



Public Financing of Education in Pakistan

Analysis of Federal, Provincial and District Budgets

2010-11 to 2022-2023



**Institute of
Social and Policy Sciences**
Informing Policies, Reforming Practices



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Acronyms

ADP	Annual Development Programme
BEMIS	Balochistan Education Management Information System
GDP	Gross Domestic Product
ICT	Islamabad Capital Territory
I-SAPS	Institute of Social and Policy Sciences
KP	Khyber Pakhtunkhwa
NEAS	National Education Assessment System
PEACE	Provincial Education Assessment Centre
PEC	Punjab Examination Commission
PEF	Punjab Education Foundation
PIFR	A Project to Improve Financial Reporting and Auditing
PMIU	Programme Monitoring and Implementation Unit
SAP	Systems, Applications, Products in Data Processing
SAT	Standardized Assessment Test
SDGs	Sustainable Development Goals
SMC	School Management Committeez

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.

Executive Summary

Pakistan faces a huge educational challenge in terms of access, equity and quality of education. Lack of public financing for education and ensuring its effectiveness remain a big hurdle in overcoming these challenges. In this regard, there is a need to generate demand and stimulate policy response for enhancing the effectiveness of public spending on education. It is equally important that all the stakeholders can track, monitor and participate in the debate on education financing, and the way it is planned and executed; thus, playing their role in developing the education sector of Pakistan.

The Institute of Social and Policy Sciences (I-SAPS) has been providing first-hand information about the trends and priorities of the Federal and provincial governments on education financing since 2007-08. This report, a sequel to the previous thirteen reports on the topic, not only analyzes the Federal, provincial and district tier budgets as aggregated allocations and expenditures from 2010-11 to 2022-23 but also unpacks the budget at functional and operational levels. The data used in the report has been gathered from the Government's Financial Management Information System (SAP system colloquially referred to as PIFRA) and Federal and provincial budget books.

The education budget of Pakistan has substantially increased in the last eleven years. In 2012-13, a total budget of Rs. 498 billion was earmarked for education in Pakistan (Federal and provincial governments combined). In comparison with this, the allocation for 2022-23 shows an increase of 170 percent as a budget of Rs. 1,345 billion has been earmarked for education.

All the provincial governments have increased their education budgets in 2022-23. Khyber Pakhtunkhwa has demonstrated the largest increase in the allocated budget in 2022-23 with an increase of 21 percent compared with the previous year's allocation. The education budgets of Balochistan and Punjab have increased by 15 percent and 13 percent respectively in 2021-22 compared with the previous year's allocation. The government of Sindh has earmarked 11 percent higher budget for education in 2022-23 in comparison with the allocated budget in 2021-22.

The share of education in the provincial budgets has not increased for any province in 2022-23 compared with the allocated budget in 2020-21. The percentage share of education in the total budget of Balochistan and Sindh has remained stagnant at 17 percent and 20 percent respectively in 2020-21 and 2022-23. The share of education in provincial budgets has decreased from 24 percent in 2020-21 to 21 percent in 2022-23 for Khyber Pakhtunkhwa. The percentage share has declined from 19 percent in 2020-21 to 16 percent in 2022-23. Compared with the previous year's allocation, only Khyber Pakhtunkhwa has increased the share of the education budget from 20 percent in 2021-22 to 21 percent in 2022-23.

Share of Education in Total Provincial Budgets 2021-22

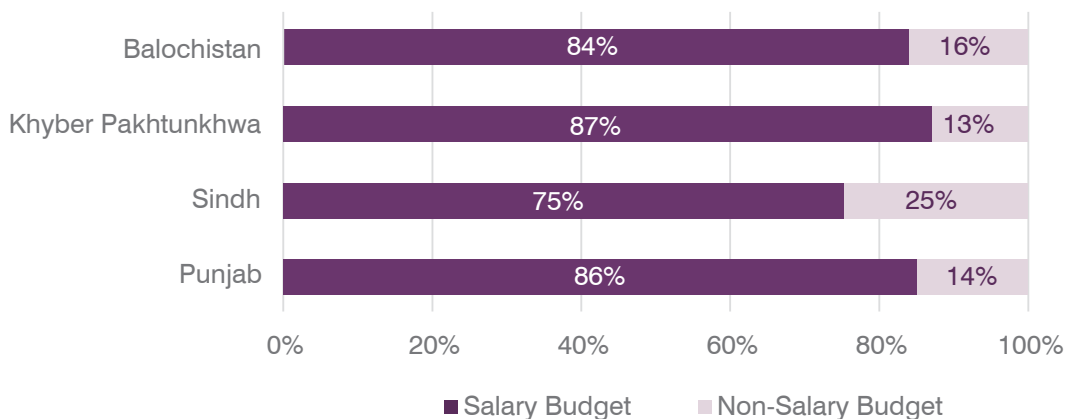
(in Rs. million)	Total Budget	Education Budget	Percentage Share
Punjab	3,101,391	492,967	16%
Sindh	1,713,584	334,717	20%
Khyber Pakhtunkhwa	1,332,000	275,036	21%
Balochistan	613,647	103,514	17%

Source: I-SAPS Calculations from Budget Books and PIFRA

The recurrent budget receives a major share of the education budgets for all provinces. The highest percentage share of the recurrent budget has been noted for Sindh which has earmarked 89 percent of its education budget in this regard in 2022-23. Sindh is followed by Punjab with an allocation of 88 percent of its total education budget for recurrent expenses. The education budget of Khyber Pakhtunkhwa shows a share of 85 percent for the recurrent budget while the percentage share is 80 percent in the case of Balochistan.

Salaries and related expenditures consume a major portion of the recurrent budgets for education. The budgets allocated for non-salary purposes are quite low compared with the salary budgets. In 2022-23, the highest share of the non-salary budget has been recorded for Sindh with 25 percent of its recurrent budget earmarked for the purpose. Sindh is followed by Balochistan with a 16 percent share while the governments of Khyber Pakhtunkhwa and Punjab have earmarked 13 percent and 14 percent of their recurrent budgets for non-salary purposes in 2022-23.

Share of Salary and Non-Salary Budgets in Recurrent Education Budget 2021-22

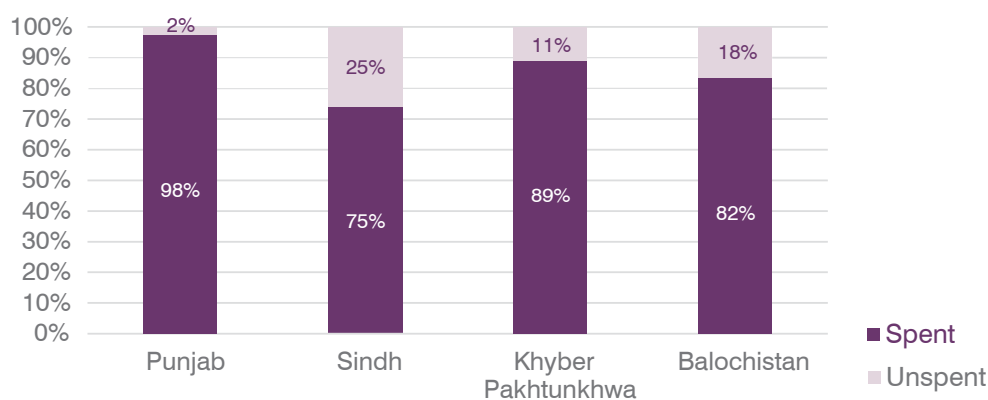


Source: I-SAPS Calculations from Budget Books and PIFRA

All the provincial governments have substantially increased their development budgets for education in 2022-23. For Khyber Pakhtunkhwa, an increase of 30 percent has been registered in the allocated budget for development purposes in 2022-23. In 2020-21, the government of Khyber Pakhtunkhwa earmarked a development budget of Rs. 33 billion for education which has been increased to Rs. 43 billion in 2022-23. The government of Sindh has increased its development budget for education from Rs. 30 billion in 2021-22 to Rs. 38 billion in 2022-23; registering an increase of 25 percent. For Punjab and Balochistan, the development budget has increased by 17 percent and 13 percent, respectively.

Punjab has consumed the highest proportion of its allocated education budget in 2021-22. Punjab spent 98 percent of its allocated education budget in 2021-22. Khyber Pakhtunkhwa consumed 89 percent of its allocated education budget in 2021-22. Punjab and Khyber Pakhtunkhwa are followed by Balochistan with 82 percent of expenditure and Sindh with 75 percent of its allocated budget spent during the year.

Difference between Allocated and Expensed Education Budgets 2018-19



Source: I-SAPS Calculations from Budget Books and PIFRA

For Sindh and Balochistan, a significant portion of the allocated development budget for education remained unspent during 2021-22. The lowest development expenditure in 2020-21 has been recorded for Sindh which has spent only 42 percent of its development budget, followed by Balochistan which could only spend 44 percent of its allocated development budget. For Punjab and Khyber Pakhtunkhwa, an underspending to the tune of 10% and 21% has been recorded during 2021-22, respectively.

Development Expenditure 2020-21

(in Rs. million)	Allocation	Expenditure	Percentage Spending
Punjab	49,153.73	44,264.91	90%
Sindh	30,324.21	12,797.02	42%
Khyber Pakhtunkhwa	32,727.47	25,724.57	79%
Balochistan	17,932.45	7,950.37	44%

Source: I-SAPS Calculations from Budget Books and PIFRA



CHAPTER 1

Introduction

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Introduction

1.1 Background

Pakistan adopted the right to free and compulsory education for all children of 5-16 years of age in April 2010. Even after the passage of 13 years of insertion of Article 25-A in the Constitution of Pakistan and a reform agenda being undertaken in all the provinces of Pakistan, a lot still remains to be done. With the end of Sustainable Development Goals (SDGs) in sight, the challenges faced by developing countries are huge in terms of access, equity and quality of education. The education-related SDG, SDG-4, calls for providing inclusive, equitable and quality education to all children by 2030. The lack of public financing for education and ensuring its effectiveness remains a big hurdle in achieving the targets like gender parity and universal primary and secondary education in Pakistan.

Pakistan spends around 1.5 percent of its Gross Domestic Product (GDP) on education¹. The gender parity index of enrolment in public sector schools of Pakistan is 0.83 (83 girls for every 100 boys)². The total number of out of school children in Pakistan stands at 22.8 million; 44 percent of the total population of 5-16 years' children³. 53 percent of these out of school children are girls. The literacy rate (ages 10 years and above) is 60 percent; in favour of male population with 70 percent literacy rate compared with 49 percent for females⁴. Net enrolment rate at primary level (age 6-10 years) is 68 percent for boys and 60 percent for girls⁵. The survival rate to grade 5 is currently 79 percent for males and 78 percent for females in Pakistan while the effective transition rate from primary to middle stands at 80 percent for males and 78 percent for females⁶. Around 44 percent of the students enrolled in Grade 5 drop-out of schools before completing Grade 10⁷. There are also significant educational disparities among the provinces and districts of Pakistan. Gender

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Lack of public education finance and ensuring its effectiveness remains a big hurdle in achieving the targets like quality education, gender parity and universal primary and secondary education in Pakistan.

¹ Government of Pakistan (2021). Pakistan Economic Survey 2020-21. Islamabad.

² Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

³ *ibid.*

⁴ Government of Pakistan (2021). Pakistan Economic Survey 2020-21. Islamabad.

⁵ Pakistan Bureau of Statistics (2020). Pakistan Social and Living Standards Measurement Survey 2018-19. Islamabad.

⁶ Government of Pakistan (2021). Pakistan Economic Survey 2020-21. Islamabad.

⁷ Calculations from the Pakistan Education Statistics 2016-17 data.

disparities and rural-urban divide, especially as we go up the educational levels, are also two of the main issues that have impacted educational development in Pakistan.

The educational challenge faced by Pakistan 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, allocative inefficiency, huge administrative expenditure, lack of transparency etc. Also, there is a weak link between policy provisions, education data and budgetary allocations. With these three pillars of educational change disconnected, sustainable educational development in Pakistan will remain unachievable.

The Institute of Social and Policy Sciences (I-SAPS), with its aim to inform policies and reform practices, has shouldered the concept of providing first-hand information about the trends and priorities of the Federal and provincial governments on education financing. This study is part of the wider initiative of I-SAPS to generate demand and stimulate policy response for enhancing the effectiveness of public spending on education.

1.2 PURPOSE OF THE STUDY

The study analyzes the trends in education spending in Pakistan at the Federal and provincial levels. It presents this information in an easy to comprehend manner so that all the stakeholders can track, monitor and participate in the debate on education financing, and the way it is planned and executed; thus, playing their role in developing the education sector of Pakistan.

The findings of this study and the policy implications generated out of it are expected to contribute to highlighting any inherent flaws and anomalies in our education-related allocations and spending and to establish a framework for better linkages between policymaking, data and financing options.

1.3 SCOPE OF ANALYSIS

The current study is the fourteenth in a series of publications on the public financing of education in Pakistan presenting budgetary analysis of Federal and provincial governments on education. The first study in this series covered three years starting from 2007-08. The second and third studies built on this analysis for subsequent years.

The current study analyzes the federal and provincial education budgets over a period of thirteen fiscal years starting from 2010-11 till 2022-23. It unpacks the budgets at three levels i.e., aggregate (total, current and development budget), functional (primary, secondary and higher education) and object (salary and non-salary budgets) levels.

The current report draws 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, research reports and public financing documents have been consulted for this study. The audience of this study comprises public finance practitioners, policymakers, 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, the structure of the chapters and the limitations of the study. The subsequent chapters present comprehensive analyses of the education budgets of the Federal, Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan governments. Similar formats have been maintained in all chapters for ease of comparison and understanding.

For each of the chapters, the analysis of allocations and expenditures starts at the aggregate level to show a broader picture of the education budget. The education budget for 2022-23 has also been compared with 2021-22 to show the differences in allocations and expenditures. The share of education in total Federal and provincial outlays has also been discussed. The budget is then disaggregated at the functional level. The trend analysis from 2010-11 to 2022-23 presents a detailed picture of the shift in policies at the functional and aggregate levels.

1.5 LIMITATIONS

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

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This study is ninth in a series of publications on public financing of education in Pakistan dealing with Federal and provincial level budget analysis. It analyzes the education budgets of the Federal and provincial governments over a time period of seven fiscal years, i.e., 2010-11 to 2021-22.



CHAPTER 2

Public Financing of Education at Federal Level

CHAPTER 2

Public Financing of Education at Federal Level

Although primary and secondary education is a provincial subject in Pakistan, the primary and secondary schools in Islamabad Capital Territory (ICT) fall under the jurisdiction of the Federal Government. ICT has a total of 392 public sector schools out of which 30 percent are co-education schools¹. Out of these schools, the majority are primary schools (48 percent) followed by 15 percent middle, 26 percent secondary and 11 percent higher secondary schools. Overall enrolment in government schools is 0.19 million out of which 46 percent of students are enrolled at primary levels. The gender parity index of enrolment is 1.28 (128 girls for every 100 boys)². The total number of out-of-school children in ICT is 45,035³; 40 percent of whom are girls. The number of teachers working in public sector schools of ICT is 4,883. The survival rate to grade 5 in ICT is 77 percent for boys and 73 percent for girls while the transition rate from primary to the middle is 93 percent for both boys and girls⁴.

2.1 FEDERAL EDUCATION BUDGET 2022-23 AT A GLANCE

2.1.1 Comparison of Education Budgets 2021-22 and 2022-23

A budget of Rs. 139 billion has been allocated for education out of the total Federal budget in 2022-23. This shows a decrease of 0.5 percent compared with the allocated education budget in 2021-22. A further look at the Federal education budget shows that 65 percent of the education budget (Rs. 91 billion) has been apportioned for recurrent expenditure in 2022-23. On the other hand, the development budget has received 35 percent (Rs. 48 billion) of the education budget for the year. Out of

65%

0.5% Decrease in Total Budget

2% Decrease in Recurrent Budget

2% Increase in Development Budget

¹ FDE EMIS 2018-19

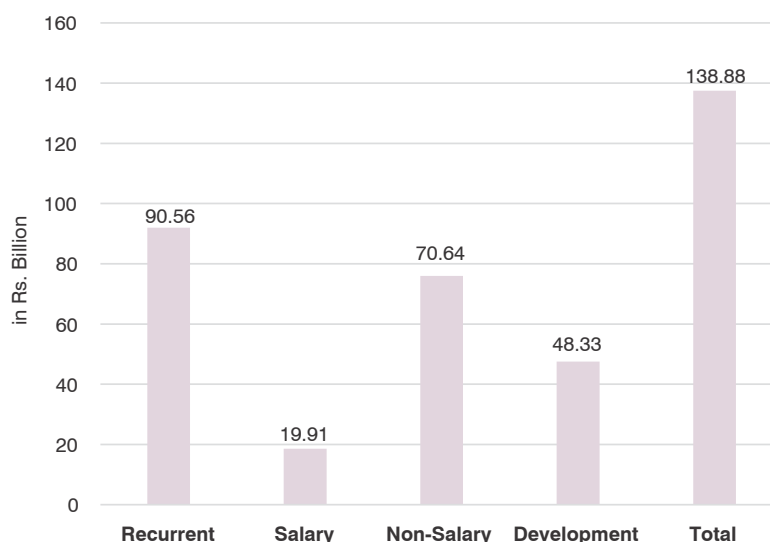
² Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

³ Academy of Educational Planning and Management (2018). Pakistan Education Statistics 2016-17. Islamabad

⁴ Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

the recurrent budget for education, salaries and related expenditure will consume Rs. 20 billion (22 percent) while 78 percent of the budget (Rs. 71 billion) has been set aside for the non-salary budget. Chart 2.1 shows the summary of the Federal education budget for 2022-23.

Chart 2.1: Federal Education Budget 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

Comparing the allocated salary budget in 2022-23 with previous year's allocation, an increase of Rs. 3.9 billion is seen. On the other hand, the non-salary budget has decreased by Rs. 5 billion in the current year's budget. An increase of Rs. 757 million can be noted in the development budget for education. Table 2.1 presents the increase or decrease in the education budget for 2022-23 compared with the allocated and expensed education budget in 2021-22.

Table 2.1: Comparison of Federal Education Budget 2022-23 with 2021-22 (in Rs. Million)

	2021 -22	2020 -21		Increase/Decrease vis - a -vis 2020 -21	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Recurrent	90,555.51	91,970.15	87,523.88	-1,414.64 (-2%)	3,031.63 (3%)
Salary	19,910.53	16,007.04	25,260.71	3,903.49 (24%)	-5,350.18 (-21%)
Non-Salary	70,644.98	75,963.11	62,263.17	-5,318.13 (-7%)	8,381.81 (13%)
B. Development	48,326.59	47,569.53	48,027.00	757.07 (2%)	299.59 (1%)
Total (A+B)	138,882.10	139,539.67	135,550.88	-657.57 (0%)	3,331.22 (2%)

Source: I-SAPS Calculations from Budget Books and PIFRA

The overall Federal education budget has decreased by 0.5 percent in 2022-23 compared with the allocated education budget in 2021-22. The recurrent budget has been decreased by 2 percent while the development budget has increased by 2 percent respectively for 2022-23.

2.1.2 Share of Education in Total Federal Budget

The share of education in the Federal budget has almost remained declined during the last three years. In 2022-23, education will receive 1.1 percent of the total Federal budget. Out of the total Federal outlay of Rs. 12,421 billion, Rs. 139 billion has been apportioned for education in the current financial year. Table 2.2 looks at the education budget as a share of the total Federal budget during the last three years.

Table 2.2: Share of Education in the Federal Budget (in Rs. Million)

	2022-23			2021 - 22			2020 - 21		
	Total Budget	Education Budget	Share of Education Budget	Total Budget	Education Budget	Share of Education Budget	Total Budget	Education Budget	Share of Education Budget
Recurrent	11,397,303	90,556	1%	9,124,460	91,970	1%	7,836,567	83,363	1%
Development	1,023,867	48,327	5%	1,137,850	47,570	4%	949,738	34,235	4%
Total	12,421,170	138,882	1.1%	10,262,310	139,540	1.4%	8,786,305	117,598	1.3%

Source: I-SAPS Calculations from Budget Books and PIFRA

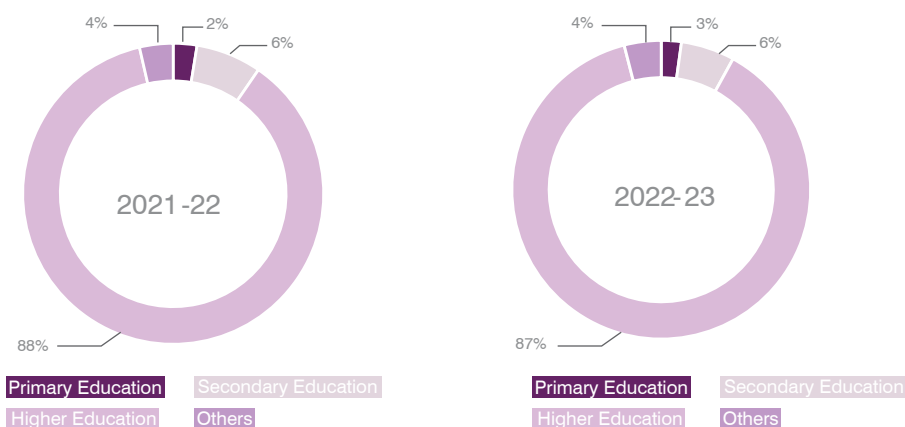
In 2020-21, 1.3 percent of the Federal budget, i.e., Rs. 118 billion was allocated for education. This percentage share increased to 1.4 percent in 2021-22 when a budget of Rs. 140 billion was apportioned for education out of the total budget of Rs. 10,262 billion. For the current financial year, the percentage share of education has been decreased to 1.1 percent of the total Federal budget with an allocation of Rs. 139 billion. It is important to highlight that the percentage share of the recurrent budget has remained the same during these three years while the allocation for the development budget has increased from 4 percent in 2020-21 to 5 percent in 2022-23.

