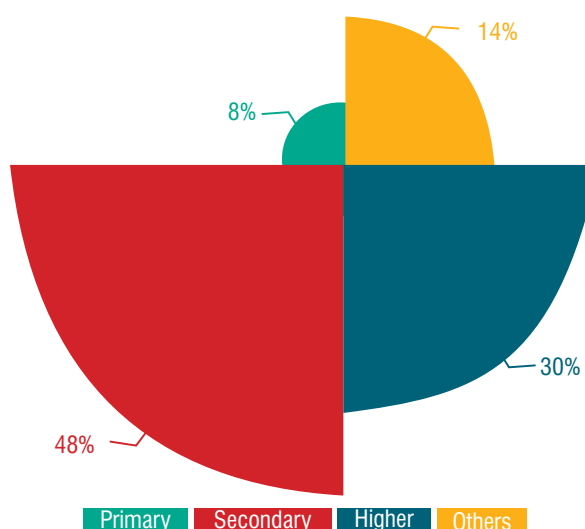


Source: NEMIS, 2011-12

actual expenditure incurred was very low, i.e., 40 percent, 46 percent, 45 percent, 20 percent of the allocation for primary, secondary, higher education and others, respectively. The overall budget was cut by 59 percent in 2012-13.

In current financial year 2013-14, the priorities in allocation have again changed. Secondary education has got the top priority (48 percent), followed by higher education (30 percent) and others (14 percent). Primary education stood the least priority area with 8 per cent allocation. The allocation for secondary education includes Rs. 3.4 billion (42 percent of the allocation) as foreign project assistance (FPA), which is 20 percent of the total development portfolio for education in 2013-14.

Chart 4.9: Priorities in Development Budget Allocation, 2013-14

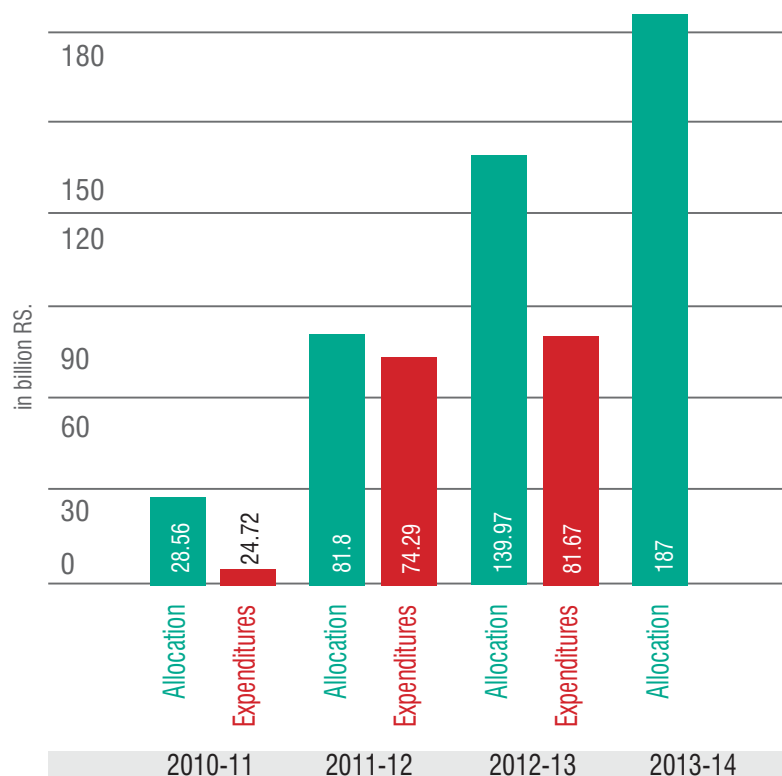


Source: FABS Reports from PIFRA SAP System.

4.2.4 In-Service Teacher Training

Investment in teacher training is an indicator of government's commitment to improve the quality of teaching and learning in public schools. In 2010-11, the government spent Rs. 1.97 million in this area, which rose sharply to Rs. 74.29 million in 2011-12. In 2012-13, the allocation was increased by 71 percent and actual expenditure by 10 percent. Almost same is the trend in 2013-14 with 34 percent increase in allocation but the actual utilization would likely be in the same range of 10-15 percent increase.

Chart 4.10: Trends in Teacher Training Budget Allocations and Expenditures, 2010-11 to 2013-14

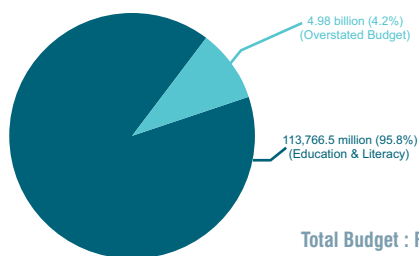


Source: FABS Reports from PIFRA SAP System.

Issues in Sindh Education Budget 2013-14

The current education budget is overstated by Rs. 4976.6 (4.2%) due to inclusion of education-related expenditure of the following departments:

- Information & Archives Department
- Chief Minister
- Antique Department
- Culture & Tourism
- Health Education
- P&D Department

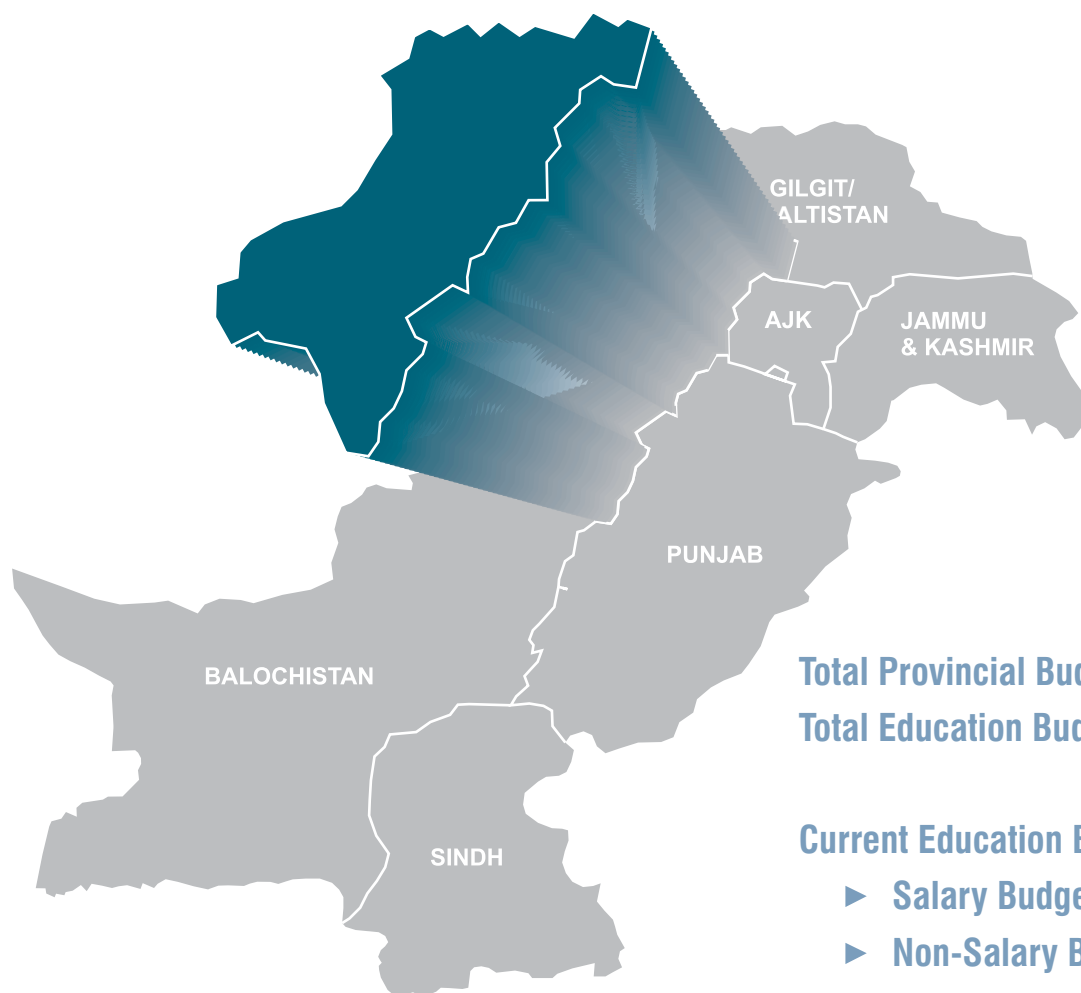


Total Budget : Rs. 118 billion
Overstated by: Rs. 4.98 billion (4.2%)

Source: Sindh Budget Books 2013-14

CHAPTER 5

Public Financing of Education: Khyber Pakhtunkhwa



Total Provincial Budget: 329 billion

Total Education Budget: 96.4 billion

Current Education Budget: 66.6 billion

► **Salary Budget: 61.9 billion**

► **Non-Salary Budget: 4.7 billion**

Development Education Budget: 29.8 billion

(Khyber Pakhtunkhwa Education Budget, FY 2013-14)

CHAPTER 5

Public Financing of Education: Khyber Pakhtunkhwa

Forty six (46) percent population of Khyber Pakhtunkhwa aged 10 years or above has never attended a school. Net Enrolment Rate for primary is 53 percent, and it declines sharply at middle and high and higher secondary levels. Girls and children from poor families are more disadvantaged than their counterparts from upper income quintiles⁹.

5.1 EDUCATION BUDGET, 2012-13 and 2013-14

5.1.1 Total Level of Education Expenditure Commitment

The Government of Khyber Pakhtunkhwa (GoKP) has allocated Rs. 96.41 billion for education in 2013-14. This amount includes education budget of districts as well. Out of this total allocation, Rs. 66.61 billion (69 percent) will be absorbed in recurrent expenses. 93 percent of the recurrent budget will go to salaries and other employee-related expenses such as pay and allowances.

An amount of Rs.29.80 billion (31 percent) is earmarked for development schemes. The government has projected 60 percent increase in Foreign Project Assistance (FPA) in development budget for education. It indicates high reliance

▶ **23%**
Overall increase in KP budget

▶ **15%**
Increase in salaries

▶ **102%**
Increase in non-salaries budget

⁹ PSLM 2011-12.

