



Public Financing of Education in Pakistan

Analysis of Federal, Provincial and District Budgets

2010-11 to 2014-15



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Provincial and District Budgets
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Foreword

Pakistan is faced with an educational challenge of unprecedented proportions. The challenge is intrinsically linked to the way the public resources for education are allocated, managed and monitored. Institute of Social and Policy Sciences (I-SAPS), with its aim to establish a dedicated and informed link between education data, policy provisions and the budgetary allocations, has been reporting and comparing the public expenditure of federal and provincial governments since 2007-08. In this regard, *Public Financing of Education in Pakistan (2010-11 to 2014-15)* is the sixth in a series of publications that seek to identify gaps in and analyze the allocation and spending of available resources. The study examines the patterns of allocation and expenditure at the federal, provincial and district levels over the past five fiscal years i.e., 2010-11 to 2014-15.

The study has been done as part of the wider initiative of I-SAPS aimed at contributing towards enhancing the effectiveness of public spending on education in Pakistan. Detailed analysis of education budgets of federal government and all the provinces not only allows for tracking the spending patterns but is also expected to contribute in highlighting anomalies in the education spending and to establish a framework for better linkages between policy provisions, education data and financing. Beside other features the present endeavor is significant in this regard that it draws data from the Project to Improve Financial Reporting and Auditing (PIFRA). Additionally the study also includes district education expenditure thus providing a comprehensive picture of how the public financing of education is managed in Pakistan.

We believe that I-SAPS' work on education spending and budget tracking has significantly contributed in informing the policy discourse on education reform. This is evident from some major achievements in the education financing which were informed by the analysis provided to the public representatives and government functionaries across Pakistan. We hope that the present report will augment the evidence forming the basis for the larger debate of enrolment, learning levels, and value for money.

With a resolve to continue exploring the issues impeding the effectiveness of public financing of education we welcome feedback and suggestions from all stakeholders. We do hope that this study by I-SAPS will be a valuable resource for the policy community, academicians, and all those working for effectively responding to the educational challenge faced by Pakistan.

Salman Humayun, Ph.D.
Executive Director
I-SAPS
December, 2014

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The Institute of Social and Policy Sciences (I-SAPS) wishes to thank all those individuals who contributed to the technical part of the study. We are especially grateful to the public representatives across Pakistan, whose keen interest in the previous fiscal years' analyses and demand for the analysis on recent trends in public financing of education provided a key stimulus for the current volume. We are particularly indebted to Engr. Baligh ur Rehman, Federal Minister of State for Federal Education and Professional Trainings, Mr. Nisar Ahmad Khuro, Senior Minister for Education Sindh, Sardar Raza Muhammad Khan Barech, Education Advisor to Chief Minister Balochistan, Mr. Muhammad Atif Khan, Provincial Minister for Education, Khyber Pakhtunkhwa and Mr. Qamar ul Islam Raja, Chairman Standing Committee on Education Punjab, for always being receptive to I-SAPS' proposals and actively seeking the analysis on recent trends in public financing of education.

We are thankful to the core team led by Dr. Salman Humayun with Saif-ur-Rehman Usmani as principal researcher for undertaking the research with technical and academic support from Abdullah Alam, Research Fellow, I-SAPS and Fatima Suleman, Research Assistant, I-SAPS. The technical support rendered by Muhammad Siddique Tareen and Rizwana Shabbir, Research Fellow, I-SAPS added value to the publication. A number of individuals participated in data collection, analysis and presentation at the federal and provincial levels. Their support was central to the effort and is highly appreciated.

I-SAPS owes a debt of gratitude to those who were so generous with their time and expertise, we are particularly grateful to Abrar Hafeez, Secretary General, Consumer Rights Commission of Pakistan (CRCP), Ahmad Ali, Research Fellow, I-SAPS, Mosharraf Zaidi, Campaign Director, Alif Ailaan and Salman Naveed, Campaign Manager, Political Advocacy, Alif Ailaan for their rich and valuable insights which have immensely enriched the analysis. We are also thankful to the experts for reviewing the draft chapters and suggesting improvements. We highly regard the support of many individuals and cooperation of the Education and Finance Departments in the compilation of this study.

We would also like to express our sincere gratitude to Alif Ailaan. The study would not have been possible without the generous support, cooperation and continuous encouragement from Alif Ailaan.

Acronyms

ADP	Annual Development Programme
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
MDGs	Millennium Development Goals
PI TE	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

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
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

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

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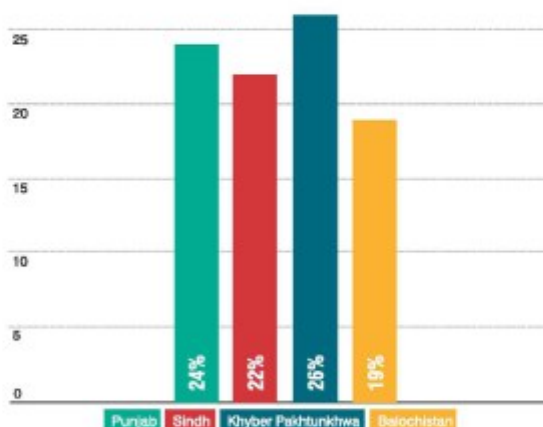
Executive Summary

Institute of Social and Policy Sciences (I-SAPS), with its aim to establish a dedicated and informed link between education data, policy provisions and the budgetary allocations, has been reporting and comparing the public expenditure of federal and provincial governments since 2007-08.

The current report, a sequel to the previous reports, not only analyzes the federal, provincial and district tier budgets as aggregated allocations and expenditures from 2010-11 to 2014-15 but also unpacks the budget at functional and operational levels. The data used in the report has been gathered from the Government Financial Management Information System (SAP system colloquially referred to as PIFRA).

All the provinces have earmarked significant portion of their total provincial budget for education. The highest proportion of provincial outlay has been recorded for Khyber Pakhtunkhwa where 26 percent of the budget is earmarked for education. KP is followed by Punjab (24 percent), Sindh (22 percent) and Balochistan (19 percent).

Chart 1: Share of Education Budget in Total Provincial Budgetary Outlay, 2014-15

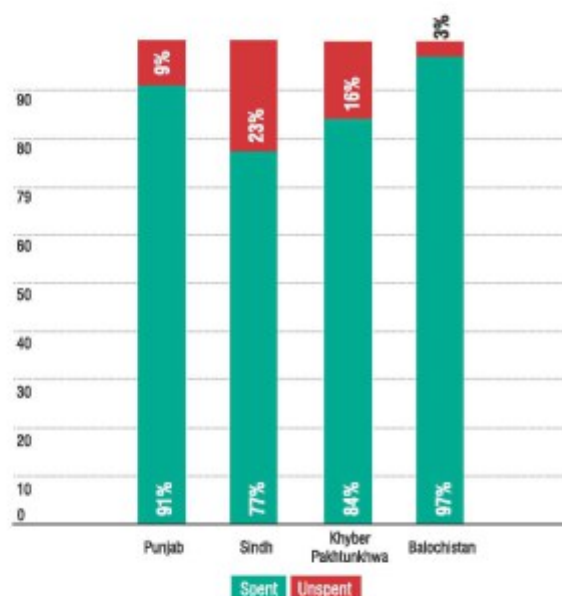


Source: FABS Reports from PIFRA SAP System

Compared with budgetary allocations in 2013-14, Balochistan has the highest percentage increase of 17 percent in the apportioned budget this year. This is followed by Punjab which has registered a 12 percent increase in 2014-15. Khyber Pakhtunkhwa and Sindh follow with 11 percent and 10 percent increase, respectively.

Despite hefty allocations for education, the expensed budget remains well short of the allocated budget. During 2013-14, the lowest utilization of education budget was recorded for Sindh where only 77 percent of the allocated budget was expensed. For the same year, Khyber Pakhtunkhwa utilized 84 percent budget, Punjab consumed 91 percent whereas Balochistan used 97 percent of the apportioned education budget during the year.

Chart 2: Difference between Allocation and Expenditure, 2013-14



Source: FABS Reports from PIFRA SAP System

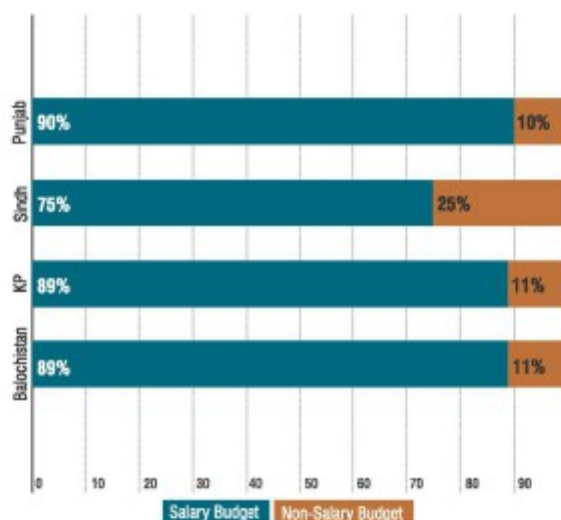
Current budget continues to receive major chunk of the education budget for all the provinces. Sindh tops the list with 90 percent of its education budget being appropriated for recurrent expenditure. Sindh is followed by Punjab allocating 85 percent of its total education budget and Khyber Pakhtunkhwa with 76 percent of the budget being apportioned for current expenses. Balochistan has allocated the lowest share of its education budget, i.e., 71 percent, in this regard.

Salary budget consumes bulk of the education budget in case of all provinces. Major portion of the increase in education budget is consumed by salary budget. More than 75 percent of the current is appropriated for salary and allowances. 90 percent of Punjab's recurrent budget is expected to be consumed by salaries and

related allowances, followed by Khyber Pakhtunkhwa and Balochistan who have allocated 89 percent each of their current budgets for salary budget. The lowest allocation in this regard has been recorded for Sindh where 75 percent of the current budget will be expensed on salaries and allowances.

Despite its significance in ensuring smooth functioning and maintenance of schools, non-salary receives meagre share of the current budget for all the provinces except Sindh. Government of Sindh has allocated 25 percent of its current budget and 22 percent of its total education outlay for non-salary budget. For rest of the provinces, the percentage of budget allocated for non-salary expenses remains below 10 percent.

Chart 3: Share of Salary and Non-Salary Budgets in Total Current Budget 2014-15

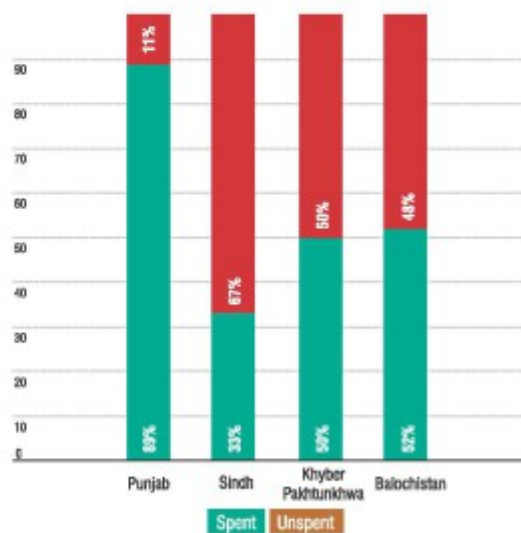


Source: FABS Reports from PIFRA SAP System

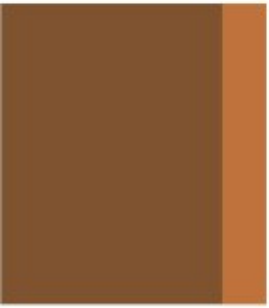
Development budget receives fair share of the education budget in case of Balochistan and Khyber Pakhtunkhwa. The government of Balochistan has allocated 29 percent of its total education outlay for development purposes, followed by Khyber Pakhtunkhwa which has earmarked 24 percent of the budget for development schemes. Punjab and Sindh have allocated 15 percent and 10 percent budgets in this regard.

Expenditure on development schemes has been abysmally low compared to the allocated budgets in 2013-14, except for Punjab. 67 percent of Sindh's development budget remained unspent during the last fiscal year whereas about half of the development budgets of Khyber Pakhtunkhwa and Balochistan could not be expensed.

Chart 4: Difference between Development Budget Allocation and Expenditure, 2013-14



Source: FABS Reports from PIFRA SAP System



CHAPTER 1

Introduction

CHAPTER 1

Introduction

1.1 Background

Adopted in April 2010, the eighteenth constitutional amendment not only provided a gateway towards achieving the universal primary education but also taxed the government into devising strategies for addressing the challenges outlined by the 'free and compulsory education' Act.

Even after the passage of more than four years of the constitutional amendment, the financial resources allocated at the federal and provincial level are scant and insufficient to address issues like bringing out-of-school children into the education system and then more importantly retaining them by providing a facilitated education environment.

Pakistan is currently spending around 2 percent of its Gross Domestic Product (GDP) on education with an education expenditure which is lowest in the region. According to the United Nations Development Programme¹, 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 some of the issues which have plagued a sustainable education development in the country.

Although fundamental, the challenge faced by Pakistan is not only limited to the

▶ **2%**
GDP spent on education
Lowest in the Region

▶ **58%**
Literacy rate of Pakistan
Well short of 88% target

Even after the passage of more than four years of the constitutional amendment, the financial resources allocated at the federal and provincial level are scant and insufficient to meet the requirements.

¹ <http://www.undp.org/content/pakistan/en/home/mdgoverview/overview/mdg2/>

1695

The challenge faced by Pakistan is not only limited to the lack of budget for the education sector but is significantly linked with the way public financing is planned, managed and monitored.

lack of budget for the education sector but is significantly linked with the way public financing is planned, managed and monitored. Some of the considerable issues 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. Also there is a weak link between policy provisions, education data and the budgetary allocations.

Institute of Social and Policy Sciences (I-SAPS), with its aim to inform policies and reform practices, has shouldered this concept of providing first-hand information about the trends and priorities of the federal and provincial governments related to public financing of education. The study is part of the wider initiative of I-SAPS 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 present the information in an easy to comprehend manner so that all the stakeholders can track, monitor and participate in the debate on education financing, the way it is planned and executed; thus leading to the delivery of quality education 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 sixth in a series of publications on public financing of education in Pakistan dealing with federal and provincial level budget analysis. Like the last study, the current volume also includes district level budgets. The first study in this series included budgetary analysis for three years, i.e., 2007-08 to 2009-10. The later volumes built onto the analysis drawn in the first volume by extending the time period. The current volume analyzes the education budgets of the federal and provincial governments over a time period of five fiscal years, i.e., 2010-11 to 2014-15. It unpacks the budgets at three levels i.e., aggregate, functional and object levels.

The current report draws

► Three levels of Analysis

Aggregate, Functional and Object

► Major Data Source

Government Financial Management Information System (PIFRA)

► Sixth volume

Current study is sixth in the series

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

its data from the Government Financial Management Information System (an SAP system colloquially referred to as PIFRA). In addition to the PIFRA reports, budget books and White papers, various newspaper articles, research reports and public financing documents have been consulted for this study. The audience of this study comprises public finance practitioners, policy makers, government officials, civil society organizations, educationists and media personnel.

1.4 Scheme of Chapters

The study consists of six main chapters. The first chapter introduces the background and purpose of the study, structure of the chapters and the limitations of the study. A thorough analyses of the education budgets of the Federal, Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan has been carried out in the subsequent chapters. In each of the chapters, similar formats have been maintained for ease of comparison and understanding.

For each of the chapters, the analysis of allocations and expenditure starts at the aggregate level in order to show a broader picture of the education budget. The education budget of 2014-15 has also been compared with 2013-14 to show the differences in allocations and expenditure. This is followed by an attempt to break-down and present the analysis at functional level. Wherever possible, district expenditure has also been discussed in detail. The trend analysis from 2010-11 to 2014-15 presents a detailed picture about the shift in policies at functional and aggregate level.

1.5 Limitations

The budget figures quoted in the study include the district budgets for education, however, detailed analysis of the district budgets has not been possible for the provinces, except for Punjab and Khyber Pakhtunkhwa, because of the lack of data.

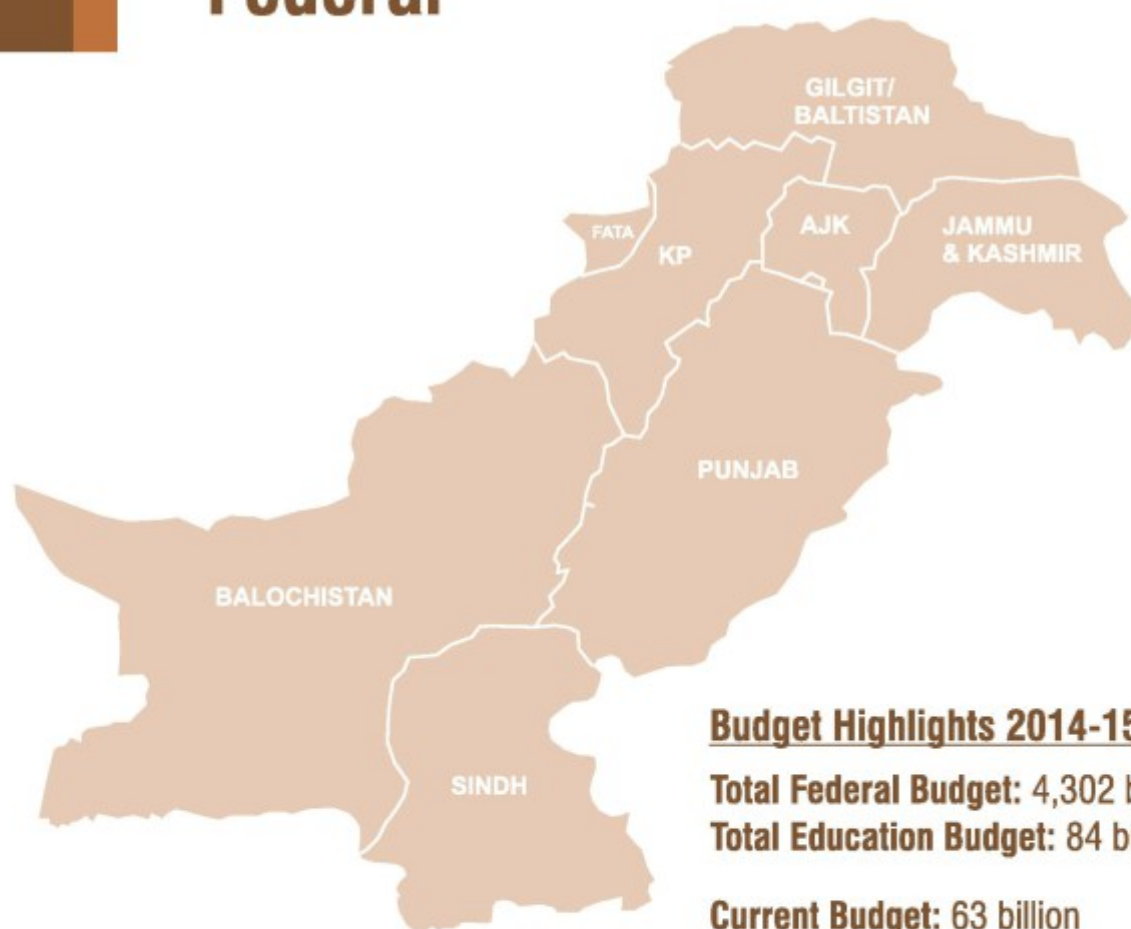
For Sindh, the budget figures for 2010-11 do not include district budget on education, whereas, the budget data for 2011-12 partially includes district education budget.



For the last many years, I-SAPS is providing first-hand information about the trends and priorities of the federal and provincial governments related to public financing of education. It is significant to note that some concrete actions have been taken on the basis of these analyses.

CHAPTER 2

Public Financing of Education: Federal



Budget Highlights 2014-15

Total Federal Budget: 4,302 billion

Total Education Budget: 84 billion

Current Budget: 63 billion

→ Salary Budget: 18 billion

→ Non-Salary Budget: 46 billion

Development Budget: 21 billion

CHAPTER 2

Public Financing of Education: Federal

Federal education budget continues to follow past trend by rising education budget in 2014-15 as well and this year Rs. 84.33 billion have been allocated for education. Nearly the entire budget is consumed by higher education (financing all the public sector universities, research institutions and colleges in the federal territory), leaving only a minor share for primary and secondary education for schools mostly situated in Islamabad¹. Although primary and secondary education is now a provincial subject, the primary and secondary schools in capital territory fall under the jurisdiction of Federal Government.

2.1 EDUCATION BUDGET 2014-15 AT A GLANCE

2.1.1 Comparison of Education Budgets 2013-14 and 2014-15

Out of the total federal education budget, Rs. 67.76 billion have been allocated for higher education, whereas Rs. 6.33 billion and Rs. 8.13 billion are earmarked for primary and secondary education, respectively. Federal education budget has increased by 5 percent compared with the allocated budget in 2013-14. But when compared with last year's actual expenditure, this year's allocation has decreased by 3 percent. Out of the total education budget for FY 2014-15, 75 percent of the budget has been allocated for current expenditure and 25 percent has been earmarked for development purposes. Within the

▲ 5%

Increase in Total Budget

▲ 7%

Increase in Current Budget

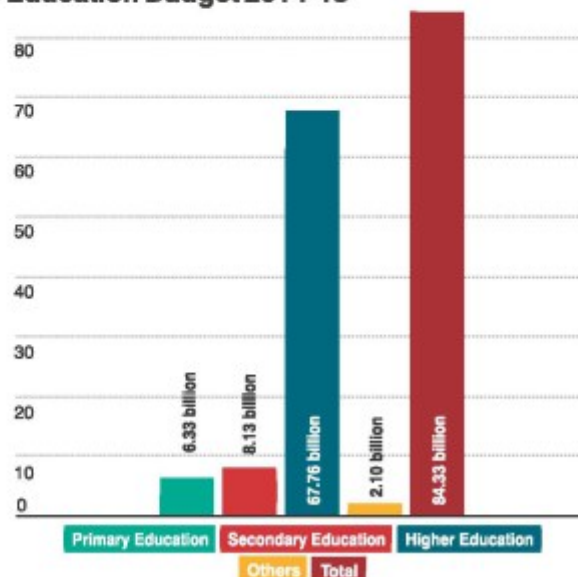
▼ 0.1%

Decrease in Development Budget

¹ There has been zero allocation in development budgets for primary and secondary education in 2013-14.

current budget, 28 percent of the budget is set aside for salary expenditure and 72 percent has been apportioned for non-salary expenditure.