2.1.3 Composition of Education Budget 2022-23

A look at the Federal education budget at the functional level shows that higher education has received the highest share of the education budget in 2022-23. Higher education has been allocated 87 percent of the total education budget in 2022-23, i.e., Rs. 120 billion. Higher education is followed by secondary education with 6 percent share (Rs. 9 billion) and primary education having 3 percent of the education budget, i.e., Rs. 4 billion. Chart 2.2 compares the education budget of 2022-23 with the allocated budget for the last financial year, i.e., 2021-22, to see if there has been any significant change in the government's priorities regarding functional level spending on education.

Comparing the current year's allocations with the earmarked budget during the last financial year, the percentage share of secondary education has remained stagnant at 7 percent of the Federal education budget. On the other hand, the allocated budget for higher education has decreased from 88 percent in 2021-22 to 87 percent in 2022-23. The percentage share of primary education has increased from 2 percent of the total education budget in 2021-22 to 3 percent of the allocated budget in 2022-23.

Chart 2.2: Composition of Education Budgets 2021-22 and 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

2.2 TRENDS IN EDUCATION BUDGETS 2010-11 to 2022-23

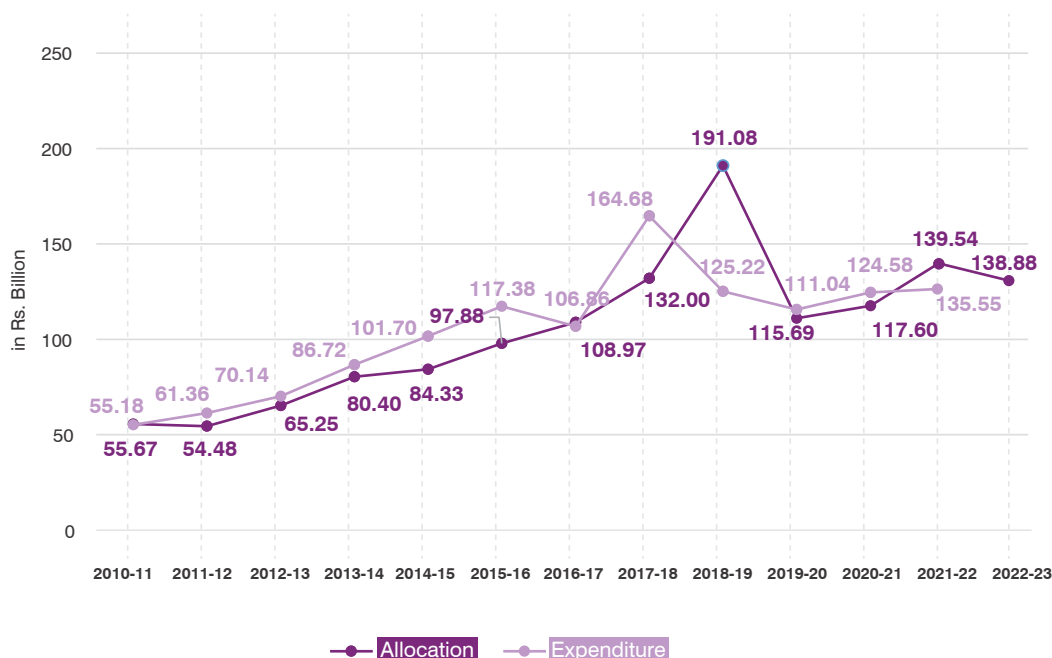
2.2.1 Trends in Total Budgetary Allocation and Expenditure

The Federal education budget has significantly increased in the last thirteen years. In 2010-11, a budget of Rs. 56 billion was allocated for education which has increased to Rs. 139 billion in 2022-23. This highlights an increase of 149 percent during these years. Chart 2.3 looks at the allocated and expensed Federal education budgets for the last thirteen years.

In 2010-11, a budget of Rs. 56 billion was allocated for education out of which 1 percent (Rs. 0.48 billion) budget remained unspent. The next year saw a decline of 2 percent when the allocated budget for education was reduced to Rs. 54 billion in 2011-12. However, the expensed budget in 2011-12 shows an overspending of 13 percent during the year. In 2012-13, a budget of Rs. 65 billion was apportioned for education highlighting an increase of 20 percent compared with the allocated budget in 2011-12. Similar to the previous year, an over-spending to the tune of Rs. 5 billion, i.e., 7 percent of the allocated budget, was noted in 2012-13. With another significant increase of Rs. 15 billion (23 percent), the allocated budget in 2013-14 increased to Rs. 80 billion. During 2013-14, again an overspending was made.

An amount of Rs. 6 billion (8 percent) was overspent compared with the allocated budget for the year. Highlighting an increase of 5 percent over the allocated amount in 2013-14, a budget of Rs. 84 billion was allocated for education in 2014-15. Continuing with the previous trend, Rs. 17 billion (21 percent) was overspent during the year.

Chart 2.3: Trends in Total Education Budget 2010-11 to 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

In 2015-16, Rs. 98 billion was earmarked for education showing an increase of 16 percent (Rs. 14 billion) compared with the allocated budget in 2014-15. In 2015-16, the allocated and expensed education budgets show a difference of Rs. 20 billion, i.e., 20 percent overspending compared with the allocated budget for 2015-16. This trend of overspending changed in 2016-17 when a budget of Rs. 2 billion (2 percent of the allocated budget) lapsed during the year. In 2017-18, Rs. 132 billion was allocated for education presenting an increase of 21 percent over the previous year’s allocated budget. This year saw overspending to the tune of Rs. 33 billion (25 percent) compared with the allocated budget for the year. This is the highest percentage of the allocated budget that was overspent during the last nine years.

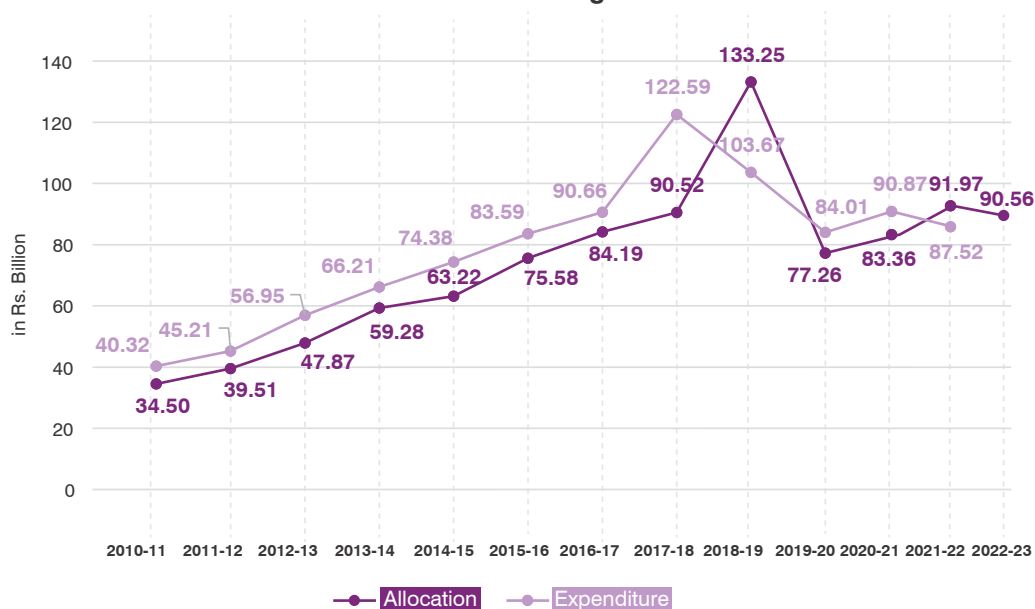
With an increase of 45 percent, a budget of Rs. 191 billion was apportioned for education in 2018-19, out of which 34 percent (Rs. 66 billion) budget remained unspent. In 2019-20, registering a huge decrease of 42 percent, Rs. 111 billion have been allocated for education. An increase of 6 percent was recorded in 2020-21 with an allocation of Rs. 117 billion. During the year, overspending of Rs. 7 billion (6 percent) was recorded. With an increase of 19 percent (Rs. 22 billion) over the previous year’s allocation, a budget of Rs. 140 billion was allocated for education out of which 3 percent (Rs. 4 billion) remained unspent. In 2022-23, a budget of Rs. 139

billion has been allocated for education which highlights a decrease of 0.5 percent (Rs. 0.7 billion) over the previous year. Throughout the last thirteen years, the highest share of the education budget has been allocated for higher education followed by secondary education and primary education respectively.

2.2.2 Trends in Recurrent Budget Allocation and Expenditure

The recurrent budget, which consists of salary and non-salary budget, receives a major share of the Federal education budget every year. In 2022-23, 65 percent of the education budget has been earmarked for recurrent expenditure. Over the last thirteen years, the recurrent budget for education has increased from Rs. 35 billion in 2010-11 to Rs. 91 billion in 2022-23. This shows an increase of 162 percent during these years. Chart 2.4 looks at the allocated and expensed recurrent budget for education during the last thirteen years.

Chart 2.4: Trends in Recurrent Education Budget 2010-11 to 2022-23



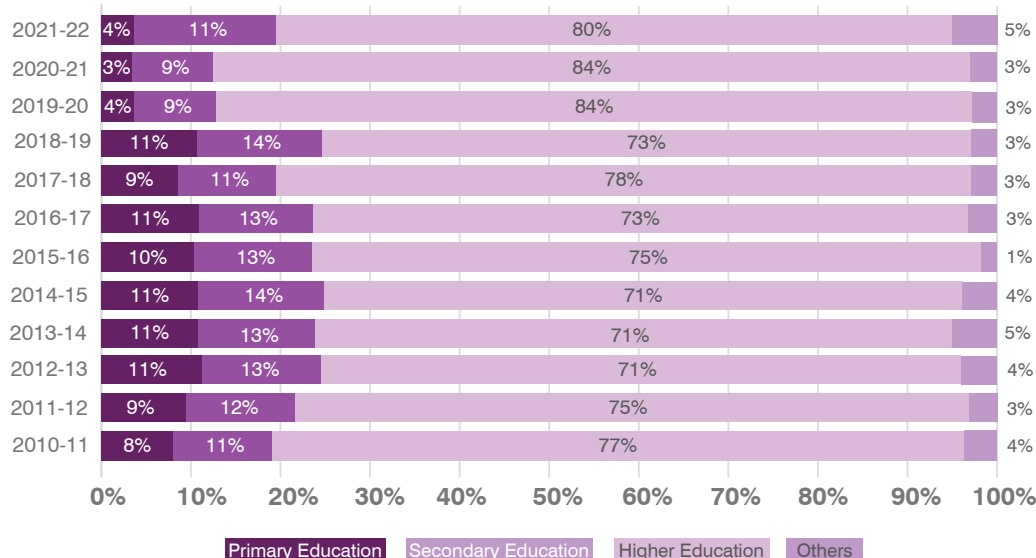
Source: I-SAPS Calculations from Budget Books and PIFRA

A recurrent education budget of Rs. 35 billion was apportioned for education in 2010-11. An extra amount of Rs. 6 billion (17 percent of the allocated budget) was spent during that year. The allocated budget for 2011-12 was significantly increased by 15 percent to Rs. 40 billion in 2011-12. Like the previous year, an over-spending to the tune of 14 percent of the allocated budget, i.e., Rs. 6 billion was recorded during 2011-12. In 2012-13, a recurrent budget of Rs. 48 billion was earmarked for education; presenting an increase of 21 percent compared with the allocated budget in 2011-12. This year also, an amount of Rs. 9 billion (19 percent of the allocated budget) was over-spent. Highlighting an increase of Rs. 11 billion (24 percent) over the allocated recurrent budget in 2012-13, an allocation of Rs. 59 billion was made in 2013-14.

The trend of over-spending continued in 2013-14 when Rs. 7 billion was over-spent during the year. A recurrent budget of Rs. 63 billion was earmarked for education in 2014-15 showing an increase of 7 percent over the previous year’s budget. This year, 18 percent over-spending amounting to Rs. 11 billion was recorded. With a significant increase of 20 percent over the allocated budget in 2014-15, Rs. 76 billion was apportioned for recurrent expenditure in 2015-16. Again, overspending to the tune of Rs. 8 billion has been recorded in the recurrent budget in 2015-16. Similar trend was noticed in 2016-17 when Rs. 6 billion was overspent during the year. In 2017-18, an amount of Rs. 91 billion was allocated for the recurrent budget highlighting an increase of Rs. 6 billion (8 percent) compared with the allocated budget in 2016-17. During 2017-18, overspending of Rs. 32 billion (35 percent) was recorded. Highlighting an increase of 47 percent, a budget of Rs. 133 billion was apportioned for recurrent spending in 2018-19, out of which 22 percent (Rs. 30 billion) budget could not be spent. In 2019-20, a budget of Rs. 77 billion has been earmarked for recurrent education expenditure, representing a decrease of 42 percent (Rs. 56 billion) over the previous year’s budget. With an increase of 8 percent over the previous year, the recurrent budget allocation for 2020-21 was increased by Rs. 6 billion. Compared to the allocated budget of Rs. 83 billion for the year, overspending to the tune of Rs. 8 billion was registered. In 2021-22, the recurrent budget for education was increased to Rs. 92 billion, highlighting an increase of 10 percent (Rs. 9 billion). During the year, 5 percent of the allocated budget, i.e., Rs. 4 billion, remained unspent. With a decrease of 2 percent (Rs. 1.4 billion) over the previous year’s allocation, a budget of Rs. 91 billion has been earmarked for recurrent budget in 2022-23.

Higher education has received the highest share of the recurrent education budget in 2021-22 followed by secondary education and primary education. Chart 2.5 analyzes the expensed recurrent budget for education at functional level since 2010-11.

Chart 2.5: Trends in Recurrent Education Expenditure by Educational Level



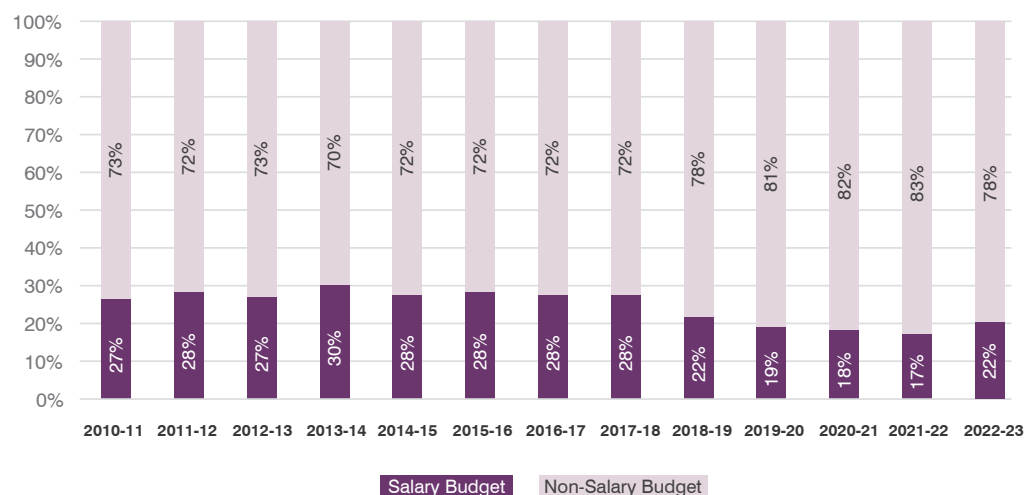
Source: I-SAPS Calculations from Budget Books and PIFRA

The share of primary education has remained within 4-11 percent of the recurrent budget. The highest share of 11 percent of the recurrent education budget was spent on primary education in 2012-13, 2013-14, 2014-15, 2016-17 and 2018-19 while the lowest share of 3 percent was recorded in 2020-21. The share of secondary education increased from 11 percent in 2010-11 to 14 percent in 2018-19. However, it has declined to 9 percent in 2019-20 and then increased to 11 percent in 2021-22. Higher education received 80 percent of the recurrent budget in 2021-22; an increase of 3 percent compared with the recurrent expenditure on higher education in 2010-11.

The recurrent budget consists of salary and non-salary budgets. Unlike the provincial education budgets where the salary budget receives a major portion of the recurrent budget, the budget allocated for salary and related expenses is relatively smaller in the Federal education budget. The salary budget for education has increased by 117 percent during the last thirteen years while the non-salary budget has gone up by 179 percent during these years. In 2022-23, 78 percent of the recurrent budget has been allocated for the non-salary budget while 22 percent budget has been reserved for salaries and related expenditures. Chart 2.6 looks at the percentage share of salary and non-salary budgets in the total recurrent budget for education during the last thirteen years.

The highest share of 30 percent of the recurrent budget for salaries and related expenditure was earmarked during 2013-14. In 2022-23, 22 percent of the recurrent budget has been earmarked for the salary budget. The share of the non-salary budget remained consistent at 72 percent during the 2014-15 to 2017-18 period. In 2022-23, a non-salary budget of Rs. 71 billion has been allocated for education which constitutes 83 percent of the recurrent budget for the year.

Chart 2.6: Share of Salary and Non-Salary Budgets in Recurrent Education Budget

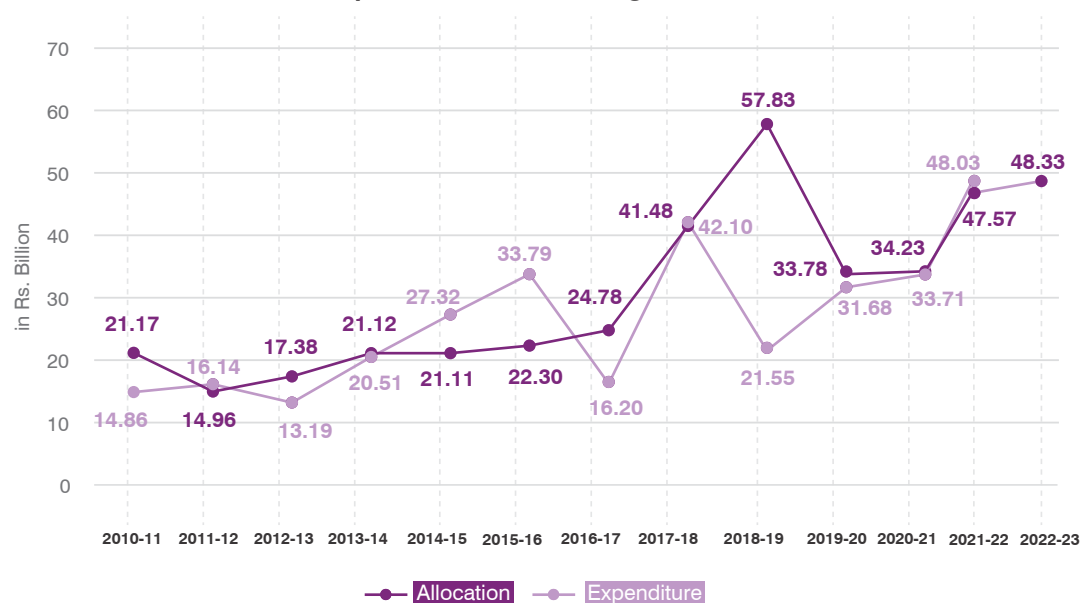


Source: I-SAPS Calculations from Budget Books and PIFRA

2.2.3 Trends in Development Budget Allocation and Expenditure

The development budget receives a smaller portion of the Federal education budget each year compared with the share of the recurrent budget. In 2022-23, 35 percent of the education budget has been allocated for development purposes compared with the 65 percent share of the recurrent budget. The development budget for education has increased by 128 percent during the last thirteen years. In 2010-11, a budget of Rs. 21 billion was allocated for education which has been increased to Rs. 48 billion in 2022-23. Chart 2.7 looks at the allocated and expensed development budget for education during the last thirteen years.