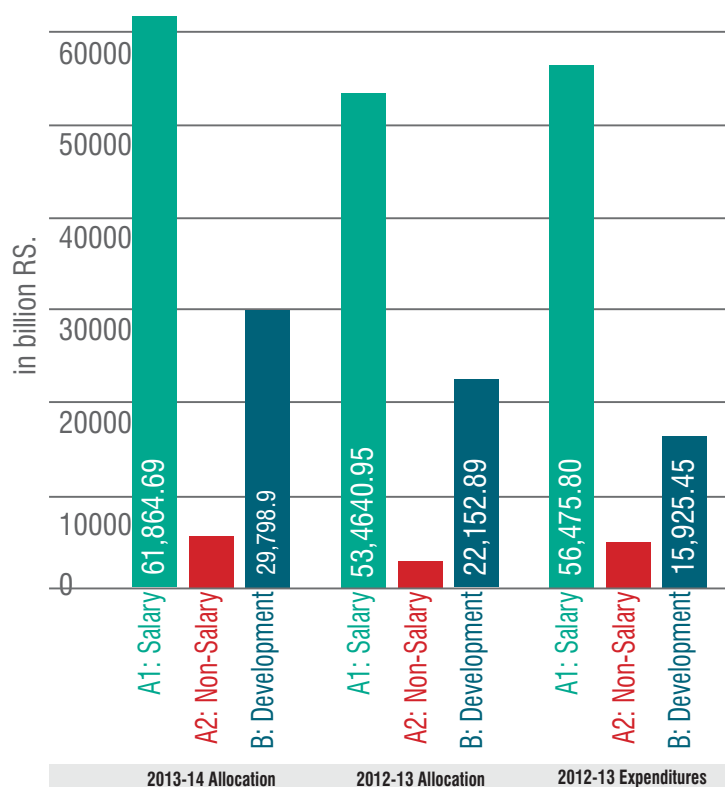
Table 5.1: Khyber Pakhtunkhwa Education Budget at a Glance, 2012-13 & 2013-14 (Rs. Million)

	2013-14	2012-13		Increase/Decrease vis-à-vis 2012-13	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Current	66,608.03	55,992.16	60,959.24	10,615.87 (19%)	5,648.80 (9%)
Salary	61,864.69	53,640.95	56,475.80	8,223.74 (15%)	5,388.88 (10%)
Non-Salary	4,743.34	2,351.21	4,483.43	2,392.13 (102%)	259.91 (6%)
B. Development	29,798.97	22,152.89	15,925.45	7,646.08 (35%)	13,873.52 (87%)
Total (A+B)	96,407.00	78,145.05	76,884.72	18,261.95 (23%)	19,522.29 (25%)

Source: FABS Reports from PIFRA SAP System.

Note: The budget figures in this table include district education expenditure as well.

on the foreign aid in case of primary education as bulk of allocation is anticipated from donor funds, which is 77 per cent of the total allocation for

Chart 5.1: Change in Budgetary Allocations for Education, 2012-13 and 2013-14

Source: FABS Reports from PIFRA SAP System.

The government has projected 60 percent increase in Foreign Project Assistance (FPA) in development budget for education. It indicates high reliance on the foreign aid.

primary education. However, utilization of FPA has remained very slow at 17 percent in 2012-13. This is attributed to both issues in government's forecasts of donor aid as well as unpredictability of funds releases by donors.

Overall education budget has increased substantially by a margin of 23 percent over 2012-13. Salaries have been increased by 15 percent. In absolute terms, the education sector has been allocated an additional amount of Rs.18.26 billion. Out of an increase of Rs. 18.26 billion, Rs. 8.22 billion will be absorbed in salaries, Rs. 2.39 billion in non-salary expenses and Rs. 7.65 billion in development schemes. In percentage terms, non-salary budget has been more than doubled in 2013-14, which will ease the pressure on schools to meet their day-to-day expenses. The non-salary budget has increased mainly due to block allocation for PTC funds, purchase of furniture, jute tats, and special repair etc.

The ongoing financial liability on account of education sector also includes payment of pension. There are about 165,000 pensioners charged to the provincial exchequer and the estimated expenditure on account of commutation, gratuity and monthly pension for 2013-14 is Rs. 24 billion. The proportionate share of education sector in this amount is about Rs. 11.34 billion. On average, this amount is increasing at a rate of 15 percent to 20 percent per annum.

Utilization of Foreign Project Assistance has remained very slow at 17 percent in 2012-13.

5.1.2 Education Budget as a Proportion of Total Provincial Budget

About one third of total provincial budget is absorbed in education. The total provincial outlay in 2013-14 was Rs. 329 billion out of which Rs. 96.41 billion (29 per cent) has been earmarked for education budget.

Table 5.2: Education Budget as Proportion of Total Provincial Budget, 2013-14 (Rs. Million)

	Provincial Budget	Education Budget	Education Budget as Proportion of Provincial Budget
A. Current	211	66.61	32%
B. Development	118	29.8	25%
Total (A+B)	329	96.41	29%

Source: FABS Reports from PIFRA SAP System.

A breakdown of the total provincial outlay suggests that 32 percent and 25 percent of the provincial current and development outlay respectively has been allocated for education.

5.1.2 Composition of Budget

The largest share of the education budget 2013-14 has been earmarked for primary education, equivalent to Rs. 45.14 billion. This represents doubling of primary education expenditure, but it is mainly attributed to a high forecast of Foreign Project Assistance (FPA) for development schemes. Secondary education and higher education will receive Rs. 35.90 billion and Rs. 11.78 billion, up by 24 percent and 17 percent respectively. Higher education expenditure is much less than primary and secondary education because the Federal government is the largest financier of general and professional university education. Other types of expenditure (e.g. secretariat) have been cut down substantially.

Table 5.3: Distribution of Education Budget, 2012-13 and 2013-14 (Rs. Million)

	2013-14			2012-13			Difference over 2012-13		
	Current	Dev.	Total	Current	Dev.	Total	Current	Dev.	Total
Primary Education	27,363.52	17,773.03	45,136.55	20,740.09	1,829.17	22,569.26	32%	872%	100%
Secondary Education	29,595.67	6,303.40	35,899.07	23,700.12	5,286.83	28,986.95	25%	19%	24%
Higher Education	6,055.09	5,722.55	11,777.64	5,192.95	4,911.00	10,103.95	17%	17%	17%
Others	3,593.75	0.00	3593.75	6,359.00	10,125.89	16,484.89	-43%	-100%	-78%
Total	66,608.03	29,798.97**	96,407.00	55,992.16	22,152.89	78,145.05	19%	35%	23%

Source: FABS Reports from PIFRA SAP System. *includes Rs. 9.97 billion Foreign Project Assistance (FPA)

** includes Rs. 15.97 billion FPA

The largest allocation is for primary education, as it is envisaged to absorb about 47 percent of the education budget 2013-14. This is followed by 37 percent share for secondary education, 22 percent for higher education, and 4 percent for 'other' types of expenses.

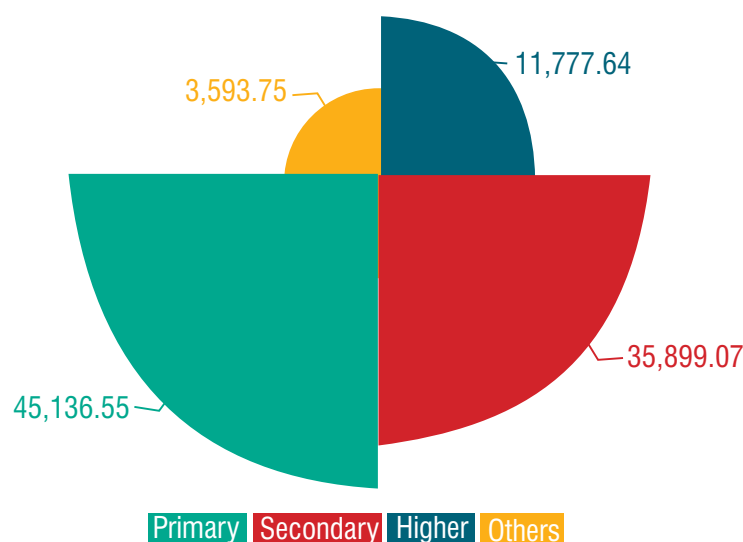
In a nutshell, primary education will get the largest pie of the budget due to unprecedented increase in primary development schemes. An additional amount of Rs. 15.94 billion has been earmarked for this purpose.

In FY 2013-14

► **Rs. 45 billion**
Primary Education

► **Rs. 36 billion**
Secondary Education

► **Rs. 12 billion**
Higher Education

Chart 5.2: Distribution of Education Expenditure, 2013-14 (Rs. Billion)

Source: FABS Reports from PIFRA SAP System.

In percentage terms, non-salary budget has been more than doubled in 2013-14, which will ease the pressure on schools to meet their day-to-day expenses. The non-salary budget has increased mainly due to block allocation for PTC funds, purchase of furniture, jute mats, and special repair etc.

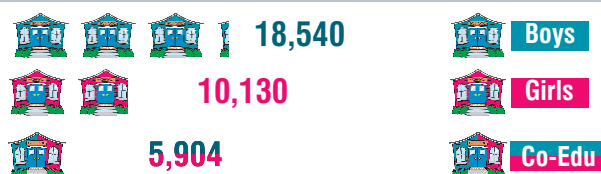
5.2 TRENDS IN EDUCATION EXPENDITURE, 2010-11 to 2013-14

5.2.1 Trends in Total Budget Allocations and Expenditures

The size of Khyber Pakhtunkhwa education budget has increased consistently. From an allocation of Rs. 50.96 billion in 2010-11, it went up to Rs. 96.41 billion in nominal terms in 2013-14. Thus, the education budget has increased by 89 percent in the last four fiscal years (see Table A5.1 in Annex).

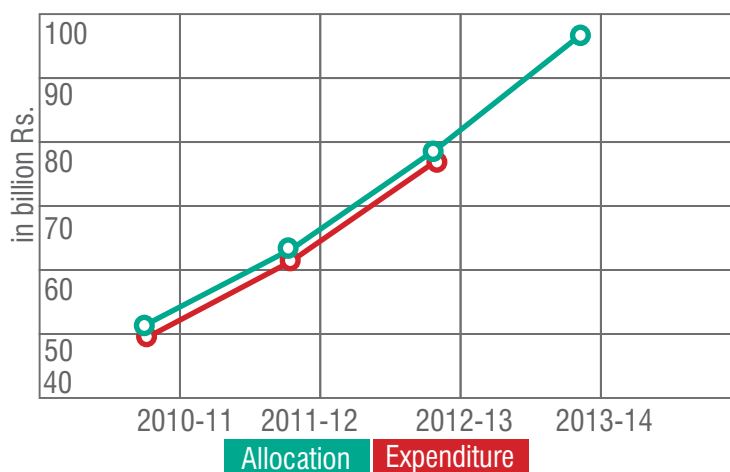
The composition of education expenditure has changed in many ways over the years. The largest pie of education budget will go to primary education in 2013-14 due to huge increase in the outlay for development schemes. Prior to this, secondary education was the largest recipient of public resources in the education sector, followed by higher education. Other types of miscellaneous expenses are also substantial and include allocations for the Secretariat, Directorate and block allocations for districts. In 2013-14, a sum of Rs. 3.60 billion has been earmarked for this purpose.