Chart 2.1: Federal Education Budget 2014-15



Source: FABS Reports from PIFRA SAP System and Annual Budget Statement

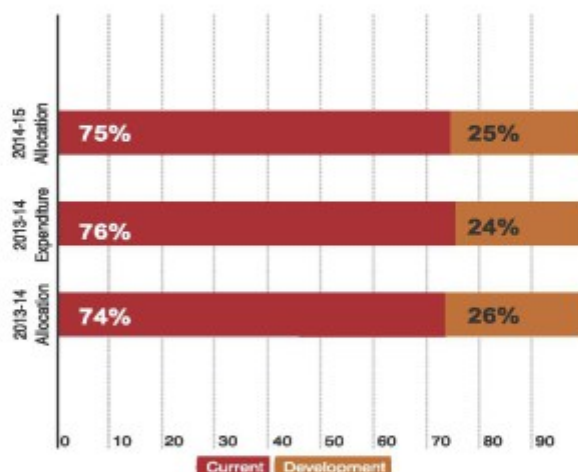
Table 2.1: Federal Education Budget 2014-15 at a Glance (Rs. Million)

	2014-15	2013-14		Increase/Decrease in 2014-15 vis-à-vis 2013-14	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Current	63,221.90	59,277.00	66,206.10	3,944.90 (7%)	-2,984.20 (-5%)
Salary	17,501.18	17,985.37	20,190.52	-484.19 (-3%)	-2,689.34 (-13%)
Non - Salary	45,720.72	41,291.63	46,015.58	4,429.09 (11%)	-294.87 (-1%)
B. Development	21,106.43	21,121.00	20,510.63	-14.57 (0%)	595.80 (3%)
Total (A + B)	84,328.33	80,398.00	86,716.73	3,930.33 (5%)	-2,388.40 (-3%)

Source: FABS Reports from PIFRA SAP System

A comparison with last year's budgetary allocation shows an overall increase of 5 percent in the budget; with all of the increase owing to the raise in current budget.

Overall, the current budget has increased by 7 percent. On the other hand, allocation made for development budget has decreased minutely when compared with 2013-14, but this decrease is negligible. It is noteworthy that except for development budget, change in budgetary allocation with respect to the expensed budget last year shows a negative trend; meaning that this year's allocations are lesser than last year's actual expenditure.

Chart 2.2: Increase/Decrease in Education Budgets 2013-14 and 2014-15

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 budgetary outlay has been earmarked for education this year. In 2013-14, Rs. 80.4 billion (2 percent of the total budget) were allocated for education. This percentage has remained same this year where Rs. 84 billion have been allocated for education out of a total Federal budget of Rs. 4,302 billion. 2 percent of the Federal current budget and 3 percent of the Federal development budget has been allocated for current and development education budget, respectively, in 2014-15. The allocation in terms of percentage have been the same as were for the last year.

Table 2.2: Education Budget as Proportion of Total Federal Budget (Rs. Million)

	Federal Budget	Education Budget	Share of Education Budget	Federal Budget	Education Budget	Share of Education Budget
	2014-15	2014-15	2014-15	2013-14	2013-14	2013-14
Current	3,463,245	63,221.90	2%	3,196,000	59,277.00	2%
Development	838,500	21,106.43	3%	789,000	21,121.00	3%
Total	4,301,746	84,328.33	2%	3,985,000	80,398.00	2%

Source: FABS Reports from PIFRA SAP System

2.1.3 Composition of Education Budget 2013-14 and 2014-15

Out of the total education budget in 2014-15, major chunk (about 80 percent) has been allocated for higher education. This shows an increase from the previous year 2013-14 where 77 percent of the education budget was apportioned for higher

Education Budget as Proportion of Total Federal Budget 2014-15

Total Federal Budget



Federal Current Budget



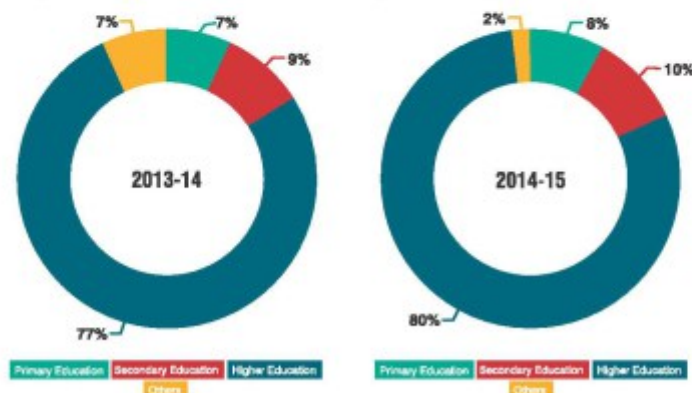
Federal Development Budget



Education Budget

education. In absolute terms, Rs. 67.76 billion are earmarked during the current fiscal year; Rs. 5.88 billion more than the last year's allocation. In 2014-15, the share of primary education has increased from 7 percent to 8 percent whereas secondary education's share has raised from 9 percent to 10 percent compared with 2013-14. The budgetary allocation for 'others' has decreased from 7 percent last year to 2 percent in 2014-15.

Chart 2.3: Composition of Education Budgets 2013-14 and 2014-15



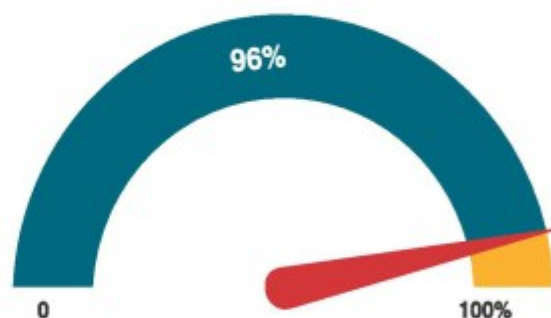
Source: FABS Reports from PIFRA SAP System

2.2 TRENDS IN EDUCATION EXPENDITURE 2010-11 to 2014-15

2.2.1 Trends in Total Budget Allocations and Expenditures

Total education budget has recorded a gradual increase in allocations over the years (see Table A2.1 in Annex). During the last 5 years, total education budget allocation has increased by 51 percent; in absolute terms, it has increased from Rs. 55.67 billion in 2010-11 to Rs. 84.33 billion in 2014-15. Only in 2010-11, the actual spending fell slightly short of the allocations. Other than that, in all of the succeeding three years actual

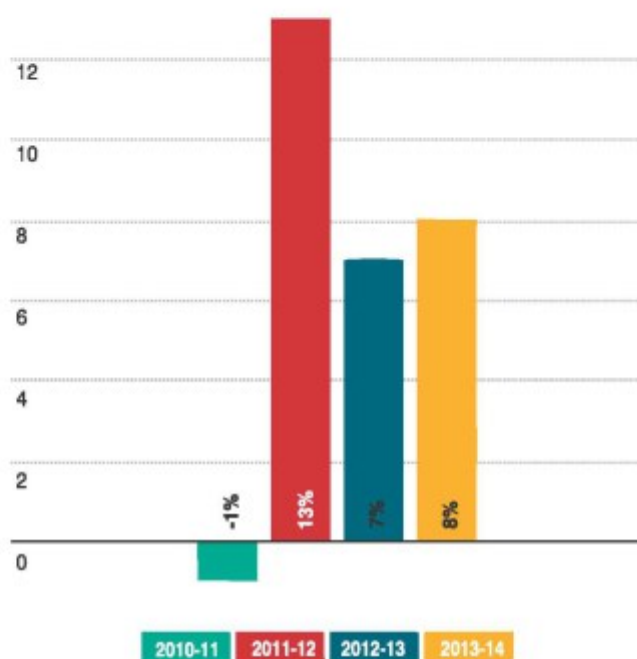
Survival Rate to Grade 5 (ICT only)



Source: NEMIS 2012-13

spending has exceeded the allocation. True for almost all the categories, additional amount spent was owing to the salary-related expenditure rather than development expenses.

Chart 2.4: Percentage Change in Budgetary Allocations and Expenditures, 2010-11 to 2013-14



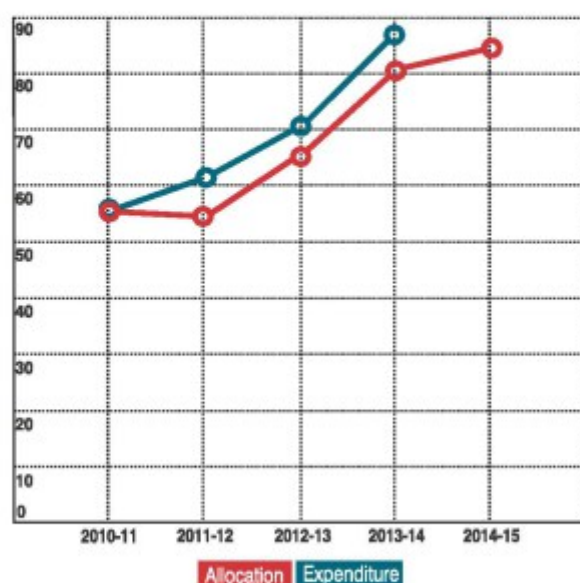
Note: A positive percentage refers to more budget expended in relation to the allocated amount in that year whereas a negative percentage refers to lesser budget expended compared to that year's allocation.

Source: FABS Reports from PIFRA SAP System

In 2011-12, the allocation fell by 2 percent compared with previous year's allocated budget; thus decreasing the budget to Rs. 54.48 billion. But the actual spending in 2011-12 was Rs. 6.88 billion more than the allocation. Total budgetary allocation further increased to Rs. 65.25 billion in 2012-13 and the actual spending for the same year was 7 percent higher than the allocation. After a 23 percent increase in allocations, equivalent to Rs. 15 billion, the allocation reached Rs. 80.40 billion in 2013-14. But the trend of over-spending continued when around Rs. 6 billion more were spent. The budget allocation for the current financial year did not increase by a significant amount in line with the past trend. It has risen by around Rs. 4 billion, amounting to a total allocation of Rs. 84.33 billion for the current year. Since, expensed amount has consistently stayed more than the allocations in previous years, there is a high possibility that the actual spending for 2014-15 will be higher than the apportioned amount.

Expenditure > Allocation

Since, expensed amount has consistently stayed more than the allocations in previous years, there is a high possibility that the actual spending for 2014-15 will be higher than the apportioned amount. This also points to poor planning.

Chart 2.5: Trends in Education Budget 2010-11 to 2014-15 (Rs. Billion)

Source: FABS Reports from PIFRA SAP System

During the last 5 years, total education budget allocation has increased by 51 percent.

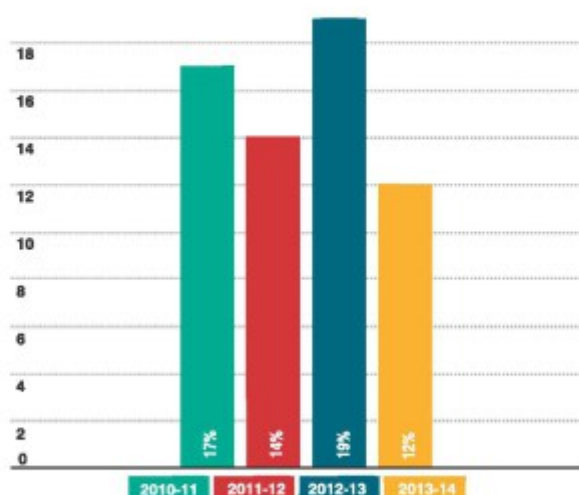
Higher education is continuously receiving highest portion of current budget where the actual spending has consistently remained higher than the allocation. The share of higher education in the total budget has increased by 58 percent over the last 5 years. The expenditure on primary and secondary education has been meager throughout the last 5 years. Although except few times, when the actual spending was higher than allocations on primary and secondary education, mostly expenditure has been lesser than the allocated budget. 'Others', on the other hand, does not have a smooth trend as it received a higher share than primary and secondary education in 2010-11 but only 31 percent of it was actually spent.

2.2.2 Trends in Current Budget Allocations and Expenditures

Current budget, constituting major portion of the total budgetary outlay, is the main component for increasing the total education budget from 2010-11 to 2014-15 (see Table A2.2 in Annex). The current budget has increased by 83 percent, during the last 5 years, rising from Rs. 34.5 billion in 2010-11 to Rs. 63.22 billion in 2014-15. It may be noted here that the expensed amount has been even higher by 15 percent or more than the allocated budget in each year. The highest gap of 19 percent between allocation and actual spending was recorded in 2012-13.

Budgetary allocation increased by Rs. 5 billion from 2010-11 to 2011-12, making the total current budget for 2011-12 equal to Rs. 39.51 billion. But an extra amount of Rs. 6 billion was spent during 2011-12. In the following year, the budget was further increased by 21 percent, amounting to Rs. 47.87 billion in 2012-13. A similar

Chart 2.6: Percentage Change in Current Budget Allocations and Expenditures, 2010-11 to 2013-14

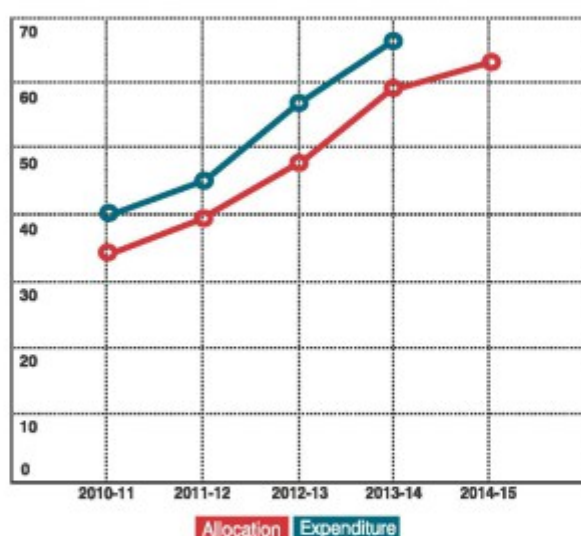


Note: A positive percentage refers to more budget expended in relation to the allocated amount in that year.

Source: FABS Reports from PIFRA SAP System

trend was observed for the next year 2013-14 where the allocation was increased by 24 percent raising the current budget allocation to Rs. 59.28 billion. But the amount actually spent during that year was nearly Rs. 7 billion higher than the allocated budget. For the current fiscal year 2014-15, a 7 percent increase from last year's allocation has been recorded but considering the past trend, the actual expenditure is expected to be more than the allocation.

Chart 2.7: Trends in Current Education Budget 2010-11 to 2014-15 (Rs. Billion)



Source: FABS Reports from PIFRA SAP System

Over-spending in Current Budget

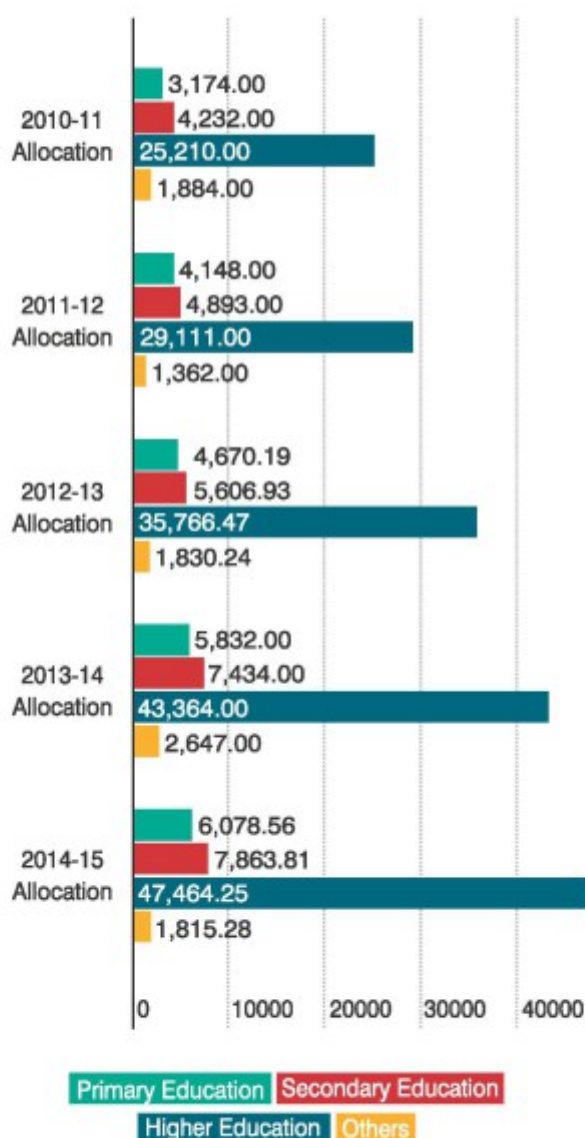
The highest gap of 19 percent between current budget allocation and actual spending was recorded in 2012-13. The persistent gap clearly identifies lack of planning.

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The actual spending on development budget has always been less than the allocations except for the year 2011-12.

Higher education receives the largest share of the current budget in order to meet its needs of universities and research institutions. The allocation for higher education shows a rising trend from 2010-11 onwards where it has risen by 88 percent (amounting to Rs. 22.3 billion) from 2010-11 to 2014-15. Secondary education receives the second highest share of current budget followed by primary education. Although marginally, the share of secondary and primary education continued to increase for each successive year, whereas 'others' has been the smallest receiver of current budget with arbitrary allocation and expenditure over the years.

Chart 2.8: Trends in Current Budget by Educational Level 2010-11 to 2014-15 (Rs. Million)



Source: FABS Reports from PIFRA SAP System

Unlike the provinces where salary expenditure consumes major portion of the current budget, it receives a relatively smaller share at federal level (see Table A2.3 in Annex). Salary expenditure constituted 27 to 32 percent of the current budget during the last few years. The actual spending on salary budget has consistently stayed more than the allocated budget. In 2012-13, the expensed amount on salary related expenditure was 32 percent of the total current expenditure which is equal to Rs. 18.4 billion; the highest expenditure during the last four years. Secondary education receives the largest portion of salary budget, although the share of other sectors has also increased during the last 5 years. The universities get lumpsum grant with embedded salary budget and hence the actual salary expenditure is much higher.

Allocations for non-salary budget range between 70 to 73 percent of the total current budget over the last few years, while the actual spending has been as high as 76 percent of the current budget (see Table A2.4 in Annex). Allocations have increased substantially by 81 percent over the last 5 years which is equal to an increase of Rs. 20 billion earmarking Rs. 45.72 billion for the non-salary budget during the current fiscal year, the highest allocation so far. Higher education has been receiving the most significant amount of the non-salary budget over the years.

2.2.3 Trends in Development Budget Allocations and Expenditures

One quarter (25 percent) of the total education budget has been allocated for development purposes in 2014-15 (see Table A2.5 in Annex). The budget figures show that the actual spending has always been less than the allocations except for the year 2011-12 where the actual spending was 8 percent higher than the allocated budget.

Chart 2.9: Percentage Change in Development Budget Allocations and Expenditures, 2010-11 to 2013-14



Note: A positive percentage refers to more budget expensed in relation to the allocated amount in that year whereas a negative percentage refers to lesser budget expensed compared to that year's allocation.

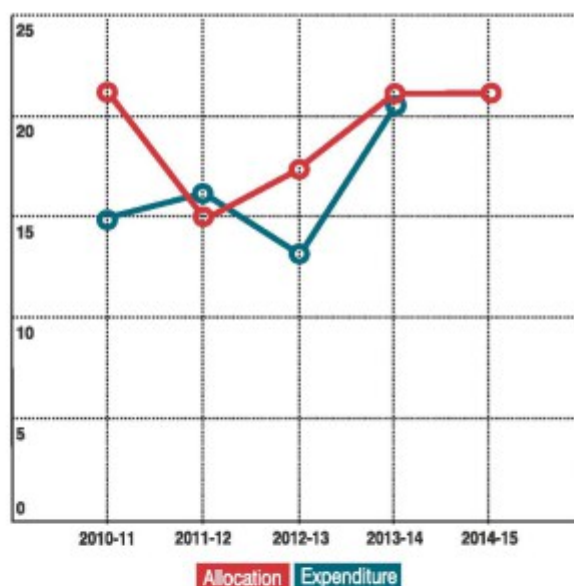
Source: FABS Reports from PIFRA SAP System

In 2014-15, higher education has been apportioned 96 percent of the development budget, leaving 1 percent each for secondary education, primary education and 'others'.

The highest percentage difference between allocation and expenditure was observed in 2010-11 where 30 percent of the allocated development budget was never spent, which is alarmingly high. A similar spending pattern was recorded in 2012-13, where 24 percent (equal to Rs. 4 billion) of the allocated budget remained unspent.

As mentioned earlier, the maximum percentage difference between development budget allocation and the expenditure was in 2010-11. In the succeeding financial year, the allocation was reduced to Rs. 14.96 billion which resulted in the expenditure being more than the allocation in that year by Rs. 1 billion. With a budget allocation of Rs. 17.38 billion, the lowest expenditure was recorded for the year 2012-13, i.e., Rs. 13.19 billion. The following year, 2013-14, showed a sharp increase in the actual expenditure almost matching the budget allocation of Rs. 21.12 billion for the year. For the current fiscal year, the budget allocation has remained same as was in the previous year; but considering the unpredictability of actual expenditure, there can be no assurance as to how much of the allocated budget will be actually utilized.

Chart 2.10: Trends in Development Education Budget 2010-11 to 2014-15 (Rs. Billion)



Source: FABS Reports from PIFRA SAP System

Distribution of development budget between different levels of education is biased. In 2014-15, higher education has been apportioned 96 percent of the development budget, leaving 1 percent each for secondary education, primary education and 'others'. Not only these three levels receive a negligible share of development budget, actual spending is much less than the allocated budget, in general.