Chart 2.7: Trends in Development Education Budget 2010-11 to 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

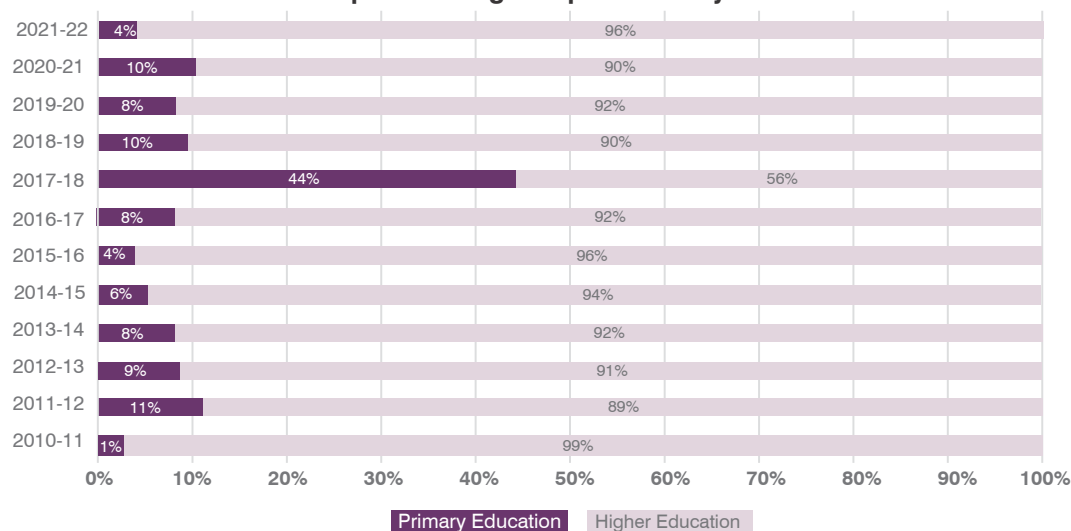
In 2010-11, a budget of Rs. 21 billion was allocated for development purposes out of which only Rs. 15 billion (70 percent of the budget) could be expensed during the year. Contrary to this underspending, an extra amount of Rs. 1 billion was spent for development purposes in 2011-12. In 2011-12, a budget of Rs. 15 billion was earmarked for development purposes highlighting a decrease of 29 percent over the previous year's budget. With an increase of 16 percent over the allocated budget in 2011-12, a budget of Rs. 17 billion was allocated in 2012-13. 24 percent of the development budget could not be spent during this year. Compared with the allocated budget in the previous year, the development budget for education was increased by 22 percent in 2013-14 with an allocation of Rs. 21 billion. Only 3 percent of the allocated budget for the year remained unspent. A decline of Rs. 15 million was noted in 2014-15 when a development budget of Rs. 21 billion was

allocated for education. During this year, overspending to the tune of Rs. 6 billion was noted.

Registering an increase of 6 percent, a development budget of Rs. 22 billion was apportioned for education in 2015-16. A huge overspending of Rs. 11 billion, i.e., 52 percent more than the allocated development budget was noted during the year. During the next year, a significant portion of the allocated budget remained unspent. In 2016-17, a budget of Rs. 25 billion was earmarked for development purposes out of which 35% budget, i.e., Rs. 8.6 billion, could not be spent. In 2017-18, highlighting an increase of 67 percent over the previous year's allocation, a budget of Rs. 41 billion was earmarked for development purposes in 2017-18. During the year, overspending of 1 percent (Rs. 0.62 billion) was recorded. With an increase of 39 percent (Rs. 16 billion), a budget of Rs. 57 billion was allocated for development purposes in 2018-19. During the year, 63 percent (Rs. 36 billion) of the allocated budget could not be spent. In 2019-20, the development budget has been decreased by 42 percent to Rs. 34 billion. With an increase of Rs. 0.5 billion (1 percent), an allocation of Rs. 34 billion has been made for 2020-21. During the year, only 2 percent of the development budget remained unspent. In 2021-22, a budget of Rs. 48 billion was earmarked for development purposes, highlighting an increase of 39 percent (Rs. 13 billion) over the previous year's allocation. During the year, 1 percent (Rs. 0.5 percent) overspending was recorded. With an increase of 2 percent over previous year's allocation, a budget of Rs. 48 billion has been allocated for development purposes in 2022-23.

During the last thirteen years, higher education has received the highest portion of the development budget expenditure. The highest share of 99 percent of the development budget was expensed on higher education in 2010-11. In 2021-22, out of the expensed development budget for education, 96 percent of spending was made on higher education. Chart 2.8 presents the functional-level analysis of development budget spending.

Chart 2.8: Trends in Development Budget Expenditure by Educational Level



Source: I-SAPS Calculations from Budget Books and PIFRA



CHAPTER 3

Public Financing of Education in Punjab

CHAPTER 3

Public Financing of Education in Punjab

The Punjab province has a total of 52,511 public sector schools out of which 52 percent are girls' schools. 70 percent of these schools are at primary level¹. The total number of enrolled students in public sector schools is 11.6 million. The gender parity index of enrolment is 0.97 (97 girls for every 100 boys). The total number of out of school children in Punjab stands at 10.5 million²; 50 percent of whom are girls. Punjab has a teaching workforce of 382,277. The literacy rate (ages 10 years and above) in the province is 64 percent; in favor of males with 72 percent literacy rate compared with 57 percent for female. Net enrolment rate at primary level (ages 6 to 10 years) is 71 percent for boys and 69 percent for girls³. The survival rate to grade 5 is currently 75 percent for boys and 76 percent for girls in Punjab while the effective transition rate from primary to middle is 80 percent for girl students and 78 percent for boy students⁴.

3.1 PUNJAB EDUCATION BUDGET 2022-23 AT A GLANCE

3.1.1 Comparison of Education Budgets 2020-21 and 2022-23

Government of Punjab has allocated a budget of Rs. 493 billion in 2022-23 which shows an increase of 13 percent compared with the budget earmarked for 2021-22. 88 percent of the education budget (Rs. 435 billion) has been apportioned for recurrent expenditure while 12 percent budget (Rs. 58 billion) has been allocated for development purposes. Out of the recurrent budget for education, salaries and related expenditure will consume Rs. 373 billion (86 percent) while 14 percent of the budget (Rs. 63 billion) has been set aside for the non-salary budget. Chart 3.1 shows the summary of the education budget of Punjab for 2022-23.



¹ Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

² Academy of Educational Planning and Management (2018). Pakistan Education Statistics 2016-17. Islamabad.

³ Pakistan Bureau of Statistics (2021). Pakistan Social and Living Standards Measurement Survey 2019-20. Islamabad.

⁴ Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

Chart 3.1: Punjab Education Budget 2022-23

Source: I-SAPS Calculations from Budget Books and PIFRA

In comparison with the allocated salary budget in 2021-22, an increase of Rs. 44 billion can be seen in this year's budget. On the other hand, the non-salary budget has increased by Rs. 5 billion for the current financial year.

Table 3.1: Comparison of Punjab Education Budget 2022-23 with 2021-22 (in Rs. Million)

	2022-23	2021- 22		Increase/Decrease vis-a-vis 2020-21	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Recurrent	435,338.97	386,355.21	381,742.96	48,983.76 (13%)	53,596.01 (14%)
Salary	372,538.99	328,625.21	335,937.56	43,913.78 (13%)	36,601.43 (11%)
Non-Salary	62,799.98	57,730.00	45,805.39	5,069.98 (9%)	16,994.58 (37%)
B. Development	57,628.01	49,153.73	44,264.91	8,474.28 (17%)	13,363.10 (30%)
Total (A+B)	492,966.98	435,508.94	426,007.86	57,458.04 (13%)	66,959.12 (16%)

Source: I-SAPS Calculations from Budget Books and PIFRA

Overall, the allocated education budget of Punjab has increased by 13 percent in 2022-23. A significant increase of 17 percent is noted in the development budget with an allocation of Rs. 58 billion in 2022-23. Table 3.1 presents the increase or decrease in the education budget for 2022-23 compared with the allocated and expensed education budget in 2021-22.

3.1.2 Share of Education in Total Provincial Budget

The share of education in the total provincial budget has marginally declined in the last few years. In 2022-23, 16 percent of Punjab's total budget has been earmarked for education. Out of the total provincial outlay of Rs. 3,101 billion, Rs. 493 billion has been apportioned for education in the current financial year. Table 3.2 looks at the education budget of Punjab as a share of the total provincial during the last three years.

Table 3.2: Share of Education in the Provincial Budget of Punjab (in Rs. Million)

	2022-23			2021-22			2020-21		
	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget
Recurrent	2,416,391	435,339	18%	1,968,010	386,355	20%	1,778,600	360,448	20%
Development	685,000	57,628	8%	560,000	49,154	9%	337,000	38,729	11%
Total	3,101,391	492,967	16%	2,528,010	435,509	17%	2,115,600	399,176	19%

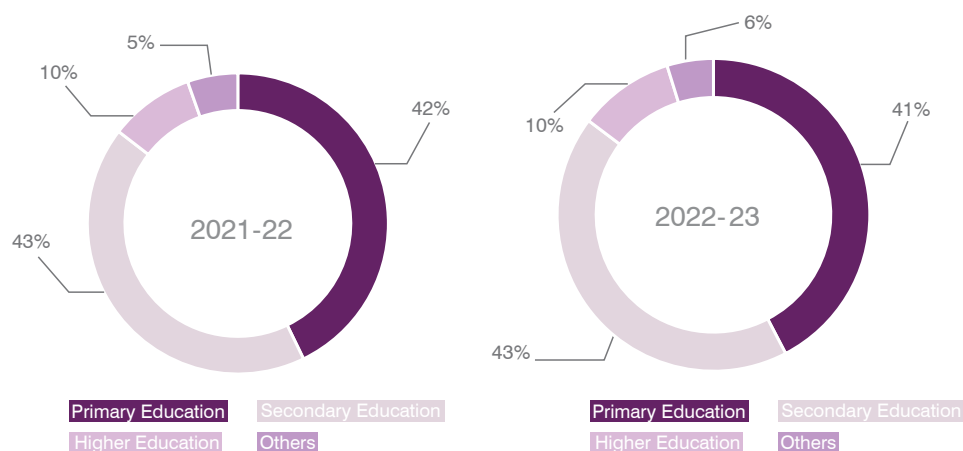
Source: I-SAPS Calculations from Budget Books and PIFRA

In 2020-21, the Government of Punjab earmarked a budget of Rs. 2,115 billion out of which Rs. 399 billion was allocated for education. During this year, the education budget constituted 19 percent of the total provincial budget. This percentage declined to 17 percent in 2021-22. The budget allocation has further declined to 16 percent in 2022-23. It is worth noting that the share of the development budget for education has decreased from 11 percent of the provincial development budget to 8 percent during the last three years. Similarly, the share of the recurrent budget has also declined from 20 percent to 18 percent of the total provincial recurrent budget during these years.

3.1.3 Composition of Education Budget 2022-23

Unpacking the education budget of Punjab at the functional level, it can be seen that the highest share of budget has been apportioned for secondary education. Secondary education has been allocated 42 percent of the total education budget in 2022-23, i.e., Rs. 207 billion. Secondary education is followed by primary education with 41 percent share (Rs. 203 billion) while higher education will receive 10 percent of the education budget during the current financial year, i.e., Rs. 51 billion. Chart 3.2 compares the education budget of 2022-23 with the allocated budget for the last financial year, i.e., 2021-22, in order to see if there has been any significant change in the government's priorities regarding functional level spending on education.

Comparing the current year's allocations with the earmarked budget during the last financial year, the percentage share of secondary education has declined from 43 percent of the total education budget in 2021-22 to 42 percent in 2022-23. In absolute terms, the budget for secondary education has increased from Rs. 187 billion in 2021-22 to Rs. 208 billion in 2022-23. Similarly, the share of primary education has decreased from 42 percent (Rs. 184 billion) in 2021-22 to 41 percent (Rs. 203 billion) in 2022-23, although it has increased in absolute terms. The percentage share of higher education has remained consistent at 10 percent during 2021-22 and 2022-23.

Chart 3.2: Composition of Education Budgets 2021-22 and 2022-23

Source: I-SAPS Calculations from Budget Books and PIFRA

3.2 TRENDS IN EDUCATION BUDGETS 2010-11 to 2022-23

3.2.1 Trends in Total Budgetary Allocation and Expenditure

Government of the Punjab has significantly increased the education budget in the last thirteen years. In 2010-11, a budget of Rs. 155 billion was allocated for education. It has increased to Rs. 493 billion in 2022-23; highlighting an increase of 218 percent. Except for 2018-19, the expensed budget has never exceeded the allocated budget. The lowest percentage of spending was recorded for 2016-17 where 23 percent of the education budget (Rs. 69 billion) for that year remained unspent. Chart 3.3 looks at the allocated and expensed education budgets of Punjab for the last thirteen years.

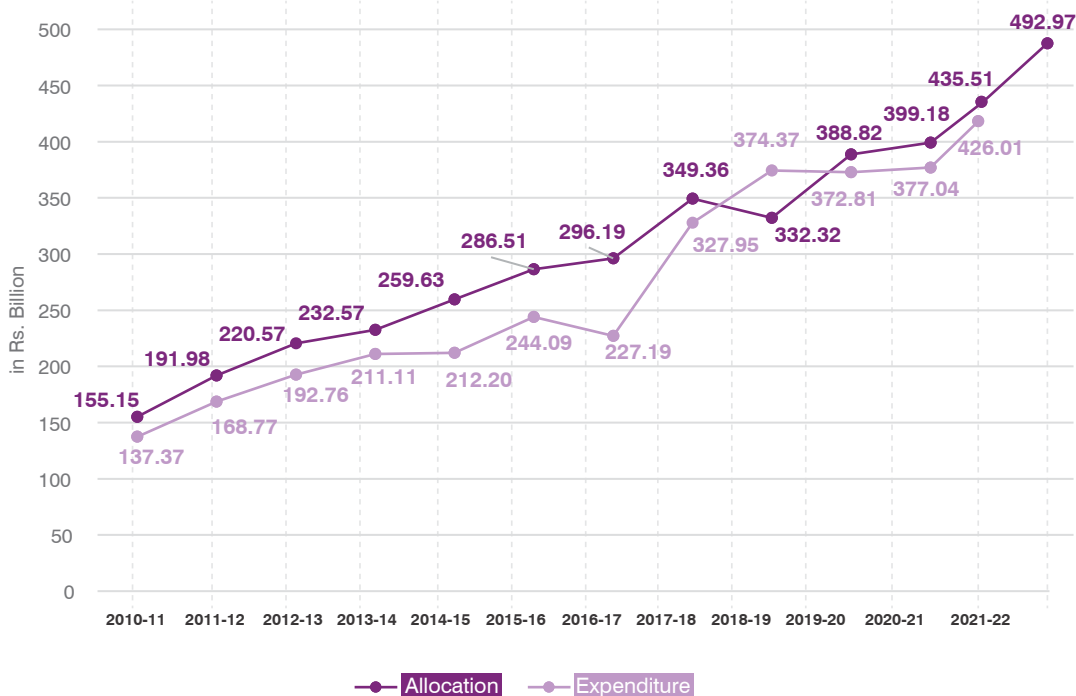
In 2010-11, Rs. 155 billion was allocated for education out of which Rs. 18 billion (11 percent of the budget) remained unspent. With a significant increase of 24 percent, the allocated budget was increased to Rs. 192 billion in 2011-12. In 2011-12, 12 percent of the education budget could not be spent. This unspent budget amounted to Rs. 23 billion. In 2012-13, a budget of Rs. 221 billion was apportioned for education highlighting an increase of 15 percent over the previous year's allocated budget. However, Rs. 28 billion (13 percent) of the allocated budget for the year remained unspent. An increase of Rs. 12 billion (5 percent) was made for the next year when a budget of Rs. 233 billion was apportioned for education in 2013-14. During this year, 91 percent of the budget could be expensed.

With an increase of 12 percent over the allocated amount in 2013-14, a budget of Rs. 260 billion was allocated for education in 2014-15. Out of this budget, Rs. 47 billion

(18 percent) remained unspent. In 2015-16, Rs. 287 billion was earmarked for education. This shows an increase of 10 percent (Rs. 27 billion) compared with allocated budget for the previous year. In 2015-16, the allocated and expensed education budgets show a difference of Rs. 42 billion, i.e., 15 percent of the allocated budget for 2015-16 has not been spent. With an increase of 3 percent over the previous year's allocated budget, an amount of Rs. 296 billion was earmarked for 2016-17. However, 23 percent of the allocated budget (Rs. 69 billion) could not be expensed during the year. This is the highest amount (and percentage of the allocated budget) that could not be expensed during the last eleven years. In 2017-18, with an increase of 18 percent over the previous year's budget, an amount of Rs. 349 billion was allocated for education. This year, 6 percent (Rs. 21 billion) of the allocated budget remained unspent.

Highlighting a decrease of 5 percent over previous year's allocation, a budget of Rs. 332 billion has been earmarked for education in 2018-19. With an increase of 17 percent over the previous year, a budget of Rs. 389 billion was allocated for education in 2019-20. During the year, 4 percent of the budget could not be spent. During 2020-21, a budget of Rs. 399 billion was apportioned for education, highlighting an increase of 3 percent over the previous year. During 2020-21, 6 percent (Rs. 22 billion) of the allocated budget remained unspent. With an increase of 9 percent over the previous year, a budget of Rs. 436 billion was apportioned for education in 2021-22 out of which 2 percent (Rs. 10 billion) of the allocated budget remained unspent. In 2022-23, a budget of Rs. 493 billion has been earmarked for education highlighting an increase of 13 percent (Rs. 57 billion) over the previous year's budget.

Chart 3.3: Trends in Total Education Budget 2010-11 to 2022-23



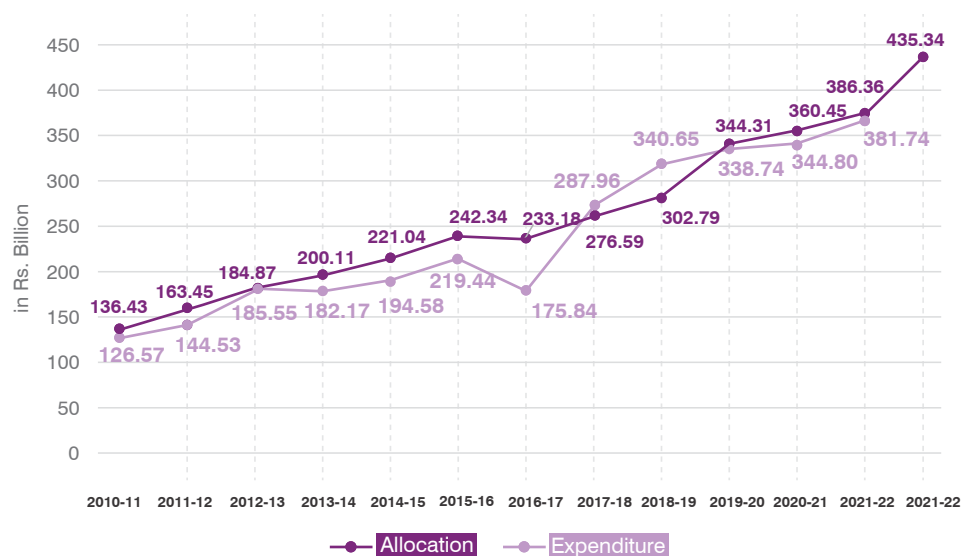
Source: I-SAPS Calculations from Budget Books and PIFRA

The highest share of the education budget was allocated for primary education during 2010-11, 2011-12 and 2012-13. Primary education was followed by secondary education and higher education. This composition changed in 2013-14 when secondary education received slightly higher share of the education budget compared with primary education. The same pattern has been followed in the budgets for the next years, until 2022-23. During these years, secondary education received the highest share of the education budget followed by primary education and higher education. In 2018-19, primary education received a higher share of the education budget, followed by secondary education and higher education. The trend was again reversed in 2019-20 when the allocation for secondary education was higher than primary education. In 2020-21, the budget earmarked for primary education is slightly higher than that for secondary education. For 2022-23, secondary education has received the highest allocation followed by primary education and higher education.

3.2.2 Trends in Recurrent Budget Allocation and Expenditure

Recurrent budget, which consists of salary and non-salary budget, receives major share of the education budget every year. The highest share of recurrent budget in total education budget was recorded for 2018-19 where 91 percent of the budget was earmarked for recurrent expenditure. In 2022-23, Rs. 435 billion has been apportioned for the recurrent budget, highlighting a share of 88 percent in the total education budget. The recurrent budget for education has increased by 219 percent during the last thirteen years. In 2010-11, Rs. 136 billion was allocated for education which has increased to Rs. 435 billion in 2022-23. Chart 3.4 looks at the allocated and expensed recurrent budget for education during the last thirteen years.

Chart 3.4: Trends in Recurrent Education Budget 2010-11 to 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

An amount of Rs. 136 billion was apportioned for education in 2010-11 out of which Rs. 10 billion (7 percent of the recurrent budget) was not spent during that year. The allocated budget for 2011-12 was significantly increased by 20 percent to Rs. 163 billion in 2011-12. However, 12 percent of the allocated budget, i.e., Rs. 19 billion was not spent during 2011-12. For 2012-13, a budget of Rs. 186 billion was earmarked; presenting an increase of 14 percent over the allocated budget in 2011-12. Less than Rs. 1 billion remained unspent during the year in 2012-13. Highlighting an increase of Rs. 15 billion (8 percent of the recurrent budget for education), an allocation of Rs. 200 billion was made in 2013-14. During 2013-14, 9 percent of the budget remained unspent. A recurrent budget of Rs. 221 billion was earmarked for education in 2014-15 showing an increase of 10 percent over the previous year's budget. 12 percent of this budget, i.e., Rs. 26 billion, remained unspent during the year.