Number of Educational Institutions



Source: NEMIS, 2011-12

Chart 5.3: Trends in Total Education Budget Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

5.2.2 Trends in Salary and Non-Salary Budget Allocations and Expenditures

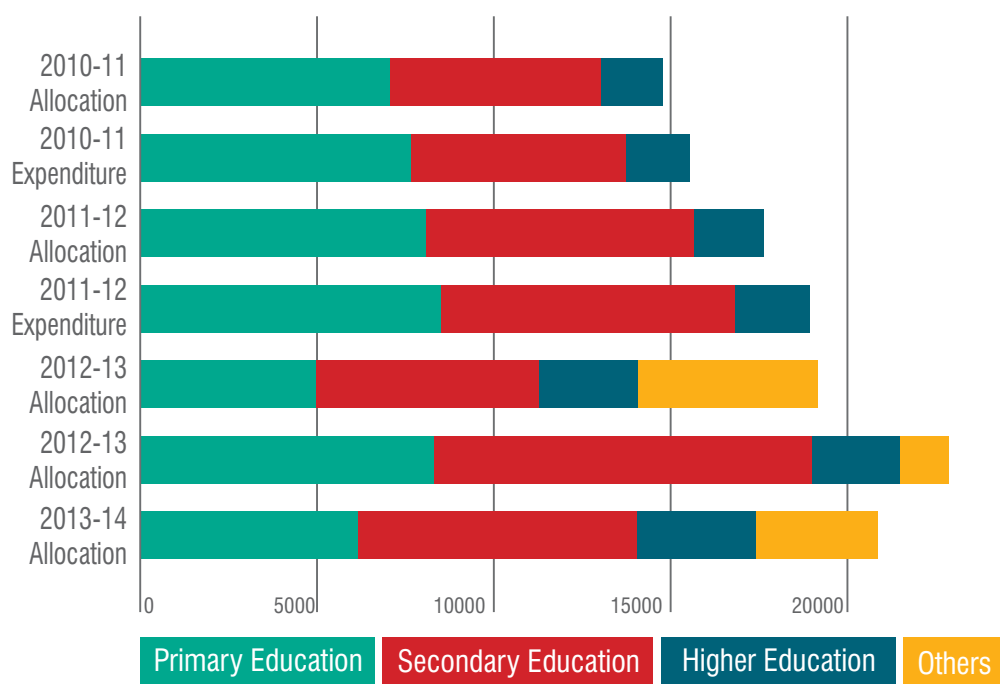
The bulk of education budget is absorbed in recurrent expenses comprising of salaries, allowances and non-salary operational expenses (see Table A5.2 in Annex). A breakdown of the current budget shows that it accounted for 79 percent of the total KP education budget during 2010-11 and 2011-12. However it forms 72 percent and 69 percent of the total education budget during 2012-13 and 2013-14 respectively. There is continuous significant increase in the current budget over the years, mainly in the salary budget. Utilization of the current budget has generally remained around 100 percent. The 109 percent utilization during 2012-13 is due to inadequate allocation for the increase in salaries and meeting the same through supplementary grant provided by the government.

Primary and secondary education are consuming the largest share of current budget. Each of these two sub-sectors consumed slightly over Rs. 17 billion in 2010-11, which surged to Rs. 22.34 billion and Rs. 21.30 billion, respectively, in 2011-12. This further increased in 2012-13 in the same ratio to Rs. 27.14 billion and 27.88 billion for primary and secondary education, respectively. Higher education and other expenses (training and Secretariat) have remained the third and fourth largest areas of expenditure.

Over the years, salary budget has increased sharply (see Table A5.3 in Annex). Since 2010-11, the salary budget increased from Rs. 38.02 billion to Rs. 46.69 billion in 2011-12, Rs. 53.64 billion in 2012-13 and Rs. 61.86 billion in 2013-14. During this period, salary allocations have gone up by 63 percent – equivalent to Rs. 23.84 billion. On average, the government has incurred an additional liability of

about Rs. 6 billion per year to pay salaries and allowances over the past four years. Due to inadequate budget allocation, the actual spending exceeds the budget estimates every year.

Chart 5.4: Trends in Current Budget by Educational Level - Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

Non-salary expenditure is critical to meet day-to-day expenses of the education department and schools. They include costs incurred on repair and maintenance, classroom consumables, stationery, utilities, etc. The allocations for non-salary items have shown an unsteady pattern (see Table A5.4 in Annex). Since 2010-11, allocation for this purpose has varied from Rs. 1.99 billion to Rs. 3.27 billion in 2011-12, Rs. 2.35 billion in 2012-13 and Rs. 4.74 billion in 2013-14. Primary education has got the highest non-salary budget of Rs. 2.88 billion in 2013-14, which represents an increase of 811 percent over the previous year's allocation. On

Net Enrolment Rate at Primary Level



Source: PSLM, 2011-12

Net Enrolment Rate at Primary Level



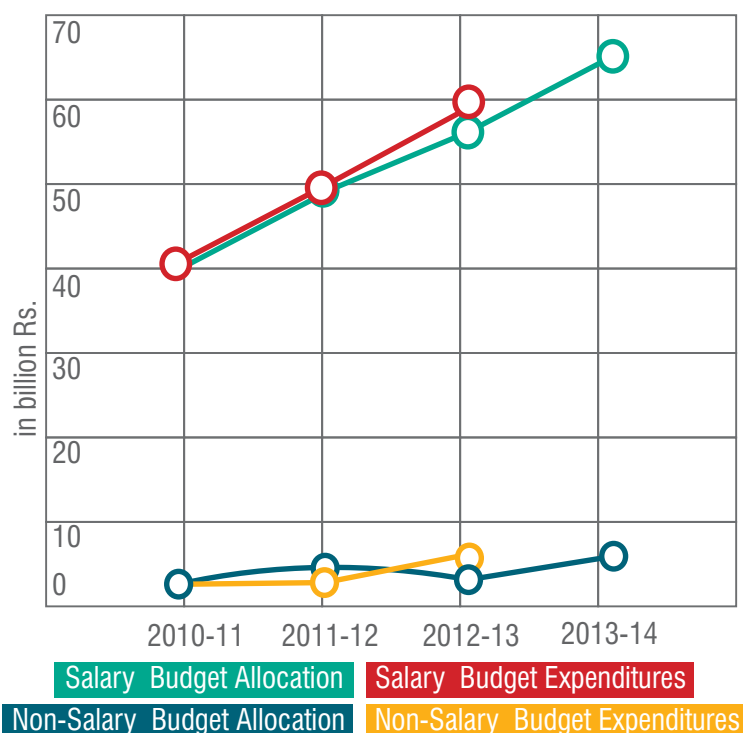
48%

Girls

Source: PSLM, 2011-12

average, non-salary budget consumes around 6 per cent of total current budget for education. The actual spending has been less than the estimated budget except in 2012-13. There is obviously an upward trajectory of non-salary spending in the education sector.

Chart 5.5: Trends in Salary and Non-Salary Budget Allocations and Expenditures, 2010-11 to 2013-14



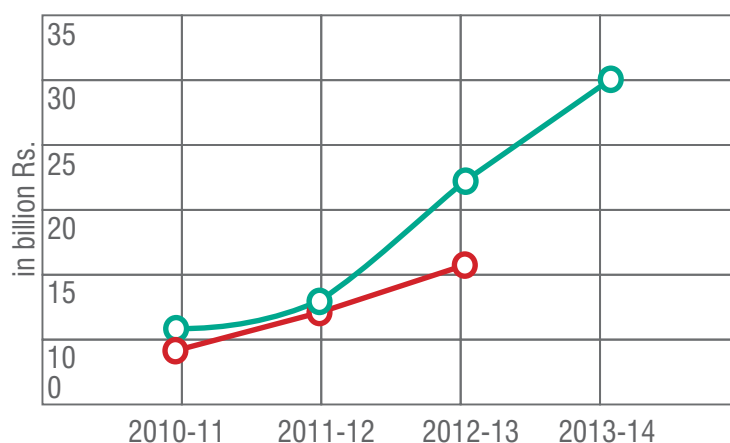
5.2.3 Trends in Development Budget Allocations and Expenditures

About a fifth of the total education budget is earmarked for development work (see Table A5.5 in Annex). In absolute terms, however, the GoKP has been increasing the size of development expenditure consistently. In 2010-11, an amount of Rs. 9.59 billion was spent for this purpose, which surged to Rs. 12.22 billion in 2011-12. The additional outlay of Rs. 2.63 billion is much lower than increase in current expenditure which went up to the tune of Rs. 9.63 billion over the same period.

In 2012-13, allocation for development work has been lifted up by an exceptional margin of 68 percent over the previous year. The budget was estimated at Rs. 22.15 billion (including Rs. 9.97 billion as foreign projects assistance). If compared with the actual expenditure in 2011-12, an additional amount of Rs. 9.93 billion was earmarked in 2012-13. However the actual expenditure remained Rs. 15.93 billion or 72 per cent of the allocation. In 2012-13, the actual expenditure of provincial Annual Development Programme (ADP) remained more than 100 per cent and that of FPA was only 17 per cent. The reason of 100 per cent utilization of ADP is due to the funds requirement of the ongoing projects with less allocation, which has been recouped through re-appropriation during the course of the financial year 2012-13.

A breakdown of the development expenditure shows that “others” will benefit disproportionately from this surge as it will get an additional amount of Rs. 10 billion. The allocation has been increased by 35 per cent during 2013-14, while the development budget portfolio has touched 31 percent of the current budget. But there is modest increase of 14 percent in the regular Annual Development Program. The major increase of 60 percent or Rs. 6 billion is in the FPA.

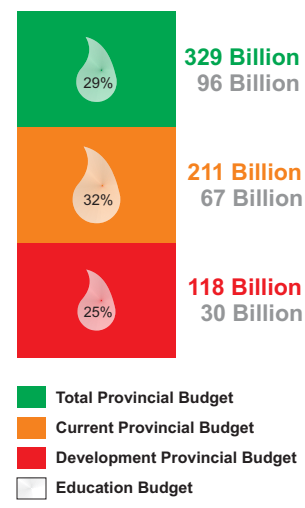
Chart 5.6: Trends in Development Budget Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

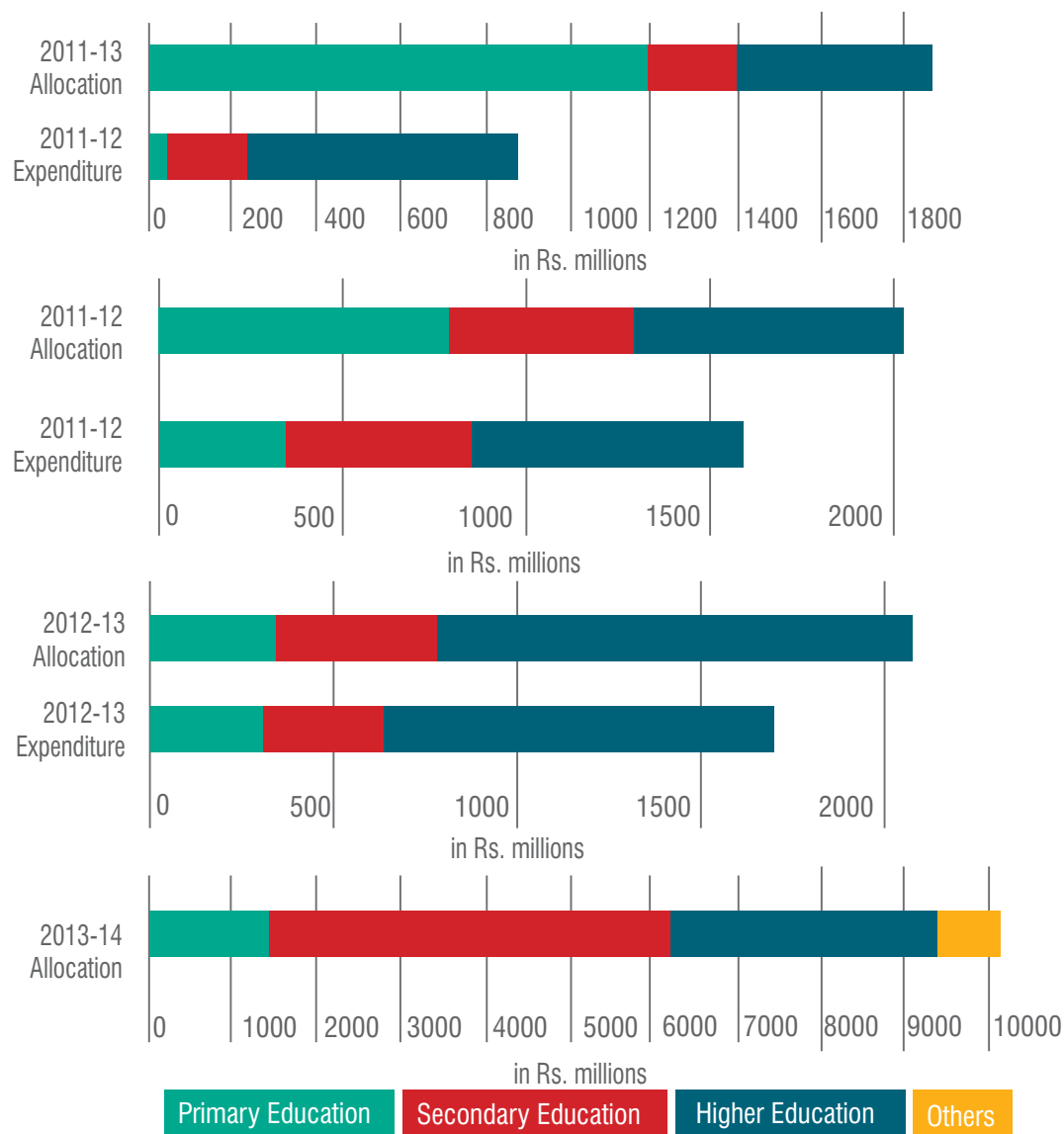
A pattern of sectoral priorities is evident from the statistics of last few years. The largest proportion of development expenditure has gone to secondary education, followed by higher education, primary education, and others. In 2011-12, the respective shares in actual development expenditure were as follows: 54 per cent for secondary education, 32 per cent for higher education, 14 per cent for primary education and 1 per cent for 'others'. 'Others', for development expenditure, include archives and libraries, and foreign project assistance (FPA). In 2012-13, allocation figures suggest that this pattern has changed, as “others” constitute 46 per cent of the total development expenditure on education. This includes an estimated FPA of Rs. 9.97 billion for primary and secondary education and which