CHAPTER 3

Public Financing of Education: Punjab



Budget Highlights 2014-15

Total Provincial Budget: 1,095 billion

Total Education Budget: 260 billion

Current Budget: 221 billion

→ **Salary Budget:** 199 billion

→ **Non-Salary Budget:** 22 billion

Development Education Budget: 39 billion

CHAPTER 3

Public Financing of Education: Punjab

A total of 53,935 public sector schools exist in the province out of which 73 percent are primary schools. 17 percent of the schools at primary level are running with only one teacher. Survival rate to grade 5 hovers around 56 percent whereas the transition rate from primary to middle is 87 percent¹. The number of out-of-school children (5-16 years age group) in the province is estimated to be 7.5 million; 48 percent of which are girls².

▶ **17%**
% of the schools at primary level running with only one teacher

3.1 EDUCATION BUDGET 2014-15 AT A GLANCE

3.1.1 Comparison of Education Budgets 2013-14 and 2014-15

A total of Rs. 259.63 billion has been allocated for education budget for the fiscal year 2014-15. 85 percent of the education budget will be consumed by the recurrent expenditures, leaving only 15 percent for the development budget. Out of the current budget, 90 percent of the amount is reserved for salary-related expenditure (Rs. 198.76 billion) whereas 10 percent of the current budget (Rs. 22.27 billion) will be used for non-salary expenses.

▲ **12%**
Increase in Total Budget

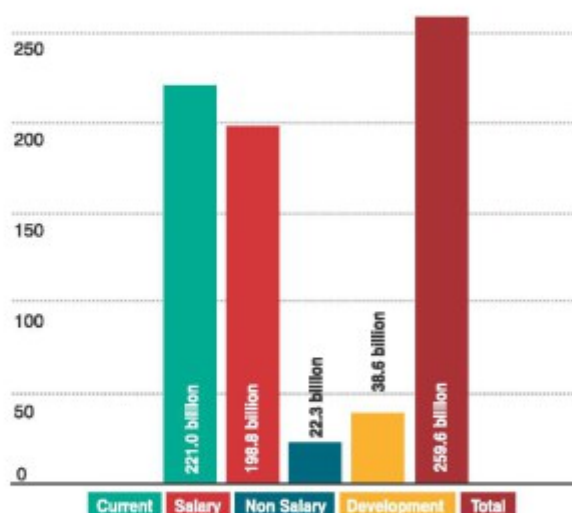
▲ **10%**
Increase in Current Budget

▲ **19%**
Increase in Development Budget

¹NEMIS, 2012-13

²I-SAPS estimates, 2012-13

Chart 3.1: Punjab Education Budget 2014-15



Source: FABS Reports from PIFRA SAP System

Table 3.1: Punjab Education Budget 2014-15 at a Glance (Rs. Million)

	2014-15	2013-14		Increase/Decrease in 2014-15 vis-à-vis 2013-14	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Current	221,039.32	200,110.31	182,173.56	20,929.01 (10%)	38,865.76 (21%)
Salary	198,764.81	182,475.18	167,618.94	16,289.63 (9%)	31,145.87 (19%)
Non -Salary	22,274.51	17,635.14	14,554.62	4,639.37 (26%)	7,719.89 (53%)
B. Development	38,589.72	32,456.03	28,933.71	6,133.69 (19%)	9,656.00 (33%)
Total (A + B)	259,629.04	232,566	211,107.28	27,062.70 (12%)	48,521.76 (23%)

Source: FABS Reports from PIFRA SAP System

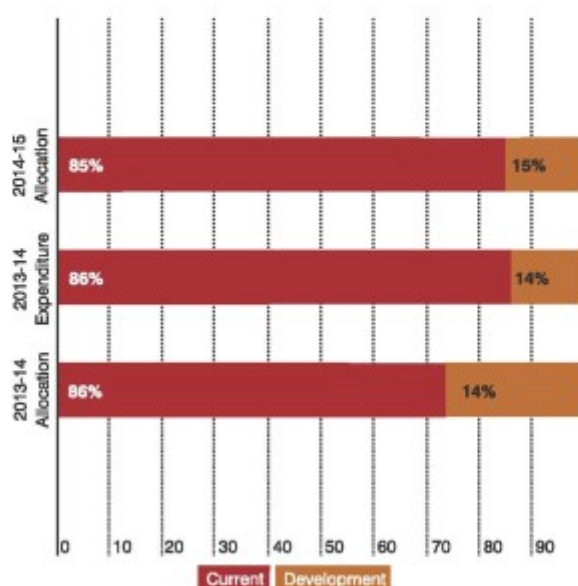
The education budget of Punjab experienced a 12 percent increase in total allocation, equivalent to Rs. 27,062.70 million. Comparing the allocation for 2014-15 with last year's expenditure, an increase of 23 percent can be seen. An increase of 9 percent has been registered in the salary expenditure while a huge increase of 53 percent can be noted in non-salary budget when compared with last year's expenditure, but it is yet to be seen how much of the increase in allocation will be actually spent; since during the last year 17.5 percent of the allocated non-salary budget remained unutilized.

3.1.2 Education Budget as a Proportion of Total Provincial Budget

Total provincial budget of Punjab is Rs. 1,095.12 billion for FY 2014-15 out of which 24 percent, i.e., Rs. 259.63 billion has been reserved for education. Current education budget is equal to 29 percent of the total current budget of the province while

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A huge increase of 53 percent can be noted in non-salary budget when compared with last year's expenditure.

Chart 3.2: Increase/Decrease in Education Budgets 2013-14 and 2014-15

Source: FABS Reports from PIFRA SAP System

development education budget will consume 11 percent of the total development budget of the province.

Share of education budget in the provincial budget has fallen when compared to 2013-14 where it was 26 percent of the total budget. This year it has been reduced to 24 percent of the total budget. Share of development budget remained unchanged while current budget's share has decreased by 4 percent this year.

Table 3.2: Education Budget as Proportion of Total Provincial Budget (Rs. Million)

	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget
	2014-15	2014-15	2014-15	2013-14	2013-14	2013-14
Current	750,125	221,039.32	29%	607,569	200,110.31	33%
Development	345,000	38,589.72	11%	290,000	32,456.03	11%
Total	1,095,124	259,629.04	24%	897,569	232,566.34	26%

Source: FABS Reports from PIFRA SAP System.

3.1.3 Composition of Education Budget 2014-15

The two sectors receiving largest portion of the education budget are primary and secondary education. Both these sectors have been allocated almost equal shares in 2014-15 (43 percent for secondary education and 42 percent for primary education). In

Education Budget as Proportion of Total Provincial Budget 2014-15

Provincial Total Budget



Provincial Current Budget



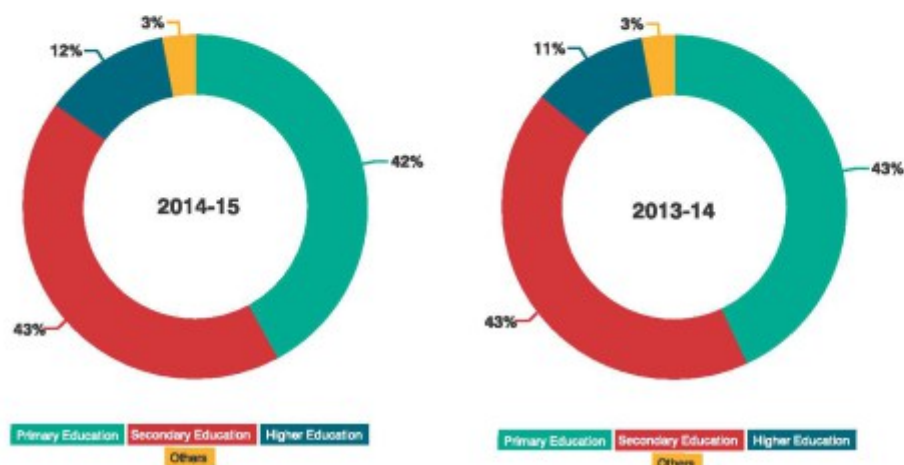
Provincial Development Budget



Education Budget

absolute terms, share of both primary and secondary education has increased from last year as primary and secondary education have been apportioned additional budget of Rs. 9.6 billion and Rs. 11.7 billion in 2014-15, respectively, compared with last year's allocations. This year, the share of higher education is 12 percent of the total budget, 1 percent higher than last year; while 'others' consistently receives 3 percent of the education budget.

Chart 3.3: Composition of Education Budgets 2013-14 and 2014-15



Source: FABS Reports from PIFRA SAP System.

3.2 TRENDS IN EDUCATION EXPENDITURE 2010-11 to 2014-15

3.2.1 Trends in Total Budget Allocations and Expenditures

Education budget of Punjab shows a consistent upward trend during the last 5 years (see Table A3.1 in Annex) where it has been increased by 67 percent (Rs. 104.5 billion), rising from Rs. 155.15 billion in 2010-11 to Rs. 259.63 billion in 2014-15. Most of this increase can be attributed to the rising recurrent budget over the years. A point of concern while considering the budgetary allocations for Punjab is that the actual spending always falls short of the allocated budget.

In 2011-12, the budgetary allocation increased by Rs. 36.82 billion compared with the allocated budget in 2010-11, making the total education budget equal to Rs. 191.98 billion. But in terms of actual expenditure in 2011-12, 12 percent of the allocated budget remained unspent. The increasing trend continued during the next year where allocation rose to Rs. 220.58 billion in 2012-13; but again 13 percent of the apportioned budget (Rs. 27.8 billion) could not be utilized. In the following year, the increase in education budget was relatively reasonable but the actual spending in 2013-14 was even lesser than the allocation for 2012-13. For 2014-15, the budget has

Chart 3.4: Percentage Change in Budgetary Allocations and Expenditures, 2010-11 to 2013-14

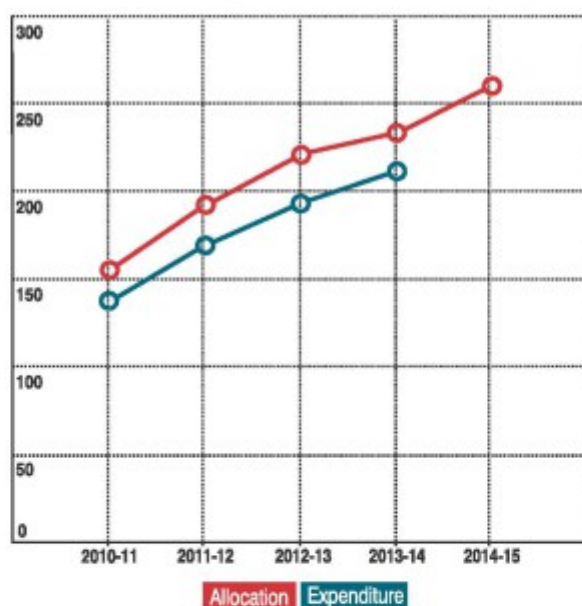


Note: A negative percentage refers to lesser budget expended compared to that year's allocation.

Source: FABS Reports from PIFRA SAP System.

been increased by Rs. 27.1 billion, which makes the budgetary allocation of Rs. 259.63 billion for education.

Chart 3.5: Trends in Education Budget 2010-11 to 2014-15 (Rs. Billions)



Source: FABS Reports from PIFRA SAP System.

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Over the years, the actual spending always falls short of the allocated budget.

From 2010-11 to 2012-13, the highest share of education budget was appropriated to primary education. The trend changed afterwards, where secondary education started to receive the highest share although the share of primary education was nominally decreased. The budget for higher education has continued to increase over the years and this fiscal year, Rs. 31.6 billion have been earmarked for higher education, highest in the last five years; while 'others' continue to receive the minimum share of the education budget.

3.2.2 Trends in Current Budget Allocations and Expenditures

Current budget continues to consume majority of the education budget with its share ranging from 85 percent to around 95 percent during the last five years under study (see Table A3.2 in Annex). For the year 2014-15, 85 percent of the total budget, amounting to Rs. 221 billion, has been allocated for the recurrent budget. From 2010-11 to 2014-15, the current budgetary allocation has increased by 62 percent but this allocated amount has never been fully utilized. In fact, the allocated budget has always been under-spent during the last 5 years. The highest gap between allocations and actual expenditure was recorded in 2011-12, when 12 percent of the allocations remained unspent.

Chart 3.6: Percentage Change in Current Budget Allocations and Expenditures, 2010-11 to 2013-14



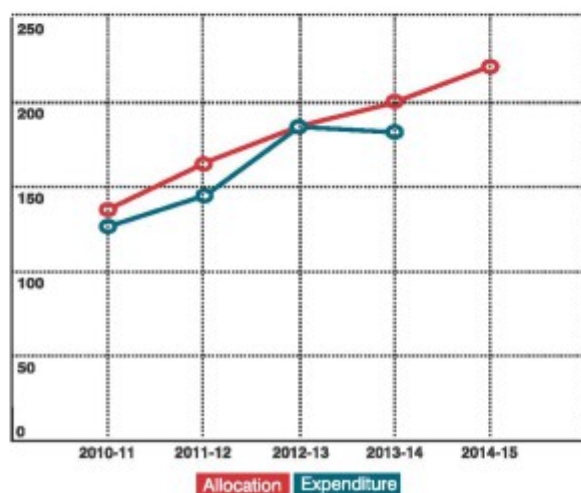
Note: A negative percentage refers to lesser budget expensed compared to that year's allocation.

Source: FABS Reports from PIFRA SAP System

The current budget shows a rising trend while considering the allocations made under this head. The allocation has been increased by 20 percent between 2010-11 to

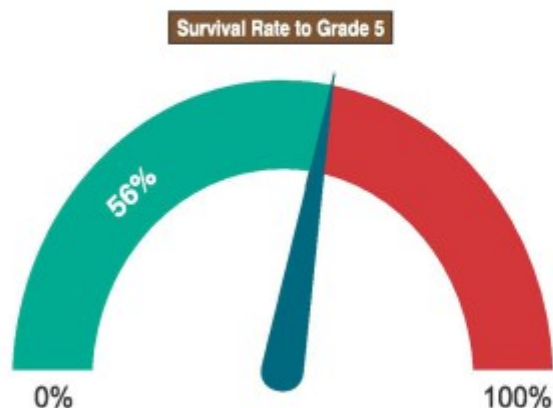
2011-12, equal to an absolute increase of Rs. 27 billion. The allocated budget for 2011-12 was equal to Rs. 163.5 billion but the actual spending in 2011-12 was even less than the budget allocated for the preceding year. In the following year, the current budget increased by Rs. 22.1 billion, therefore, setting a budget of Rs. 185.6 billion for 2012-13. The budget again increased in 2013-14 by 8 percent compared with the previous year; but little significance does this increase holds, since the actual spending was even Rs. 2.7 billion lesser than last year's actual spending. In 2014-15, Rs. 221 billion have been earmarked for recurrent budget, after an increase of Rs. 20.9 billion from last year.

Chart 3.7: Trends in Current Education Budget 2010-11 to 2014-15 (Rs. Billion)



Source: FABS Reports from PIFRA SAP System.

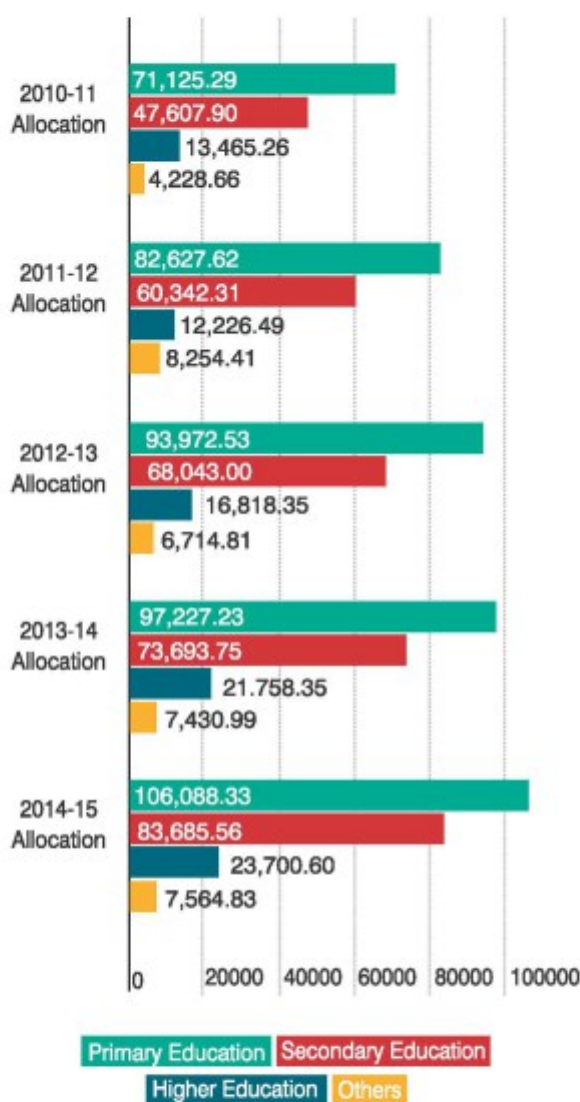
Current budget has mostly been consumed by primary education where the share of primary education has continued to increase over the years along with considerable increase in other sectors also, except for 'others'. The share of secondary education has shown significant increase over the last 5 years, starting from over Rs. 48 billion in 2010-11 to over Rs. 84 billion in 2014-15.



Source: NEMIS 2012-13

The highest gap between current budget allocations and actual expenditure was recorded in 2011-12, when 12 percent of the allocations remained unspent.

Chart 3.8: Trends in Current Budget by Educational Level 2010-11 to 2014-15 (Rs. Million)



Source: FABS Reports from PIFRA SAP System.

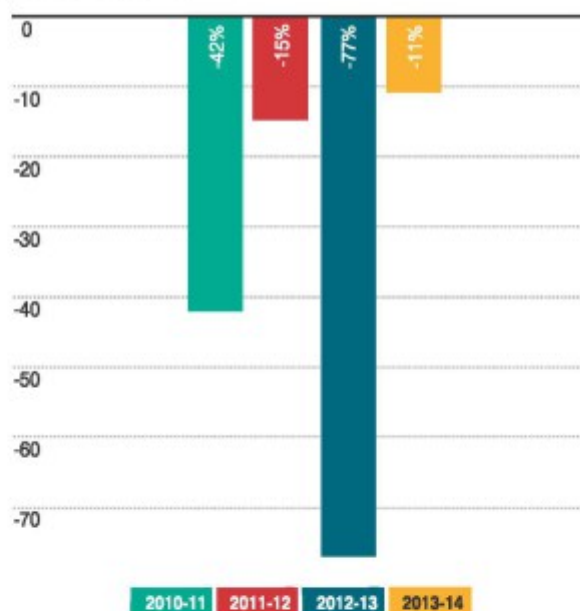
Salary budget consumes the major portion of current budget with its share being over 85 percent of the total current budget in the last five years (see Table A3.3 in Annex). It is not just that large sums of budget are allocated for salary budgets, but the real expenditure has also never dropped below 88 percent from 2010-11 to 2013-14. The highest allocation for salary budget has been recorded for fiscal year 2014-15 where a sum of Rs. 198.8 billion has been earmarked for salaries and related expenses. Primary education has consistently received the highest share of salary budget, followed by secondary education; but the actual salary expenses for primary education has been constantly lesser than the allocations.

Non salary budget has received a meager share of about 10 to 12 percent of the current budget during the last five years (see Table A3.4 in Annex). Compared with last year, non-salary budget has increased by 26 percent in 2014-15, which in absolute terms equals Rs. 4.6 billion.

3.2.3 Trends in Development Budget Allocations and Expenditures

In last 5 years, development budget has received allocations ranging from 12 to 16 percent of the total education budget (see Table A3.5 in Annex). Not only lower allocations for development budget is an area of concern, particularly in the context of Article 25-A of the constitution, but over the years the actual expenditure has also been short of the allocated budget. In 2012-13, a record high for unspent allocations was observed where 77 percent of the allocated budget remained unutilized. It is appreciable that Punjab has significantly improved the underspending pattern in 2013-14 but still needs to go a long way to absorb all available resources.

Chart 3.9: Percentage Change in Development Budget Allocations and Expenditures, 2010-11 to 2013-14



Note: A negative percentage refers to lesser budget expended compared to that year's allocation.

Source: FABS Reports from PIFRA SAP System.

In 2012-13, a record high for unspent allocations were observed where 77 percent of the allocated budget remained

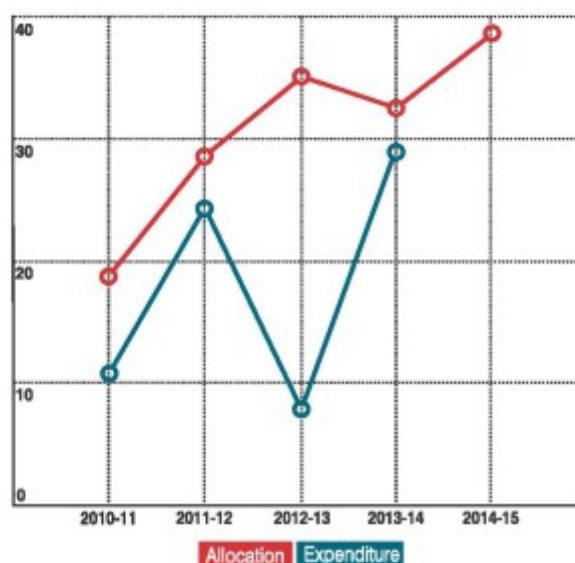
Despite huge discrepancies existing between the allocated and expended budgets, the allocated budget has continued to increase gradually over the years. An increase of 106 percent can be seen from 2010-11 to 2014-15 in the development budget allocations which shows an increase of Rs. 19.9 billion in absolute terms. The actual spending hit an all-time low in 2012-13 when only Rs. 7.9 billion were spent against the allocated budget of Rs. 35 billion. The actual spending in 2013-14 rose by 267 percent

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For the current fiscal year, 72 percent of the development budget has been allocated for secondary education, 20 percent of the budget being apportioned for higher education, whereas 6 percent and 1 percent of the total development budget has been earmarked for primary education and 'others', respectively.