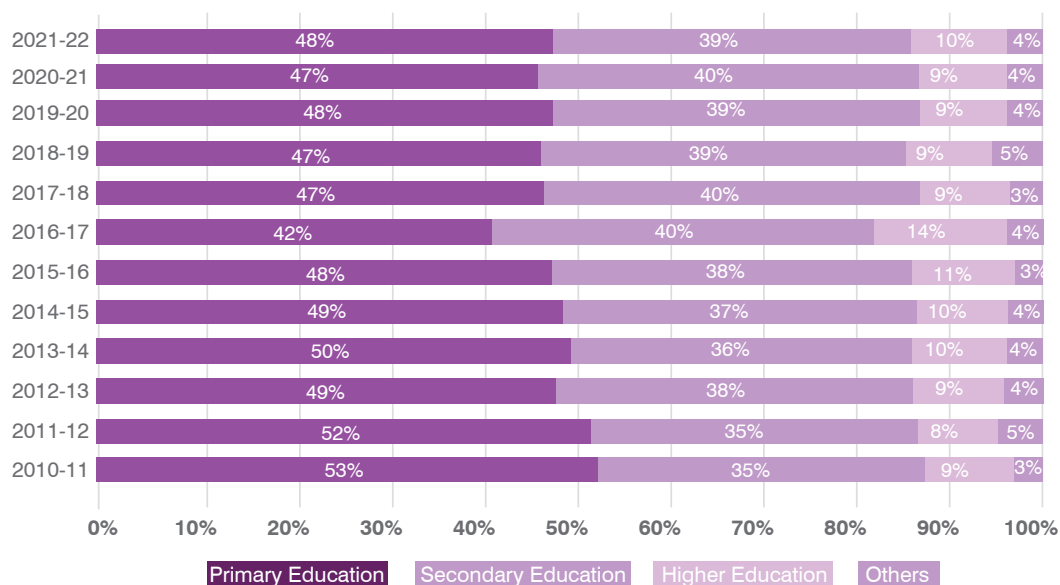
With an increase of 10 percent over the allocated budget in 2014-15, Rs. 242 billion was apportioned for education in 2015-16. Rs. 23 billion (9 percent) out of the allocated budget have remained unspent in 2015-16. In 2016-17, a recurrent budget of Rs. 233 billion was allocated out of which 25 percent budget (Rs. 57 billion) remained unspent. This is the highest amount that could not be expensed during the last twelve years. In 2017-18, an amount of Rs. 277 billion was allocated for the recurrent budget highlighting an increase of Rs. 43 billion (19 percent) compared with the allocated budget in 2016-17. During the year, overspending to the tune of Rs. 11 billion was recorded. In 2018-19, with an increase of 9 percent (Rs. 26 billion), a budget of Rs. 303 billion was apportioned for recurrent spending on education. However, overspending to the tune of 13 percent was recorded during the year.

With an increase of 14 percent over the previous year's allocation, a budget of Rs. 344 billion was earmarked for recurrent spending in 2019-20. During the year, only 2 percent of the budget, i.e., Rs. 6 billion, remained unspent. Highlighting an increase of 5 percent over the previous year, a budget of Rs. 360 billion was allocated for recurrent spending during 2020-21 out of which Rs. 16 billion (4 percent) could not be expensed. With an increase of 7 percent over the previous year, a budget of Rs. 386 billion was allocated for recurrent spending in 2021-22 out of which 1 percent (Rs. 5 billion) of the budget remained unspent. A budget of Rs. 435 billion has been earmarked for recurrent spending in 2022-23 highlighting an increase of 13 percent (Rs. 49 billion) over the previous year's allocation.

Primary education has received the highest share of the recurrent education budget each year. The allocation and expenditure for primary education have been followed by secondary education and higher education during each of the last twelve years. In 2022-23, 48 percent of the recurrent budget has been allocated for primary education. This is followed by 39 percent share of secondary education and 10 percent share of higher education. Chart 3.5 analyzes the expensed recurrent budget for education at the functional level since 2010-11.

The share of primary education has remained within 42 percent and 53 percent of the recurrent budget. The highest share of 53 percent of the recurrent education budget was spent on primary education in 2010-11 while the lowest share of 42 percent has been recorded for 2016-17. The share of secondary education has increased from 35 percent in 2010-11 to 39 percent in 2021-22. Higher education received 10 percent of the recurrent budget in 2021-22, which is one percentage point higher compared with the recurrent expenditure on higher education in 2010-11. During these twelve years, the expensed budget on primary education has not equalled or exceeded the allocation except for 2017-18 and 2019-20. In 2017-18, the expenditure on primary education was higher than the allocated budget to the tune of Rs. 1.5 billion. On the other hand, overspending of Rs. 13 billion was recorded in the budget for secondary education during 2017-18. In 2019-20, overspending of Rs. 5 billion has been recorded for primary education.

Chart 3.5: Trends in Recurrent Education Expenditure by Educational Level

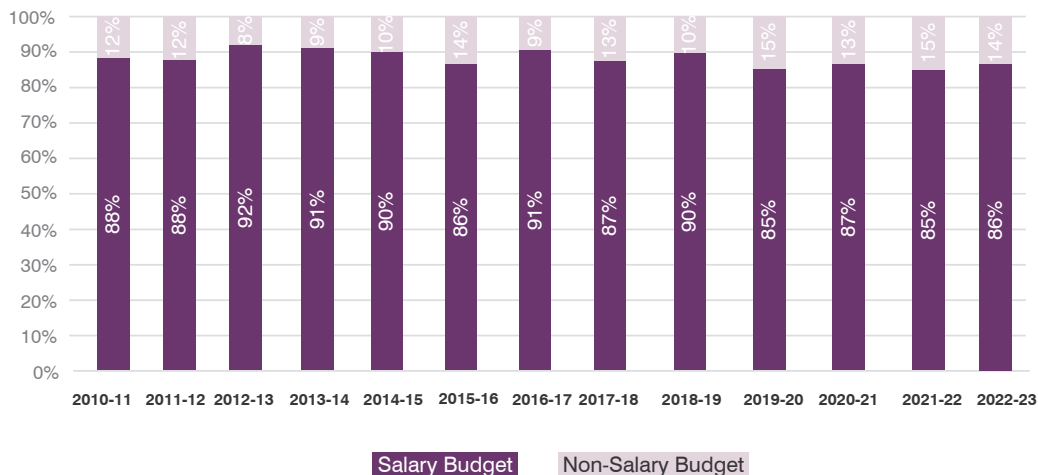


Source: I-SAPS Calculations from Budget Books and PIFRA

As mentioned above, the recurrent budget consists of a salary budget and a non-salary budget. The major portion of the recurrent budget is absorbed in salaries and related expenditures. The salary budget for education has increased by 209 percent during the last thirteen years. On the other hand, the non-salary budget has gone up by 292 percent during these years. In 2022-23, 86 percent of the recurrent budget has been allocated for the salary budget while only 14 percent has been reserved for the non-salary budget. Non-salary budget is needed for covering the operational expenses of schools and the education department. Chart 3.6 looks at the percentage share of salary and non-salary budgets in the total recurrent budget for education during the last thirteen years.

The highest share of 15 percent of the recurrent budget for non-salary expenditure was earmarked during 2019-20 and 2021-22. In 2022-23, the share of the non-salary budget has gone down by 1 percentage point, compared with the allocated budget in 2021-22. This year, an increase of Rs. 5 billion can be seen in the non-salary budget for education compared with the allocation for 2021-22. On the other hand, an increase of Rs. 44 billion is noted in the salary budget in 2022-23.

Chart 3.6: Share of Salary and Non-Salary Budgets in Recurrent Education Budget



Source: I-SAPS Calculations from Budget Books and PIFRA

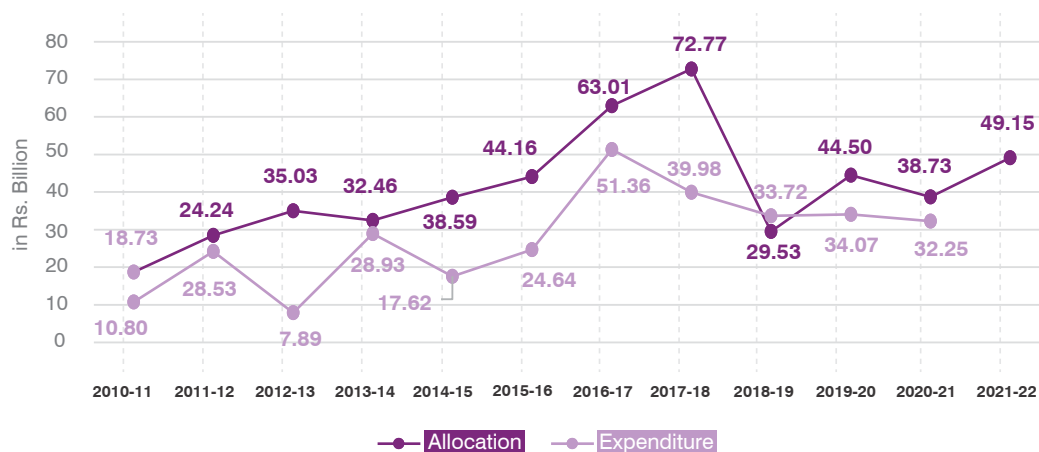
3.2.3 Trends in Development Budget Allocation and Expenditure

Development budget receives smaller portion of the education budget compared with the share of recurrent budget. In 2022-23, 12 percent of the education budget has been apportioned for development purposes compared with the 88 percent share of the recurrent budget. However, it is worth noting that the development budget for education has increased in the last thirteen years. In 2010-11, a budget of Rs. 19 billion was allocated for education which has increased to Rs. 58 billion in 2022-23. In percentage terms, this highlights an increase of 208 percent. However, a significant part of the development budget remains unspent each year. The highest unspent amount was recorded in 2012-13 where 77 percent of the education budget (Rs. 27 billion) could not be spent. Chart 3.7 looks at the allocated and expensed development budget of Punjab for the last thirteen years.

In 2010-11, a development budget of Rs. 19 billion was allocated for education. Out of the allocated budget, only Rs. 11 billion (58 percent of the budget) could be expensed during the year. The year 2011-12 saw an increase of 52 percent over the development budget earmarked for the previous year. A budget of Rs. 29 billion was apportioned for development purposes in 2011-12, however, 15 percent of this budget remained unspent. In 2012-13, the development budget was increased to Rs. 35 billion; highlighting an increase of 23 percent compared with the allocated budget in 2011-12. 77 percent of the development budget could not be spent

during this year. This is the highest proportion of unspent development budget in the last twelve years. In 2013-14, compared with the allocation in the previous year, the development budget for education was decreased by 7 percent with an allocation of Rs. 32 billion. 11 percent of the allocated budget for the year remained unspent. An increase of Rs. 6 billion (19 percent) was made in 2014-15 when a budget of Rs. 233 billion was allocated. During this year, 54 percent of the budget could not be expensed. In 2015-16, Rs. 44 billion was apportioned for development purposes showing an increase of 14 percent (Rs. 6 billion) compared with allocated budget for the previous year. However, 44 percent of the development budget was not expensed during the year. The same trend of lower expenditure continued in 2016-17 as well, where 18 percent of the allocated budget could not be spent during the year.

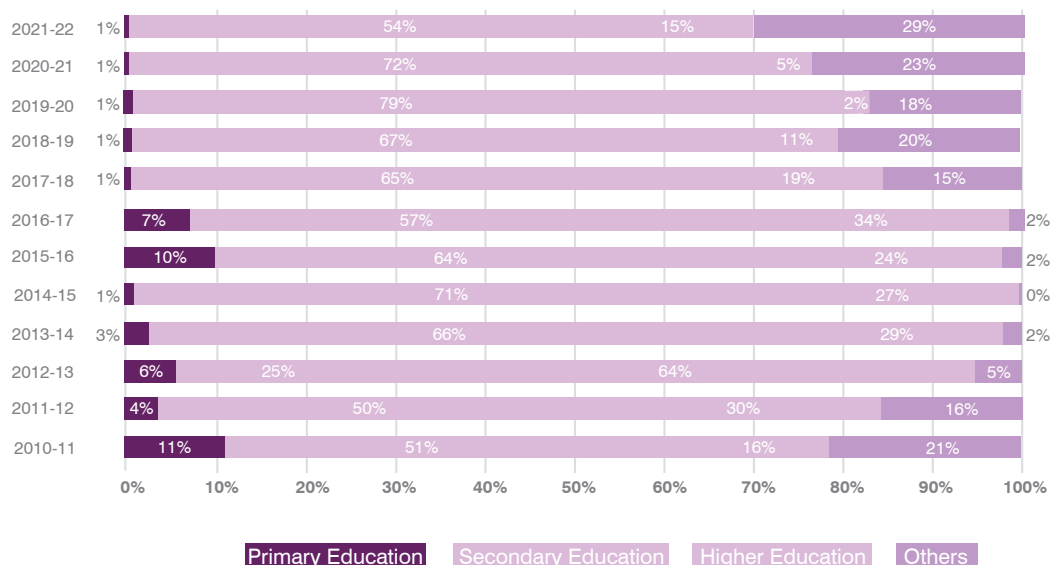
Chart 3.7: Trends in Development Education Budget 2010-11 to 2021-22



Source: I-SAPS Calculations from Budget Books and PIFRA

In 2017-18, an amount of Rs. 73 billion was allocated for development budget which is an increase of 15 percent compared with the allocated budget in 2016-17. An underspending to the tune of Rs. 33 billion (45 percent) has been recorded in 2017-18. With a decrease of Rs. 43 billion (59 percent), the development budget for 2018-19 was reduced to Rs. 30 billion. During the year, an overspending to the tune of Rs. 4 billion (14 percent) was recorded. Highlighting an increase of 51 percent over the previous year, a budget of Rs. 45 billion was allocated for development purposes, out of which Rs. 10 billion remained unspent during the year. Earmarking a decrease of 13 percent over the last year's allocation, Rs. 39 billion was allocated for development budget in 2020-21 out of which Rs. 6 billion (17 percent) remained unspent. Highlighting an increase of 27 percent over the previous year, Rs. 49 billion was allocated for development spending for 2021-22 out of which 10 percent (Rs. 5 billion) of the allocated budget remained unspent. In 2022-23, a budget of Rs. 58 billion has been allocated showing an increase of 17 percent (Rs. 8 billion) over the previous year's allocation.

Chart 3.8: Trends in Development Budget Expenditure by Educational Level



Source: I-SAPS Calculations from Budget Books and PIFRA

The major portion of the development budget for 2021-22 was earmarked for secondary education. This composition has remained the same during the last twelve years, except for 2012-13. In 2021-22, out of the expensed development budget for education, 54 percent spending was made on secondary education; followed by 15 percent and 1 percent expensed budget on higher education and primary education, respectively. Chart 3.8 presents the functional level analysis of development budget spending in Punjab.

The highest share of 79 percent of the development budget was expensed on secondary education in 2019-20. For all the years from 2010-11 to 2021-22, secondary education has received the highest proportion of the development budget followed by higher education and primary education.



CHAPTER 4

Public Financing of Education in Sindh

CHAPTER 4

Public Financing of Education in Sindh

Sindh has a total of 49,446 public sector schools¹ out of which 69 percent are mixed schools². 90 percent of these schools are at primary level. The total number of enrolled students in public sector schools is 4.5 million. The gender parity index of enrolment is 0.63 (63 girls for every 100 boys)³. The total number of out of school children in Sindh stands at 6.4 million⁴; 53 percent of whom are girls. Sindh has a teaching workforce of 119,087 out of which 32 percent are female teachers⁵. The literacy rate (ages 10 years and above) in the province is 58 percent; in favour of males with 68 percent literacy rate compared with 47 percent for female. Net enrolment rate at primary level (ages 6 to 10 years) is 60 percent for boys and 49 percent for girls⁶. The survival rate to grade 5 is currently 76 percent for boys and 79 percent for girls in Sindh while the effective transition rate from primary to middle stands at 72 percent for male and 66 percent for female⁷.

4.1 SINDH EDUCATION BUDGET 2022-23 AT A GLANCE

4.1.1 Comparison of Education Budgets 2020-21 and 2022-23

A budget of Rs. 335 billion has been allocated by the Sindh government for education in 2022-23. This shows an increase of 11 percent compared with the allocated education budget in 2021-22. A further look at the education budget of Sindh shows that 89 percent of the education budget (Rs. 297 billion) has been apportioned for recurrent expenditure in 2022-23. On the other hand, the development budget has received 11 percent (Rs. 38 billion) of the education budget for the year.



11% Increase in Total Budget
9% Increase in Recurrent Budget
25% Increase in Development Budget

¹ Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

² Government of Sindh (2020). Sindh Education Profile 2019. Karachi.

³ Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

⁴ Academy of Educational Planning and Management (2018). Pakistan Education Statistics 2016-17. Islamabad

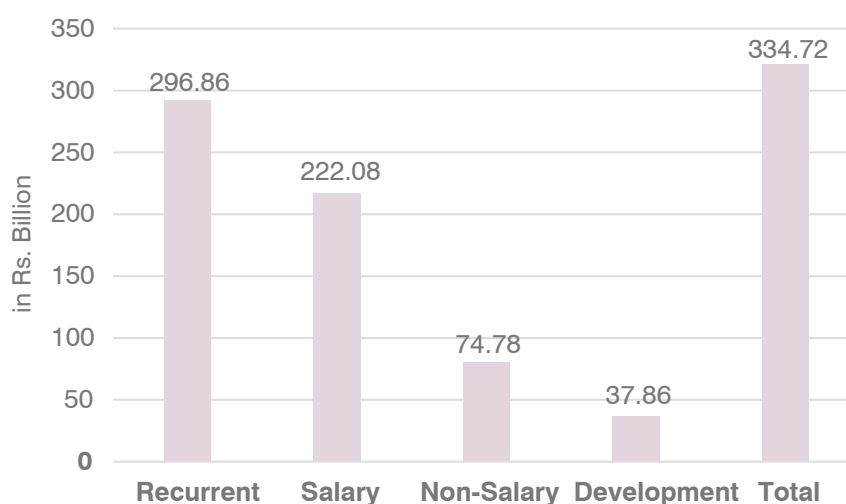
⁵ Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

⁶ Pakistan Bureau of Statistics (2021). Pakistan Social and Living Standards Measurement Survey 2019-20. Islamabad.

⁷ Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

Out of the recurrent budget for education, salaries and related expenditure will consume Rs. 222 billion (75 percent) while 25 percent of the budget (Rs. 75 billion) has been set aside for the non-salary budget. Chart 4.1 shows the summary of the education budget of Sindh for 2022-23.

Chart 4.1: Sindh Education Budget 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

Comparing the allocated salary budget in 2022-23 with the previous year's allocation, an increase of Rs. 20 billion is seen. Similarly, the non-salary budget has been increased by Rs. 5 billion in the current year's budget. An increase of Rs. 8 billion (25 percent) has been recorded in the development budget for education. Table 4.1 presents the increase or decrease in the education budget for 2022-23 compared with the allocated and expensed education budget in 2021-22.

Table 4.1: Comparison of Sindh Education Budget 2022-23 with 2021-22 (in Rs. Million)

	2022-23	2021-22		Increase/Decrease vis - à-vis 2021-22	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Recurrent	296,859.48	271,438.77	212,110.57	25,420.71 (9%)	84,748.91 (40%)
Salary	222,077.78	201,750.94	161,820.90	20,326.84 (10%)	60,256.88 (37%)
Non - Salary	74,781.70	69,687.83	50,289.67	5,093.87 (7%)	24,492.03 (49%)
B. Development	37,857.42	30,324.21	12,797.02	7,533.20 (25%)	25,060.40 (196%)
Total (A+B)	334,716.90	301,762.98	224,907.58	32,953.92 (11%)	109,809.31 (49%)

Source: I-SAPS Calculations from Budget Books and PIFRA

The overall education budget of Sindh has significantly increased in 2022-23 compared with the allocated and spent education budget in 2021-22. While the salary budget for the current financial year has increased by 37 percent compared with the spending in 2021-22, the non-salary budget has been increased by 49 percent

(Rs. 24 billion). The development budget for education in 2022-23 has also significantly increased by 25 percent and 196 percent compared with the allocated and spent budget in 2021-22.

4.1.2 Share of Education in Total Provincial Budget

This year's share of education in the total provincial budget has remained consistent with the previous year. In 2022-23, education will receive 20 percent of Sindh's total budget. Out of the total provincial outlay of Rs. 1,713 billion, Rs. 335 billion has been apportioned for education in the current financial year. Table 4.2 looks at the education budget of Sindh as a share of the total provincial during the last three years.

Table 4.2: Share of Education in the Provincial Budget of Sindh (in Rs. Million)

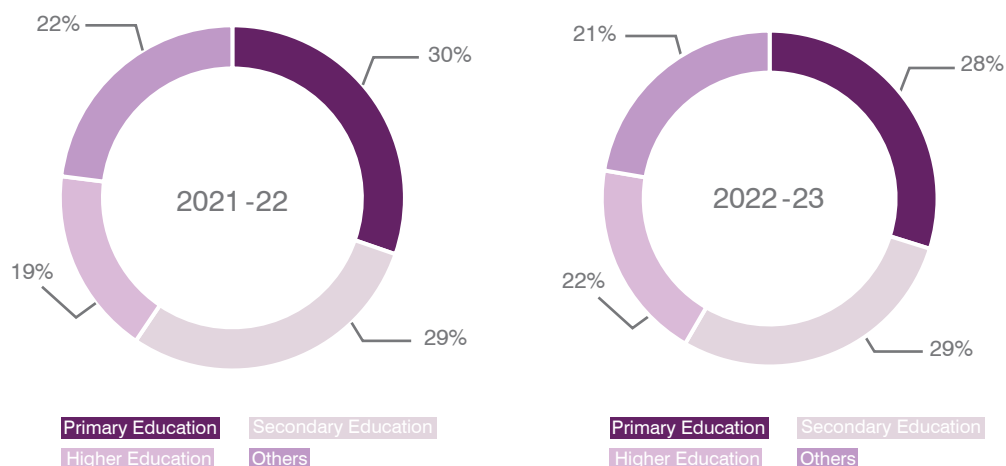
	2022 - 23			2021 - 21			2020 - 21		
	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget
Recurrent	1,253,926	296,859	24%	1,148,870	271,439	24%	1,108,682	236,161	21%
Development	459,658	37,857	8%	329,032	30,324	9%	232,943	27,516	12%
Total	1,713,584	334,717	20%	1,477,902	301,763	20%	1,341,626	263,678	20%

Source: I-SAPS Calculations from Budget Books and PIFRA

In 2020-21, 20 percent of the Sindh's budget, i.e., Rs. 264 billion was allocated for education. The percentage share remained the same at 20 percent in 2021-22 when a budget of Rs. 302 billion was apportioned for education out of the total budget of Rs. 1,478 billion. For the current financial year, the percentage share of education has remained the same at 20 percent of the total budget with an allocation of Rs. 335 billion.