Education Budget as Proportion of Total Provincial Budget 2013-14



has been accordingly clubbed in the respective sub-sectors, primary and secondary education during 2013-14. As per trend of slow utilization of FPA, the actual utilization in 2012-13 has remained Rs. 1.66 billion or 17 per cent of the original allocation.

Chart 5.7: Trends in Development Budget by Educational Level - Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

Enrolment in Public Schools



Source: NEMIS, 2011-12

5.2.4 Trends in District Expenditure

District expenditure accounts for about three quarters of the total education budget in Khyber Pakhtunkhwa. District expenditure accounted for 74 percent, 73 percent and 71 percent of total education budget in 2010-11, 2011-12 and 2012-13 respectively. District expenditure comprises of salary and non-salary expenditure on primary and secondary education. The role of districts in development budget of education sector is negligible. Although, the provincial government is responsible for framing the education policy and planning but it also controls the development work. Therefore, development expenditure is accounted for on behalf of the provincial government. Similarly, higher education and teacher training are provincial domains.

Table 5.4: Variation in Annual Education Expenditure of Districts in Khyber Pakhtunkhwa - 2012-13

S. No	Annual Expenditure Range	No. of Districts	Names of Districts	% of Total District Education Expenditure	% of Total Punjab Education Expenditure
1	Above 3 billion	6	Abbotabad, D.I.Khan, Mansehra, Mardan, Peshawar & Swat	40%	29%
2	2.1 to 3 billion	7	Bannu, Charsadda, Dir Lower, Karak, Haripur, Nowshera, & Swabi.	33%	23%
3	1 to 2 billion	8	Buner, Chitral, Dir Upper, Kohistan, Kohat, Lakki, Malakand & Shangla.	23%	16%
4	Less than 1 billion	4	Battagram, Hangu, Tor Ghar & Tank	4%	3%
Total	36	25		100%	71%

Source: FABS Reports from PIFRA SAP System

The above table arranges districts according to their actual expenditure in 2012-13 in four expenditure ranges. It shows that six districts, namely Mansehra, Mardan, Peshawar, Abbotabad, D.I.Khan & Swat are the largest recipients of public funds. They accounted for 40 percent of the total district education expenditure and 29 percent of the KP total educational expenditure. The second group comprises of seven districts whose annual education expenditure was within the range of Rs. 2.1 billion to Rs. 3 billion. Taken together, these seven districts consumed 33 percent of the total district education expenditure and 23 percent of the total education expenditure of the province.

There are four districts which spent less than Rs. 1 billion on education in 2012-13. They include Battagram, Hangu, Tor Ghar and Tank. The total expenditure of these four districts was in the range of Rs. 2.48 billion. In comparison, the annual expenditure of Peshawar alone was Rs. 4.421 billion. This indicates that these districts are extremely marginalized and are treated as residuals, lacking the basic infrastructure of schools. The annual expenditure of Tor Ghar district, for example, was only Rs. 137.79 million in 2011-12 and Rs. 160 million in 2012-13. Similarly, Hangu spent Rs. 497.63 million and 602 million on education in 2011-12 and 2012-13, respectively. Equity in public expenditure is crucial to tackle exclusion of poor people from their basic right to education in these districts.

669

In 2013-14, Rs. 420 million are allocated for teacher training. This amount is predominantly spent on payment of salary expenditure. Operational requirements of trainings were mainly met through donors' funding. There is a need to have dedicated budget allocation for teacher training.

5.3 Investment in Quality: Trends in Teacher Training Expenditure

Training is crucial for improvement in teachers' competencies and performance. The institutional set up for teacher training comprises of the Directorate of Curriculum and Teachers Education (DCTE), Regional Institutes for Teacher Education (RITEs) - 9 for male and 11 for female teachers – and the Provincial Institute for Teacher Education (PITE) which conducts special trainings and diploma courses. Other institutions include Government Agro-Technical Teachers Training Centre, Peshawar, and Government College of Physical Education, Karak. The recurrent expenditure of the Directorate of Curriculum, RITEs and PITE has been increasing every year, mainly meeting the increase in salary.

The GoKP spent Rs. 281.47 million in 2010-11 on teacher training, which went up to Rs. 304.85 million in 2011-12 and to Rs. 387.29 million in 2012-13. An allocation of Rs. 420.12 million has been made during the current financial year, 2013-14, for the purpose. If the budget for development schemes for capacity building funded through special programs and donors' funding and other trainings is taken into account, the actual total expenditure remains in the range of Rs. 281 - 532.60 million in the past three years. This amount is predominantly spent on payment of salary expenditure. Operational requirements of trainings were mainly met through donors' funding. This year, a special provision of Rs. 1 billion has been made in the ADP for Teachers' Training Program and Printing Training Guides.

Table 5.5: Teacher Training Budget Allocations and Expenditure (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Directorate of Curriculum (1)	24.58	21.07	26.56	27.34	31.74	32.93	36.13
PITE (2)	33.32	25.66	33.49	31.39	43.94	37.01	46.36
RITE Female (3)	77.11	70.27	26.56	82.92	82.43	101.96	123.74
RITE Male (4)	65.62	68.24	81.08	82.5	95.2	94.35	113.88
A. Current (1-4)	200.63	185.24	224.05	223.66	272.84	255.86	320.12
B. Development	80.84	80.84	80.8	83.9	114.45	20.88	100
Total (A +B)	281.47	266.08	304.85	307.56	387.29	276.74	420.12

Source: FABS Reports from PIFRA SAP System.

Donors have also committed funding of training, which is reflected in ADP under Foreign Projects Assistance. Khyber Pakhtunkhwa has a vast infrastructure for teacher training but it remains underutilized. Regional Training Institutes mainly conduct pre-service training on ad-hoc basis.

Variation in Education Expenditure at District Level, 2012-13:

*Battagram + Hangu + Tor Ghar + Tank :
Rs. 2.48 billion*

*Peshawar:
Rs. 4.42 billion*

This calls for better rationalization and need based budgeting.

Issues in Khyber Pakhtunkhwa Education Budget 2013-14

Lump-sum Allocations

Block allocation are prone to political manipulation.

▲ **Rs. 3,146.28 million**

at the disposal of Finance Division

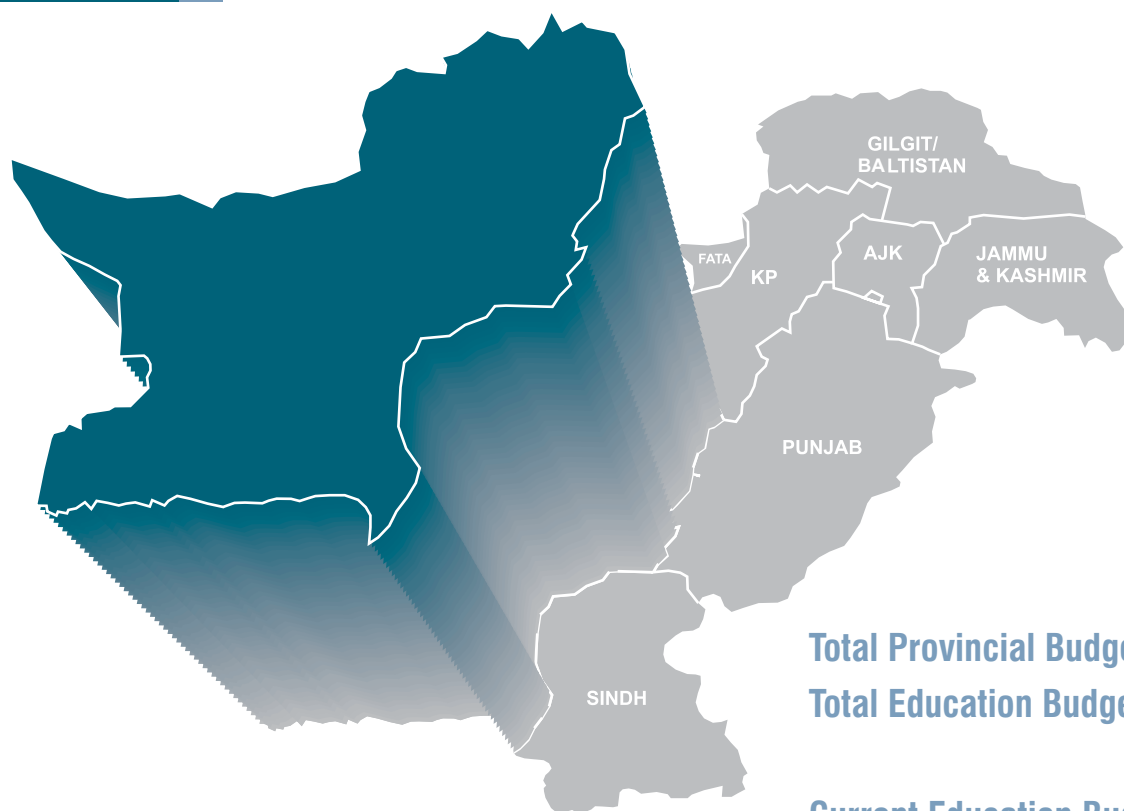
▲ **Rs. 762.52 million**

allocated for colleges including 60%
lumpsum amount for non-salary

Source: Khyber Pakhtunkhwa Budget Books 2013-14

CHAPTER 6

Public Financing of Education: Balochistan



Total Provincial Budget: 198 billion

Total Education Budget: 35 billion

Current Education Budget: 24.7 billion

► **Salary Budget: 20.8 billion**

► **Non-Salary Budget: 3.9 billion**

Development Education Budget: 10.2 billion

(Balochistan Education Budget, FY 2013-14)

CHAPTER 6

Public Financing of Education: Balochistan

Fifty five (55) percent population of Balochistan aged 10 years or above has never attended a school. Net Enrolment Rate for primary is 47 per cent, and it declines sharply at middle, high and higher secondary levels. Girls and children from poor families are more disadvantaged than their counterparts from upper income quintiles¹¹.