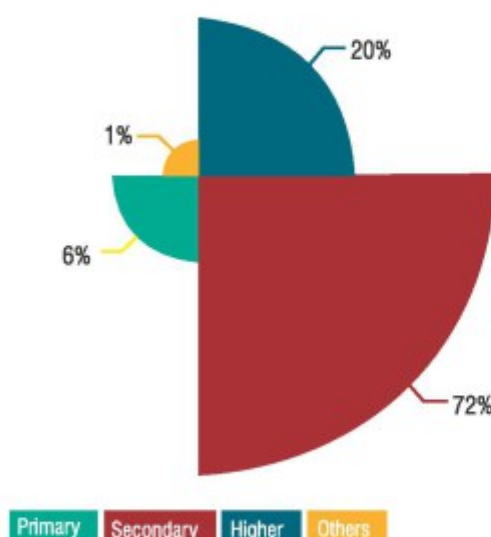
compared with the expensed budget in 2012-13, closing the gap between allocation and expenditure to only Rs. 3.5 billion in 2013-14. An amount of Rs. 38.6 billion has been apportioned for development budget in 2014-15 but considering the unpredictable spending pattern of the past, it is yet to be seen that how much of it will actually be consumed.

Chart 3.10: Trends in Development Education Budget 2010-11 to 2014-15 (Rs. Billion)



Source: FABS Reports from PIFRA SAP System.

The distribution of development budget within various levels of education has remained same among the sectors receiving major shares of the total pie of development budget. The prime consumer of the development budget has been the secondary education, where its share has remained highest for the last five years. Secondary education is followed by higher education, primary education and 'others' in terms of appropriated budget. For the current fiscal year, 72 percent of the development budget has been allocated for secondary education, 20 percent of the budget being apportioned for higher education, whereas 6 percent and 1 percent of the total development budget has been earmarked for primary education and 'others', respectively. This huge difference between secondary and primary education and that higher education is receiving more budget compared to primary education comes as a surprise. Considering the national focus on primary education, lower allocation for primary education does not align with the commitment of achieving Universal Primary Education by 2015 and compliance with Article 25-A of the constitution.

Chart 3.11: Priorities in Development Budget Allocation, 2014-15

Source: FABS Reports from PIFRA SAP System.

3.2.4 Trends in District Expenditure

District education budget is utilized mostly in salary expenses with meager budget set aside for non-salary expenditures. These funds are provided by the provincial government as a single line transfer to the district. Planning and financing of development schemes is overlooked by the provincial government, therefore, the share of development budget in the district budget is negligible.

Share of district expenditure in total education budget has ranged between 70 to 77 percent in last few years, 74 percent, 70 percent and 77 percent in 2010-11, 2011-12 and 2012-13 respectively. During 2013-14, the share of district education budget as a proportion of total education expenditure of the province has been 72 percent, which is less than last year.

Net Enrolment Rate at Primary Level



Boys

Source: PSLM, 2012-13

Net Enrolment Rate at Primary Level



Girls

Source: PSLM, 2012-13

Table 3.3 distributes the 36 districts of Punjab according to the range they fall in with respect to the education budget expenditure in 2013-14. Highest annual expenditure has been recorded for Faisalabad and Lahore where the expenditure is above Rs. 7 billion. Aggregate expenditure of these two districts is 12 percent of the total district education expenditure and 9 percent of the provincial education expenditure. Seven districts lie in the Rs. 5.1 – 7 billion annual expenditure range with their aggregate expenditure constituting 27 percent and 20 percent of the total district education expenditure and total education expenditure of the province, respectively.

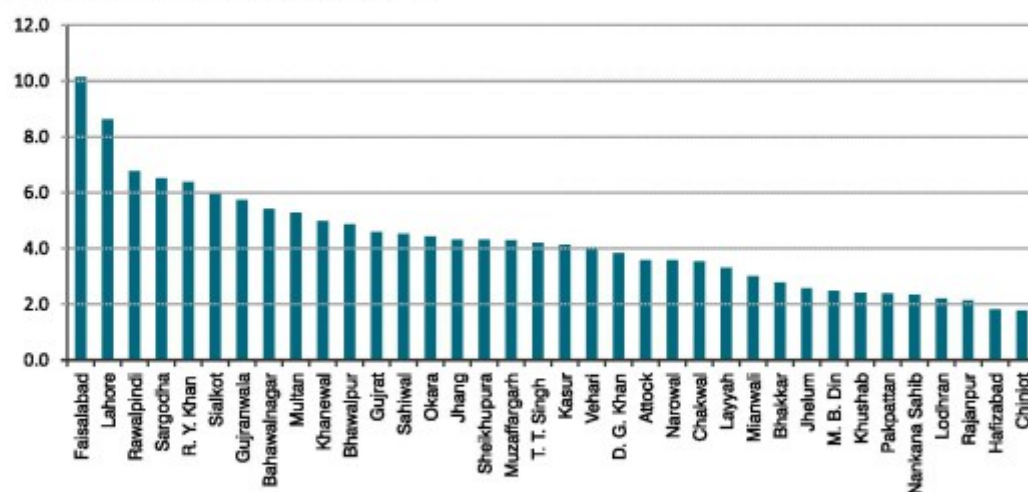
Table 3.3: Variations in Annual Education Budget Expenditure of Districts in Punjab, 2013-14

S. No.	Annual Expenditure Range	No. of Districts	Names of Districts	% of Total District Education Expenditure	% of Total Punjab Education Expenditure
1	Above 7 billion	2	Faisalabad, Lahore	12%	9%
2	5.1 to 7 billion	7	Rawalpindi, Sargodha, R.Y.Khan, Sialkot, Gujranwala, Bahawalnagar, Multan	27%	20%
3	4.1 to 5 billion	11	Khanewal, Bhawalpur, Gujrat, Sahiwal, Okara, Jhang, Sheikhupura, Muzaffargarh, T.T.Singh, Kasur, Vehari	32%	23%
4	2.6 to 4 billion	8	D.G.Khan, Attock, Narowal, Chakwal, Layyah, Mianwali, Bhakkar, Jhelum	17%	12%
5	1.5 to 2.5 billion	8	M.B.Din, Khushab, Pakpattan, Nankana Sahib, Lodhran, Rajanpur, Hafizabad, Chiniot	11%	8%
Total		36			

Source: FABS Reports from PIFRA SAP System.

Most of the districts (11 districts) make an annual expenditure between Rs. 4.1 to 5 billion. Eight districts with an annual expenditure in the range of Rs. 2.6 to 4 billion, take up 17 percent of the total district education expenditure and 12 percent of Punjab education expenditure. Finally, eight districts including, M.B.Din, Khushab, Pakpattan, Nankana Sahib, Lodhran, Rajanpur, Hafizabad, Chiniot, have the lowest annual expenditure that is between Rs. 1.5 to 2.5 billion. Large disparity in education budget expenditure between districts is evident from the fact that the combined expenditure of these eight districts that lie in the lowest annual expenditure range is still less than the sum of total annual expenditure of Lahore and Faisalabad. This discrepancy manifests the unfair distribution of resources for the education between districts.

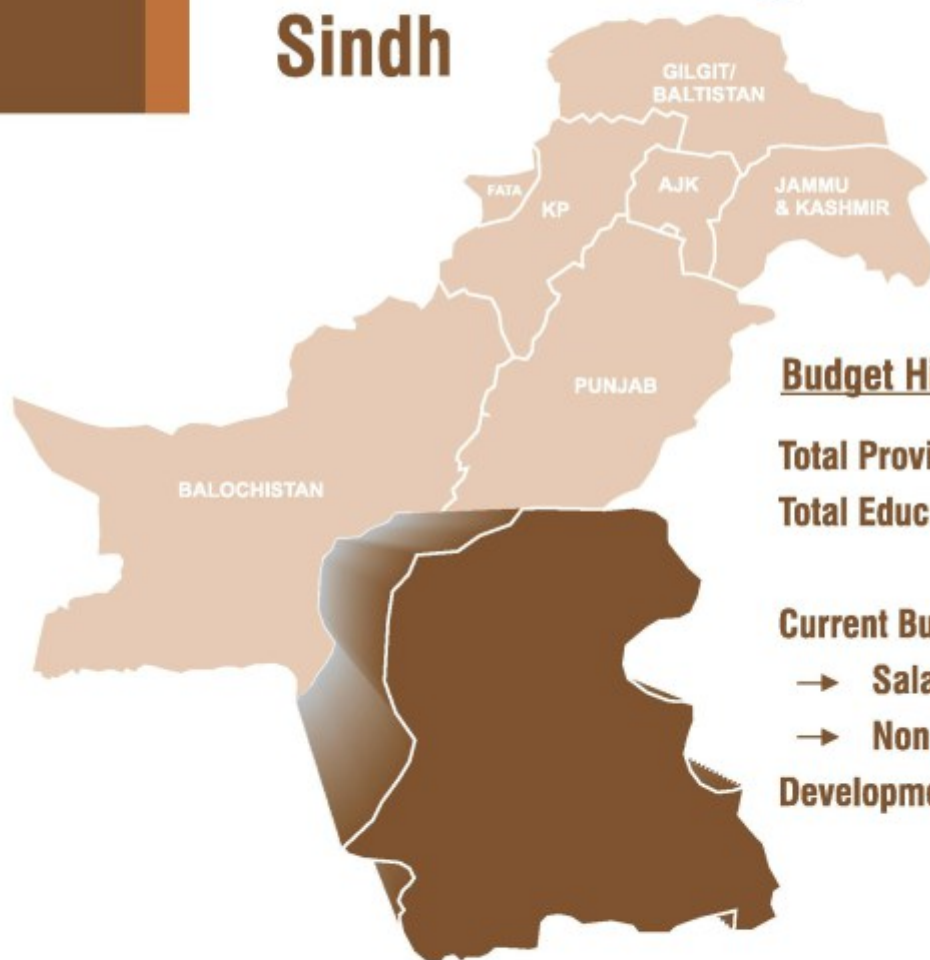
Chart 3.12 Distribution of Districts according to their Size of Education Expenditure (Rs. Billions) 2013-14



Source: FABS Reports from PIFRA SAP System

CHAPTER 4

Public Financing of Education: Sindh



Budget Highlights 2014-15

Total Provincial Budget: 686 billion

Total Education Budget: 149 billion

Current Budget: 134 billion

→ **Salary Budget:** 101 billion

→ **Non-Salary Budget:** 33 billion

Development Budget: 15 billion

CHAPTER 4

Public Financing of Education: Sindh

A total of 47,394 public sector schools exist in the province out of which 91 percent are primary schools. 45 percent of the schools at primary level are running with only one teacher. Survival rate to grade 5 hovers around 43 percent whereas the transition rate from primary to middle is 59 percent¹. The number of out-of-school children (5-16 years age group) in the province is estimated to be 6.5 million²; 51 percent of which are girls.

▶ **45%**
% of the schools at primary level running with only one teacher

4.1 EDUCATION BUDGET 2014-15 AT A GLANCE

4.1.1 Comparison of Education Budgets 2013-14 and 2014-15

For FY 2014-15, a total of Rs. 149.49 billion have been allocated for education which shows an increase of Rs. 13.9 billion (10 percent) compared to the allocated budget in 2013-14. 90 percent of the allocated budget this year has been apportioned for current expenditure; out of which 75 percent will go to salaries and allowances whereas 25 percent has been earmarked for non-salary expenses. Only 10 percent of budget (Rs. 15 billion) has been allocated for development purposes.

▲ **10%**
Increase in Total Budget

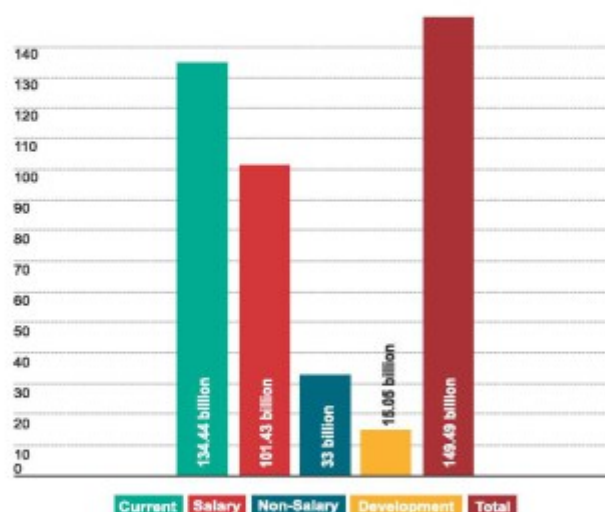
▲ **13%**
Increase in Current Budget

▼ **11%**
Decrease in Development Budget

¹NEMIS, 2012-13

²I-SAPS estimates, 2012-13

Chart 4.1: Sindh Education Budget 2014-15



Source: FABS Reports from PIFRA SAP System

Table 4.1: Sindh Education Budget 2014-15 at a Glance (Rs. Million)

	2014-15	2013-14		Increase/Decrease in 2014-15 vis-à-vis 2013-14	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Current	134,437.97	118,661.80	98,179.60	15,776.17 (13%)	36,258.37 (37%)
Salary	101,430.56	94,241.05	86,656.51	7,189.51 (8%)	14,774.05 (17%)
Non -Salary	33,007.40	24,420.75	11,523.09	8,586.66 (35%)	21,484.32 (186%)
B. Development	15,047.20	16,885.00	5,529.61	-1,837.80 (-11%)	9,517.59 (172%)
Total (A+B)	149,485.17	135,546.80	103,709.21	13,938.37 (10%)	45,775.96 (44%)

Source: FABS Reports from PIFRA SAP System & White Paper on Budget 2014-15

The education budget in 2014-15 has increased by 10 percent (Rs. 13.9 billion) compared with the allocated budget in 2013-14. Although the current budget has been raised by 13 percent compared to the previous year's allocation but the appreciable point is that major portion of the increase has been recorded for the non-salary budget which is very essential for day-to-day functioning of the schools. A meagre amount of Rs. 15 billion has been apportioned for development budget which is 11 percent lesser than the apportioned budget last year.

Net Enrolment Rate at Primary Level



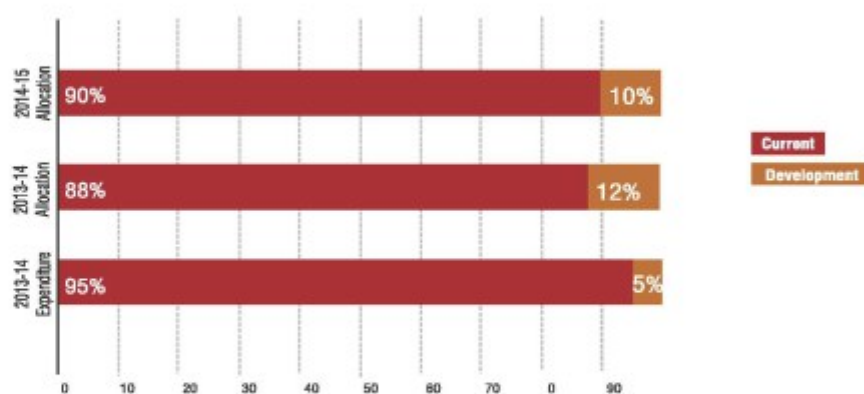
Boys

Net Enrolment Rate at Primary Level



Girls

Source: PSLM, 2012-13

Chart 4.2: Increase/Decrease in Education Budget 2013-14 and 2014-15

Source: FABS Reports from PIFRA SAP System

4.1.2: Education Budget as a Proportion of Total Provincial Budget

About one fifth of the total provincial budget has been appropriated for education sector. In 2014-15, out of the total Rs. 686 billion provincial budget, Rs. 149 billion (22 percent) have been earmarked for education sector. This presents a decrease of 1 percent compared to the 23% allocation during the previous year.

Breakdown of the provincial budget into its components shows that 29 percent of the provincial recurrent budget has been allocated for education sector whereas only 7 percent of the provincial development budget has been allocated for education. This 7 percent share in the total budget earmarked for development purposes is too low to address all the development needs of the education system in the context of Article 25-A.

Table 4.2: Education Budget as Proportion of Total Provincial Budget (Rs. Million)

	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget
	2014 -15	2014 -15	2014 -15	2013 -14	2013 -14	2013 -14
Current	470,821	134,438	29%	355,974	118,662	33%
Development	215,359	15,047	7%	229,937	16,885	7%
Total	686,180	149,485	22%	585,911	135,547	23%

Source: FABS Reports from PIFRA SAP System

Education Budget as Proportion of Total Provincial Budget 2014-15

Provincial Total Budget



Provincial Current Budget



Provincial Development Budget



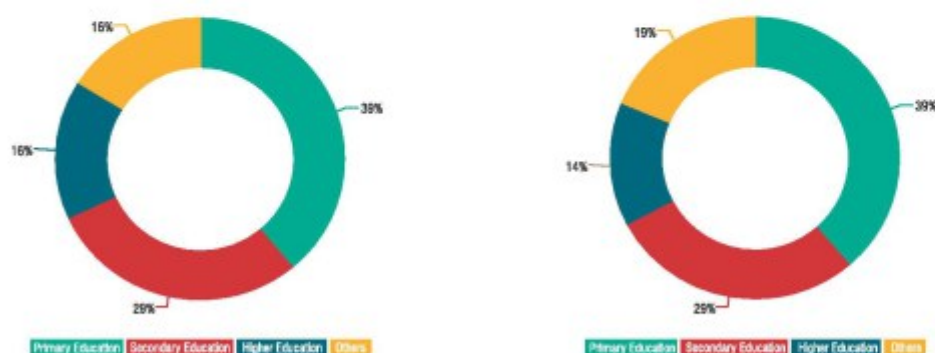
Education Budget

4.1.3 Composition of Education Budget 2014-15

The largest portion of the education budget for Sindh has been earmarked for primary education which will receive Rs. 57.6 billion (39 percent), followed by secondary education which has been allocated Rs. 42.9 billion (29 percent). The proportion of

budget allocated for these educational levels is almost similar to the apportioned budget last year. Higher education is expected to consume about 13 percent of the education budget whereas 19 percent of the budget will go to 'others'.

Chart 4.3: Composition of Education Budgets 2013-14 and 2014-15



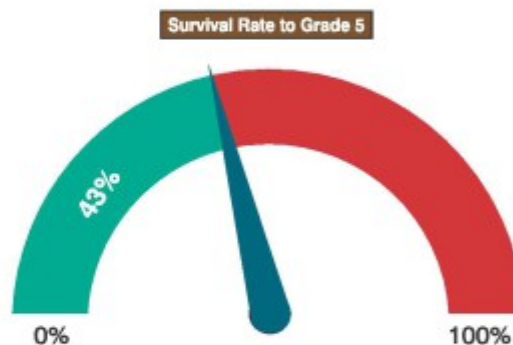
Source: FABS Reports from PIFRA SAP System

The trend in actual expenditure shows that, the expensed budget has always been less than the allocated budget.

4.2 TRENDS IN EDUCATION EXPENDITURE 2010-11 to 2014-15

4.2.1 Trends in Total Budget Allocations and Expenditures

The education budget of Sindh has shown a considerable increase over the last five years (see Table A4.1 in Annex). Since 2012-13, the allocations have increased from Rs. 109.3 billion to Rs. 149.5 billion in 2014-15, showing an increase of 137 percent. The trend in actual expenditure shows that, the expensed budget has always been less than the allocated budget. During 2012-13, 88 percent of the allocated budget was expensed whereas during 2013-14, the percentage even declined to 77 percent of the apportioned budget.



Source: NEMIS 2012-13

Chart 4.4: Percentage Change in Budgetary Allocations and Expenditures, 2010-11 & 2013-14



Note: A negative percentage refers to lesser budget expensed compared to that year's allocation. Figures for 2010-11 do not include district budget of education, whereas, figures for 2011-12 partially include district education budget. Figures for 2012-13 and onwards include district budgets as well.

Source: FABS Reports from PIFRA SAP System

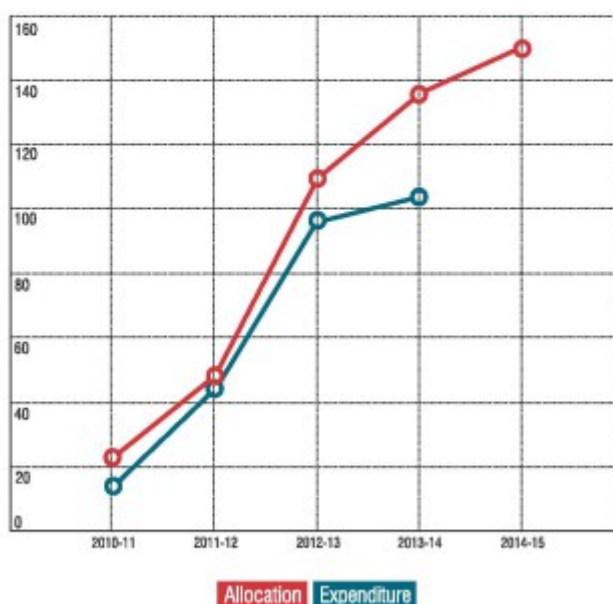
The provincial government allocated Rs. 23.1 billion (excluding districts' budget) for education sector in 2010-11 out of which Rs. 14.3 billion (62 percent) were expensed. In 2011-12, Rs. 48.2 billion were apportioned for the education which showed a nominal increase of 109 percent compared with the allocation in 2010-11³ (partially covered the districts' budget and hence drastic increase in budget size). The expensed budget during 2011-12 was short of allocation by Rs. 3.9 billion. Rs. 96.3 billion were spent in 2012-13 against the allocated budget of Rs. 109.3 billion which showed an unspent amount of Rs. 13 billion (12 percent).

A substantial budgetary increase was recorded in 2013-14 where the allocation increased by 24 percent compared with 2012-13. However, Rs. 32 billion remained unspent during the year which shows 23 percent lesser expense compared with the allocation.

403

Rs. 32 billion remained unspent during 2013-14 which shows 23 percent lesser expense compared with the allocation.

³ Figures for 2010-11 do not include district budget on education, whereas, figures for 2011-12 partially include district education budget.