4.1.3 Composition of Education Budget 2022-23

An analysis of the Sindh education budget at the functional level shows that secondary education has received the highest share of the education budget in 2022-23. Secondary education has been allocated 29 percent of the total education budget in 2022-23, i.e., Rs. 97 billion. Secondary education is followed by primary education with 28 percent share (Rs. 95 billion) and higher education having 22 percent of the education budget, i.e., Rs. 74 billion. Chart 4.2 compares the education budget of 2022-23 with the allocated budget for the last financial year, i.e., 2021-22, in order to see if there has been any significant change in the government's priorities regarding functional level spending on education.

Chart 4.2: Composition of Education Budgets 2021-22 and 2022-23

Source: I-SAPS Calculations from Budget Books and PIFRA

Comparing the current year's allocations with the earmarked budget during the last financial year, the percentage share of primary education has declined from 30 percent of the total education budget in 2021-22 to 28 percent in 2022-23. The share of secondary education has remained consistent at 29 percent in 2021-22 and 2022-23. The percentage share of higher education has increased from 19 percent of the total education budget in 2021-22 to 22 percent in 2022-23.

4.2 TRENDS IN EDUCATION BUDGETS 2010-11 to 2022-23

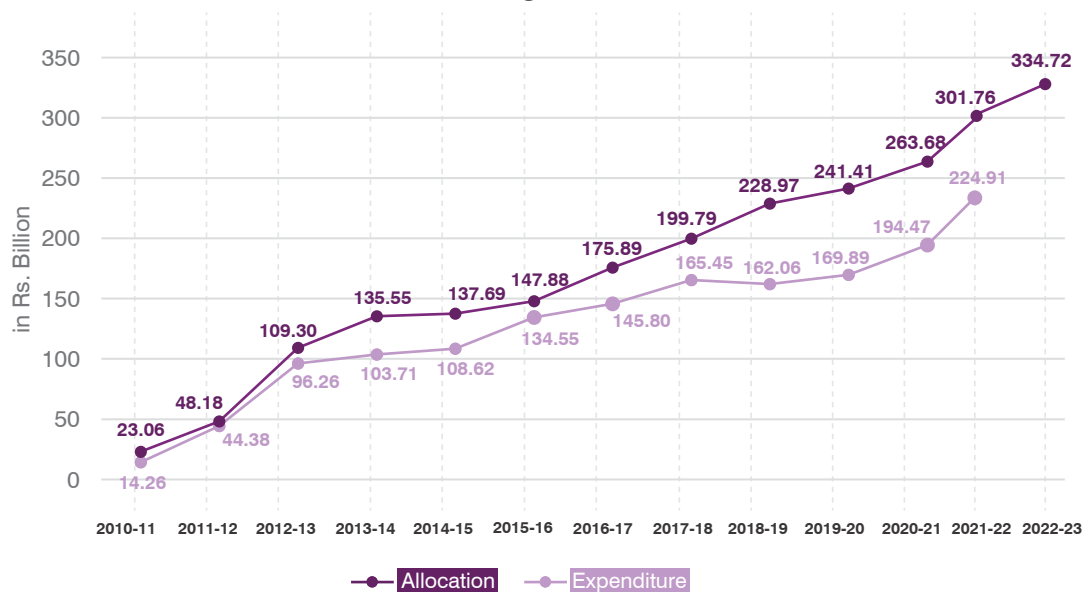
4.2.1 Trends in Total Budgetary Allocation and Expenditure

The education budget of Sindh has significantly increased in the last thirteen years. In 2012-13, the government of Sindh had earmarked a budget of Rs. 109 billion for education which has increased to Rs. 335 billion in 2022-23. This highlights an increase of 206 percent during these eleven years. Chart 4.3 looks at the allocated and expensed education budgets of Sindh for the last thirteen years.

In 2012-13, a budget of Rs. 109 billion was allocated for education out of which 12 percent (Rs. 13 billion) budget remained unspent. The next year saw a significant increase of 24 percent with the allocated budget for education increased to Rs. 136 billion in 2013-14. The expensed budget in 2013-14 shows an underspending of 23 percent during the year. In 2014-15, a budget of Rs. 138 billion was apportioned for education highlighting an increase of 2 percent compared with the allocated budget in 2013-14. This is the lowest increase in education budget during the last eight years. Similar to the previous year, an underspending to the tune of Rs. 29 billion, i.e., 21 percent of the allocated budget, was noted in 2014-15. With an increase of Rs. 10 billion (7 percent), the allocated budget in 2015-16 was increased to Rs. 148 billion. During 2015-16, only 9 percent of the budget could not be spent.

A budget of Rs. 176 billion was earmarked for education in 2016-17, out of which only 83 percent budget could be expensed. In 2017-18, Rs. 200 billion was allocated for education presenting a significant increase of 14 percent over the previous year’s allocated budget. However, 17 percent of the allocated budget for 2017-18, i.e., Rs. 34 billion, remained unspent during the year. Registering an increase of 15 percent over previous year’s allocation, a budget of Rs. 229 billion was earmarked for education in 2018-19. 29 percent of the allocated budget, i.e., Rs. 67 billion, could not be spent during the year. Highlighting an increase of 5 percent (Rs. 12 billion) over the allocated budget in 2018-19, a budget of Rs. 241 billion was allocated for education in 2019-20 out of which Rs. 72 billion (30 percent) remained unspent. In 2020-21, a budget of Rs. 264 billion was apportioned for education, presenting an increase of 9 percent over the last year’s allocation. During the year, 26 percent of the allocated budget (Rs. 69 billion) remained unspent. With an increase of 14 percent over previous year’s allocation, a budget of Rs. 302 billion was earmarked for education in 2021-22 out of which 25 percent (Rs. 77 billion) of the budget remained unspent. In 2022-23, a budget of Rs. 335 billion has been allocated for education showing an increase of 11 percent over the previous year’s allocation.

Chart 4.3: Trends in Total Education Budget 2010-11 to 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

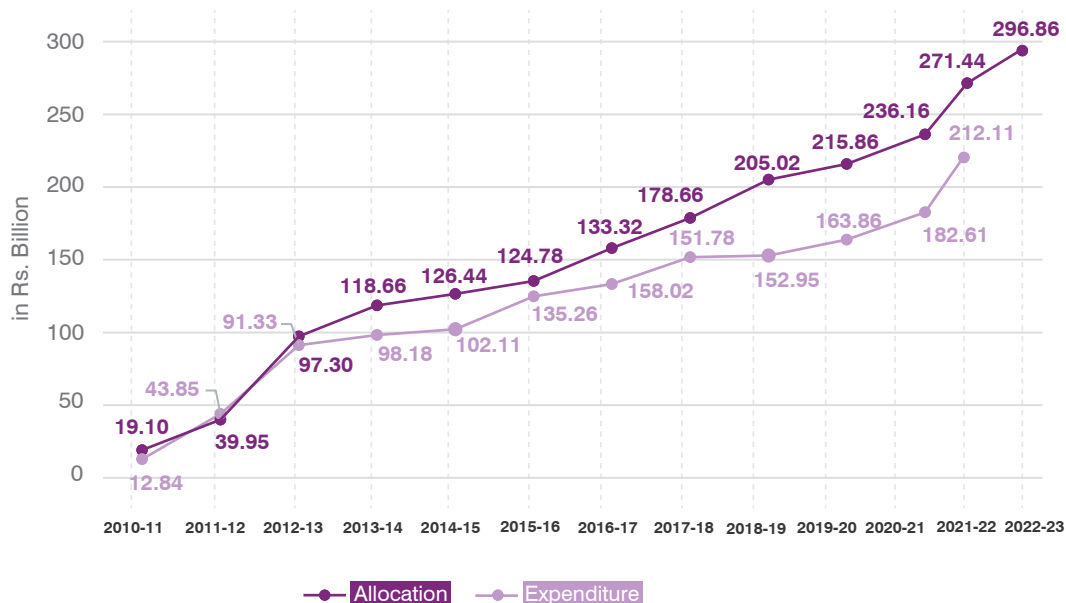
Note: Figures for 2010-11 do not include the district education budget, whereas, the figures for 2011-12 partially include the district education budget. Figures for 2012-13 and onwards include complete district budgets.

Primary education has received the highest share of the education budget during the last ten years, except for 2017-18 and 2022-23, followed by secondary education and higher education. In 2022-23, secondary education received the highest share of the education budget, followed by primary education and higher education.

4.2.2 Trends in Recurrent Budget Allocation and Expenditure

The recurrent budget, which consists of salary and non-salary budget, receives a major share of the education budget of Sindh every year. In 2022-23, 89 percent of the education budget of Sindh has been earmarked for recurrent expenditure. Over the last ten years, the recurrent budget for education has increased from Rs. 97 billion in 2012-13 to Rs. 297 billion in 2022-23. This shows an increase of 205 percent during these years. Chart 4.4 looks at the allocated and expensed recurrent budget for education during the last thirteen years.

Chart 4.4: Trends in Recurrent Education Budget 2010-11 to 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

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

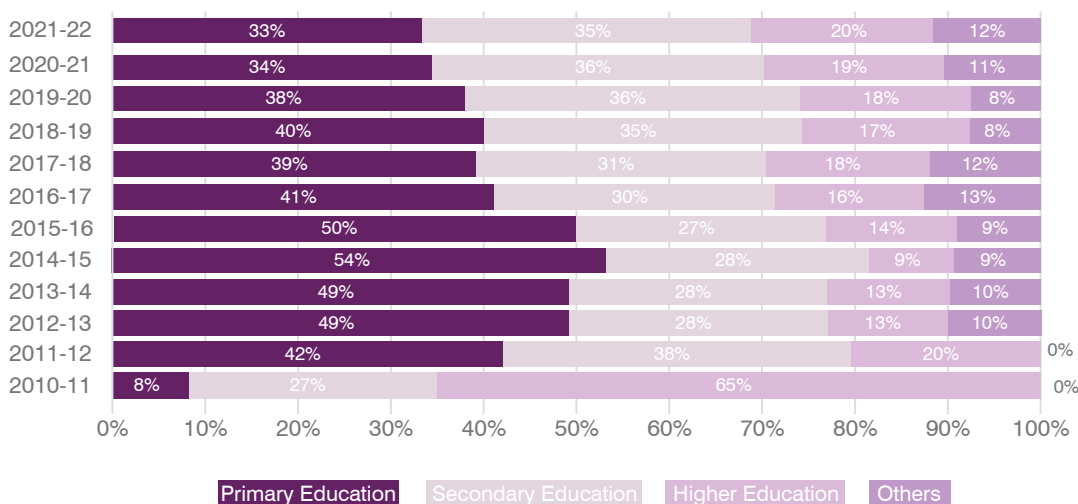
In 2012-13, a recurrent budget of Rs. 97 billion was earmarked for education out of which 6 percent budget (Rs. 6 billion) remained unspent. Highlighting an increase of Rs. 21 billion (22 percent) over the allocated recurrent budget in 2012-13, an allocation of Rs. 119 billion was made in 2013-14. During the year, an underspending of Rs. 20 billion (17 percent) was recorded. A recurrent budget of Rs. 126 billion was earmarked for education in 2014-15 showing an increase of 7 percent over the previous year's budget. This year, 19 percent budget amounting to Rs. 24 billion could not be spent. With an increase of 7 percent over the allocated budget in 2014-15, Rs. 135 billion was apportioned for recurrent expenditure in 2015-16.

Rs. 10 billion (8 percent) out of the allocated budget have remained unspent in 2015-16. A budget of Rs. 158 billion was earmarked for recurrent expenditure in 2016-17, showing an increase of 17 percent. 16 percent of the allocated budget remained unspent during the year. In 2017-18, an amount of Rs. 179 billion was allocated for recurrent education budget highlighting an increase of Rs. 21 billion (13 percent) compared with the allocated budget in 2016-17. However, 15 percent of the allocated budget, i.e., Rs. 27 billion remained unspent during the year. With an increase of 15 percent over last year's allocation, a budget of Rs. 205 billion was earmarked for recurrent spending in 2018-19. 25 percent of the allocated recurrent budget could not be spent during the year.

Highlighting an increase of 5 percent (Rs. 11 billion) over the allocated budget in 2018-19, a budget of Rs. 216 billion was apportioned for recurrent education budget in 2019-20 out of which 24 percent budget (Rs. 52 billion) remained unspent. With an increase of 9 percent over the previous year's allocation, a budget of Rs. 236 billion was apportioned for recurrent budget in 2020-21, out of which 23 percent budget remained unspent. Highlighting an increase of 15 percent over the allocated budget in 2020-21, a budget of Rs. 271 billion was allocated for recurrent spending in 2021-22 out of which Rs. 59 billion (22 percent) remained unspent. In 2022-23, a budget of Rs. 297 billion has been earmarked for recurrent spending showing an increase of 9 percent (Rs. 25 billion) over the previous year's allocation.

Secondary education has received the highest share of recurrent education budget in 2022-23. From 2011-12 to 2019-20, the share of primary education in recurrent education budget has been higher than that of secondary education and higher education. In 2020-21 and 2021-22, secondary education received the highest portion of the recurrent budget followed by primary education and higher education. Chart 4.5 analyzes the expensed recurrent budget for education at the functional level since 2010-11.

Chart 4.5: Trends in Recurrent Education Expenditure by Educational Level



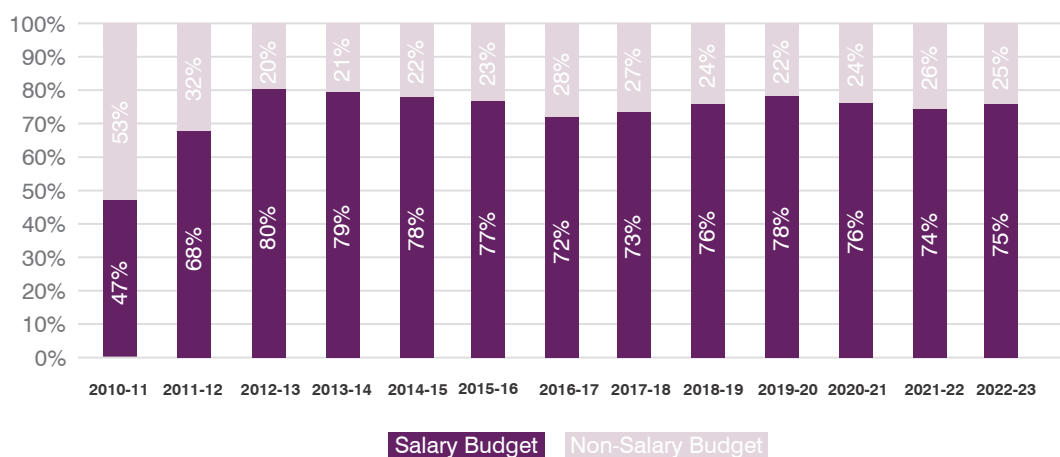
Source: I-SAPS Calculations from Budget Books and PIFRA

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

The share of primary education has remained within 33 percent and 54 percent of the recurrent budget since 2012-13. The highest share of 54 percent of the recurrent education budget was spent on primary education in 2014-15 while the lowest share of 33 percent has been recorded in 2021-22. The share of secondary education has remained within 27-36 percent of the recurrent budget in the last ten years. Higher education received 20 percent of the recurrent budget in 2021-22; an increase of 7 percent compared with the recurrent expenditure on higher education in 2012-13.

The recurrent budget consists of salary and non-salary budgets. A major portion of the recurrent budget of Sindh is absorbed in salaries and related expenditures. In 2022-23, 75 percent of the recurrent budget has been allocated for the salary budget while 25 percent has been reserved for the non-salary budget. Non-salary budget is needed for covering the operational expenses of schools and the education department. The salary budget for education has increased by 184 percent during the last eleven years while the non-salary budget has gone up by 292 percent in these years. While the share of the non-salary budget has significantly increased in the last eleven years, it is worth noting that a significant portion of the non-salary budget remains unspent every year. In 2021-22, 28 percent of the allocated non-salary budget remained unspent during the year. Chart 4.6 looks at the percentage share of salary and non-salary budgets in the total recurrent budget for education during the last thirteen years.

Chart 4.6: Share of Salary and Non-Salary Budgets in Recurrent Education Budget



Source: I-SAPS Calculations from Budget Books and PIFRA

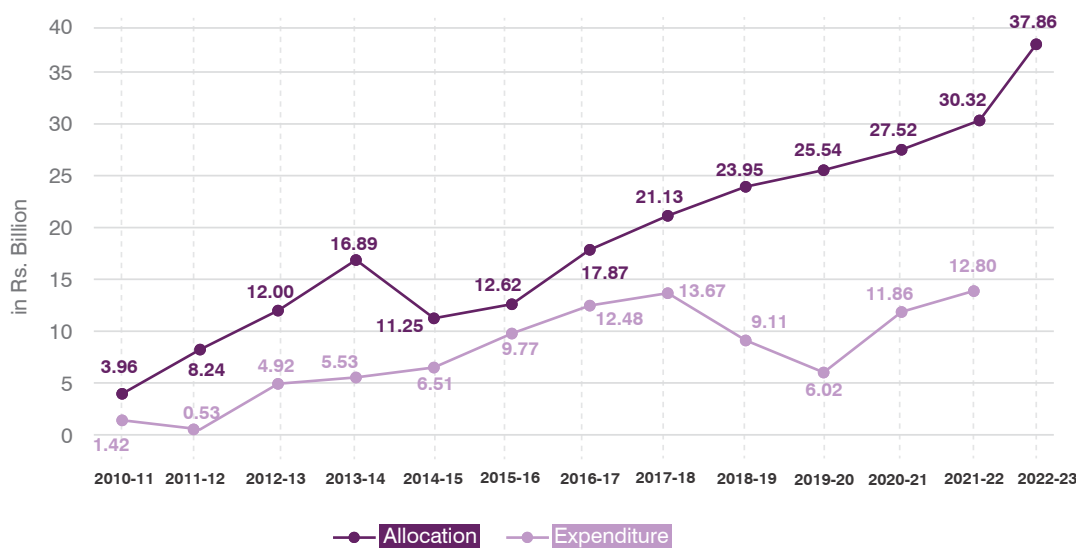
Note: Figures for 2010-11 do not include the district education budget, whereas, the figures for 2011-12 partially include the district education budget. Figures for 2012-13 and onwards include complete district budgets.

Since 2012-13, the highest share of 28 percent of the recurrent budget for non-salary expenditure has been earmarked in 2016-17. In 2022-23, a non-salary budget of Rs. 75 billion has been allocated for education. The share of the salary budget in the total recurrent budget for education continuously declined until 2017-18 when an increase of one percent was recorded. Since then, the share of the salary budget has increased by 2 percent in comparison with its allocated share in 2017-18. This year, an increase of 1 percentage point has been noted in comparison with the previous year's allocation.

4.2.3 Trends in Development Budget Allocation and Expenditure

The development budget receives a smaller portion of the education budget of Sindh each year compared with the share of the recurrent budget. Only 11 percent of the education budget has been allocated for development purposes in 2022-23 compared with the 89 percent share of the recurrent budget. The development budget for education has significantly increased by 215 percent in the last eleven years. In 2012-13, a development budget of Rs. 12 billion was allocated for education which has increased to Rs. 38 billion in 2022-23. However, a significant part of the development budget remains unspent each year. Since 2012-13, the highest unspent amount has been recorded in 2019-20 when 76 percent of the development budget could not be spent. Chart 4.7 looks at the allocated and expensed development budget of Sindh for the last thirteen years.