6.1 EDUCATION BUDGET, 2012-13 AND 2013-14

6.1.1 Total Level of Education Expenditure Commitment

The Government of Balochistan (GoB) has allocated Rs. 34.90 billion for education budget in 2013-14. This amount includes allocation for districts as well. Out of this total allocation, Rs. 24.74 billion (71 percent) will be absorbed in recurrent expenses. Major share of the current budget, i.e., 84 percent of the allocated budget will go to salaries and other employee-related expenses such as pay and allowances.

▶ **42%**

Overall increase in Balochistan budget

▶ **9%**

Increase in salaries

▶ **18%**

Increase in non-salaries budget

An amount of Rs. 10.15 billion (29 percent) is earmarked for development

¹¹ PSLM 2010-11. In 2011-12, 57 areas of Balochistan province could not be covered due to security reasons, so the results of PSLM survey 2011-12 are not representable.

“””

The Government is expecting Rs. 492.65 million (5 per cent) as part of Foreign Project Assistance (FPA) in its development budget for education.

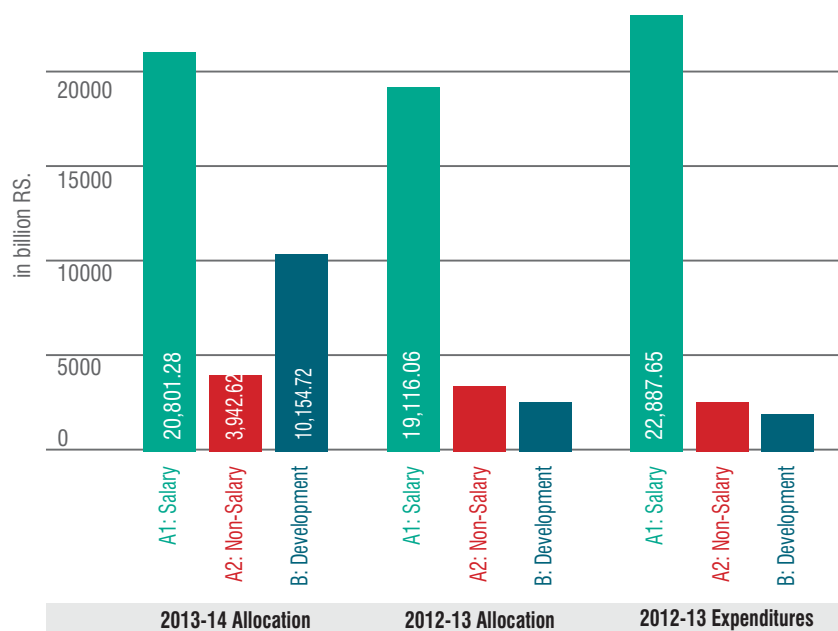
Table 6.1: Balochistan Education Budget at a Glance, 2012-13 & 2013-14 (Rs. Million)

	2013-14	2012-13		Increase/Decrease vis-à-vis 2012-13	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Current	24,743.9	22,457.97	25,527.79	2,285.93 (10%)	-783.89 (-3%)
Salary	20,801.28	19,116.06	22,887.65	1,685.22 (9%)	-2086.37 (-9%)
Non-Salary	3,942.62	3,341.9	2,640.13	600.72 (18%)	1302.49 (49%)
B. Development	10,154.72	2,061.61	1,690.22	8,093.11 (393%)	8464.5 (501%)
Total (A+B)	34,898.62	24,519.58	27,218.01	10,379.04 (42%)	7680.61 (28%)

Source: FABS Reports from PIFRA SAP System.

schemes which is an increase of 501 percent compared to the actual development budget expenditure in 2012-13. This shows the commitment of the Government to improve the infrastructure and the facilities provided to the schools. The Government is expecting Rs. 492.65 million¹² (5 percent) as part of Foreign Project Assistance (FPA) in its development budget for education.

Chart 6.1: Balochistan Education Budget at a Glance, 2012-13 & 2013-14

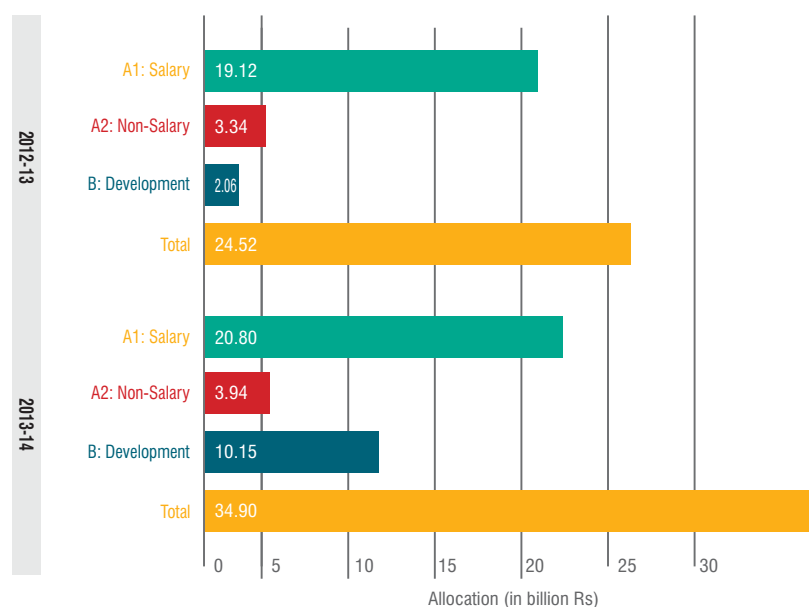


Source: FABS Reports from PIFRA SAP System.

¹² Figures retrieved from Public Sector Development Programme (Sectorwise) 2013-14, Government of Balochistan.
http://balochistan.gov.pk/index.php?option=com_docman&task=cat_view&gid=1265&Itemid=754

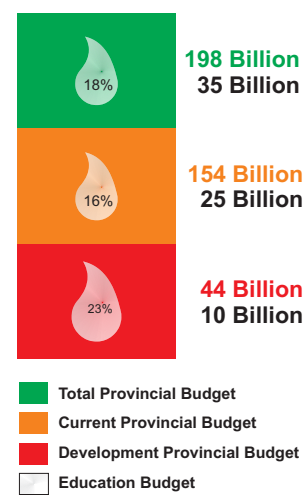
In 2013-14, overall the education budget of Balochistan has increased substantially by a margin of 42 percent over 2012-13. Salaries have increased by 9 percent whereas the non-salary budget has been raised by 18 percent. In absolute terms, the education sector has been allocated an additional amount of Rs. 10.38 billion compared to the allocation in 2012-13. Compared to the allocations in 2012-13, an extra amount of Rs. 1.69 billion and Rs. 0.60 billion has been apportioned for salaries and non-salary expenses, respectively; whereas, Rs. 8.09 billion is the increase in the development budget.

Chart 6.2 Change in Budgetary Allocations for Education, 2012-13 and 2013-14



Source: FABS Reports from PIFRA SAP System.

Education Budget as Proportion of Total Provincial Budget 2013-14



6.1.2 Education Budget as a Proportion of Total Provincial Budget

The total provincial outlay in 2013-14 was Rs. 198.39 billion out of which Rs. 34.90 billion (18%) has been allocated for the education budget. This constitutes about one-fifth of the total provincial budget.

A breakdown of the share of education in the total provincial outlay suggests that 16 percent and 23 percent of the provincial current and development outlay, respectively, has been allocated for education.

Net Enrolment Rate at Primary Level



Boys

Source: PSLM, 2011-12

Net Enrolment Rate at Primary Level



28%

Girls

Source: PSLM, 2011-12

Table 6.2 Education Budget as Proportion of Total Provincial Budget, 2013-14 (Rs. Million)

	Provincial Budget	Education Budget	Education Budget as Proportion of Provincial Budget
A. Current	154,468.16	24,743.9	16 %
B. Development	43,921.84	10,154.72	23 %
Total (A+B)	198,390.00	34,898.62	18 %

Source: FABS Reports from PIFRA SAP System.

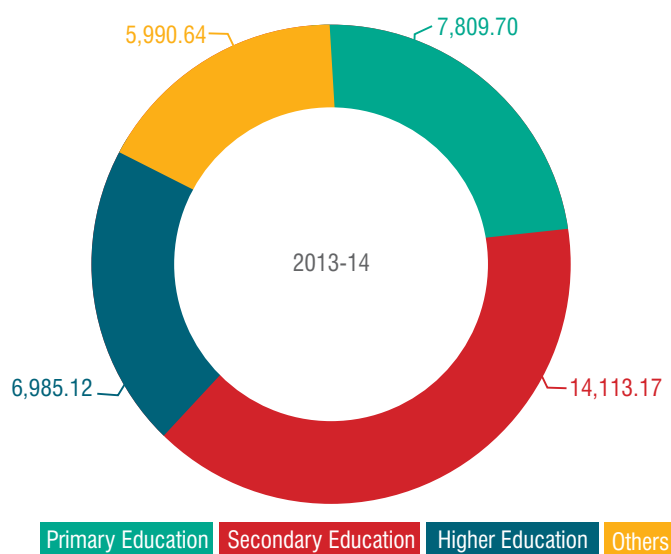
6.1.3 Composition of Budget

The largest share of the education budget 2013-14 has been earmarked for secondary education, equivalent to Rs. 14.11 billion, which is almost double the allocation in 2012-13 (7.09 billion). Primary education receives the second highest allocation in the education budget where the share has increased from Rs. 5.31 billion in 2012-13 to Rs. 7.81 billion in 2013-14.

Table 6.3: Distribution of Education Budget, 2012-13 and 2013-14 (Rs. Million)

	2013-14			2012-13			Difference over 2012-13		
	Current	Dev.	Total	Current	Dev.	Total	Current	Dev.	Total
Primary Education	6,360.50	1,449.20	7,809.70	4,968.93	344.82	5,313.75	28%	320%	47%
Secondary Education	9,369.45	4,743.71	14,113.17	6,652.43	442.02	7,094.45	41%	973%	99%
Higher Education	3,720.11	3,265.00	6,985.12	3,229.15	1,274.77	4,503.92	15%	156%	55%
Others	5,293.84	696.80	5,990.64	7,607.45	-	7,607.45	-30%	-	-21%
Total	24,743.90	10,154.72	34,898.63	22,457.97	2,061.6	24,519.59	10%	393%	42%

Source: FABS Reports from PIFRA SAP System.

Chart 6.3: Distribution of Education Expenditure, 2013-14 (Rs. Million)

Source: FABS Reports from PIFRA SAP System.

Considering the national focus on primary education and the strategy to cater for the huge number of out-of-school children, it is strange to see higher allocation for secondary education compared to primary education.

Secondary education will absorb about 40 percent of the education budget for 2013-14. This is followed by primary education for which 22 percent of the education budget has been allocated. Higher education and other types of expenditures are allocated 20 percent and 17 percent each, respectively.