Chart 4.5: Trends in Education Budget 2010-11 to 2014-15 (Rs. Billion)

Note: Figures for 2010-11 do not include district budget on education, whereas, figures for 2011-12 partially include district education budget. Figures for 2012-13 and onwards include district budgets as well.

Source: FABS Reports from PIFRA SAP System

Primary education has received the highest share of education budget during the last few years. The budget allocated or expensed on primary education has been around 40 percent of education budget during the last 4 years followed by secondary education whose share has been around 30 percent of the education budget. Compared with the allocated budget last year, primary education has been apportioned 9 percent more budget in 2014-15. It is also worth noting that a substantial portion of Sindh education budget has been earmarked for higher education and 'others'. Major share of 'others' goes to Sindh Education Reforms Program (SERP), mainly augmenting schools level education system.

4.2.2 Trends in Current Budget Allocations and Expenditures

Current budget has been consuming around 90 percent (or more) of the education budget for Sindh in the last few years. Rising from the allocated recurrent budget of Rs. 97.3 billion in 2012-13 to Rs. 134.4 billion in 2014-15, the allocation has increased by 38 percent. However, it is to be noted that the actual utilization of the budget has always been lesser than the allocated budget. In 2012-13, an amount of Rs. 6 billion remained unspent which is 6 percent of the allocated budget. The lapsed budget in 2013-14 was even higher where Rs. 20.5 billion (17 percent) were not expensed. The matter of concern in these cases is that the unspent budget was predominantly meant for non-salary expenditure rather than the salary-related expenditure.

Chart 4.6: Percentage Change in Current Budget Allocations and Expenditures, 2010-11 to 2013-14

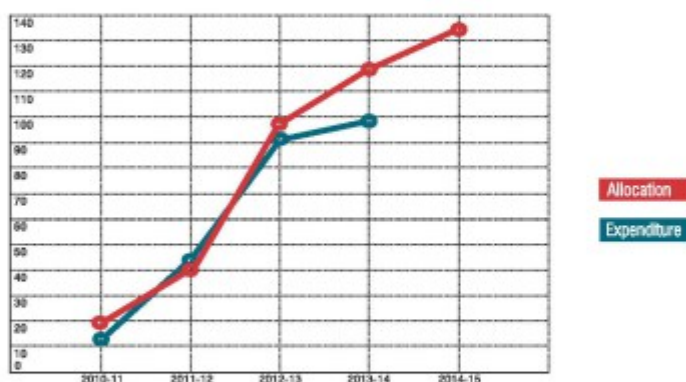


Note: A positive percentage refers to more budget expended in relation to the allocated amount in that year whereas a negative percentage refers to lesser budget expended compared to that year's allocation. Figures for 2010-11 do not include district budget on education, whereas, figures for 2011-12 partially include district education budget. Figures for 2012-13 and onwards include district budgets as well.

Source: FABS Reports from PIFRA SAP System

The current budgetary allocation for 2010-11 was Rs. 19 billion (only provincial level budget) which was raised to Rs. 40 billion in 2011-12 (district budget partially included). In 2012-13, Rs. 97.3 billion were earmarked for salary related budget, however, 6 percent of the budget could not be spent. This unspent budget was mainly allocated for non-salary expenditure. The budgetary allocation in 2013-14 increased by 22 percent to Rs. 118.7 billion but following the previous trend, 17 percent of the budget could not be spent, mainly owing to non-salary budget. In 2014-15, a hefty allocation of Rs. 134.4 billion has been made which constitutes 90 percent of the total education budget for the province.

Chart 4.7: Trends in Current Education Budget 2010-11 to 2014-15 (Rs. Billion)



Note: Figures for 2010-11 do not include district budget on education, whereas, figures for 2011-12 partially include district education budget. Figures for 2012-13 and onwards include district budgets as well.

Source: FABS Reports from PIFRA SAP System

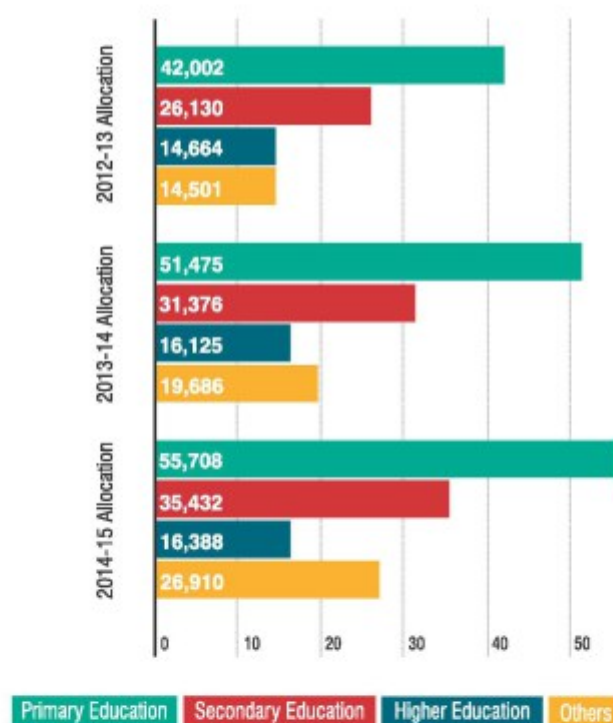
Over the year, the unspent current budget is predominantly meant for non-salary expenditure rather than the salary-related expenditure.

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Despite allocations of 20 percent or more for non-salary budget, the actual utilization of non-salary budget has been stagnant at around 12 percent during the last two years.

Primary education has been receiving the largest share of current budget for the last few years followed by secondary education. In 2012-13, 43 percent of the education budget was apportioned for primary education, followed by secondary education (27 percent), higher education (15 percent) and 'others' (15 percent). Except for primary education where an additional amount of Rs. 2.8 billion was expensed during the year, all other levels consumed less than 100 percent of the allocated budget. Almost similar pattern of budgetary allocations was recorded for primary, secondary and higher education in 2013-14 where primary education received the largest share (43 percent) of the current education budget. However, in 2013-14, the expensed budget was less than 100 percent for all the levels. This year, the budget allocated for 'others' has increased substantially to 20 percent of the allocated current budget, increased over 17 percent of the last year. Higher education is expected to receive 12 percent of the recurrent budget in 2014-15.

Chart 4.8: Trends in Current Budget by Educational Level 2012-13 to 2014-15 (Rs. Million)



Source: FABS Reports from PIFRA SAP System

Major portion of the current budget has been apportioned for salary related expenses over the last few years. More than 85 percent of the recurrent budget has been consumed by salaries in 2012-13 and 2013-14. An increase of 30 percent has been recorded for salary budget in the last two years where the allocation has shown a steady rise from Rs. 78.2 billion in 2012-13 to Rs. 101.4 billion in 2014-15. Like the current budget, primary education has been the major consumer of salary budget

during the last few years.

Although the role of non-salary budget in day-to-day functioning of the schools has always been acknowledged, but the budgetary allocations and more importantly the expenditure has been contradicting the importance attached to non-salary budget. Despite allocations of 20 percent or more for non-salary budget, the actual utilization of non-salary budget has been stagnant at around 12 percent during the last two years. This year, a significant amount of Rs. 33 billion (25 percent of the total current budget) has been earmarked for non-salary budget, however, seeing the past trends it remains to be seen as to what percentage of it is actually expensed.

4.2.3 Trends in Development Budget Allocations and Expenditures

The budget allocated for development purposes (expanding the education system infrastructure network and its maintenance) is far lesser than the needs of the education system, particularly in the context of Article 25-A. And more concerning is the fact that major share of the allocated budget remains unspent. During the last 4 years, the highest expensed percentage was recorded in 2012-13 where 41 percent of the allocated budget was expensed.

Chart 4.9: Percentage Change in Development Budget Allocations and Expenditures, 2010-11 to 2013-14



Note: A negative percentage refers to lesser budget expensed compared to that year's allocation. Figures for 2010-11 do not include district budget on education, whereas, figures for 2011-12 partially include district education budget. Figures for 2012-13 and onwards include district budgets as well.

Source: FABS Reports from PIFRA SAP System

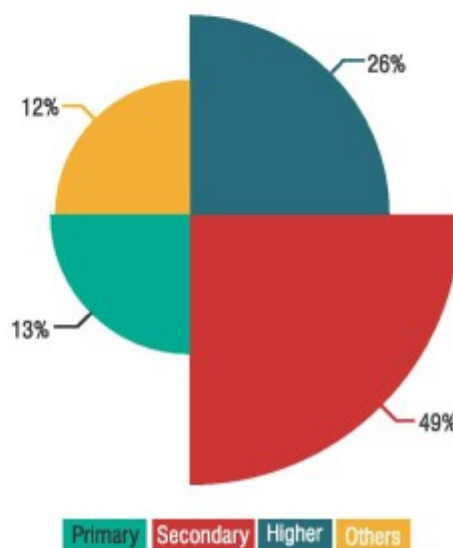
No consistent trend can be seen for the development budget in the last few years under review. In 2012-13, Rs. 12 billion were allocated for development purposes

During the last 4 years, the highest expensed percentage for development budget was recorded in 2012-13 where 41 percent of the allocated budget was expensed.

Primary education was apportioned only 8 percent of the development budget in 2013-14.

out of which only Rs. 4.9 billion (41 percent) were actually spent. The development budget was increased by 41 percent to Rs. 16.9 billion in 2013-14, however, the trend has changed in 2014-15 where 11 percent less budget has been allocated for development purposes. It is to be noted that the expensed budget during 2013-14 was even lesser than the previous year as only 33 percent of the allocated amount could be spent during the year.

Chart 4.10: Priorities in Development Budget Allocation, 2014-15

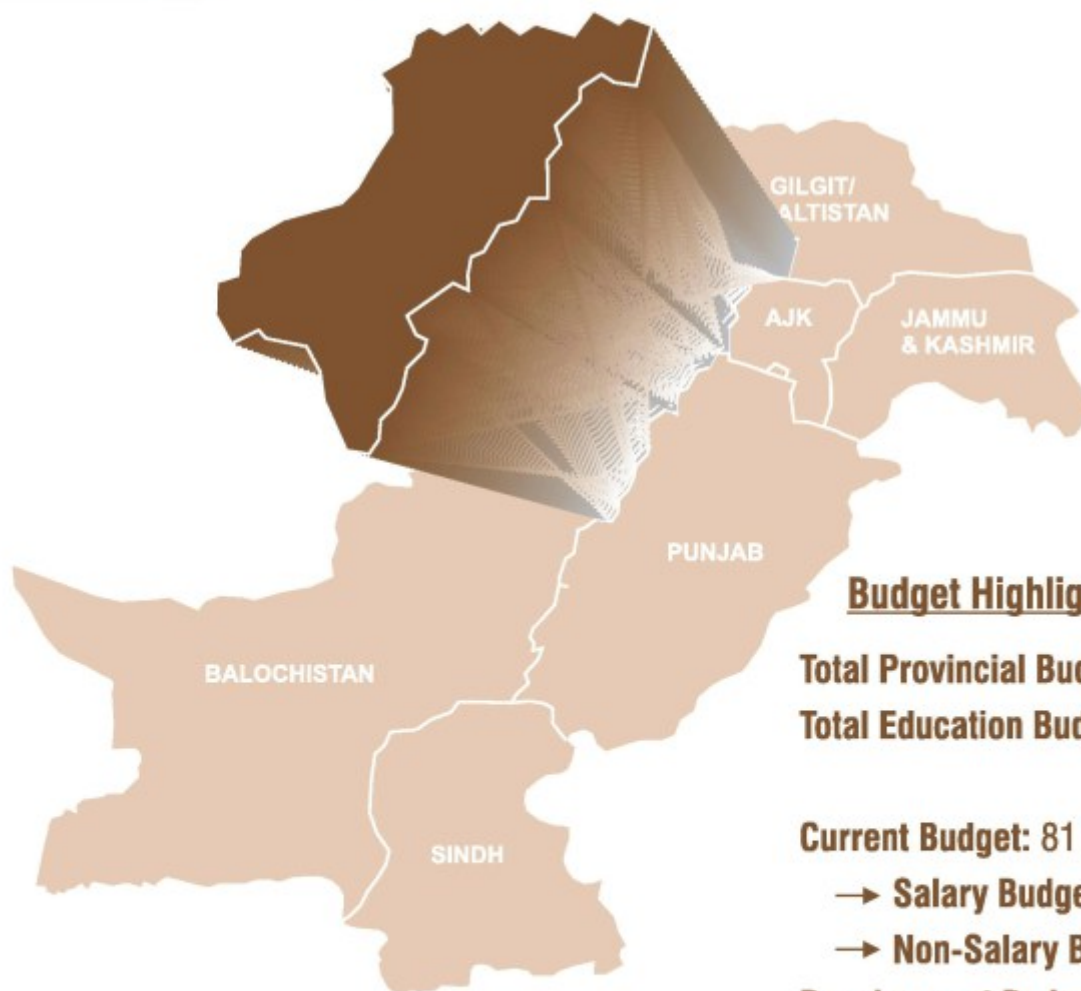


Source: FABS Reports from PIFRA SAP System

During 2012-13, the highest share of development budget (47 percent) was earmarked for higher education, followed by 21 percent allocation for secondary education, 19 percent for primary education whereas 13 percent of the budget was apportioned for 'others'. The trend changed a bit in 2013-14 where the largest portion of the development budget (48 percent) was allocated for secondary education. This was followed by higher education, receiving 30 percent of the allocated budget. Primary education was apportioned only 8 percent of the development budget in 2013-14. Similar trend can be seen in allocation for 2014-15 except for the fact that primary education has now been allocated a bit higher proportion of the development budget, i.e., 13 percent. It is strange to see the pattern of allocations for development budget where a huge share of development budget is appropriated for higher education and primary education receives minimal share; as federal government still remains the major financier of higher education and also that the government's major focus should be on primary education.

CHAPTER 5

Public Financing of Education: Khyber Pakhtunkhwa



Budget Highlights 2014-15

Total Provincial Budget: 405 billion

Total Education Budget: 107 billion

Current Budget: 81 billion

→ **Salary Budget:** 72 billion

→ **Non-Salary Budget:** 9 billion

Development Budget: 26 billion

CHAPTER 5

Public Financing of Education: Khyber Pakhtunkhwa

A total of 28,427 public sector schools exist in the province out of which 83 percent are primary schools. 21 percent of the schools at primary level are running with only one teacher. Survival rate to grade 5 hovers around 64 percent whereas the transition rate from primary to middle is 72 percent¹. The number of out-of-school children (5-16 years age group) in the province is estimated to be 4 million²; 60 percent of which are girls.

► **21%**
% of the schools at primary level running with only one teacher

5.1 EDUCATION BUDGET 2014-15 AT A GLANCE

5.1.1 Comparison of Education Budgets 2013-14 and 2014-15

The total education budget allocated for FY 2014-15 is Rs. 106.8 billion. 76 percent of the total budget has been allocated for current budget whereas 24 percent of the budget has been earmarked for development purposes. Out of the Rs. 80.7 billion current budget, 89 percent budget will be spent on salary related expenses and a mere 11 percent has been apportioned for non-salary expenditure.

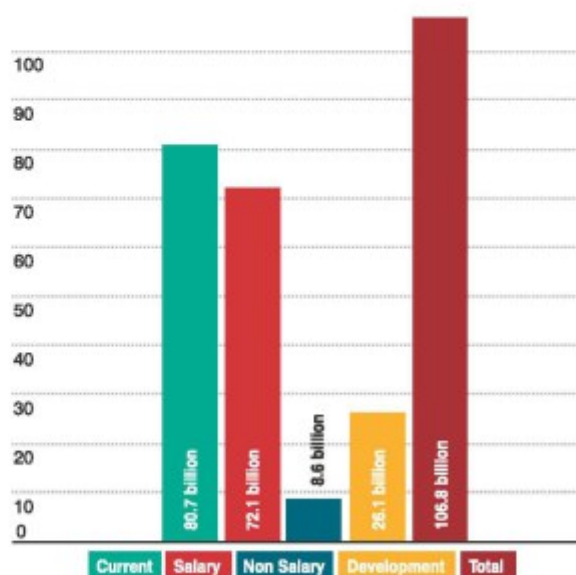
▲ **11%**
Increase in Total Budget

▲ **21%**
Increase in Current Budget

▼ **12%**
Decrease in Development Budget

¹ NEMIS 2012-13.

² I-SAPS estimates, 2012-13

Chart 5.1: Khyber Pakhtunkhwa Education Budget 2014-15

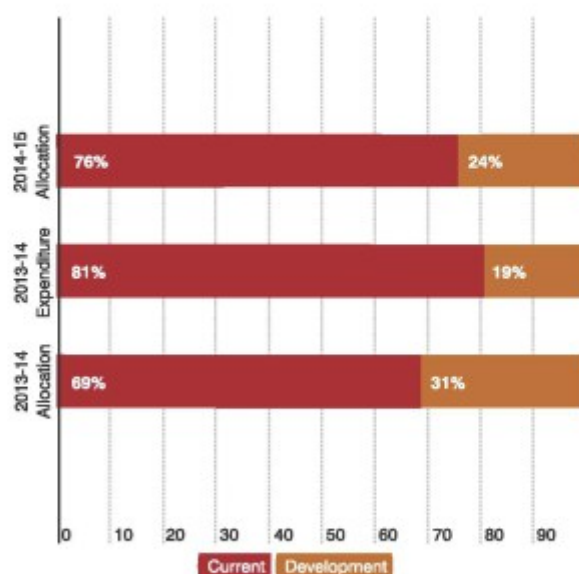
Source: FABS Reports from PIFRA SAP System

Table 5.1: Khyber Pakhtunkhwa Education Budget 2014-15 at a Glance (Rs. Million)

	2014-15	2013-14		Increase/Decrease vis-à-vis 2013-14	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Current	80,729.32	66,608.03	65,707.54	14,121.29 (21%)	15,021.78 (23%)
Salary	72,122.22	61,864.69	62,908.73	10,257.53 (17%)	9,213.49 (15)
Non -Salary	8,607.10	4,743.34	2,798.82	3,863.76 (81%)	5,808.29 (208%)
B. Development	26,106.58	29,798.97	14,967.51	-3,692.39 (-12%)	11,139.07 (74%)
Total (A + B)	106,835.90	96,407	80,675.05	10,428.90 (11%)	26,160.85 (32%)

Source: FABS Reports from PIFRA SAP System.

The Government of Khyber Pakhtunkhwa has increased the overall education budget by 11 percent in year 2014-15 in comparison with the previous year. In absolute terms, the budget has increased by Rs. 10.4 billion. Although there is an increase in current budget by 21 percent surging the allocation to Rs. 80.7 billion, but on the other hand development budget has been decreased by 12 percent leaving development allocations for 2014-15 to be only Rs. 26.1 billion. Under recurrent budget, salary budget has increased by 17 percent and non-salary budget has recorded a massive increase of 81 percent.

Chart 5.2: Increase/Decrease in Education Budgets 2013-14 and 2014-15

Source: FABS Reports from PIFRA SAP System

5.1.2 Education Budget as a Proportion of Total Provincial Budget

Although the overall Provincial budget for Khyber Pakhtunkhwa (KP) for 2014-15 has increased by Rs. 76 billion compared with 2013-14, the share of education in the provincial budget shrunk from 29 percent in 2013-14 to 26 percent this year. About one fourth of the total provincial budget has been allocated for education sector, i.e., out of the total Rs. 405 billion budget of KP, Rs. 107 billion has been appropriated for KP's educational budget in 2014-15.

Table 5.2: Education Budget as Proportion of Total Provincial Budget (Rs. Million)

	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget
	2014-15	2014-15	2014-15	2013-14	2013-14	2013-14
Current	265,000	80,729	30%	211,000	66,610	32%
Development	139,805	26,107	19%	118,000	29,800	25%
Total	404,805	106,836	26%	329,000	96,410	29%

Source: FABS Reports from PIFRA SAP System.

The current education budget is expected to consume 30 percent of the total provincial current budget whereas 19 percent of the provincial development budget has been reserved for education.

Education Budget as Proportion of Total Provincial Budget 2014-15**Provincial Total Budget****Provincial Current Budget****Provincial Development Budget**

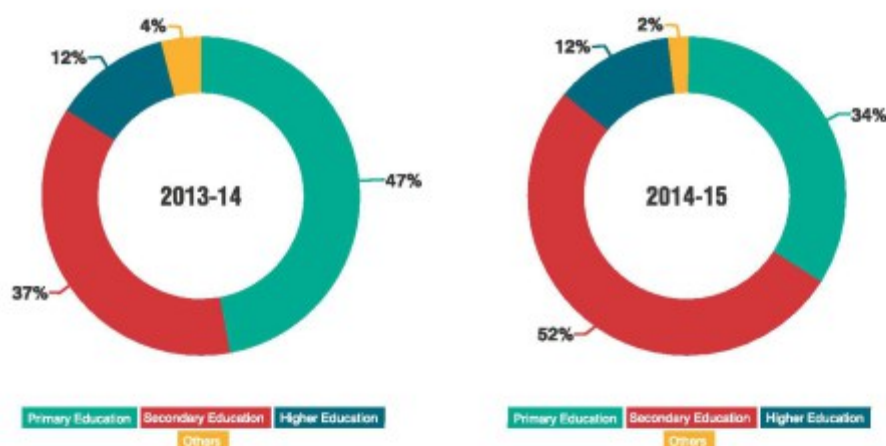
Education Budget

5.1.3 Composition of Education Budget 2014-15

For the fiscal year 2014-15, the distribution of education expenditure varies significantly between the sub-categories. Highest share of the education budget (52 percent) has been allocated for secondary education, i.e., Rs. 55.6 billion, and the lowest share of 2 percent of the total education budget has been apportioned for 'others' (Rs. 1.99 billion). Primary education and higher education have been appropriated Rs. 35.97 billion (34 percent) and Rs. 13.2 billion (12 percent), respectively.