Chart 4.7: Trends in Development Education Budget 2010-11 to 2022-23



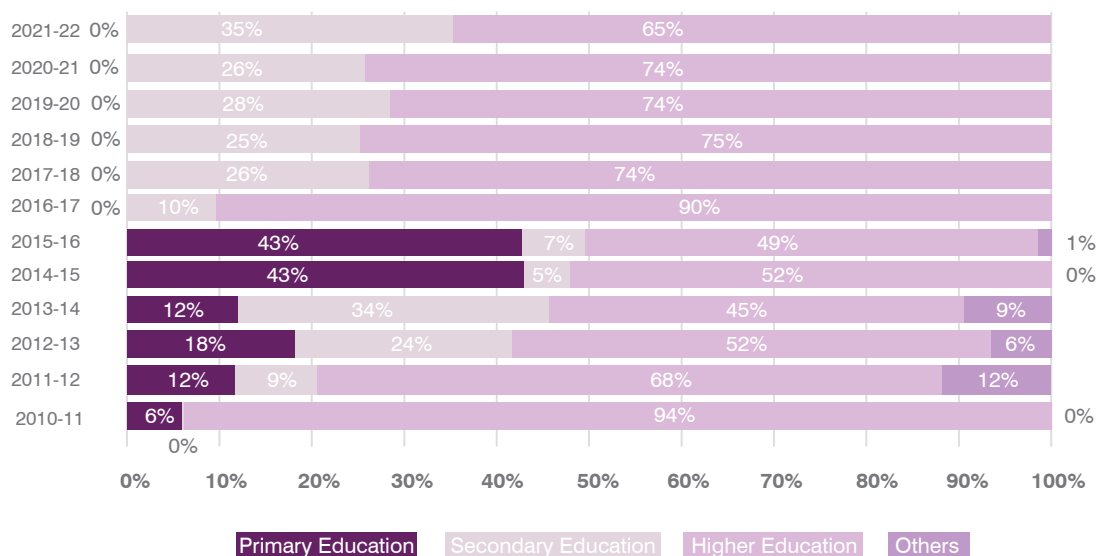
Source: I-SAPS Calculations from Budget Books and PIFRA

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

In 2012-13, a budget of Rs. 12 billion was allocated for development purposes out of which only Rs. 5 billion (41 percent of the budget) could be expensed during the year. In 2013-14, the percentage of unspent budget significantly increased to 67 percent of the allocated budget. In 2013-14, a budget of Rs. 17 billion was earmarked for development purposes highlighting an increase of 41 percent over the previous year’s budget. Highlighting a decrease of 33 percent over the allocated budget in 2013-14, a development budget of Rs. 11 billion was allocated in 2014-15. 42 percent of the development budget, i.e., Rs. 5 billion, could not be spent during this year. In 2015-16, compared with the allocated budget in the previous year, the development budget for education was increased by 12 percent with an allocation of Rs. 13 billion. However, 23 percent of the allocated budget for the year remained unspent.

In 2016-17, with an increase of 42 percent, a budget of Rs. 18 billion was earmarked for development out of which only 70 percent budget could be spent. In 2017-18, a budget of Rs. 21 billion was earmarked for development purposes, highlighting an increase of 18 percent over previous year’s allocation. Highlighting an increase of 13 percent over previous year’s allocation, a budget of Rs. 24 billion was allocated for development purposes in 2018-19. Keeping with the previous trend, 62 percent of the allocated budget (Rs. 15 billion) could not be spent during the year. For 2019-20, the development budget was increased by 7 percent with an allocation of Rs. 26 billion. During the year, Rs. 20 billion (76 percent) could not be spent.

Chart 4.8: Trends in Development Budget Expenditure by Educational Level



Source: I-SAPS Calculations from Budget Books and PIFRA

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

With an increase of 8 percent over previous year's allocation, a development budget of Rs. 28 billion was earmarked for the education sector in 2020-21, out of which 57 percent budget could not be spent. Highlighting an increase of 10 percent over previous year's allocation, a budget of Rs. 30 billion was earmarked for development purposes in 2021-22. During the year, Rs. 18 billion (58 percent) of the allocated budget could not be spent. In 2022-23, a budget of Rs. 38 billion has been allocated for development purposes showing an increase of 25 percent (Rs. 8 billion) over the previous year's allocation.

During 2014-15 and 2015-16, higher education received the highest portion of the development budget expenditure followed by primary education and secondary education. In 2016-17, out of the expensed development budget for education, 10 percent spending was made on higher education. In 2018-19, 25 percent of the expensed education budget was spent on higher education. Major portion of the development budget is covered under the 'others' category in 2020-21 and 2021-22, primarily including special education and Sindh Educational Reform Program (SERP). Chart 4.8 presents the functional level analysis of development budget spending in Sindh.

The highest share of 43 percent of the development budget was expensed on primary education in 2014-15 and 2015-16 while secondary education received its highest share in 2013-14 when 34 percent of the development budget was earmarked for it. The share of higher education has remained between 45-52 percent of the development budget during the last ten years.



CHAPTER 5

Public Financing of Education in Khyber Pakhtunkhwa

CHAPTER 5

Public Financing of Education in Khyber Pakhtunkhwa

Khyber Pakhtunkhwa has a total of 33,464 public sector schools out of which 40 percent are girls' schools¹. 80 percent of these schools are at primary level. The total number of enrolled students in these government schools is 5.3 million (4.44 million in settled districts and 0.56 million in merged districts). The gender parity index of enrolment is 0.75 (75 girls for every 100 boys)². The total number of out of school children in Khyber Pakhtunkhwa is 2.4 million³; 69 percent of whom are girls. The province has a teaching workforce of 172,887 in government schools out of which 36 percent are female teachers⁴. The literacy rate (ages 10 years and above) in Khyber Pakhtunkhwa is 53 percent; in favour of males with 71 percent literacy rate compared with 35 percent for female. Net enrolment rate at primary level (ages 6 to 10 years) is 72 percent for boys and 56 percent for girls⁵. The survival rate to grade 5 in the province is currently 86 percent for boys and 73 percent for girls while the effective transition rate from primary to middle stands at 90 percent for male and 85 percent for female population⁶.

5.1 KHYBER PAKHTUNKHWA EDUCATION BUDGET 2022-23 AT A GLANCE

5.1.1 Comparison of Education Budgets 2021-22 and 2022-23

Khyber Pakhtunkhwa government has allocated a budget of Rs. 275 billion for education in 2022-23. This earmarks an increase of 21 percent compared with the allocated budget in 2021-22. 85 percent of the education budget (Rs. 232 billion) has been apportioned for recurrent expenditure while 15 percent budget (Rs. 43 billion)

21% Increase in Total Budget
20% Increase in Recurrent Budget
30% Increase in Development Budget

¹ Government of KP (2019). KP Annual Statistical Report of Government Schools 2018-19. Peshawar.

² Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

³ Academy of Educational Planning and Management (2018). Pakistan Education Statistics 2016-17. Islamabad.

⁴ Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

⁵ Pakistan Bureau of Statistics (2021). Pakistan Social and Living Standards Measurement Survey 2019-20. Islamabad.

⁶ Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

recurrent expenditure while 15 percent budget (Rs. 43 billion) has been allocated for development purposes. Out of the recurrent budget for education, salaries and related expenditure will consume Rs. 203 billion (87 percent) while 13 percent of the budget (Rs. 29 billion) has been set aside for the non-salary budget. Chart 5.1 shows the summary of the education budget of Khyber Pakhtunkhwa for 2022-23.

Chart 5.1: Khyber Pakhtunkhwa Education Budget 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

In comparison with the allocated salary budget in 2021-22, an increase of Rs. 41 billion can be seen in this year's budget. On the other hand, the non-salary budget has been decreased by Rs. 3 billion for the current financial year. A significant increase of 30 percent (Rs. 10 billion) has been noted in the development budget with an allocation of Rs. 43 billion in 2022-23. Table 5.1 presents the increase or decrease in the education budget for 2022-23 compared with the allocated and expended education budget in 2021-22.

Table 5.1: Comparison of KP Education Budget 2021-22 with 2020-21 (in Rs. Million)

	2022-23	2021-22		Increase/Decrease vis-à-vis 2021-22	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Recurrent	232,420.74	194,263.35	175,222.95	38,157.39 (20%)	57,197.79 (33%)
Salary	203,280.63	162,333.30	162,656.72	40,947.34 (25%)	40,623.92 (25%)
Non - Salary	29,140.11	31,930.05	12,566.23	-2,789.95 (-9%)	16,573.88 (132%)
B. Development	42,615.37	32,727.47	25,724.57	9,887.89 (30%)	16,890.80 (66%)
Total (A+B)	275,036.11	226,990.82	200,947.52	48,045.29 (21%)	74,088.59 (37%)

Source: I-SAPS Calculations from Budget Books and PIFRA

Overall, compared with the expensed budget in 2021-22, the allocated education budget of Khyber Pakhtunkhwa has increased by 37 percent in 2022-23. An increase of 25 percent in the allocated salary budget can be seen in 2022-23 compared with the allocated and expensed budget in 2021-22. Similarly, an increase of 132 percent is recorded in non-salary for 2022-23 compared with the expensed non-salary budget in 2021-22. The development budget for education in 2022-23 has significantly increased by 37 percent compared with the expensed development budget in the previous fiscal year.

5.1.2 Share of Education in Total Provincial Budget

The share of education in the total provincial budget has decreased in the last three years. In 2022-23, 21 percent of Khyber Pakhtunkhwa's total budget has been earmarked for education. Out of the total provincial outlay of Rs. 1,332 billion, Rs. 275 billion has been apportioned for education in the current financial year. Table 5.2 looks at the education budget of Khyber Pakhtunkhwa as a share of the total provincial during the last three years.

Table 5.2: Share of Education in Provincial Budget of Khyber Pakhtunkhwa (in Rs. Million)

	2022 - 23			2021 - 22			2020 - 21		
	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget
Recurrent	913,800	232,421	25%	747,230	194,263	26%	605,143	170,556	28%
Development	418,200	42,615	10%	371,070	32,727	9%	317,857	46,484	15%
Total	1,332,000	275,036	21%	1,118,300	226,991	20%	923,000	217,040	24%

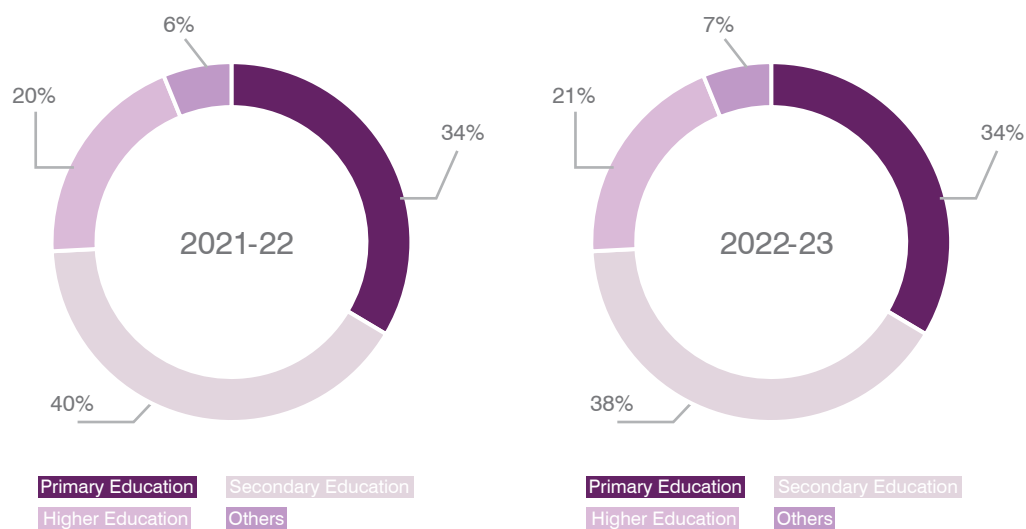
Source: I-SAPS Calculations from Budget Books and PIFRA

In 2020-21, the government of the Khyber Pakhtunkhwa earmarked a budget of Rs. 923 billion out of which Rs. 217 billion was allocated for education. The education budget constituted 24 percent of the provincial budget in 2020-21. During 2021-22, the education budget constituted 20 percent of the total provincial budget with an allocation of Rs. 226 billion. This percentage has slightly increased to 21 percent of the total provincial budget in 2022-23. It is worth noting that the share of the recurrent budget for education has declined from 28 percent of the provincial recurrent budget in 2020-21 to 25 percent in 2022-23. The share of the development budget has also declined from 15 percent of the total provincial development budget in 2020-21 to 10 percent in 2022-23.

5.1.3 Composition of Education Budget 2022-23

Unpacking the education budget of Khyber Pakhtunkhwa at the functional level, it can be seen that the highest share of the budget has been apportioned to secondary education. Secondary education has been allocated 38 percent of the total education in 2022-23, i.e., Rs. 105 billion. Secondary education is followed by primary education with 34 percent share (Rs. 93 billion) while higher education will receive 21 percent of the education budget during the current financial year, i.e., Rs. 57 billion. Chart 5.2 compares the education budget of 2022-23 with the allocated budget for the last financial year, i.e., 2021-22, in order to see if there has been any significant change in the government's priorities regarding functional level spending on education.

Chart 5.2: Composition of Education Budgets 2021-22 and 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

Comparing the current year's allocations with the earmarked budget during the last financial year, the percentage share of secondary education has decreased from 41 percent of the total education budget in 2021-22 to 38 percent in 2022-23. In absolute terms, the budget for secondary education has increased from Rs. 92 billion in 2021-22 to Rs. 105 billion in 2022-23. The share of primary education has remained consistent at 34 percent of the education budget in 2021-22 and 2022-23. Compared with 20 percent share of higher education in 2021-22, the percentage share of higher education has increased to 21 percent of the total education budget this year.

5.2 TRENDS IN EDUCATION BUDGETS 2010-11 to 2022-23

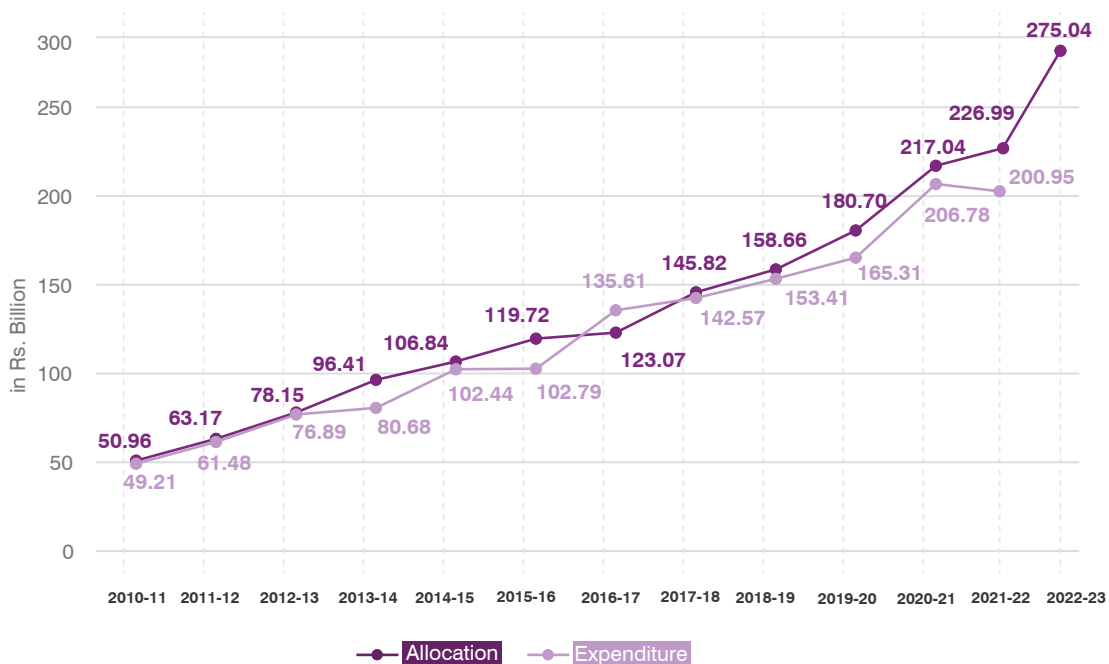
5.2.1 Trends in Total Budgetary Allocation and Expenditure

Government of the Khyber Pakhtunkhwa has significantly increased the education budget in the last thirteen years. In 2010-11, a budget of Rs. 51 billion was allocated for education. It has increased to Rs. 275 billion in 2022-23; highlighting an increase of 440 percent during these years. Except for 2016-17, the expensed budget has not exceeded the allocated budget. The lowest percentage spending has been recorded for 2013-14 where 16 percent of the education budget (Rs. 16 billion) for that year remained unspent. Chart 5.3 looks at the allocated and expensed education budgets of Khyber Pakhtunkhwa for the last thirteen years.

In 2010-11, Rs. 51 billion was allocated for education out of which Rs. 2 billion (3 percent of the budget) remained unspent. With a significant increase of 24 percent, the allocated budget was increased to Rs. 63 billion in 2011-12. In 2011-12, 3 percent of the education budget could not be spent.

This unspent budget amounted to Rs. 2 billion. In 2012-13, a budget of Rs. 78 billion was apportioned for education highlighting an increase of 24 percent over the previous year’s allocated budget. However, Rs. 1 billion (2 percent) of the allocated budget for the year remained unspent. An increase of Rs. 18 billion (23 percent) was made for the next year when a budget of Rs. 96 billion was apportioned for education in 2013-14. During this year, 16 percent of the allocated budget remained unspent. This is the highest percentage of funds that could not be expensed during the last twelve years.

Chart 5.3: Trends in Total Education Budget 2010-11 to 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

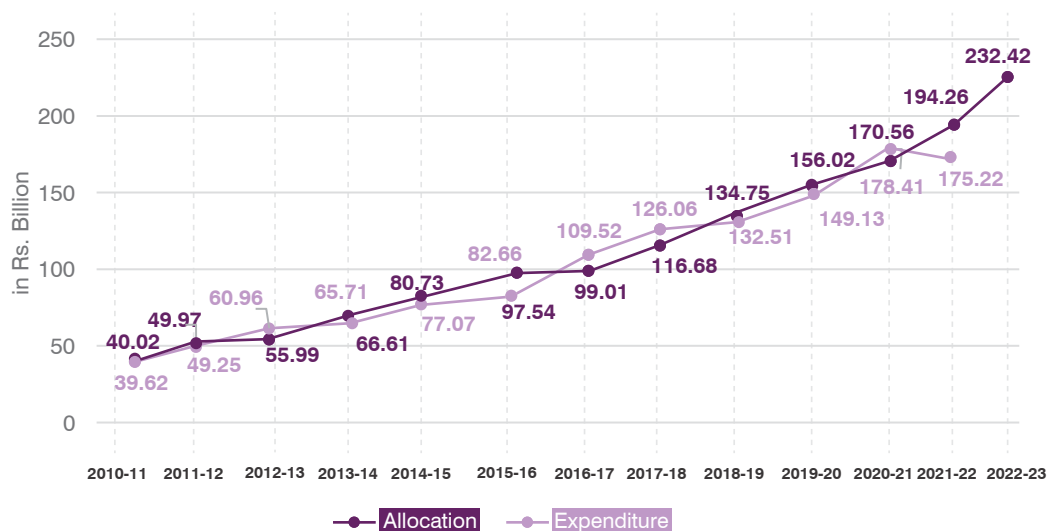
With an increase of 11 percent over the allocated amount in 2013-14, a budget of Rs. 107 billion was allocated for education in 2014-15. Out of this budget, Rs. 4 billion (4 percent) remained unspent. In 2015-16, Rs. 120 billion was earmarked for education. This shows an increase of 12 percent (Rs. 13 billion) compared with allocated budget for the previous year. The allocated and expensed education budget in 2015-16 shows a difference of Rs. 17 billion, i.e., 14 percent of the allocated budget for 2015-16 was not spent. A budget of Rs. 123 billion was earmarked for education in 2016-17. An overspending to the tune of Rs. 13 billion was recorded during the year. In 2017-18, with an increase of 18 percent over the previous year's allocated budget, an amount of Rs. 146 billion was allocated for education. During this year, 2 percent of the allocated budget remained unspent. Highlighting an increase of 9 percent over the allocated budget in 2017-18, a budget of Rs. 159 billion was apportioned for education in 2018-19, out of which only 3 percent (Rs. 5 billion) budget remained unspent. With an increase of 14 percent (Rs. 22 billion), a budget of Rs. 181 billion was earmarked for education in 2019-20, out of which Rs. 15 billion (9 percent) remained unspent. Highlighting an increase of 20 percent over the previous year's allocation, a budget of Rs. 217 billion was apportioned for education in 2020-21. During the year, 5 percent of the allocated budget (Rs. 10 billion) remained unspent. With an increase of 5 percent, a budget of Rs. 227 billion was allocated for education in 2021-22 out of which 11 percent of the budget (Rs. 26 billion) remained unspent. In 2022-23, a budget of Rs. 275 billion has been earmarked for education showing an increase of 21 percent over the previous year's allocation.

The highest share of the education budget was allocated for secondary education during 2010-11, 2011-12 and 2012-13. Secondary education was followed by primary education and higher education. This composition changed in 2013-14 when primary education received a higher share of the education budget compared with secondary education. The old pattern prior to 2013-14 has been followed in the budgets for the next years where secondary education receives the highest share of the education budget followed by primary education and higher education.