6.2 TRENDS IN EDUCATION EXPENDITURE, 2010-11 To 2013-14

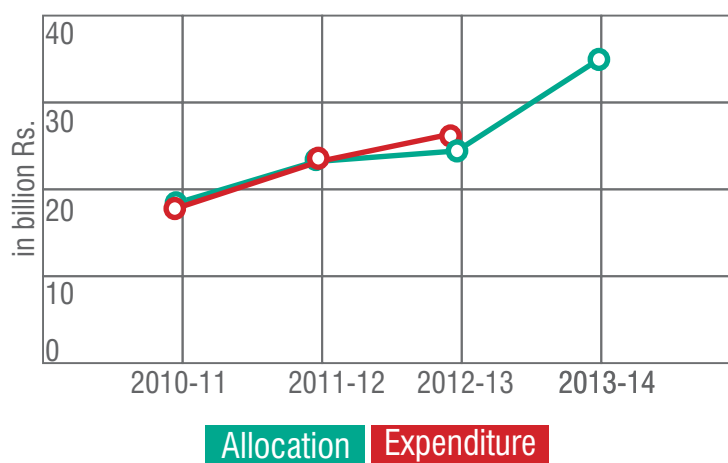
6.2.1 Trends in Total Budget Allocations and Expenditures

The education expenditure of Balochistan Government has registered a positive trend in the recent years (see Table A6.1 in Annex). In 2011-12, the total (actual) expenditure of the provincial government and districts on education was Rs. 23.21 billion, which was an increase of 24 percent (Rs. 4.457 billion) compared to 2010-11. About 82 percent of this additional expenditure was absorbed in current expenditure on primary and secondary education. In 2012-13, a sum of Rs. 24.52 billion was allocated for education budget, which was higher to the tune of Rs. 1.31 billion in comparison with actual expenditure in the previous year. The actual expenditure stood at 111 percent of the allocation in 2012-13. The overall budget allocation for 2013-14 has increased by 128 percent compared to the expenditure in 2012-13.

Except for one instance, the utilization of allocated budget has been very high. In 2010-11, it stood at 97 percent. In 2011-12, the utilization exceeded the

allocation and reached 102 percent. The excess amount (equivalent to Rs. 547.74 million) was spent on employee-related expenses. In 2012-13, the actual expenditure was 111 percent of the allocation. Secondary education received the largest proportion of budget, followed by primary education, higher education and “others”. In 2011-12, these proportions were 43 percent, 44 percent, 14 percent and 0.17 percent respectively.

Chart 6.4: Trends in Total Education Budget Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

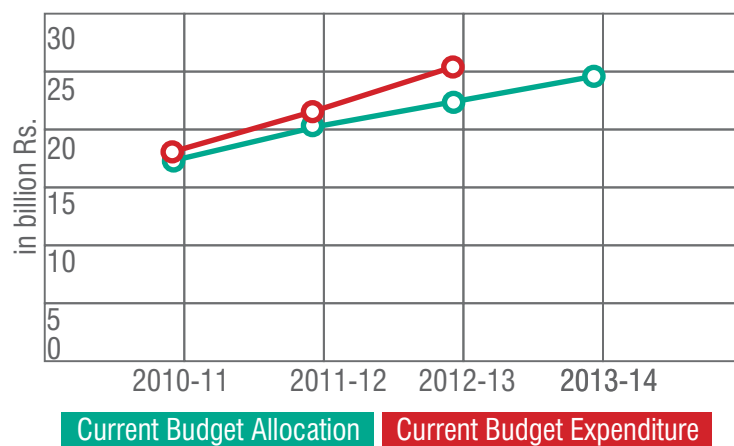
6.2.2 Trends in Salary and Non-Salary Budget Allocations and Expenditures

The largest proportion of Balochistan education budget, like other provinces, is absorbed in the recurrent expenditure (see Table A6.2 in Annex) which includes salaries, allowances and other employees-related benefits, and non-salary operational costs. In 2011-12, actual expenditure on these heads was in the range of Rs. 21.62 billion, which is around 93 percent of the total education expenditure of Balochistan. In comparison with 2010-11, the recurrent expenditure on education in 2011-12 went up by a margin of Rs. 3.68 billion. 93 percent of this increase is attributed to a rise in the salary expenditure, whereas, the non-salary expenditure increased marginally.

A major portion of the education budget comprises of recurrent expenses comprising of salaries, allowances, pensions and non-salary operational expenses. As can be seen from the chart below, there has not been any specific trend in the allocations at any level. In 2012-13, Balochistan government had planned to spend Rs. 22.46 billion on salary and non-salary expenses. The largest proportion of this expenditure was spent on salaries of teaching and non-teaching staff in secondary education, followed by primary education sector, higher education institutions and

In 2012-13, the actual expenditure was 111 percent of the allocated budget.

Chart 6.5: Trends in Current Budget Allocations and Expenditures, 2010-11 to 2013-14



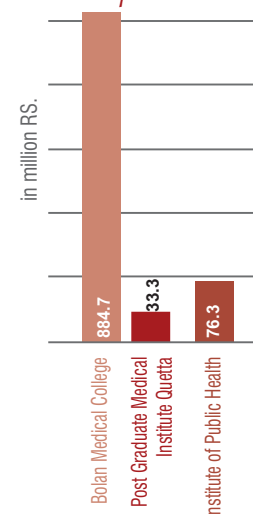
Source: FABS Reports from PIFRA SAP System.

miscellaneous types of institutions. On breaking down the current expenditure, by level of education, an arbitrary pattern is observed. Up to 2011-12, Primary education has been absorbing the largest proportion of recurrent expenditure, followed by secondary education and higher education. The actual recurrent expenditure of secondary education increased sharply from Rs. 6.30 billion in 2010-11 to Rs. 9.36 billion in 2011-12. This rise was due to substantial increase in both salary and non-salary expenditure. In 2012-13, this level of expenditure was not maintained but secondary education surpassed primary education in overall expenditure. Now, primary education is the second highest in terms of expenditure followed by "others" and higher education.

About 75 to 85 percent of the total education budget of Balochistan is spent on salaries and other employee-related costs (see Table A6.3 in Annex). This ratio remained at 83 percent, 82 percent and 84 percent in 2010-11, 2011-12 and 2012-13 respectively. The salary expenditure is in the range of 85 to 90 percent of the total current expenditure. The government spent Rs. 8.51 billion on salaries in primary

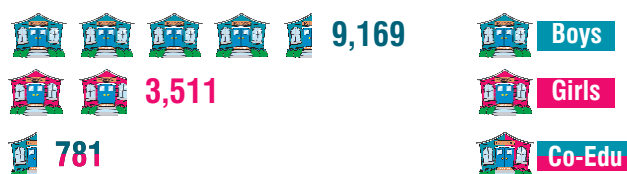
Issues in Balochistan Education Budget 2013-14

The current education budget is overstated by 4% due to inclusion of education-related expenditure of health department:



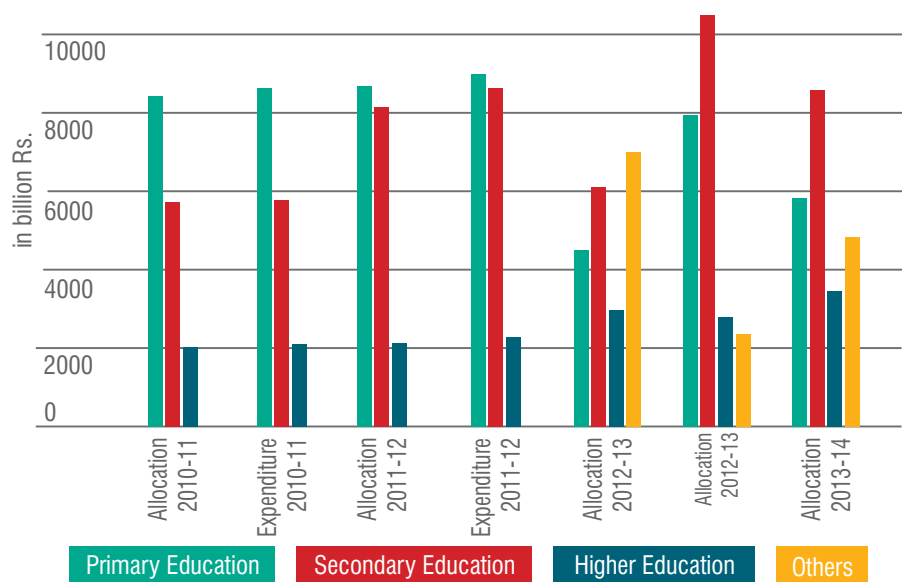
Source: Balochistan Budget Books 2013-14

Number of Educational Institutions



Source: NEMIS, 2011-12

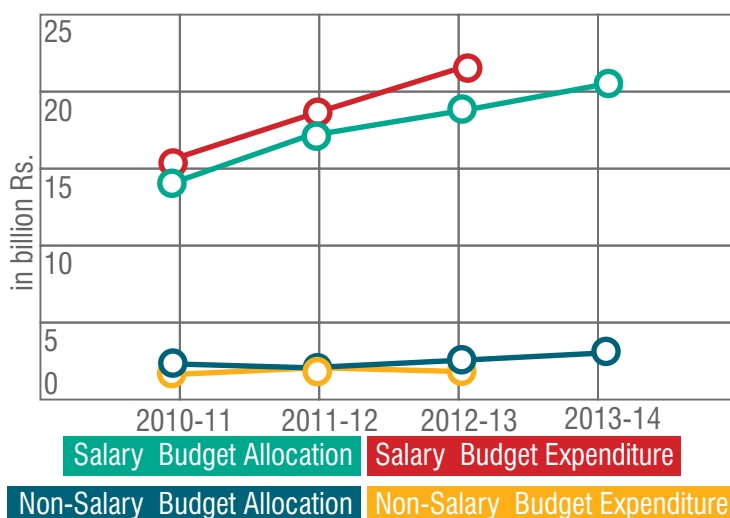
Chart 6.6: Trends in Current Budget by Educational Level - Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

education, Rs. 8.27 billion in secondary education and Rs. 2.10 billion in higher education in 2011-12. Salary expenditure of secondary education went up by a margin of Rs. 2.13 billion in one year (2010-11 to 2011-12). Barring this exception, the proportion of salary budget for primary education has been substantially higher than both secondary and higher education in 2011-12. In 2012-13, the salary expenditure of primary education went considerably below the secondary education.

Chart 6.7: Trends in Salary and Non-Salary Budget Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

Non-salary expenditure is very crucial for effective functioning of schools as it enables them to meet day-to-day operational costs. In 2011-12, the Balochistan Government spent Rs. 2.7 billion on this head, which accounted for 11 percent of the total expenditure (see Table A6.4 in Annex). The share of non-salary allocation increased to 14 percent of the total education budget in 2012-13 whereas 11 percent of the total allocation has been earmarked for this purpose in 2013-14. The non-salary allocation has increased in absolute terms in 2013-14, but its realization depends upon the actual spending during the year.

6.2.3 Trends in Development Budget Allocations and Expenditures

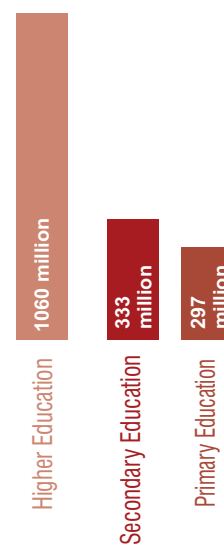
A small proportion of government's education budget is earmarked for development schemes every year. In recent years, the allocation has been around Rs. 2 billion, equivalent to 7-10 percent of the total allocation. However, actual expenditure has been even lower where in 2010-11, 2011-12 and 2012-13, it stood at Rs. 0.80 billion, Rs. 1.58 billion and Rs. 1.69 billion respectively; representing mere 4 percent, 7 percent and 10 percent of total education expenditure of Balochistan. Bulk of the government resources are being absorbed in salaries and allowances.