A comparison of education budget 2013-14 with 2014-15 gives useful information about the changes in budgetary allocations for each of the categories. The percentage change shows a remarkable increase in the budget assigned to secondary education while only a slight increase has been observed in the budget for higher education. On the contrary, primary education and 'others' have been allocated lesser budgets this year in comparison with the previous year.

Chart 5.3: Composition of Education Budgets 2013-14 and 2014-15



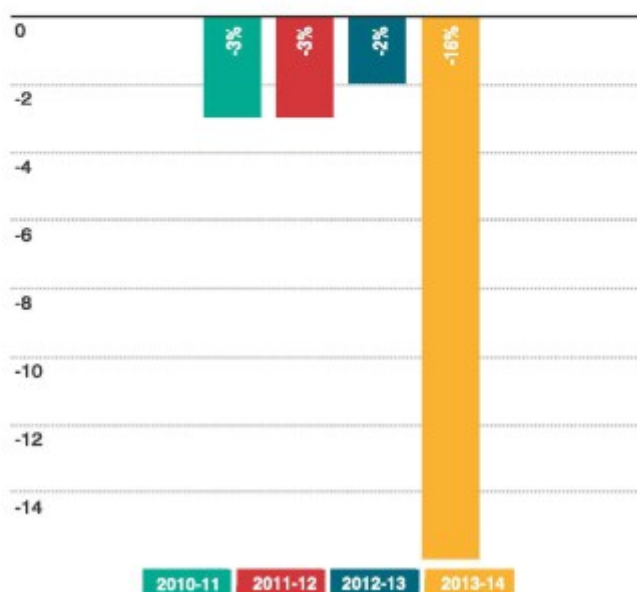
Source: FABS Reports from PIFRA SAP System.

5.2 TRENDS IN EDUCATION EXPENDITURE 2010-11 to 2014-15

5.2.1 Trends in Total Budget Allocations and Expenditures

The allocated budget for the education sector has experienced a rising trend from 2010-11 to 2014-15 where the overall budgetary allocations augmented by 110 percent over the last five years. However, the expenditure has always fell short of the allocated budget but not by more than about Rs. 2 billion. Hence, the expenditure trend line closely followed the allocation trend line; except for the year 2013-14. For 2013-14, there was an alarming discrepancy between the budgetary allocation and the expensed budget which fell short by Rs. 16 billion.

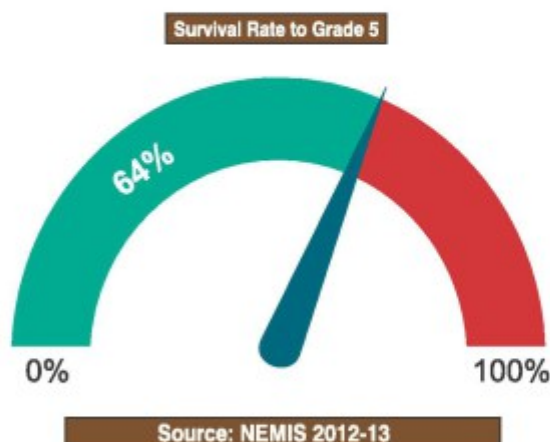
Chart 5.4: Percentage Change in Budgetary Allocations and Expenditures, 2010-11 to 2013-14



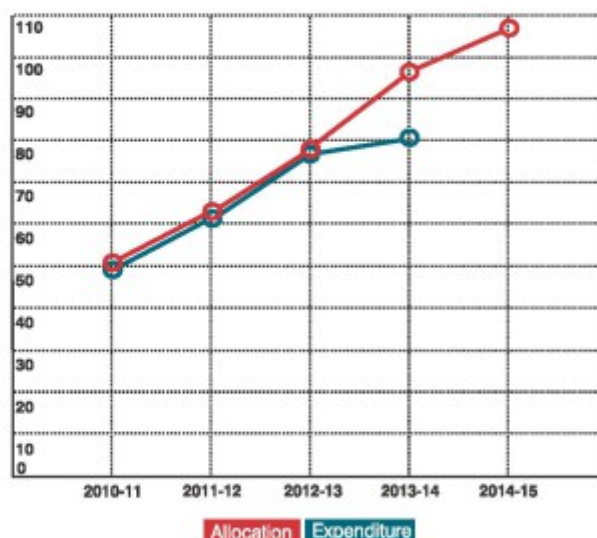
Note: A negative percentage refers to lesser budget expensed compared to that year's allocation.

Source: FABS Reports from PIFRA SAP System.

In 2011-12, Rs. 63.17 billion were allocated for the education budget, Rs. 12.2 billion more than the previous year. In 2010-11, out of the allocated budget, Rs. 1.75 billion remained unspent. In 2011-12, the expensed amount was 3 percent lesser than the allocated budget. Rs. 78.2 billion were earmarked for education in 2012-13 but again 2 percent of the allocations remained unspent. Although in 2013-14, the allocations increased substantially by Rs. 18.3 billion compared with previous year, but more than 16 percent of the budget (Rs. 15.7 billion) remained unspent.



Although in 2013-14, the allocations increased substantially by Rs. 18.3 billion compared with previous year, but more than 16 percent of the budget (Rs. 15.7 billion) remained unspent.

Chart 5.5: Trends in Education Budget 2010-11 to 2014-15 (Rs. Billions)

Source: FABS Reports from PIFRA SAP System.

Only in 2012-13, the current expenditure exceeded the allocation by Rs. 4.8 billion, i.e., 9 percent more budget was spent than was allocated.

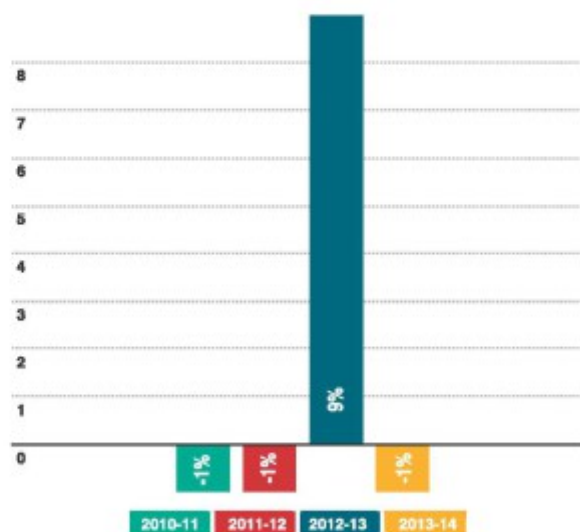
Within the total education budget, secondary education usually had the largest share until 2013-14 when the trend was broken and primary education received the largest share of the budget. But again in 2014-15, secondary education has been apportioned highest proportion of the total education budget. Moreover, while higher education budget allocations increased gradually over the last few years, budgetary allocations for 'others' have been inconsistent largely with an abrupt increase in 2012-13. This surge was followed by a shocking fall in the allocations in the following years.

5.2.2 Trends in Current Budget Allocations and Expenditures

Current budget consumes major part of the total education budget of Khyber Pakhtunkhwa; around 80 percent on average. The percentage share of current budget in the total education budget of the province has decreased over the years from 79 percent in 2010-11 to 69 percent in 2013-14; however, in the current fiscal year the allocation has again risen to 76 percent of the total education budget. Analyzing the budgets allocated and the expenditure made shows almost full utilization of the funds in 2010-11, 2011-12 and 2013-14. Only in 2012-13, the current expenditure exceeded the allocation by Rs. 4.8 billion, i.e., 9 percent more budget was spent than was allocated.

Budgetary allocation for current budget was Rs. 40 billion in 2010-11, whereas Rs. 9.95 billion more budget was allocated for recurrent expenses during 2011-12. An increase of Rs. 6.03 billion was observed during 2012-13 compared to the budget

Chart 5.6: Percentage Change in Current Budget Allocations and Expenditures, 2010-11 to 2013-14

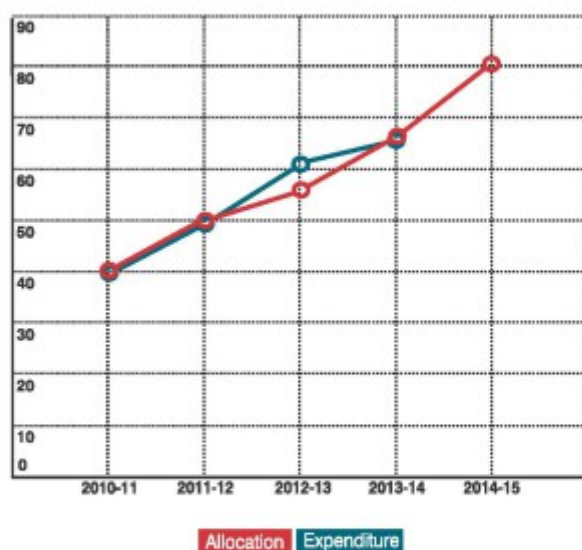


Note: A positive percentage refers to more budget expended in relation to the allocated amount in that year whereas a negative percentage refers to lesser budget expended compared to that year's allocation.

Source: FABS Reports from PIFRA SAP System

allocated in 2011-12, whereas an increase of about 19 percent was recorded for the next fiscal year 2013-14. In the current fiscal year 2014-15, Rs. 80.73 billion have been earmarked for current budget, which is Rs. 15 billion higher than the last year's expenditure.

Chart 5.7: Trends in Current Education Budget 2010-11 to 2014-15 (Rs. Billion)



Source: FABS Reports from PIFRA SAP System.

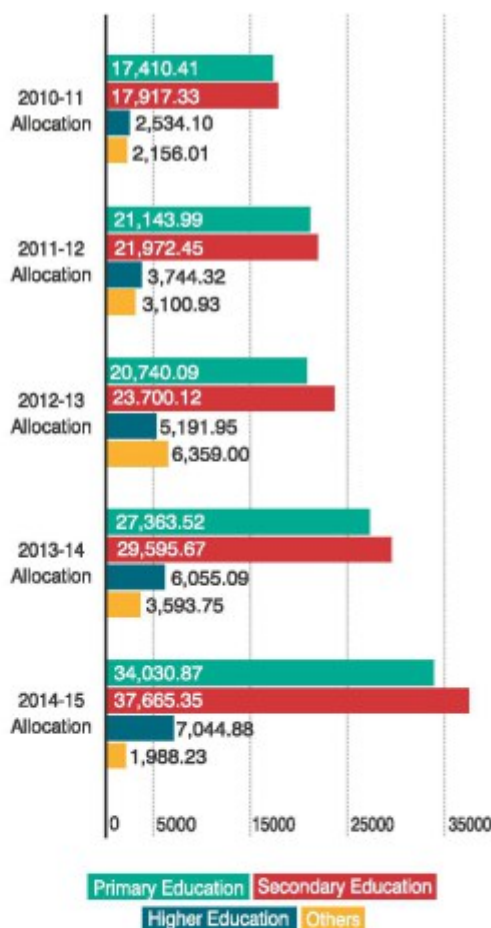
The percentage change each year has been approximately 15 percent or more but the actual spending under the salary budget has continued to exceed the allocated budget.



The expenditure under non-salary budget has always been less than the amount allocated, except for year 2012-13 when actual spending exceeded the allocated budget for that year.

Current expenditure has been primarily consumed by primary and secondary education in the last few years, whereas higher education and 'others' only have a minor share in comparison. The share of primary and secondary education in the total current budget was almost same, slightly above Rs. 17 billion and Rs. 21 billion in 2010-11 and 2011-12, respectively. But in 2012-13 and 2013-14, the share of current budget assigned for secondary education started to exceed the share of primary education. Rs. 23.7 billion and Rs. 29.6 billion were apportioned for secondary education whereas Rs. 20.74 billion and Rs. 27.4 billion were earmarked for primary education in 2012-13 and 2013-14, respectively. Although the allocation for primary education in 2013-14 was less than the secondary education, the actual expenditure on primary education exceeded secondary education mainly due to up-gradation of posts of primary school teachers and resultant increase in salaries expenditure. For the current fiscal year 2014-15, the share of current expenditure appropriated to secondary education is again higher than primary education to the tune of Rs. 3.63 billion.

Chart 5.8: Trends in Current Budget by Educational Level 2010-11 to 2014-15 (Rs. Million)



Source: FABS Reports from PIFRA SAP System.

Like other provinces, salary budget consumes the major portion of the current budget in Khyber Pakhtunkhwa also. The salary budget has recorded a consistent increase during the last 5 years where its share has increased by about 90 percent from 2010-11 to 2014-15. The percentage change each year has been approximately 15 percent or more but the actual spending under the salary budget has continued to exceed the allocated budget.

From 2010-11 to 2011-12, a 64 percent increase in the allocations was observed but in the following year, the allocations decreased by 28 percent in comparison with the previous year. As far as the expenditure is concerned, it has always been less than the amount allocated, except for year 2012-13 when actual spending exceeded the allocated budget for that year.

5.2.3 Trends in Development Budget Allocations and Expenditures

For the fiscal year 2014-15, Rs. 26.1 billion have been earmarked for development purposes, which constitutes 24 percent of the total education budget. 21 percent of the total education budget was allocated for development budget in 2010-11 and 2011-12; which was increased to 28 percent in 2012-13 and then further raised to 31 percent in 2013-14. Despite the increase in allocations for development budget in 2012-13 and 2013-14, the actual spending has unfortunately remained very low.

Chart 5.9: Percentage Change in Development Budget Allocations and Expenditures, 2010-11 to 2013-14



In 2013-14, development budget incremented by 35 percent but the actual spending was almost half of the allocated budget.

Note: A positive percentage refers to more budget expended in relation to the allocated amount in that year whereas a negative percentage refers to lesser budget expended compared to that year's allocation.

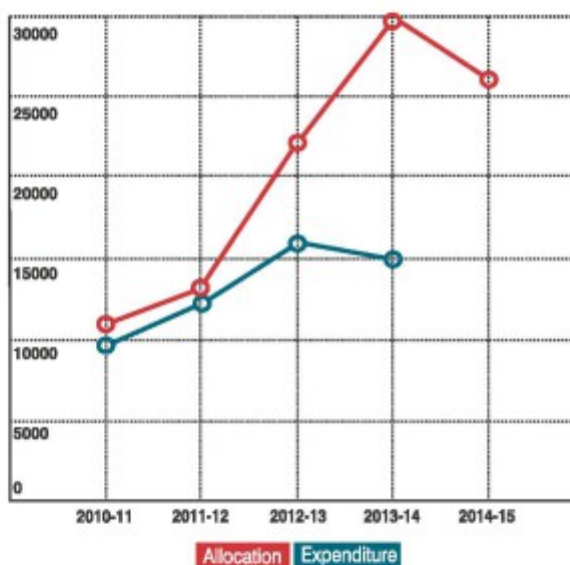
Source: FABS Reports from PIFRA SAP System.

Except for 2014-15 where the development budget allocation has been reduced by Rs. 3.7 billion compared with the previous year's allocation, development

District budget's share in the total education budget of Khyber Pakhtunkhwa has diminished over the years.

budget for Khyber Pakhtunkhwa has been increasing at a reasonable rate. Development budget rose from Rs. 10.9 billion in 2010-11 to Rs. 13.2 billion in 2011-12. A remarkable increase in allocation for development budget was seen in 2012-13 when it soared by 68 percent compared with the previous year's allocation. But the actual spending failed to match this rise in allocation, since only 72 percent of the allocated budget was expensed during the year. In the following year 2013-14, development budget incremented by 35 percent but the actual spending was almost half of the allocated budget, making the increased development allocations for 2013-14 pointless. For the current fiscal year 2014-15, development budget allocation has been reduced by 12 percent compared with previous year's allocation; disrupting the existing trend of a rising development budget.

Chart 5.10: Trends in Development Education Budget 2010-11 to 2014-15 (Rs. Billion)

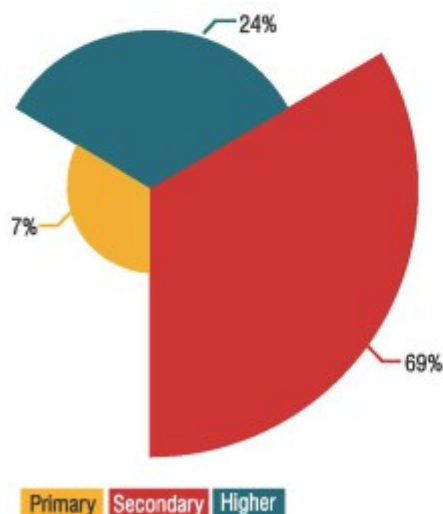


Source: FABS Reports from PIFRA SAP System.

Until 2011-12, the sectoral allocation figures showed that secondary education was preferred over other levels of education but the preference changed to 'others' in 2012-13. The share of 'others' was increased from 24 percent of the total development budget allocation in 2011-12 to 46 percent in 2012-13. Regardless of the fact that there was a significant increase under the head of 'others', the actual spending on it remained nil indicative of the fact that funds are parked under 'Others' and then re-appropriated. Subsequently for the next year 2013-14, there was no allocation for 'others' and maximum allocation was granted to the primary sector, from 8 percent of the development budget in 2012-13 to 60 percent in 2013-14. However, in 2014-15, secondary education has been allocated the largest chunk of the development budget where its share has increased from 25 percent in 2013-14 to 69 percent in 2014-15,

indicative of arbitrary trend in budgetary allocations.

Chart 5.11: Priorities in Development Budget Allocation, 2014-15



Source: FABS Reports from PIFRA SAP System

5.2.4 Trends in District Education Budget

District expenditure's share in the total education budget of Khyber Pakhtunkhwa has diminished over the years. Although the decrease from 2010-11 to 2012-13 was marginal, that is, from 74 percent to 73 percent to 71 percent over the period of 3 years; in 2013-14, the share of district education expenditure as a portion of total education expenditure of the province reduced shockingly to 66 percent. District expenditure only comprises of salary and non-salary expenditure on primary and secondary education. There is no mentionable amount of development budget allocated to the districts, since developmental works are handled at the provincial level alone. Higher education and teacher training are also provincial subjects.

The following table segregates the districts according to their education budget expenditure in 2013-14 into four budget ranges. With respect to this table, highest expenditure among all the districts is in Peshawar, Mansehra and Mardan. The annual budget expenditure is above Rs. 3.5 billion for each of these districts. They account for 23 percent of the total district education expenditure and 15 percent of the total

The sum of these four district's (Tor Ghar, Hangu, Tank and Battagram) allocations is equal to 56 percent of the education expenditure of Mansehra alone.

Net Enrolment Rate at Primary Level



Net Enrolment Rate at Primary Level



Source: PSLM, 2012-13

educational expenditure of KP in 2013-14. The second range of annual budget expenditure groups together ten districts where expenditure lie between Rs. 2.1 to 3.5 billion. Aggregate of these ten districts absorbs 50 percent of the total district education expenditure and 33 percent of the total education expenditure of the province.

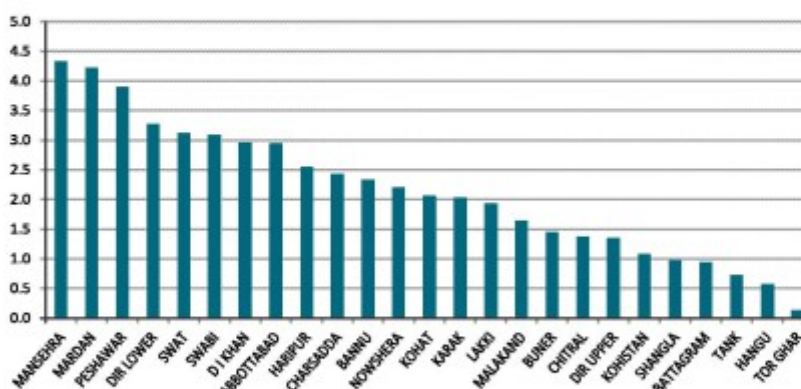
Table 5.3: Variations in Annual Education Budget Expenditure of Districts in Khyber Pakhtunkhwa, 2013-14

S. No.	Annual Expenditure Range	No. of Districts	Names of Districts	% of Total District Education Expenditure	% of Total KP Education Expenditure
1	Above 3.5 billion	3	Peshawar, Mansehra, Mardan	23%	15%
2	2.1 to 3.5 billion	10	Kohat, Nowshera, Bannu, Charsada, Haripur, D I Khan, Abbottabad, Swabi, Swat, Dir Lower	50%	33%
3	1 to 2 billion	8	Lakki, Karak, Kohistan, Chitral, Dir Upper, Buner, Malakand, Shangla	22%	15%
4	Less than 1 billion	4	Tor Ghar, Hangu, Tank, Battagram	4%	3%
Total		25			

Source: FABS Reports from PIFRA SAP System.

Tor Ghar, Hangu, Tank and Battagram are in dire situation in terms of the education budget expensed in these districts. Not only the education expenditures of these districts lie below Rs. 1 billion, but also their expensed budget combined rounds about to Rs. 2.4 billion, a poor show of equitable distribution. It is critical to shed light on the fact that sum of these four districts' expenditure is equal to 56 percent of the education expenditure of Mansehra alone. Clearly educational needs of these districts are ignored.