5.2.2 Trends in Recurrent Budget Allocation and Expenditure

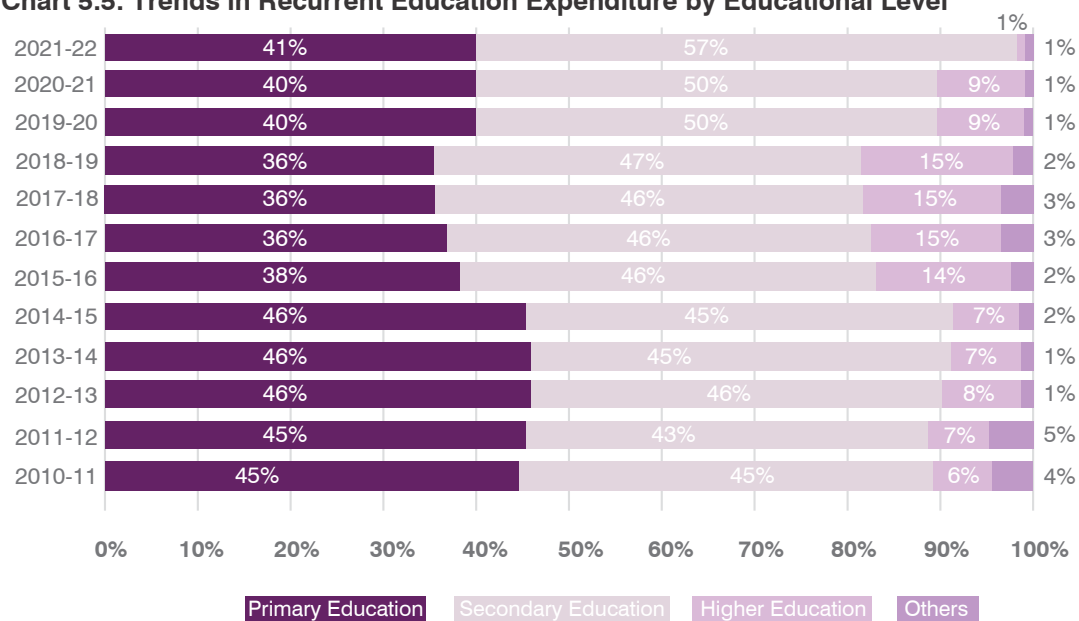
The recurrent budget, which consists of salary and non-salary budget, receives a major share of the education budget every year. The highest share of the recurrent budget in the total education budget has been recorded for 2019-20 and 2021-22 where 86 percent of the budget was earmarked for recurrent expenditure. In 2022-23, Rs. 232 billion has been apportioned for recurrent budget, which is 85 percent of the total education budget.

The recurrent budget for education has increased by 481 percent during the last thirteen years. In 2010-11, Rs. 40 billion was allocated for education which has increased to Rs. 232 billion in 2022-23. Chart 5.4 looks at the allocated and expensed recurrent budget for education during the last thirteen years.

Chart 5.4: Trends in Recurrent Education Budget 2010-11 to 2022-23

Source: I-SAPS Calculations from Budget Books and PIFRA

An amount of Rs. 40 billion was apportioned for education in 2010-11 out of which Rs. 0.4 billion (1 percent of the recurrent budget) was not spent during that year. The allocated budget for 2011-12 was significantly increased by 25 percent to Rs. 50 billion in 2011-12. However, 1 percent of the allocated budget, i.e., Rs. 0.7 billion was not spent during 2011-12. For 2012-13, a budget of Rs. 56 billion was earmarked, presenting an increase of 12 percent over the allocated budget in 2011-12. The expenditure in 2012-13 exceeded the allocation by 9 percent, i.e., Rs. 5 billion. Highlighting an increase of Rs. 11 billion (19 percent), an allocation of Rs. 67 billion was made in 2013-14. During 2013-14, 1 percent of the budget remained unspent. A recurrent budget of Rs. 81 billion was earmarked for education in 2014-15 showing an increase of 21 percent over the previous year's budget. 5 percent of this budget, i.e., Rs. 4 billion, remained unspent during the year. With an increase of 21 percent over the allocated budget in 2014-15, Rs. 98 billion was apportioned for education in 2015-16. Rs. 15 billion (15 percent) out of the allocated budget remained unspent in 2015-16. This is the highest percentage of allocated budget that could not be expensed during the last thirteen years.

Chart 5.5: Trends in Recurrent Education Expenditure by Educational Level

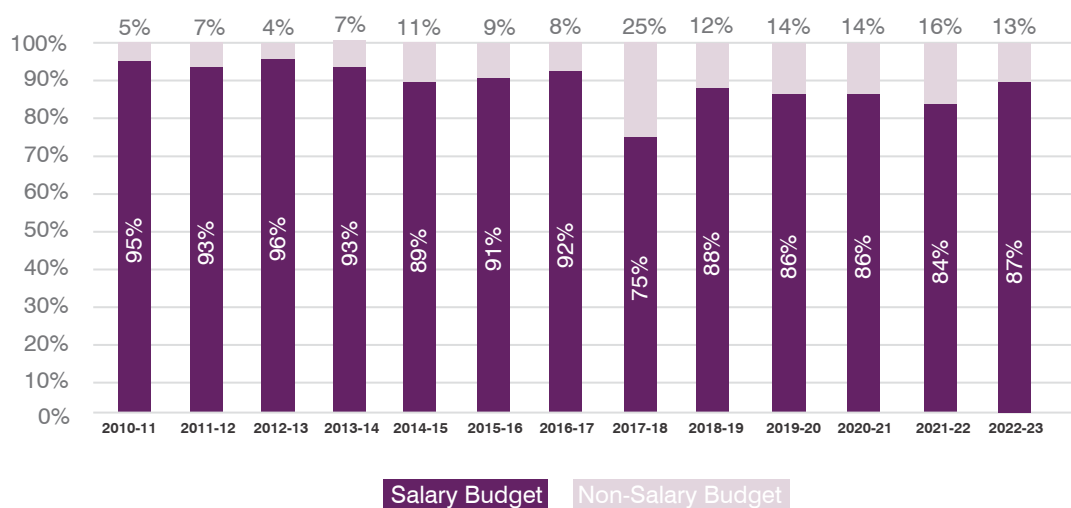
Source: I-SAPS Calculations from Budget Books and PIFRA

A budget of Rs. 99 billion was earmarked for recurrent expenditure on education in 2016-17. An overspending to the tune of Rs. 11 billion (11 percent) has been recorded for 2016-17. In 2017-18, an amount of Rs. 117 billion was allocated for recurrent budget highlighting an increase of Rs. 18 billion (18 percent) compared with the allocated budget in 2016-17. The expenditure in 2017-18 exceeded the allocation by 8 percent, i.e., Rs. 9 billion. Highlighting an increase of Rs. 18 billion (15 percent), an allocation of Rs. 135 billion was made in 2018-19. During the year, only 2 percent (Rs. 2 billion) remained unspent. With an increase of 16 percent over previous year's allocation, a budget of Rs. 156 billion was apportioned for recurrent spending in 2019-20, out of which Rs. 7 billion (4 percent) could not be spent. Highlighting an increase of 9 percent over previous year's allocation, a budget of Rs. 171 billion was earmarked for recurrent education in 2020-21. An overspending to the tune of Rs. 8 billion (5 percent) was recorded during the year. With an increase of 14 percent, a budget of Rs. 194 billion was allocated for recurrent spending in 2021-22. During the year, Rs. 19 billion (10 percent) remained unspent. Highlighting an increase of Rs. 38 billion (20 percent) over the previous year's allocation, a budget of Rs. 232 billion has been apportioned for recurrent spending in 2022-23. Secondary education has received the highest share of the recurrent education budget during 2021-22. The expenditure on secondary education is followed by primary education and higher education during the year. Chart 5.5 analyzes the expended recurrent budget for education at the functional level since 2010-11.

The share of primary education has remained within 36 percent and 47 percent of the recurrent budget expenditure. The highest share of 47 percent of the recurrent education budget was spent on primary education in 2014-15 while the lowest share of 35 percent has been recorded for 2018-19. The share of secondary educa

tion has increased from 45 percent in 2010-11 to 57 percent in 2021-22. Higher education received only 1 percent of the recurrent budget in 2021-22; a decrease of 5 percentage points compared with the recurrent expenditure on higher education in 2010-11. Apart from 2015-16, the spent budget on primary education has always exceeded the allocation during the last thirteen years. In 2015-16, 18 percent of the recurrent budget for primary education remained unspent. During the same year, the expenditure on secondary education also remained lower than the allocated budget by 10 percent. On the other hand, the spending on higher education exceeded the allocation by 29 percent in 2015-16.

Chart 5.6: Share of Salary and Non-Salary Budgets in Recurrent Education Budget



Source: I-SAPS Calculations from Budget Books and PIFRA

As mentioned above, a recurrent budget consists of a salary budget and a non-salary budget. A major portion of the recurrent budget is absorbed in salaries and related expenditures. The salary budget for education has increased by 435 percent during the last thirteen years. The non-salary budget has increased from Rs. 2 billion in 2010-11 to Rs. 29 billion in 2022-23. In 2022-23, 87 percent of the recurrent budget has been allocated for the salary budget while 13 percent has been reserved for the non-salary budget. Non-salary budget is needed for covering the operational expenses of schools and the education department. Chart 5.6 looks at the percentage share of salary and non-salary budgets in the total recurrent budget for education during the last thirteen years.

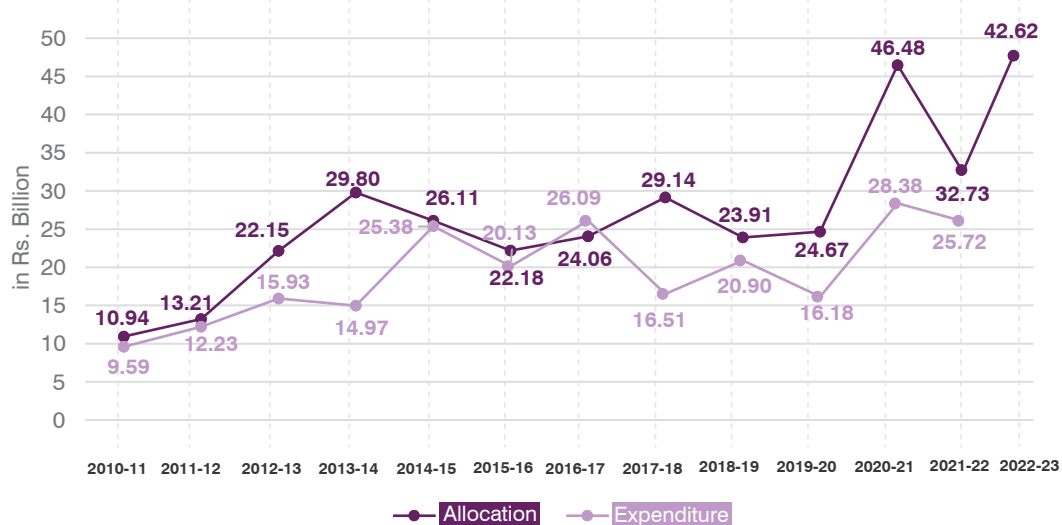
The highest share of 25 percent of recurrent budget for non-salary expenditure was earmarked during 2017-18. In 2022-23, Rs. 29 billion has been allocated for the non-salary budget; highlighting a decrease of 9 percent compared with the allocated non-salary budget in 2021-22.

5.2.3 Trends in Development Budget Allocation and Expenditure

The development budget receives a smaller portion of the education budget compared with the share of the recurrent budget. In 2022-23, 15 percent of the education budget has been apportioned for development purposes compared with the 85 percent share of the recurrent budget. However, it is worth noting that the development budget for education has significantly increased in the last thirteen years. In 2010-11, a budget of Rs. 11 billion was allocated for education which has increased to Rs. 43 billion in 2022-23. In percentage terms, this highlights an increase of 289 percent. Although this is a major increase in the development budget for education, it is important to note that some part of the development budget has remained unspent over the years. The highest unspent amount was recorded in 2013-14 where 50 percent of the development budget (Rs. 15 billion) could not be spent. Similarly, in 2017-18, an underspending to the tune of Rs. 13 billion (43 percent) has been recorded in the development budget. In 2021-22, 21 percent of the allocated budget remained unspent during the year. Chart 5.7 looks at the allocated and expensed development budget of Khyber Pakhtunkhwa for the last thirteen years.

In 2010-11, a development budget of Rs. 11 billion was allocated for education. Out of the allocated budget, Rs. 1.4 billion (12 percent of the budget) could not be expensed during the year. The year 2011-12 saw an increase of 21 percent over the development budget earmarked for the previous year. A budget of Rs. 13 billion was apportioned for development purposes in 2011-12, however, 7 percent of this budget remained unspent. In 2012-13, the development budget was increased to Rs. 22 billion; highlighting an increase of 68 percent compared with the allocated budget in 2011-12. 28 percent of the development budget could not be spent during this year.

In 2013-14, compared with the allocation in the previous year, the development budget for education was increased by 35 percent with an allocation of Rs. 30 billion. Only 50 percent of the allocated budget for the year could be spent out of the allocated development budget for the year. This is the highest proportion of unspent development budget in the last seven years. A decrease of Rs. 4 billion (12 percent) was made in 2014-15 when a budget of Rs. 26 billion was allocated for development. During this year, 3 percent of the budget could not be expensed. In 2015-16, Rs. 22 billion was apportioned for development purposes showing a decrease of 15 percent (Rs. 4 billion) compared with allocated budget for the previous year. 9 percent of the development budget could not be expensed during the year. An overspending of Rs. 2 billion (8 percent) has been recorded in the development budget in 2016-17. Against the allocation of Rs. 24 billion for the year, Rs. 26 billion were spent.

Chart 5.7: Trends in Development Education Budget 2010-11 to 2022-23

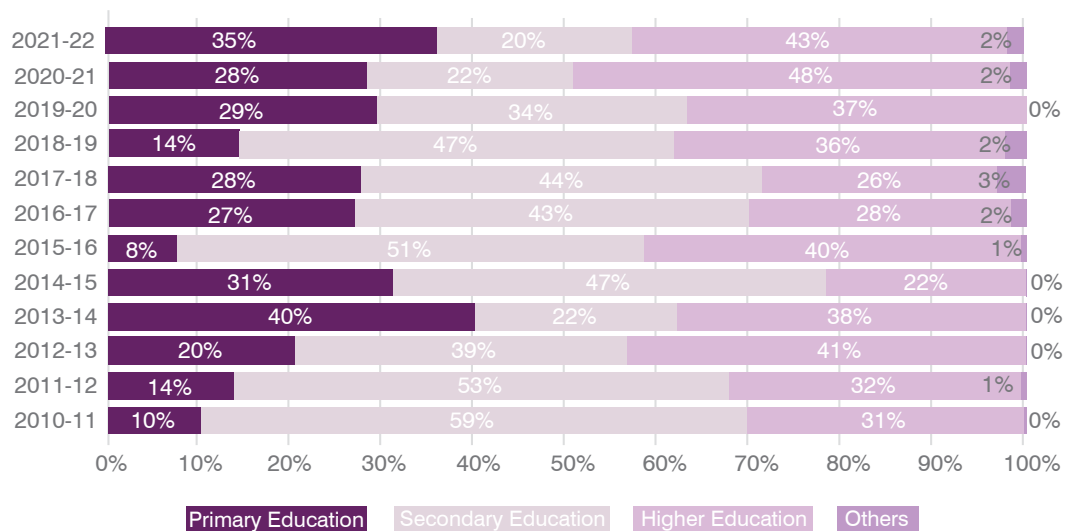
Source: I-SAPS Calculations from Budget Books and PIFRA

In 2017-18, an amount of Rs. 29 billion was allocated for development budget which was an increase of 21 percent compared with the allocated budget in 2016-17. 43 percent (Rs. 13 billion) of the development budget could not be expensed during the year. Highlighting a decrease of Rs. 5 billion, a budget of Rs. 24 billion were allocated for development purposes in 2018-19. Out of the allocated budget, Rs. 3 billion (13 percent) could not be expensed during the year. Highlighting an increase of 3 percent over the previous year's allocation, a budget of Rs. 25 billion was earmarked for development purposes in 2019-20. During the year, Rs. 4 billion (15 percent) could not be spent.

An increase of Rs. 22 billion was recorded in development budget for education in 2020-21, with an allocation of Rs. 46 billion. However, 39 percent of the allocated budget (Rs. 18 billion) remained unspent during the year. In 2021-22, a budget of Rs. 33 billion was earmarked for development purposes, registering a decrease of 30 percent over the previous year's allocation. However, during the year, 21 percent of the allocated budget (Rs. 7 billion) remained unspent. In 2022-23, Rs. 43 billion has been apportioned for the development budget which shows an increase of 30 percent over the previous year's allocation.

The highest portion of the development expenditure for 2021-22 was earmarked for higher education. This composition has changed in the last three years, as prior to 2019-20, secondary education was receiving the highest share of the development budget. In 2021-22, out of the expensed development budget for education, 44 percent of spending was made on higher education; followed by 35 percent and 20 percent expensed budget on primary education and secondary education. Chart 5.8 presents the functional level analysis of development budget spending in Khyber Pakhtunkhwa.

Chart 5.8: Trends in Development Budget Expenditure by Educational Level



Source: I-SAPS Calculations from Budget Books and PIFRA



CHAPTER 6

Public Financing of Education in Balochistan

CHAPTER 6

Public Financing of Education in Balochistan

Balochistan has a total of 15,089 public sector schools out of which 31 percent are girls' schools¹. 82 percent of these schools are at primary level. The total number of enrolled students in public sector schools is 1.0 million. The gender parity index of enrolment is 0.74 (74 girls for every 100 boys)². The total number of out of school children in Balochistan stands at 1.9 million³; 51 percent of whom are girls. Balochistan has a teaching workforce of 48,161 out of which 39 percent are female teachers⁴. The literacy rate (ages 10 years and above) in the province is 46 percent; in favour of males with 61 percent literacy rate compared with 29 percent for female. Net enrolment rate at primary level (ages 6 to 10 years) is 65 percent for boys and 45 percent for girls⁵. The survival rate to grade 5 is currently 58 percent for boys and 51 percent for girls in Balochistan while the effective transition rate from primary to middle stands at 78 percent for boys and 76 percent for girls⁶.

6.1 BALOCHISTAN EDUCATION BUDGET 2021-22 AT A GLANCE

6.1.1 Comparison of Education Budgets 2020-21 and 2021-22

A budget of Rs. 104 billion has been allocated by the Balochistan government for education in 2022-23. This shows an increase of 15 percent compared with the allocated education budget in 2021-22. A further look at the education budget of

699

15% Increase in Total Budget

16% Increase in Recurrent Budget

13% Increase in Development Budget

¹ Balochistan Education Management Information System data 2018-19.

² Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

³ Academy of Educational Planning and Management (2018). Pakistan Education Statistics 2016-17. Islamabad.

⁴ Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

⁵ Pakistan Bureau of Statistics (2021). Pakistan Social and Living Standards Measurement Survey 2019-20. Islamabad.

⁶ Pakistan Institute of Education (2023). Pakistan Education Statistics 2020-21. Islamabad.

Balochistan shows that 80 percent of the education budget (Rs. 83 billion) has been apportioned for recurrent expenditure in 2022-23. On the other hand, development budget has received 20 percent (Rs. 20 billion) of the education budget for the year. Out of the recurrent budget for education, salaries and related expenditure will consume Rs. 70 billion (84 percent) while 16 percent of the budget (Rs. 13 billion) has been set aside for non-salary budget. Chart 6.1 shows the summary of education budget of Balochistan for 2022-23.

Chart 6.1: Balochistan Education Budget 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

Comparing the allocated salary budget in 2022-23 with the previous year's allocation, an increase of 17 percent (Rs. 10.4 billion) is seen. On the other hand, an increase of 7 percent has been recorded for the non-salary budget which has increased from Rs. 12.1 billion in 2021-22 to Rs. 13 billion in 2022-23. An increase of Rs. 2.4 billion (13 percent) can be seen in the development budget allocated for education. Table 6.1 presents the increase or decrease in the education budget for 2022-23 compared with the allocated and expensed education budget in 2021-22.

Table 6.1: Comparison of Balochistan Education Budget 2022-23 with 2021-22 (in Rs. Million)

	2021 -22	2020 -21		Increase/Decrease vis-à vis 2020 -21	
	Allocation	Allocation	Expenditure	Allocation	Expenditure
A. Recurrent	83,196.57	71,903.67	65,902.01	11,292.91 (16%)	17,294.56 (26%)
Salary	70,164.20	59,760.66	53,598.49	10,403.54 (17%)	16,565.72 (31%)
Non - Salary	13,032.37	12,143.01	12,303.53	889.36 (7%)	728.84 (6%)
B. Development	20,317.72	17,932.45	7,950.37	2,385.28 (13%)	12,367.35 (156%)
Total (A+B)	103,514.30	89,836.11	73,852.38	13,678.18 (15%)	29,661.92 (40%)

Source: I-SAPS Calculations from Budget Books and PIFRA

The overall education budget of Balochistan has increased in 2022-23 compared with the allocated and spent education budget in 2021-22. The highest increase has been recorded in the salary budget which has increased by 17 percent and 31 percent compared with the allocated and expensed budget during 2021-22.

6.1.2 Share of Education in Total Provincial Budget

The share of education in the total provincial budget has decreased in 2022-21. In 2022-23, education will receive 17 percent of Balochistan's total budget. Out of the total provincial outlay of Rs. 614 billion, Rs. 104 billion has been apportioned for education in the current financial year. Table 6.2 looks at the education budget of Balochistan as a share of the total provincial during the last three years.