The above trend has been changed in the development budgetary appropriations in 2013-14. The development budget allocation has surged to 29 percent of the total allocation but the actual utilization will present the real picture as to whether the money has been parked in education or actually spent.

A breakdown of the education budget indicates that development priorities have not changed in recent years (see Table A6.5 in the annex). The largest proportion of development expenditure is absorbed in higher education, followed by secondary education and primary education. In 2011-12, development expenditure in these sub-sectors was to the tune of Rs. 732.03 million, Rs. 504.96 million and Rs. 346.97 million respectively. The spending on primary and secondary education was further reduced in 2012-13, whereas, there was an increase in the spending on

Development Expenditure 2012-13:

The largest proportion of development expenditure is absorbed in higher education, followed by secondary education and primary education.



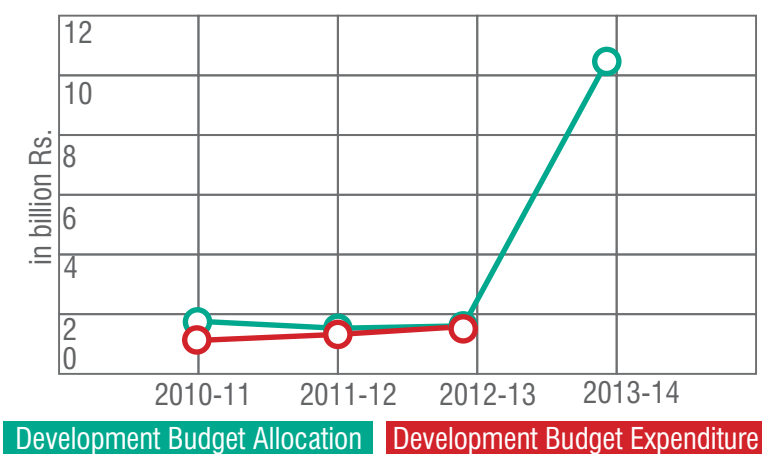
Enrolment in Public Schools



Source: NEMIS, 2011-12

higher education. Due to higher proportion of development budget in the total education budget of 2013-14, the allocations for primary and secondary education have also risen substantially by 387.3 percent and 1324.7 percent, respectively, compared to the expenditure of 2012-13.

Chart 6.8: Trends in Development Budget Allocations and Expenditures, 2010-11 to 2013-14



Source: FABS Reports from PIFRA SAP System.

The higher priority attached to higher education in development expenditure is unusual, in comparison with other provinces. This is because the federal government is still the major financier of public sector higher educational institutions located in the provinces. A key implication of Balochistan's emphasis on higher education is that the existing cohorts of matriculates and graduates will get advanced qualifications. However, this will be at the cost of education system's capacity to tackle issues of illiteracy and out-of-school children who need basic education.

The higher priority attached to higher education in development expenditure is unusual, in comparison with other provinces.



ANNEX

Statistical Tables

ANNEX 1

Statistical Tables

Federal Education Budget

Chapter 2

Table A2.1: Breakdown of Total Education Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	3,204	3,252	4,358	4,387	4,700.19	6,377.53	5,832
Secondary Education	4,299	4,442	4,956	5,592	5,632.45	7,637.91	7,434
Higher Education	42,857	45,834	43,467	48,343	51,625.66	52,710.83	61,883
Others	5,306	1,653	1,694	3,033	3,292.12	3,416.63	5,249
Total	55,666	55,181	54,475	61,355	65,250.41	70,142.90	80,398

Source: FABS Reports from PIFRA SAP System.

Table A2.2: Breakdown of Current Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	3,174	3,245	4,148	4,267	4,670.19	6,365.53	5,832
Secondary Education	4,232	4,425	4,893	5,524	5,606.93	7,627.70	7,434
Higher Education	25,210	31,166.	29,111	33,997	35,766.47	40,673.95	43,364
Others	1,884	1,487	1,362	1,425	1,830.24	2,285.244	2,647
Total	34,500	40,323.	39,514	45,213	47,873.83	56,952.42	59,277
% of Total Education Budget	62%	73%	73%	74%	73%	81%	74%

Source: FABS Reports from PIFRA SAP System.

Chapter 2

Table A2.3: Breakdown of Salary Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	3,085.24	3,159.79	4,056.19	4,174.94	4,481.04	6,255.92	5,722.40
Secondary Education	4,087.65	4,297.73	4,798.30	5,423.06	5,428.63	7,533.06	7,339.36
Higher Education	1,455.97	1,596.66	1,832.18	2,043.70	2,426.02	3,882.60	4,157.11
Others	547.59	537.452	497.90	531.09	601.24	715.89	766.51
Total	9,176.45	9,591.64	11,184.57	12,172.79	12,936.93	18,387.47	17,985.37
% of Total Current Budget	27%	24%	28%	27%	27%	32%	30%
% of Total Education Budget	16%	17%	21%	20%	20%	26%	22%

Source: FABS Reports from PIFRA SAP System.

Table A2.4: Breakdown of Non-Salary Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	88.76	85.21	91.81	92.06	189.15	109.61	109.60
Secondary Education	144.36	127.27	94.70	100.94	178.30	94.64	94.64
Higher Education	23,754.03	29,569.34	27,278.82	31,953.30	33,340.45	36,791.35	39,206.89
Others	1,336.41	949.55	864.10	893.91	1,229.00	1,569.35	1,880.49
Total	25,323.56	30,731.36	28,329.43	33,040.21	34,936.90	38,564.95	41,291.63
% of Total Current Budget	73%	76%	72%	73%	73%	68%	70%
% of Total Education Budget	45%	56%	52%	54%	54%	55%	51%

Source: FABS Reports from PIFRA SAP System.

Table A2.5: Breakdown of Development Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	30	7	210	120	30	12	0
Secondary Education	67	17	63	68	25.52	10.21	0
Higher Education	17,647	14,668	14,356	14,346	15,859.19	1,2036.89	18,519
Others	3,422	166	332	1,608	1,461.88	1,131.39	2602
Total	21,166	14,858	14,961	16,142	17,376.58	13,190.48	21,121
% of Total Education Budget	38%	27%	27%	26%	27%	19%	26%

Source: FABS Reports from PIFRA SAP System.

Punjab Education Budget

Table A3.1: Breakdown of Total Education Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	72,913.52	68,338.60	83,912.13	76,510.06	94,995.88	90,272.55	98,962.48
Secondary Education	59,730.16	49,286.32	75,374.29	62,185.92	92,029.28	71,724.14	99,594.45
Higher Education	15,690.63	13,555.93	20,251.40	19,461.27	25,612.65	22,582.10	26,189.27
Others	6,820.36	6,189.81	12,440.49	10,612.17	7,936.91	8,181.11	7,820.16
Total	155,154.67	137,370.64	191,978.31	168,769.42	220,575.63	192,759.89	232,566.34

Source: FABS Reports from PIFRA SAP System.

Table A3.2: Breakdown of Current Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	71,125.29	67,110.77	82,627.62	75,574.16	93,972.53	89,811.06	97,227.23
Secondary Education	47,607.90	43,739.05	60,342.31	50,063.77	68,043.00	69,744.10	73,693.75
Higher Education	13,465.26	11,835.13	12,226.49	12,083.61	16,818.35	17,543.27	21,758.35
Others	4,228.66	3,885.85	8,254.41	6,805.21	6,714.81	7,772.98	7,430.99
Total	136,427.11	126,570.79	163,450.83	144,526.75	185,548.69	184,871.41	200,110.31
% of Total Education Budget	88 %	92 %	85 %	86 %	84 %	96 %	86 %

Source: FABS Reports from PIFRA SAP System.

Chapter 3

Table A3.3: Breakdown of Salary Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	69,007.73	65,491.53	80,637.67	73,890.78	92,810.68	88,676.34	96,158.31
Secondary Education	37,496.85	34,521.80	47,213.48	42,591.50	58,530.12	55,340.46	60,597.85
Higher Education	12,247.52	10,943.74	10,593.77	10,891.47	13,975.35	14,473.95	19,307.11
Others	1,662.91	1,423.66	4,790.59	3,554.22	5,590.98	4,982.95	6,411.92
Total	120,415.01	112,380.74	143,235.50	130,927.98	170,907.13	163,473.70	182,475.18
% of Total Current Budget	88%	89%	88%	91%	92%	88%	91%
% of Total Education Budget	78%	82%	75%	78%	77%	85%	78%

Source: FABS Reports from PIFRA SAP System.

Table A3.4: Breakdown of Non-Salary Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	2,117.55	1,619.24	1,989.95	1,683.37	1161.84	1134.72	1068.92
Secondary Education	10111.05	9217.24	13,128.83	7,472.27	9512.89	14403.64	13,095.90
Higher Education	1217.74	891.39	1632.72	1192.14	2842.1	3069.32	2451.24
Others	2565.75	2462.19	3463.82	3250.99	1,123.83	2,790.03	1,019.08
Total	16,012.10	14,190.05	20,215.32	13,598.77	14,641.56	21,397.71	17,635.14
% of Total Current Budget	12%	11%	12%	9%	8%	12%	9%
% of Total Education Budget	10%	10%	11%	8%	7%	11%	8%

Source: FABS Reports from PIFRA SAP System.

Table A3.5: Breakdown of Development Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	1,788.23	1227.83	1284.51	935.9	1023.35	461.49	1,735.25
Secondary Education	12122.26	5547.27	15031.98	12122.15	23986.28	1980.04	25,900.70
Higher Education	2225.37	1720.8	8024.91	7377.66	8,794.30	5038.83	4,430.92
Others	2591.7	2303.96	4186.08	3806.96	1222.1	408.13	389.17
Total	18,727.56	10799.85	28,527.48	24,242.67	35,026.94	7,888.48	32,456.03
% of Total Education Budget	12%	8%	15%	14%	16%	4%	14%

Source: FABS Reports from PIFRA SAP System.

Sindh Education Budget

Note: Figures for 2010-11 do not include district expenditure on education, whereas, figures for 2011-12 partially include district education expenditure.

Table A4.1: Breakdown of Total Education Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	1,395.81	1,141.89	16,870.47	18,507.93	44,223.83	45,744.70	52,810.69
Secondary Education	7,683.82	3,430.55	11,522.60	16,492.12	28,654.79	26,605.18	39,561.48
Higher Education	13,984.18	9,687.57	17,195.49	9,313.16	20,327.24	14,353.85	21,203.76
Others	-	-	2594.14	62.02	16,091.45	9,551.23	21,970.87
Total	23,063.81	14,260	48,182.69	44,375.23	109,297.32	96,255.04	135,546.80

Source: FABS Reports from PIFRA SAP System.

Table A4.2: Breakdown of Current Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	1,395.81	1,057.31	16,870.47	18,446.20	42,001.63	44,847.30	51,474.63
Secondary Education	6,943.82	3,427.77	10,359.97	16,445.32	26,130.08	25,448.54	31,375.96
Higher Education	10,763.58	8,357.93	12,714.63	8,957.63	14,664.15	11,805.93	16,125.27
Others	-	-	-	-	14,501.46	9,232.16	19,685.94
Total	19,103.21	12,843.01	39,945.07	43,849.15	97,297.32	91,333.93	118,661.80
% of Total Education Budget	83%	90%	83%	99%	89%	95%	88%

Source: FABS Reports from PIFRA SAP System.