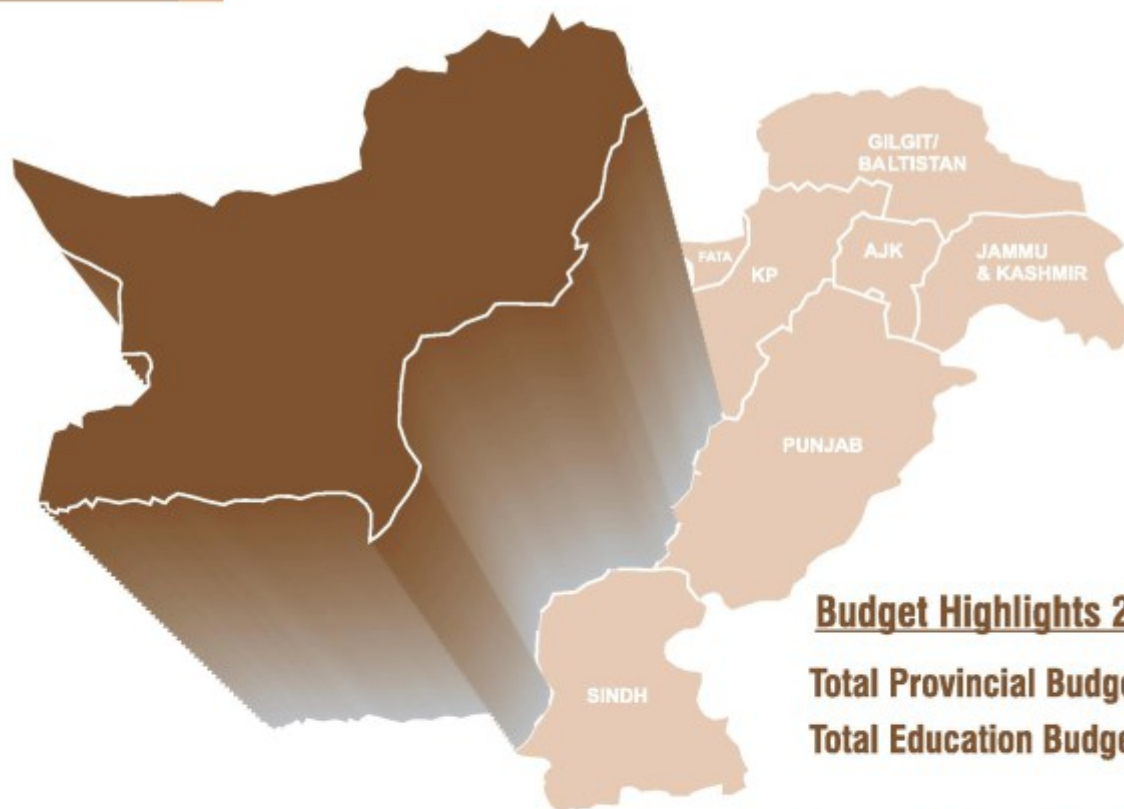
Chart 5.12 Distribution of Districts according to their Size of Education Expenditure (Rs. Billions) 2013-14



Source: FABS Reports from PIFRA SAP System.

CHAPTER 6

Public Financing of Education: Balochistan



Budget Highlights 2014-15

Total Provincial Budget: 216 billion

Total Education Budget: 41 billion

Current Budget: 29 billion

→ **Salary Budget:** 26 billion

→ **Non-Salary Budget:** 3 billion

Development Budget: 12 billion

CHAPTER 6

Public Financing of Education: Balochistan

A total of 12,357 public sector schools exist in the province out of which 85 percent are primary schools. 58 percent of the schools at primary level are running with only one teacher. Survival rate to grade 5 hovers around 43 percent whereas the transition rate from primary to middle is 67 percent¹. The number of out-of-school children (5-16 years age group) in the province is estimated to be 1.2 million; 55 percent of which are girls².

► **58%**
% of the schools at primary level running with only one teacher

6.1 EDUCATION BUDGET 2014-15 AT A GLANCE

6.1.1 Comparison of Education Budgets 2013-14 and 2014-15

A total of Rs. 40.7 billion has been allocated for education in the budget estimates for FY 2014-15 which presents an increase of 17 percent compared with last year's allocations. Majority of the budget, i.e., 71 percent, will be spent on recurrent expenditure whereas 29 percent of the budget has been apportioned for development purposes. 89 percent of the current budget will go to salaries and other employee-related expenses such as pays and allowances.

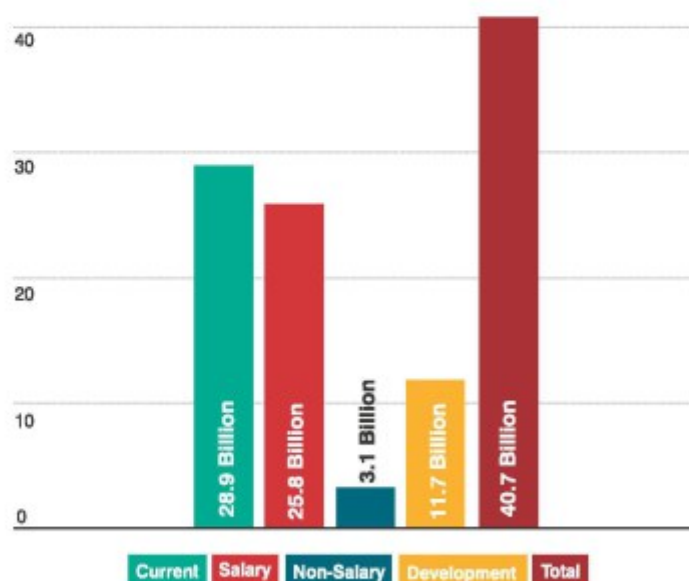
▲ **17%**
Increase in Total Budget

▲ **17%**
Increase in Current Budget

▲ **16%**
Increase in Development Budget

¹ NEMIS, 2012-13

² I-SAPS estimates, 2012-13

Chart 6.1: Balochistan Education Budget 2014-15

Source: FABS Reports from PIFRA SAP System

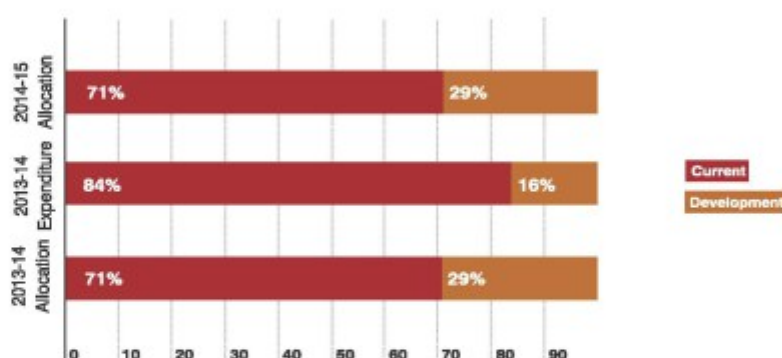
Table 6.1: Balochistan Education Budget 2014-15 at a Glance (Rs. Million)

	2014-15	2013-14		Increase/Decrease in 2014-15 vis-à-vis 2013-14	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Current	28,937.23	24,743.90	28,643.83	4,193.33(17%)	293.40(1%)
Salary	25,844.82	20,801.28	25,750.61	5,043.54(24%)	94.21(0.4%)
Non-Salary	3,092.41	3,942.62	2,893.22	-850.21(-22%)	199.19(7%)
B. Development	11,736.44	10,154.72	5,306.67	1,581.72(16%)	6,429.77(121%)
Total (A+B)	40,673.66	34,898.62	33,950.50	5,775.04(17%)	6,723.16(20%)

Source: FABS Reports from PIFRA SAP System

Compared with the budgetary allocations in 2013-14, the total education budget has increased by 17 percent (Rs. 5.8 billion) in 2014-15 with major portion of the increase owing to the salary expenses whereas the non-salary budget has been cut-down by 22 percent (Rs. 850 million) this year.

The development budget has increased significantly comparing with the expenditure in 2013-14 where an extra amount of Rs. 6.4 billion (121 percent) has been apportioned for it. But what remains to be seen is that what portion of the development budget will be expensed this year considering the fact that about half of the allocated development budget in 2013-14 could not be spent.

Chart 6.2: Increase/Decrease in Education Budgets 2013-14 and 2014-15

Source: FABS Reports from PIFRA SAP System

6.1.2 Education Budget as a Proportion of Total Provincial Budget

About one fifth of the total provincial budget in 2014-15 has been appropriated for education sector. Total provincial outlay for Balochistan in 2014-15 is Rs. 215.7 billion out of which Rs. 40.7 billion (19 percent) has been apportioned for education. The same percentage (19 percent) was also recorded in 2013-14.

Breakdown of the provincial budget into its components shows that 18 percent of the provincial recurrent budget and 23 percent of the provincial development budget has been allocated for education sector's current and development budgets, respectively. The current budget allocations as proportion of the provincial budget have increased by 2 percent in 2014-15 as compared to the previous year.

Table 6.2: Education Budget as Proportion of Total Provincial Budget (Rs. Million)

	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget
	2014 - 15	2014 - 15	2014 - 15	2013 - 14	2013 - 14	2013 - 14
Current	164,971	28,937	18%	154,468	24,744	16%
Development	50,742	11,736	23%	43,922	10,155	23%
Total	215,713	40,674	19%	198,390	34,899	18%

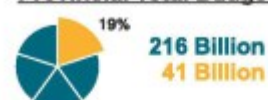
Source: FABS Reports from PIFRA SAP System & White Paper on Budget

6.1.3 Composition of Education Budgets 2013-14 and 2014-15

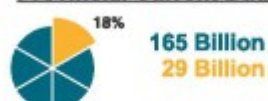
The highest share of Balochistan's education budget, i.e., 36 percent, has been apportioned for secondary education which in absolute terms equal to Rs. 14.6 billion. This shows a minor increase compared with the last year's allocation for secondary education where Rs. 14.1 billion were earmarked. Primary education is estimated to

Education Budget as Proportion of Total Provincial Budget 2014-15

Provincial Total Budget



Provincial Current Budget



Provincial Development Budget



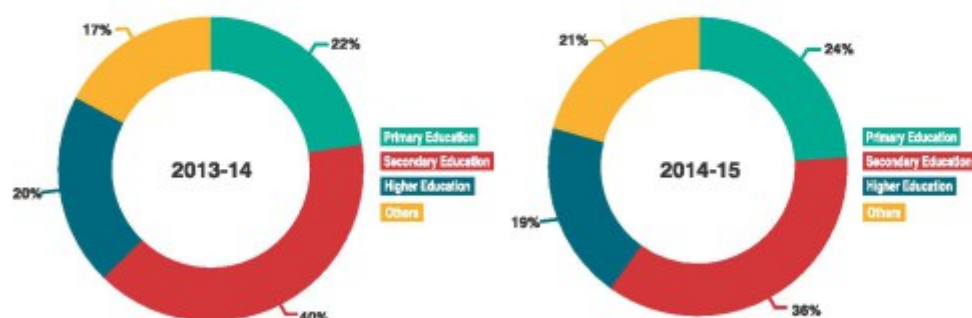
Education Budget

65

Major portion of the increase in 2014-15 is owing to the salary expenses whereas the non-salary budget has been cut-down by 22 percent (Rs. 850 million) this year.

consume about 24 percent of the education budget in 2014-15, a slight increase from 22 percent allocation in 2013-14. In 2014-15, 19 percent and 21 percent of the education budget has been apportioned for higher education and 'others'.

Chart 6.3: Composition of Education Budgets 2013-14 and 2014-15



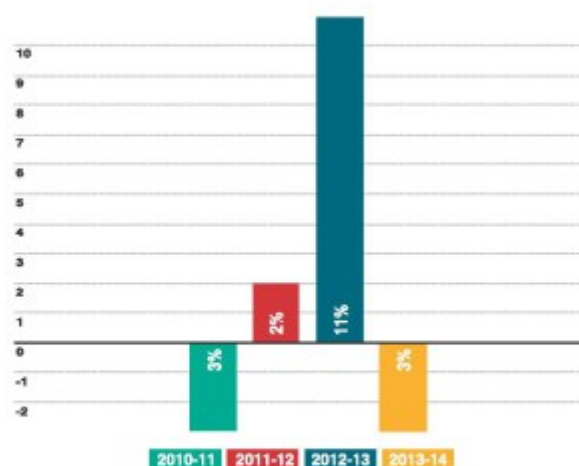
Source: FABS Reports from PIFRA SAP System

6.2 TRENDS IN EDUCATION EXPENDITURE 2010-11 to 2014-15

6.2.1 Trends in Total Budget Allocations and Expenditures

Over the years, the education budget of Balochistan has shown an upward trend (see Table A6.1 in Annex). During the last 5 years, the total budgetary allocation has registered an increase of 110 percent; rising from Rs. 19.4 billion in 2010-11 to Rs. 40.7 billion in 2014-15. During 2011-12 and 2012-13, more than 100 percent of the allocated budget was expensed on education sector. However, it is worth noting that majority of this increase owed to the current expenditure/salaries.

Chart 6.4: Percentage Change in Budgetary Allocations and Expenditures, 2010-11 to 2013-14

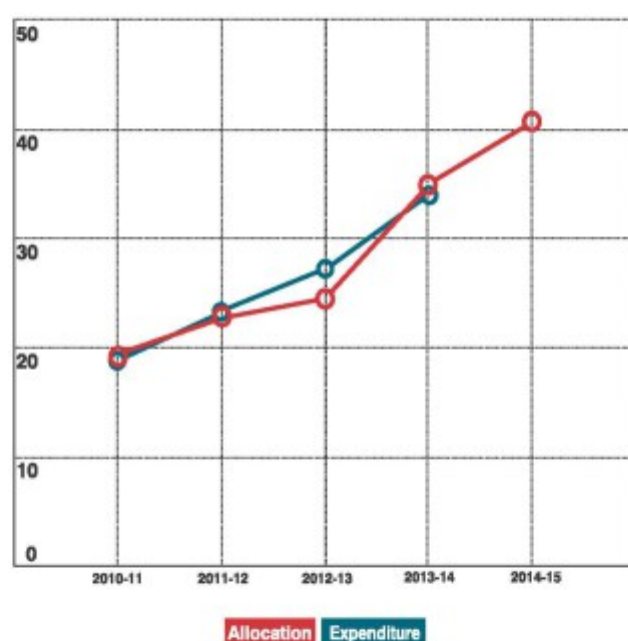


Note: A positive percentage refers to more budget expensed in relation to the allocated amount in that year whereas a negative percentage refers to lesser budget expensed compared to that year's allocation.

Source: FABS Reports from PIFRA SAP System

In 2011-12, Rs. 22.7 billion were apportioned for the education budget indicating an increase of 17 percent compared with the allocation in 2010-11. During 2010-11, Rs. 633 million remained unspent considering the allocated budget that year. The expensed budget during 2011-12 was 2 percent more than the allocated amount. Rs. 24.5 billion were earmarked for education in 2012-13 showing an increase of 8 percent compared with the previous year's allocation. The expensed amount during the year was Rs. 2.7 billion more than the allocated budget; mostly spent on salaries. Increase in the budget during 2013-14 was substantial compared to previous years where an increase of 42 percent was registered compared with 2012-13. However, Rs. 948 million remained unspent during the year. Generally, the utilization rate has been around 100 percent or more for Balochistan but the additional amounts expensed have been for meeting the increase in salary expenditure.

Chart 6.5: Trends in Education Budget 2010-11 to 2014-15 (Rs. Billion)



Source: FABS Reports from PIFRA SAP System

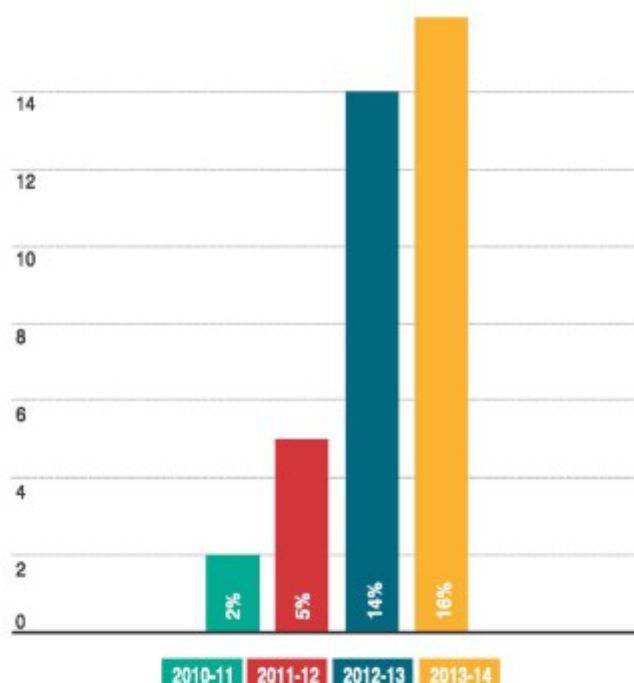
During 2010-11 and 2011-12, primary education received the highest share of education budget; however, the trend changed afterwards where secondary budget started getting the highest portion of the budget. It is worth noting that a huge part of the allocated amount, i.e., 21 percent, in 2014-15 has been earmarked for 'others' which is higher to the tune of Rs. 5.5 billion compared to the expensed budget against this head during the previous year.

Generally, the utilization rate has been around 100 percent or more for Balochistan but the additional amounts expensed have been for meeting the increase in salary expenditure.

6.2.2 Trends in Current Budget Allocations and Expenditures

Major portion of the increase in education budget has been owing to the recurrent budget during the last 5 years (see Table A6.2 in Annex). An increase of 65 percent has been registered for current budget during the last 5 years where the budget increased from Rs. 17.5 billion in 2010-11 to Rs. 28.9 billion in 2014-15. An important thing to note in this regard is that for each year the expensed budget has been more than the allocated amount. Highest over-spent amounts were seen during the last 2 years where 14 percent (in 2012-13) and 16 percent (in 2013-14) more budget was spent on current expenditure.

Chart 6.6: Percentage Change in Current Budget Allocations and Expenditures, 2010-11 to 2013-14



Note: A positive percentage refers to more budget expensed in relation to the allocated amount in that year.

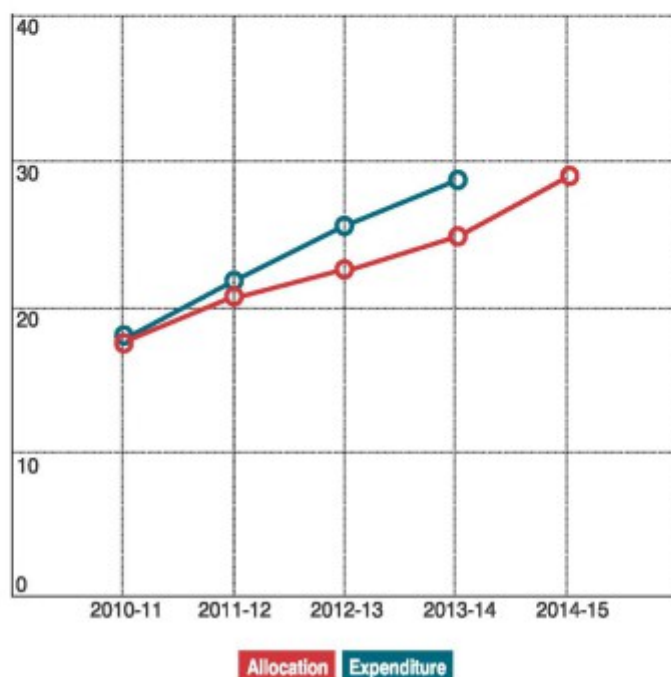
Source: FABS Reports from PIFRA SAP System

The allocation for current budget was Rs. 17.5 in 2010-11 which was raised by 18 percent during the successive year. Rs. 991 million more budget was spent on recurrent expenditure during 2011-12. An increase of Rs. 1.8 billion (9 percent) was registered during 2012-13 compared to the allocated budget in 2011-12. In comparison with the expensed amount of Rs. 25.5 billion in 2012-13, 3 percent lesser budget was earmarked for 2013-14. However, a higher budget to the tune of Rs. 3.9 billion was spent during the year. A meagre increase of Rs. 293 million has been apportioned for

Highest over-spent amounts for current budget were seen during the last 2 years where 14 percent (in 2012-13) and 16 percent (in 2013-14) more budget was spent on current expenditure.

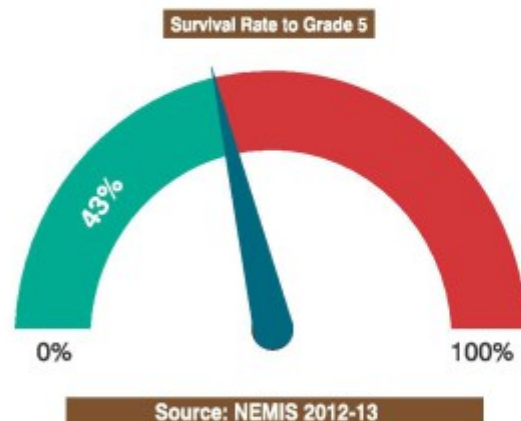
the current fiscal year compared to the expenditure in the previous year. However it merits a mention that the increase is always in salary expenditure. Non salary operational expenditure has always been short of allocation.

Chart 6.7: Trends in Current Education Budget 2010-11 to 2014-15 (Rs. Billion)



Source: FABS Reports from PIFRA SAP System

During 2010-11 and 2011-12, primary education was allocated the highest share of current budget; followed by secondary education and higher education. The trend has shifted in favour of secondary during the last few years. For the last 5 years, the expensed amount on primary and secondary education has always been higher than the amounts earmarked for them during that year.



During 2010-11 and 2011-12, primary education was allocated the highest share of current budget; followed by secondary education and higher education. The trend has shifted in favour of secondary during the last few years.

Chart 6.8: Trends in Current Budget by Educational Level 2010-11 to 2014-15 (Rs. Million)

Key

In 2014-15, Rs. 3.1 billion has been set aside for non-salary budget, registering a decrease of 22 percent compared to previous year's allocation.



Source: FABS Reports from PIFRA SAP System

More than 80 percent of the current budget has been allocated and expensed on salary related expenditure during the last 5 years with the highest share of expenditure, i.e., 90 percent, being recorded during the last two years (2012-13 and 2013-14) where Rs. 22.9 billion and Rs. 25.6 billion were spent, respectively (see Table A6.3 in Annex). During the last few years, secondary education has been the major consumer of salary budget. The expenditure on salaries and other employee-related costs has always exceeded, to the tune of 2-6 percent, the allocated budget since 2010-11.

The importance of non-salary budget in effective functioning of schools for their

day-to-day operational expenses is unquestionable. Still a very low share of the current budget is apportioned for such expenses (see Table A6.4 in Annex). This year, a meagre amount of Rs. 3.1 billion has been set aside for non-salary budget, registering a decrease of 22 percent compared to previous year's allocation. During the last 4 years, non-salary expenditure has always been lower than the allocated budget for that year, except 2012-13, where the expenditure surpassed allocation (may be due to nominal allocation or no allocation) as no allocation was made for primary education during the said financial year.

6.2.3 Trends in Development Budget Allocations and Expenditures

Despite the infrastructural needs of the education system in the province, the amount allocated for development purposes is very less compared with the current budget and on top of that the expensed budget is significantly short of the allocations (see Table A6.5 in Annex).

Chart 6.9: Percentage Change in Development Budget Allocations and Expenditures, 2010-11 to 2013-14



Note: A negative percentage refers to lesser budget expensed compared to that year's allocation.

Source: FABS Reports from PIFRA SAP System

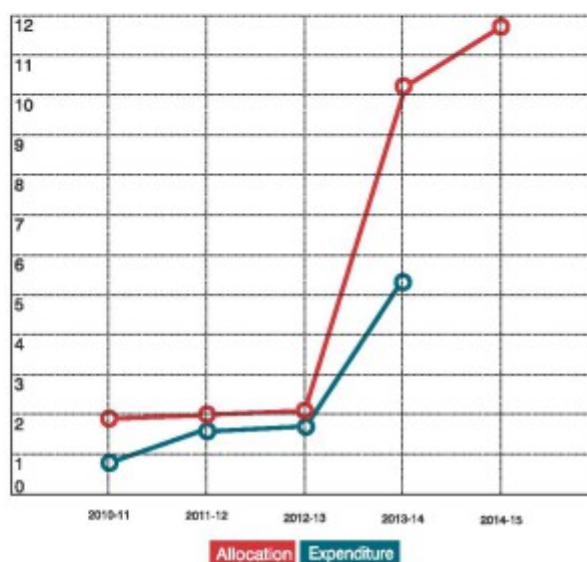
The highest difference between allocation and expenditure was noted for the last year where 48 percent of the budget remained unspent compared with the allocated amount of Rs. 10.2 billion out of which only Rs. 5.3 billion were spent. On average the actual expenditure has remained short of the allocations by 36 percent during the last 4 years. In contrast to the previous years, recently an emphasis for higher allocations for development budget is clearly visible during this year and the last year. This year an amount of Rs. 11.7 has been earmarked for the development budget

The highest difference between allocation and expenditure was noted for the 2013-14 where 48 percent of the budget remained unspent.

which is an increase of 16 percent compared with the budgetary allocation last year. However, considering the past trends, it remains to be seen as to what percentage of the allocated amount is expensed during the current fiscal year.

Chart 6.10: Trends in Development Education Budget 2010-11 to 2014-15 (Rs. Billion)

Only 7 percent of the expensed development budget during the last year was spent on primary education compared to 65 percent and 24 percent expenditure on



Source: FABS Reports from PIFRA SAP System

In 2014-15, the highest share of the development budget has been earmarked for secondary education, followed by higher education and primary education. Only 7 percent of the expensed development budget during the last year was spent on primary education compared to 65 percent and 24 percent expenditure on secondary and higher education, respectively. This is strange considering the national focus on primary education and that higher education at university level is a federal subject.

Net Enrolment Rate at Primary Level

52%

Boys

Source: PSLM, 2012-13

Net Enrolment Rate at Primary Level

34%

Girls

Source: PSLM, 2012-13



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		2014-15
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	3,204.00	3,252.00	4,358.00	4,387.00	4,700.19	6,377.53	5,832.00	7,189.78	6,334.39
Secondary Education	4,299.00	4,442.00	4,956.00	5,592.00	5,632.45	7,637.91	7,434.00	8,613.81	8,129.12
Higher Education	42,857.00	45,834.00	43,467.00	48,343.00	51,625.66	52,710.83	61,883.00	65,973.26	67,761.38
Others	5,306.00	1,653.00	1,694.00	3,033.00	3,292.12	3,416.63	5,249.00	4,939.88	2,103.44
Total	55,666.00	55,181.00	54,475.00	61,355.00	65,250.41	70,142.90	80,398.00	86,716.73	84,328.33

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		2014-15
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	3,174.00	3,245.00	4,148.00	4,267.00	4,670.19	6,365.53	5,832.00	7,189.78	6,078.56
Secondary Education	4,232.00	4,425.00	4,893.00	5,524.00	5,606.93	7,627.70	7,434.00	8,613.81	7,863.81
Higher Education	25,210.00	31,166.00	29,111.00	33,997.00	35,766.47	40,673.95	43,364.00	47,134.54	47,464.25
Others	1,884.00	1,487.00	1,362.00	1,425.00	1,830.24	2,285.24	2,647.00	3,267.97	1,815.28
Total	34,500.00	40,323.00	39,514.00	45,213.00	47,873.83	56,952.42	59,277.00	66,206.10	63,221.90
% of Total Education Budget	62	73	73	74	73	81	74	76	75

Source: FABS Reports from PIFRA SAP System

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

	2010-11		2011-12		2012-13		2013-14		2014-15
	Allocation	Expenditure	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	6,920.92	5,579.40
Secondary Education	4,087.65	4,297.73	4,798.30	5,423.06	5,428.63	7,533.06	7,339.36	8,360.24	7,473.53
Higher Education	1,455.97	1,596.66	1,832.18	2,043.70	2,426.02	3,882.60	4,157.11	4,163.42	3,715.64
Others	547.59	537.45	497.90	531.09	601.24	715.89	766.51	745.94	732.61
Total	9,176.45	9,591.64	11,184.57	12,172.79	12,936.93	18,387.47	17,985.37	20,190.52	17,501.18
% of Total Current Budget	27	24	28	27	27	32	30	30	28
% of Total Education Budget	16	17	21	20	20	26	22	23	21

Source: FABS Reports from PIFRA SAP System

Chapter 2

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

	2010-11		2011-12		2012-13		2013-14		2014-15
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	88.76	85.21	91.81	92.06	189.148	109.605	109.60	268.86	499.16
Secondary Education	144.36	127.267	94.70	100.94	178.297	94.64	94.64	253.57	390.28
Higher Education	23,754.03	29,569.34	27,278.82	31,953.30	33,340.45	36,791.35	39,206.89	42,971.12	43,748.61
Others	1,336.41	949.55	864.10	893.91	1,229.00	1,569.35	1,880.49	2,522.04	1,082.67
Total	25,323.56	30,731.36	28,329.43	33,040.21	34,936.90	38,564.95	41,291.63	46,015.58	45,720.72
% of Total Current Budget	73	76	72	73	73	68	70	70	72
% of Total Education Budget	45	56	52	54	54	55	51	53	54

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		2014-15
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	30.00	7.00	210.00	120.00	30.00	12.00	-	-	255.84
Secondary Education	67.00	17.00	63.00	68.00	25.52	10.21	-	-	265.31
Higher Education	17,647.00	14,668.00	14,356.00	14,346.00	15,859.19	12,036.89	18,519.00	18,838.72	20,297.13
Others	3,422.00	166.00	332.00	1,608.00	1,461.88	1,131.39	2,602.00	1,671.90	288.16
Total	21,166.00	14,858.00	14,961.00	16,142.00	17,376.58	13,190.48	21,121.00	20,510.63	21,106.43
% of Total Education Budget	38	27	27	26	27	19	26	24	25

Source: FABS Reports from PIFRA SAP System

Chapter 3

Punjab Education Budget

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

	2010-11		2011-12		2012-13		2013-14		2014-15
	Allocation	Expenditure	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	92,188.35	108,579.00
Secondary Education	59,730.16	49,286.32	75,374.29	62,185.92	92,029.28	71,724.14	99,594.45	84,814.27	111,321.94
Higher Education	15,690.63	13,555.93	20,251.40	19,461.27	25,612.65	22,582.10	26,189.27	26,590.02	31,605.65
Others	6,820.36	6,189.81	12,440.49	10,612.17	7,936.91	8,181.11	7,820.16	7,514.63	8,122.45
Total	155,154.67	137,370.64	191,978.31	168,769.42	220,575.63	192,759.89	232,566.34	211,107.28	259,629.04

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		2014-15
	Allocation	Expenditure	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	91,393.51	106,088.33
Secondary Education	47,607.90	43,739.05	60,342.31	50,063.77	68,043.00	69,744.10	73,693.75	65,645.27	83,685.56
Higher Education	13,465.26	11,835.13	12,226.49	12,083.61	16,818.35	17,543.27	21,758.35	18,215.52	23,700.60
Others	4,228.66	3,885.85	8,254.41	6,805.21	6,714.81	7,772.96	7,430.99	6,919.27	7,564.83
Total	136,427.11	126,570.79	163,450.83	144,526.75	185,548.69	184,871.41	200,110.31	182,173.56	221,039.32
% of Total Education Budget	88	92	85	86	84	96	86	86	85

Source: FABS Reports from PIFRA SAP System

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

	2010-11		2011-12		2012-13		2013-14		2014-15
	Allocation	Expenditure	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	89,943.65	104,810.71
Secondary Education	37,496.85	34,521.80	47,213.48	42,591.50	58,530.12	55,340.46	60,597.85	56,470.26	66,306.02
Higher Education	12,247.52	10,943.74	10,593.77	10,891.47	13,975.35	14,473.95	19,307.11	15,918.23	21,312.54
Others	1,662.91	1,423.66	4,790.59	3,554.22	5,590.98	4,982.95	6,411.92	5,286.80	6,335.54
Total	120,415.01	112,380.74	143,235.50	130,927.98	170,907.13	163,473.70	182,475.18	167,618.94	198,764.81
% of Total Current Budget	88	89	88	91	92	88	91	92	90
% of Total Education Budget	78	82	75	78	77	85	78	79	77

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		2014-15
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	2,117.55	1,619.24	1,989.95	1,683.37	1,161.84	1,134.72	1,068.92	1,449.66	1,277.62
Secondary Education	10,111.05	9,217.24	13,128.83	7,472.27	9,512.89	14,403.64	13,095.90	9,175.01	17,379.54
Higher Education	1,217.74	891.39	1,632.72	1,192.14	2,842.10	3,069.32	2,451.24	2,297.29	2,368.06
Others	2,565.75	2,462.19	3,463.82	3,250.99	1,123.83	2,790.03	1,019.08	1,632.47	1,229.29
Total	16,012.10	14,190.05	20,215.32	13,598.77	14,641.56	21,397.71	17,635.14	14,554.62	22,274.51
% of Total Current Budget	12	11	12	9	8	12	9	8	10
% of Total Education Budget	10	10	11	8	7	11	8	7	9

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		2014-15
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	1,788.23	1,227.83	1,284.51	935.90	1,023.35	461.49	1,735.25	794.85	2,490.67
Secondary Education	12,122.26	5,547.27	15,031.98	12,122.15	23,986.28	1,980.04	25,900.70	19,169.00	27,636.38
Higher Education	2,225.37	1,720.80	8,024.91	7,377.66	8,794.30	5,038.83	4,430.92	8,374.50	7,905.04
Others	2,591.70	2,303.96	4,186.08	3,806.96	1,222.10	408.13	389.17	595.36	557.63
Total	18,727.56	10,799.85	28,527.48	24,242.67	35,026.94	7,888.48	32,456.03	28,933.71	38,589.72
% of Total Education Budget	12	8	15	14	16	4	14	14	15

Source: FABS Reports from PIFRA SAP System

Chapter 4

Sindh Education Budget

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

	2010-11		2011-12		2012-13		2013-14		2014-15
	Allocation	Expenditure	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	48,995.27	57,637.43
Secondary Education	7,683.82	3,430.55	11,522.60	16,492.12	28,654.79	26,605.18	39,561.48	29,070.11	42,857.48
Higher Education	13,984.18	9,687.57	17,195.49	9,313.16	20,327.24	14,353.85	21,203.76	15,572.94	20,343.79
Others	-	-	2,594.14	62.02	16,091.45	9,551.23	21,970.87	10,070.89	28,646.47
Total	23,063.81	14,260	48,182.69	44,375.23	109,297.32	96,255.04	135,546.80	103,709.21	149,485.17

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		2014-15
	Allocation	Expenditure	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	48,327.22	55,708.21
Secondary Education	6,943.82	3,427.77	10,359.97	16,445.32	26,130.08	25,448.54	31,375.96	27,210.79	35,432.05
Higher Education	10,763.58	8,357.93	12,714.63	8,957.63	14,664.15	11,805.93	16,125.27	13,092.62	16,387.79
Others	-	-	-	-	14,501.46	9,232.16	19,685.94	9,548.97	26,909.93
Total	19,103.21	12,843.01	39,945.07	43,849.15	97,297.32	91,333.93	118,661.80	98,179.60	134,437.97
% of Total Education Budget	83	90	83	99	89	95	88	95	90

Source: FABS Reports from PIFRA SAP System

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

	2010-11		2011-12		2012-13		2013-14		2014-15
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	391.28	249.13	14,057.42	16,039.56	38,912.99	44,651.30	48,162.69	48,203.08	52,056.98
Secondary Education	-	0.07	9,308.24	15,874.10	25,289.34	25,369.11	30,468.58	27,094.48	32,657.69
Higher Education	8,625.18	6,602.44	3,679.87	3,591.31	11,521.16	9,138.81	12,588.19	9,722.15	13,120.88
Others	-	-	-	-	2,480.82	1,399.01	3,021.60	1,636.80	3,595.02
Total	9,016.47	6,851.64	27,045.53	35,504.97	78,204.32	80,558.23	94,241.05	86,656.51	101,430.56
% of Total Current Budget	47	53	68	81	80	88	79	88	75
% of Total Education Budget	39	48	56	80	72	84	70	84	68

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		2014-15
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	1,004.53	808.18	2,813.05	2,406.64	3088.635	195.994	3,311.94	124.14	3,651.23
Secondary Education	6943.82	3427.7	1,051.73	571.23	840.739	79.44	907.39	116.31	2,774.37
Higher Education	2138.4	1755.48	9034.76	5366.31	3142.991	2,667.12	3537.082	3,370.47	3266.90195
Others	-	-	-	-	12,020.64	7,833.15	16,664.34	7,912.16	23,314.91
Total	10,086.75	5,991.37	12,899.54	8,344.18	19,093.00	10,775.70	24,420.75	11,523.09	33,007.40
% of Total Current Budget	53	47	32	19	20	12	21	12	25
% of Total Education Budget	44	42	27	19	17	11	18	11	22

Source: FABS Reports from PIFRA SAP System

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

	2010-11		2011-12		2012-13		2013-14		2014-15
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	0.00	84.58	-	61.73	2,222.21	897.47	1,336.06	668.06	1,929.23
Secondary Education	740.00	2.78	1,162.63	46.80	2,524.71	1,156.64	8,185.52	1,859.32	7,425.42
Higher Education	3,220.60	1,329.64	4,480.87	355.54	5,663.09	2,547.93	5,078.49	2,480.31	3,956.01
Others	-	-	2594.14	62.02	1589.989	319.077	2284.931	521.919	1736.546
Total	3,960.60	1,416.99	8,237.63	526.08	12,000.00	4,921.11	16,885.00	5,529.61	15,047.20
% of Total Education Budget	17	10	17	1	11	5	12	5	10

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		2014-15
	Allocation	Expenditure	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	36,154.83	35,974.65
Secondary Education	23,153.05	23,391.80	27,973.71	27,886.92	28,986.95	34,120.55	35,899.07	33,042.87	55,648.14
Higher Education	5,484.01	5,425.64	6,646.35	7,161.57	10,103.95	10,674.09	11,777.64	10,578.85	13,224.88
Others	3,033.05	1,769.46	6,290.55	2,414.33	16,484.89	1,710.25	3,593.75	898.50	1,988.23
Total	50,959.99	49,211.45	63,173.34	61,479.44	78,145.05	76,884.72	96,407.00	80,675.05	106,835.90

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		2014-15
	Allocation	Expenditure	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	30,173.23	34,030.87
Secondary Education	17,917.33	17,687.95	21,972.45	21,299.93	23,700.12	27,875.11	29,595.67	29,753.93	37,665.35
Higher Education	2,534.10	2,526.74	3,744.32	3,267.52	5,192.95	5,137.77	6,055.09	4,893.09	7,044.88
Others	2,156.01	1,742.10	3,100.93	2,343.63	6,359.00	807.00	3,593.75	887.30	1,988.23
Total	40,017.85	39,619.03	49,966.69	49,253.85	55,992.16	60,959.23	66,608.03	65,707.54	80,729.32
% of Total Education Budget	79	81	79	80	72	79	69	81	76

Source: FABS Reports from PIFRA SAP System

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

	2010-11		2011-12		2012-13		2013-14		2014-15
	Allocation	Expenditure	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	29,487.73	30,345.20
Secondary Education	17,543.97	17,376.54	21,462.68	20,836.26	23,341.97	25,752.67	28,696.23	28,630.25	34,956.53
Higher Education	2,441.26	2,451.27	3,396.36	3,166.62	4,492.88	4,014.02	5,424.13	4,423.58	6,351.54
Others	1,031.83	951.61	1,192.86	1,151.54	5,381.84	343.951	3,257.02	367.16	468.94
Total	38,025.14	38,114.61	46,695.15	47,026.78	53,640.95	56,475.80	61,864.69	62,908.73	72,122.22
% of Total Current Budget	95	96	93	95	96	93	93	96	89
% of Total Education Budget	75	77	74	76	69	73	64	78	68

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		2014-15
	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education	402.33	327.04	505.75	470.41	315.82	774.18	2,876.21	685.50	3,685.67
Secondary Education	373.36	311.42	509.77	463.66	358.15	2,122.44	899.45	1,123.67	2,708.82
Higher Education	92.83	75.47	347.95	100.9	700.06	1,123.76	630.96	469.51	693.336
Others	1,124.18	790.49	1,908.08	1,192.10	977.17	463.05	336.72	520.13	1,519.28
Total	1,992.70	1,504.42	3,271.55	2,227.07	2,351.21	4,483.43	4,743.34	2,798.82	8,607.10
% of Total Current Budget	5	4	7	5	4	7	7	4	11
% of Total Education Budget	4	3	5	4	3	6	5	3	8

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		2014-15
	Allocation	Expenditure	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	5,981.60	1,943.78
Secondary Education	5,235.72	5,703.85	6,001.26	6,586.99	5,286.83	6,245.44	6,303.40	3,288.95	17,982.80
Higher Education	2,949.92	2,898.90	2,902.03	3,894.05	4,911.00	6,440.73	5,722.54	5,685.76	6,180.00
Others	877.04	27.36	3,189.61	70.7	10,125.89	0	-	11.2	0
Total	10,942.15	9,592.42	13,206.65	12,225.59	22,152.89	15,925.48	29,798.97	14,967.51	26,106.58
% of Total Education Budget	21	19	21	20	28	21	31	19	24

Source: FABS Reports from PIFRA SAP System

Chapter 6

Balochistan Education Budget

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

	2010-11		2011-12		2012-13		2013-14		2014-15
	Allocation	Expenditure	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	9,425.08	9,851.71
Secondary Education	6,345.07	6,487.10	9,344.81	9,869.41	7,094.45	11,670.09	14,113.16	17,092.99	14,627.53
Higher Education	2,787.51	2,866.29	3,055.59	3,196.41	4,503.92	4,120.75	6,985.11	4,517.42	7,768.68
Others	20.27	22.32	49.75	38.83	7,607.45	2,555.50	5,990.64	2,915.02	8,425.75
Total	19,384.08	18,750.80	22,659.65	23,207.39	24,519.58	27,218.01	34,898.62	33,950.50	40,673.66

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		2014-15
	Allocation	Expenditure	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	9,042.87	7,185.90
Secondary Education	6,153.80	6,303.83	8,839.85	9,364.45	6,652.43	11,337.12	9,369.45	13,617.80	10,702.54
Higher Education	2,199.77	2,278.55	2,323.56	2,464.38	3,229.15	3,060.88	3,720.11	3,219.62	4,688.51
Others	20.27	22.32	49.75	38.83	7,607.45	2,555.50	5,293.84	2,763.54	6,360.28
Total	17,518.79	17,947.07	20,632.62	21,623.43	22,457.97	25,527.79	24,743.90	28,643.83	28,937.23
% of Total Education Budget	90	96	91	93	92	94	71	84	71

Source: FABS Reports from PIFRA SAP System

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

	2010-11		2011-12		2012-13		2013-14		2014-15
	Allocation	Expenditure	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	8,768.09	6,929.02
Secondary Education	5,976.84	6,140.09	7,540.26	8,274.04	6,318.62	10,606.60	7,966.23	12,994.97	9,714.99
Higher Education	1,627.01	1,768.32	1,927.49	2,103.90	2,863.08	2,527.81	3,344.80	2,753.67	4,206.44
Others	15.08	17.7	42.90	33.41	4,965.42	1,401.33	3,396.62	1,233.88	4,994.37
Total	14,651.85	15,487.04	17,601.22	18,923.17	19,116.06	22,887.65	20,801.28	25,750.61	25,844.82
% of Total Current Budget	84	86	85	88	85	90	84	90	89
% of Total Education Budget	76	83	78	82	78	84	60	76	64

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		2014-15
	Allocation	Expenditure	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	274.78	256.88
Secondary Education	176.97	163.74	1,299.59	1,090.42	333.8	730.52	1,413.21	622.82	987.55
Higher Education	572.76	510.23	396.07	360.47	366.06	533.06	375.3	465.96	482.0698
Others	5.18	4.61	6.85	5.42	2,642.03	1,154.17	1,897.21	1,529.66	1,365.90
Total	2,866.94	2,460.02	3,031.40	2,700.26	3,341.90	2,640.13	3,942.62	2,893.22	3,092.41
% of Total Current Budget	16	14	15	12	15	10	16	10	11
% of Total Education Budget	15	13	13	12	14	10	11	9	8

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		2014-15
	Allocation	Expenditure	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	382.20	2,665.80
Secondary Education	191.27	183.27	504.96	504.96	442.02	332.97	4,743.71	3,475.19	3,924.99
Higher Education	587.74	587.74	732.03	732.03	1,274.77	1,069.87	3,265.00	1,297.79	3,080.17
Others	-	-	-	-	-	-	696.8	151.47643	2065.471
Total	1,865.29	803.73	2,027.03	1,583.96	2,061.61	1,690.22	10,154.72	5,306.67	11,736.44
% of Total Education Budget	10	4	9	7	8	6	29	16	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
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.

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