Chapter 4

Note: Figures for 2010-11 do not include district expenditure on education, whereas, figures for 2011-12 partially include district education expenditure.

Table A4.3: Breakdown of Salary Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Education	391.28	249.13	14,057.42	16,039.56	38,912.99	44,651.30	48,162.69
Secondary Education	-	0.07	9,308.24	15,874.10	25,289.34	25,369.11	30,468.58
Higher Education	8,625.18	6,602.44	3,679.87	3,591.31	11,521.16	9,138.81	12,588.19
Others	-	-	-	-	2,480.82	1,399.01	3,021.60
Total	9,016.47	6,851.64	27,045.53	35,504.97	78,204.32	80,558.23	94,241.05
% of Current Budget for Education	47%	53%	68%	81%	80%	88%	79%
% of Total Education Budget	39%	48%	56%	80%	72%	84%	70%

Source: FABS Reports from PIFRA SAP System.

Table A4.4: Breakdown of Non-Salary Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	1,004.53	808.18	2,813.05	2,406.64	3,088.64	195.99	3,311.94
Secondary Education	6,943.82	3,427.70	1,051.73	571.23	840.74	79.44	907.39
Higher Education	2,138.40	1,755.48	9,034.76	5,366.31	3,142.99	2,667.12	3,537.08
Others	-	-	-	-	12,020.64	7,833.15	16,664.34
Total	10,086.75	5,991.37	12,899.54	8,344.18	19,093.00	10,775.70	24,420.75
% of Current Budget for Education	53%	47%	32%	19%	20%	12%	21%
% of Total Education Budget	44%	42%	27%	19%	17%	11%	18%

Source: FABS Reports from PIFRA SAP System.

Table A4.5: Breakdown of Development Expenditure by Education Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	-	84.58	-	61.73	2,222.21	897.47	1,336.06
Secondary Education	740.00	2.78	1162.63	46.80	2,524.71	1,156.64	8,185.52
Higher Education	3220.60	1329.64	4480.87	355.54	5,663.09	2,547.93	5,078.49
Others	-	-	2594.14	62.02	1,589.99	319.08	2,284.93
Total	3960.60	1416.99	8237.63	526.08	12,000.00	4,921.11	16,885.00
% of Total Education Budget	17%	10%	17%	1%	11%	5%	12%

Source: FABS Reports from PIFRA SAP System.

Khyber Pakhtunkhwa Education Budget

Table A5.1: Breakdown of Total Education Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	19,289.89	18,624.55	22,262.73	24,016.62	22,569.26	30,379.83	45,136.55
Secondary Education	23,153.05	23,391.80	27,973.71	27,886.92	28,986.95	34,120.55	35,899.07
Higher Education	5,484.01	5,425.64	6,646.35	7,161.57	10,103.95	10,674.09	11,777.64
Others	3,033.05	1,769.46	6,290.55	2,414.33	16,484.89	1,710.25	3593.75
Total	50,959.99	49,211.45	63,173.34	61,479.44	78,145.05	76,884.715	96,407.00

Source: FABS Reports from PIFRA SAP System.

Table A5.2: Breakdown of Current Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	17,410.41	17,662.24	21,148.99	22,342.77	20,740.09	27,139.33	27,363.52
Secondary Education	17,917.33	17,687.95	21,972.45	21,299.93	23,700.12	27,875.11	29,595.67
Higher Education	2,534.10	2,526.74	3,744.32	3,267.52	5,192.95	5,137.77	6,055.09
Others	2,156.01	1,742.10	3,100.93	2,343.63	6,359.00	807.0	3,593.75
Total	40,017.85	39,619.03	49,966.69	49,253.85	55,992.16	60,959.23	66,608.03
% of Total Education Budget	79%	81%	79%	80%	72%	79%	69%

Source: FABS Reports from PIFRA SAP System.

Chapter 5

Table A5.3: Breakdown of Salary Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	17,008.08	17,335.20	20,643.24	21,872.36	20,424.27	26,365.15	24,487.31
Secondary Education	17,543.97	17,376.54	21,462.68	20,836.26	23,341.97	25,752.67	28,696.23
Higher Education	2,441.26	2,451.27	3,396.36	3,166.62	4,492.88	4,014.02	5,424.13
Others	1,031.83	951.61	1,192.86	1,151.54	5,381.84	343.951	3,257.02
Total	38,025.14	38,114.61	46,695.15	47,026.78	53,640.95	56,475.80	61,864.69
% of Total Current Budget	95%	96%	93%	95%	96%	93%	93%
% of Total Education Budget	75%	77%	74%	76%	69%	73%	64%

Source: FABS Reports from PIFRA SAP System.

Table A5.4: Breakdown of Non-Salary Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	402.33	327.04	505.75	470.41	315.82	774.18	2,876.21
Secondary Education	373.36	311.42	509.77	463.66	358.15	2,122.44	899.45
Higher Education	92.83	75.47	347.95	100.90	700.06	1,123.76	630.96
Others	1,124.18	790.49	1,908.08	1,192.10	977.17	463.05	336.72
Total	1,992.70	1,504.42	3,271.55	2,227.07	2,351.21	4,483.43	4,743.34
% of Total Current Budget	5%	4%	7%	5%	4%	7%	7%
% of Total Education Budget	4%	3%	5%	4%	3%	6%	5%

Source: FABS Reports from PIFRA SAP System.

Table A5.5: Breakdown of Development Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	1,879.47	962.32	1,113.74	1,673.85	1,829.17	3,240.49	17,773.03
Secondary Education	5,235.72	5,703.85	6,001.26	6,586.99	5,286.83	6,245.44	6,303.40
Higher Education	2,949.92	2,898.90	2,902.03	3,894.05	4,911.00	6,440.73	5,722.54
Others	877.04	27.36	3,189.61	70.70	10,125.89*	0.000	-
Total	10,942.15	9,592.42	13,206.65	12,225.59	22,152.89	15,925.48	29,798.97**
% of Total Education Budget	21%	19%	21%	20%	28%	21%	31%

Source: FABS Reports from PIFRA SAP System.

* includes Rs. 9.97 billion Foreign Project Assistance (FPA), ** includes Rs. 15.969 billion FPA

Balochistan Education Budget

Table A6.1: Breakdown of Total Education Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	10,231.23	9,375.08	10,209.49	10,102.74	5,313.75	8,871.69	7,809.70
Secondary Education	6,345.07	6,487.10	9,344.81	9,869.41	7,094.45	11,670.09	14,113.16
Higher Education	2,787.51	2,866.29	3,055.59	3,196.41	4,503.92	4,120.75	6,985.11
Others	20.27	22.32	49.75	38.83	7,607.45	2,555.50	5,990.64
Total	19,384.08	18,750.80	22,659.65	23,207.39	24,519.58	27,218.01	34,898.62

Source: FABS Reports from PIFRA SAP System.

Table A6.2: Breakdown of Current Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	9,144.95	9,342.36	9,419.45	9,755.77	4,968.93	8,574.29	6,360.50
Secondary Education	6,153.80	6,303.83	8,839.85	9,364.45	6,652.43	11,337.12	9,369.45
Higher Education	2,199.77	2,278.55	2,323.56	2,464.38	3,229.15	3,060.88	3,720.11
Others	20.27	22.32	49.75	38.83	7,607.45	2,555.50	5,293.84
Total	17,518.79	17,947.07	20,632.62	21,623.43	22,457.97	25,527.79	24,743.90
% of Total Education Budget	90%	96%	91%	93%	92%	94%	71%

Source: FABS Reports from PIFRA SAP System.

Chapter 6

Table A6.3: Breakdown of Salary Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	7,032.92	7,560.93	8,090.57	8,511.81	4,968.93	8,351.91	6,103.61
Secondary Education	5,976.84	6,140.09	7,540.26	8,274.04	6,318.62	10,606.60	7,956.23
Higher Education	1,627.01	1,768.32	1,927.49	2,103.90	2,863.08	2,527.81	3,344.80
Others	15.08	17.70	42.90	33.41	4,965.42	1,401.33	3,396.62
Total	14,651.85	15,487.04	17,601.22	18,923.17	19,116.06	22,887.65	20,801.28
% of Total Current Budget	84%	86%	85%	88%	85%	90%	84%
% of Total Education Budget	76%	83%	78%	82%	78%	84%	60%

Source: FABS Reports from PIFRA SAP System.

Table A6.4: Breakdown of Non-Salary Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	2,112.03	1,781.43	1,328.89	1,243.95	-	222.38	256.88
Secondary Education	176.97	163.74	1,299.59	1,090.42	333.80	730.52	1,413.21
Higher Education	572.76	510.23	396.07	360.47	366.06	533.06	375.30
Others	5.18	4.61	6.85	5.42	2,642.03	1,154.17	1,897.21
Total	2,866.94	2,460.02	3,031.40	2,700.26	3,341.90	2,640.13	3,942.62
% of Total Current Budget	16%	14%	15%	12%	15%	10%	16%
% of Total Education Budget	15%	13%	13%	11%	14%	10%	11%

Source: FABS Reports from PIFRA SAP System.

Table A6.5: Breakdown of Development Expenditure by Educational Level (Rs. Million)

	2010-11		2011-12		2012-13		2013-14
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	1,086.28	32.72	790.04	346.97	344.82	297.40	1,449.20
Secondary Education	191.27	183.27	504.96	504.96	442.02	332.97	4,743.71
Higher Education	587.74	587.74	732.03	732.03	1,274.77	1,059.87	3,265.0
Others	-	-	-	-	-	-	696.80
Total	1,865.29	803.73	2,027.03	1,583.96	2,061.61	1,690.22	10,154.72
% of Total Education Budget	10%	4%	9%	7%	8%	10%	29%

Source: FABS Reports from PIFRA SAP System.



GLOSSARY

Glossary

Actual Expenditure	Amount actually spent by a spending unit out of the allocation for a particular account head
Aggregate	Total budgetary outlay of the federal or provincial governments
Budget	Government's annual financial plan which provides details of the proposed expenditure and sources of financing the expenditure
Budget Estimates	Demands of expenditure for the next fiscal year – also known as 'allocations'
Current Budget	Allocation and expenditure on goods and services consumed within the current year; includes recurrent costs of a spending unit
Development Budget	Allocation and expenditure on development activities and schemes (e.g. infrastructure, capacity building projects) which have generally a finite life
Employees-related Expenses	Include salaries and allowances (but generally, does not include employees retirement benefits)
Functional	Refers to various categories that constitute the current or development budgets such as primary education, secondary education, professional universities/colleges/institutes, administration, etc.
Non-salary Expenses	Includes all current expenditure other than employees related expenses such as operating costs, purchase of physical assets, repairs and maintenance
Operating Expenses	Includes communications, utilities, occupancy costs, travel and transportation and general costs
Physical Assets	Purchase of computers, transport, plant and machinery, furniture and fixture. Cost of repairs and maintenance are covered under a separate head
Re-appropriation	Transfer of allocated amount from one unit to another unit in a fiscal year

Repairs and Maintenance	Expenses for repair of transport, machinery and equipment and furniture and fixture, buildings and structures etc.
Transfers	Grants for a special purpose not classified elsewhere (e.g. entertainment and gifts, benefits, certain scholarships)

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