Table 6.2: Share of Education in the Provincial Budget of Balochistan (in Rs. Million)

	2022- 23			2021 -22			2020 -21		
	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget	Provincial Budget	Education Budget	Share of Education Budget
Recurrent	366,718	83,197	23%	346,862	71,904	21%	309,032	70,358	23%
Development	246,928	20,318	8%	237,221	17,932	8%	156,496	9,805	6%
Total	613,646	103,514	17%	584,083	89,836	15%	465,528	80,163	17%

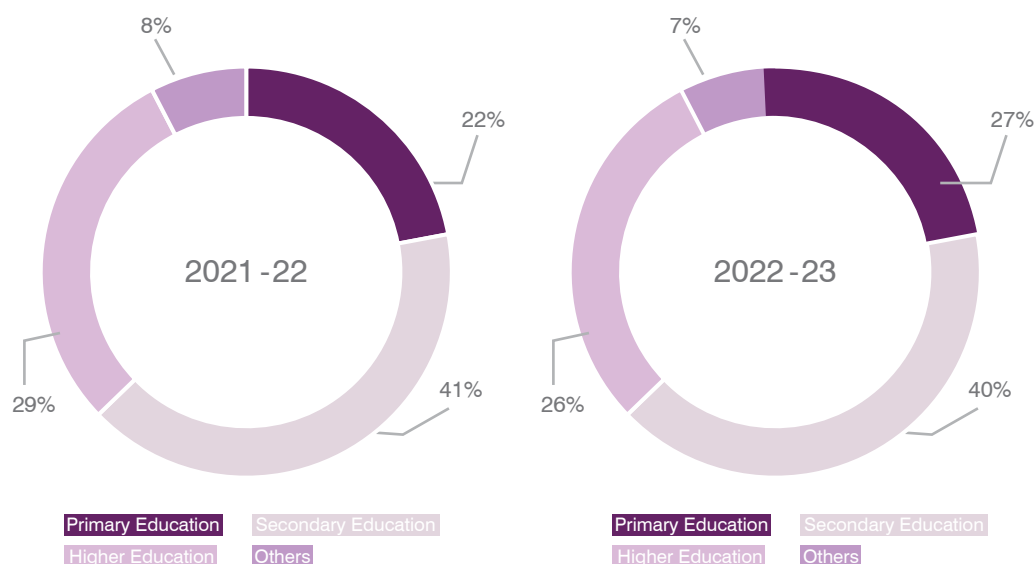
Source: I-SAPS Calculations from Budget Books and PIFRA

In 2020-21, 17 percent of Balochistan's budget, i.e., Rs. 80 billion was allocated for education. This percentage declined to 15 percent in 2021-22 when a budget of Rs. 90 billion was apportioned for education out of the total budget of Rs. 584 billion. For the current financial year, the percentage share of education has been increased to 17 percent of the total budget with an allocation of Rs. 104 billion. A major portion of this increase can be attributed to the increase in the share of the recurrent budget. The share of the development budget for education has remained constant at 8 percent of the total development budget in 2021-22 and 2022-23. On the other hand, the share of the recurrent budget has increased from 21 percent in 2021-22 to 23 percent in 2022-23.

6.1.3 Composition of Education Budget 2022-23

A look at the education budget of Balochistan at the functional level shows that secondary education has received the highest share of the education budget in 2022-23. Secondary education has been allocated 40 percent of the total education budget, i.e., Rs. 42 billion. Secondary education is followed by primary education and higher education, each with 30 percent share (Rs. 27 billion). Chart 6.2 compares the education budget of 2022-23 with the allocated budget for the last financial year, i.e., 2021-22, in order to see if there has been any significant change in the government's priorities regarding functional level spending on education.

Chart 6.2: Composition of Education Budgets 2021-22 and 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

Comparing the current year's allocations with the earmarked budget during the last financial year, the percentage share of primary education has increased from 22 percent of the total education budget in 2021-22 to 26 percent of the budget in 2022-23. On the other hand, the share of secondary education has decreased from 41 percent in 2021-22 to 40 percent in 2022-23. Compared with the 30 percent share in 2021-22, the percentage share of higher education has decreased to 26 percent of the total education budget this year.

6.2 TRENDS IN EDUCATION BUDGETS 2010-11 to 2022-23

6.2.1 Trends in Total Budgetary Allocation and Expenditure

The education budget of Balochistan has significantly increased in the last thirteen years. In 2010-11, the government of Balochistan had earmarked a budget of Rs. 19 billion for education which has increased to Rs. 104 billion in 2022-23. This highlights an increase of 434 percent during these years. Chart 6.3 looks at the allocated and expensed education budgets of Balochistan for the last thirteen years.

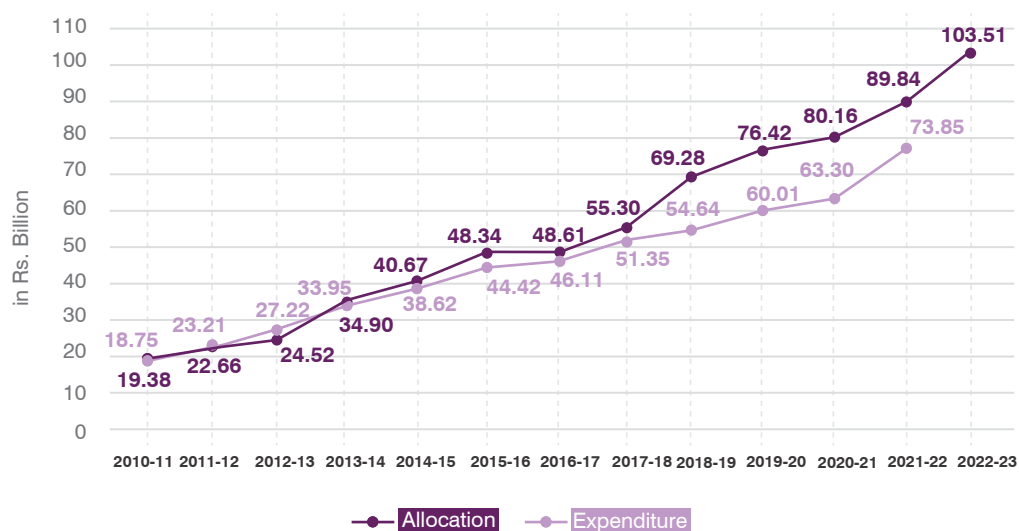
In 2010-11, a budget of Rs. 19 billion was allocated for education out of which 3 percent (Rs. 0.63 billion) budget remained unspent. The next year saw a significant increase of 17 percent with the allocated budget for education increased to Rs. 23 billion in 2011-12. The expensed budget in 2011-12 shows an overspending of 2 percent during the year. In 2012-13, a budget of Rs. 25 billion was apportioned for education highlighting an increase of 8 percent compared with the allocated budget in 2011-12. Similar to the previous year, an over-spending to the tune of Rs. 3 billion, i.e., 11 percent of the allocated budget, was noted in 2012-13. With a significant increase of Rs. 10 billion (42 percent), the allocated budget in 2013-14 increased to Rs. 35 billion. During 2013-14, only 3 percent of the budget could not be spent. Highlighting an increase of 17 percent over the allocated amount in 2013-14, a budget of Rs. 41 billion was allocated for education in 2014-15.

However, Rs. 2 billion (5 percent) out of the allocated budget remained unspent during the year. In 2015-16, Rs. 48 billion was earmarked for education showing an increase of 19 percent (Rs. 8 billion) compared with allocated budget in 2014-15. In 2015-16, the allocated and expensed education budgets show a difference of Rs. 4 billion, i.e., 8 percent of the allocated budget for 2015-16 was not spent. With an increase of merely 1 percent (Rs. 267 million), a budget of Rs. 49 billion was earmarked in 2016-17.

In 2017-18, Rs. 55 billion was allocated for education presenting an increase of 14 percent over the previous year's allocated budget. The allocated and expensed budget during 2017-18 show a difference of Rs. 4 billion, i.e., 7 percent of the allocated budget remained unspent during the year. In 2018-19, with an increase of 25 percent, a budget of Rs. 69 billion was earmarked for education. Out of the allocated

budget, 21 percent budget (Rs. 15 billion) remained unspent. For 2019-20, a budget of Rs. 76 billion was apportioned for education, representing an increase of 10 percent over the allocated budget in 2018-19. During the year, again 21 percent of the budget could not be expensed. This is the highest percentage of allocated budget that could not be expensed during the last twelve years. With an increase of 5 percent over the previous year's allocation, a budget of Rs. 80 billion was apportioned for education in 2020-21 out of which Rs. 17 billion (21 percent) could not be expensed. In 2021-22, a budget of Rs. 90 billion was earmarked for education, representing an increase of 12 percent over the previous year's allocation. During the year, 18 percent (Rs. 16 billion) of the budget remained unspent. With an increase of Rs. 14 billion (15 percent), an allocation of Rs. 104 billion has been made for education sector in 2022-23.

Chart 6.3: Trends in Total Education Budget 2010-11 to 2021-22



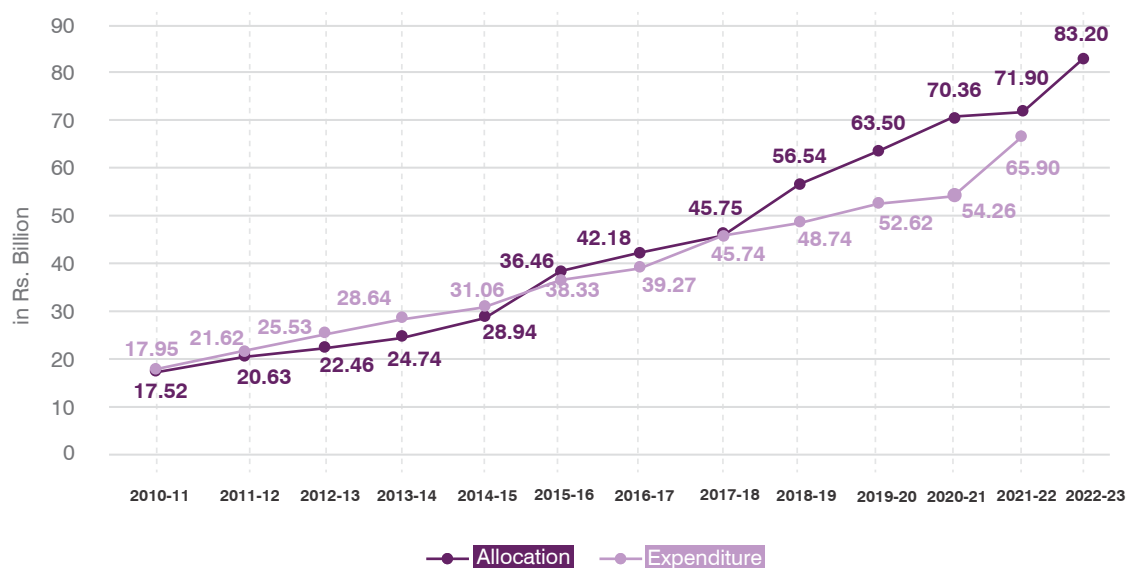
Source: I-SAPS Calculations from Budget Books and PIFRA

The highest share of education budget was allocated for primary education during 2010-11 and 2011-12 followed by secondary education and higher education. This composition changed in 2012-13 when secondary education received higher share of the education budget compared with primary education and higher education. The same pattern has been followed in the budgets for 2013-14 and 2014-15 until 2015-16 when higher education received higher share of education budget compared with primary education. In 2017-18, the share of primary education was higher than secondary and higher education. The pattern of level-wise allocation again changed in 2018-19, where the share of secondary education was increased in comparison with primary and higher education. For 2019-20 and 2020-21, again the share of secondary education was higher than the percentage share of primary and higher education. In 2021-22 and 2022-23, secondary education received the highest percentage share, followed by higher education and primary education.

6.2.2 Trends in Recurrent Budget Allocation and Expenditure

The recurrent budget, which consists of salary and non-salary budget, receives a major share of the education budget every year. In 2022-23, 80 percent of the education budget of Balochistan has been earmarked for recurrent expenditure. Over the last thirteen years, the recurrent budget for education has increased from Rs. 18 billion in 2010-11 to Rs. 83 billion in 2022-23. This shows an increase of 375 percent during these years. Chart 6.4 looks at the allocated and expensed recurrent budget for education during the last thirteen years.

6.4: Trends in Recurrent Education Budget 2010-11 to 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

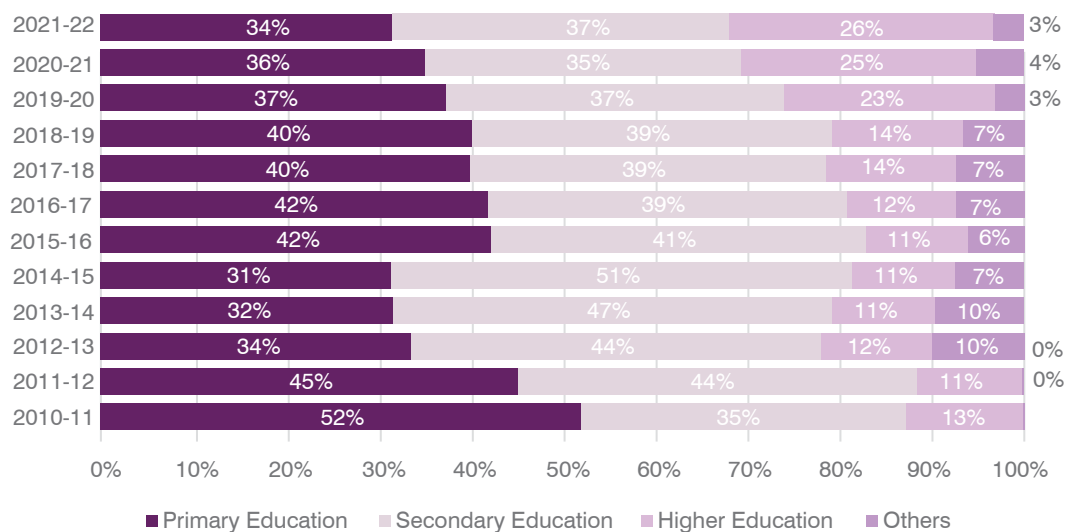
A recurrent education budget of Rs. 17.5 billion was apportioned for education in 2010-11. An extra amount of Rs. 0.43 billion (2 percent of the allocated budget) was spent during that year. The allocated budget for 2011-12 was significantly increased by 18 percent to Rs. 21 billion in 2011-12. Similar to the previous year, an over-spending to the tune of 5 percent of the allocated budget, i.e., Rs. 1 billion was recorded during 2011-12. In 2012-13, a recurrent budget of Rs. 22 billion was earmarked for education; presenting an increase of 9 percent compared with the allocated budget in 2011-12. This year also, an amount of Rs. 3 billion (14 percent of the allocated budget) was over-spent. Highlighting an increase of Rs. 2 billion (10 percent) over the allocated recurrent budget in 2012-13, an allocation of Rs. 25 billion was made in 2013-14. The trend of over-spending continued in 2013-14 when Rs. 4 billion was over-spent during the year. A recurrent budget of Rs. 29 billion was earmarked for education in 2014-15 showing an increase of 17 percent over the

previous year's budget. This year, 7 percent over-spending amounting to Rs. 2 billion was recorded.

With a significant increase of 32 percent over the allocated budget in 2014-15, Rs. 38 billion was apportioned for recurrent expenditure in 2015-16. The trend of over-spending stopped during this year as Rs. 2 billion (5 percent) out of the allocated budget have remained unspent in 2015-16. With an increase of 10 percent, a budget of Rs. 42 billion was earmarked for recurrent expenditure in 2016-17, out of which 7 percent (Rs. 3 billion) budget remained unspent. In 2017-18, an amount of Rs. 46 billion was allocated for recurrent budget highlighting an increase of Rs. 4 billion (8 percent) compared with the allocated budget in 2016-17. During the year, all of the allocated recurrent budget was expensed. In 2018-19, a budget of Rs. 57 billion was earmarked for recurrent purposes, showing an increase of Rs. 11 billion (24 percent) compared with the budget allocated in 2017-18. During the year, an underspending of Rs. 8 billion (14 percent) was recorded. With an increase of 12 percent over previous year's allocation, a recurrent budget of Rs. 64 billion was allocated for education in 2019-20 out of which 17 percent budget remained unspent. In 2020-21, a recurrent budget of Rs. 70 billion was allocated for education registering an increase of 11 percent over the last year's allocation. During the year, 23 percent of the allocated budget, i.e., Rs. 16 billion, could not be expensed. With an increase of 2 percent over the previous year's allocation, a budget of Rs. 72 billion was earmarked for recurrent spending in 2022-23. During the year, 8 percent (Rs. 6 billion) of the allocated budget remained unspent. In 2022-23, a budget of Rs. 83 billion has been allocated for recurrent budget highlighting an increase of 16 percent (Rs. 11 billion).

Secondary education has received the highest share of the recurrent education budget in 2021-22, followed by primary education and higher education. Chart 6.5 analyzes the expensed recurrent budget for education at the functional level since 2010-11. The share of primary education has remained within 31 percent and 52 percent of the recurrent budget. The highest share of 52 percent of the recurrent education budget was spent on primary education in 2010-11 while the lowest share of 31 percent was recorded in 2014-15. The share of secondary education has increased from 35 percent in 2010-11 to 37 percent in 2021-22. Higher education received 26 percent of the recurrent budget in 2021-22; an increase of 13 percentage points compared with the recurrent expenditure on higher education in 2010-11.

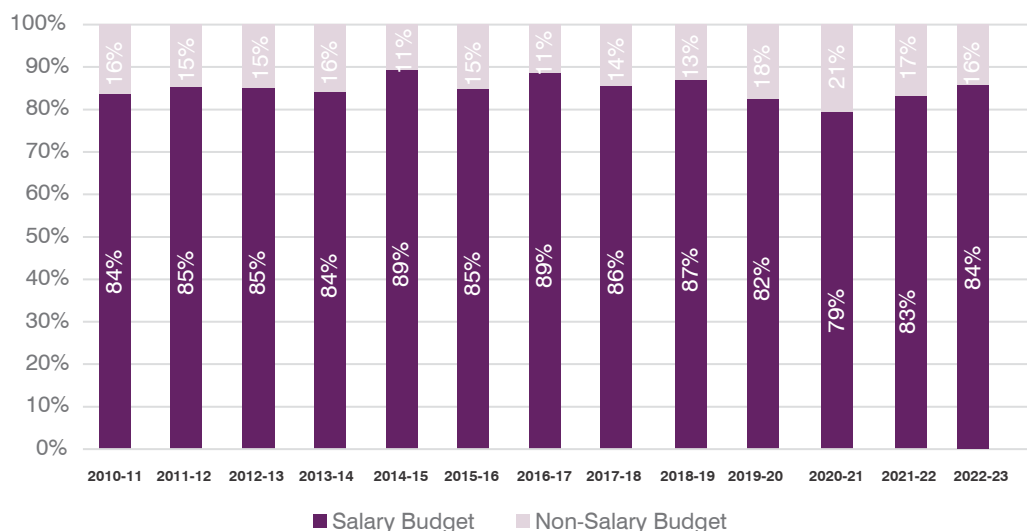
Chart 6.5: Trends in Recurrent Education Expenditure by Educational Level



Source: I-SAPS Calculations from Budget Books and PIFRA

Recurrent budget consists of salary and non-salary budgets. Major portion of the recurrent budget is absorbed in salaries and related expenditure. The salary budget for education has increased by 379 percent during the last thirteen years while the non-salary budget has gone up by 355 percent during these years. In 2022-23, 84 percent of the recurrent budget has been allocated for salary budget while 16 percent has been reserved for non-salary budget. Non-salary budget is needed for covering the operational expenses of schools and the education department. Chart 6.6 looks at the percentage share of salary and non-salary budgets in the total recurrent budget for education during the last thirteen years.

Chart 6.6: Share of Salary and Non-Salary Budgets in Recurrent Education Budget



Source: I-SAPS Calculations from Budget Books and PIFRA

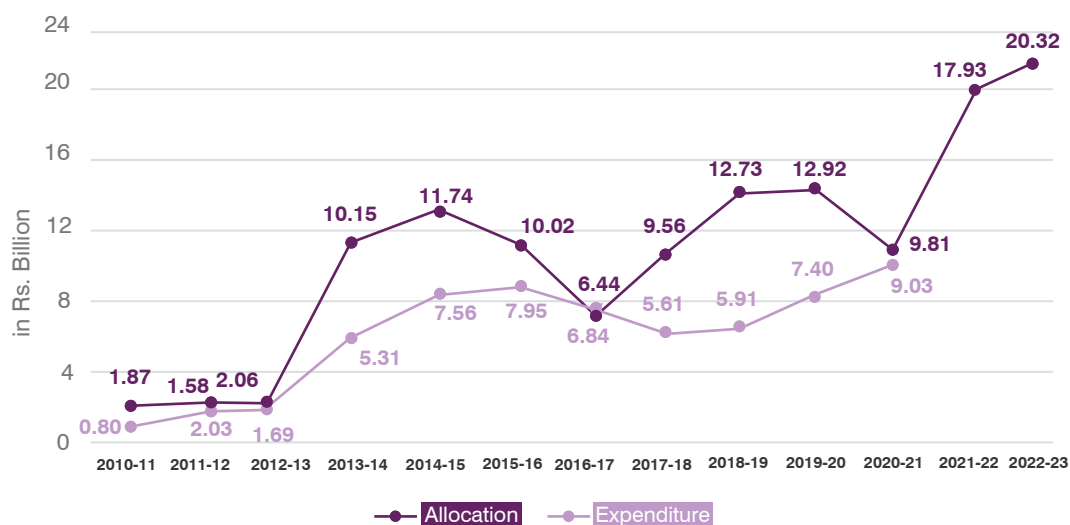
The highest share of 21 percent of the recurrent budget for non-salary expenditure was earmarked in 2020-21. In 2020-21, a non-salary budget of Rs. 14 billion was allocated for education. In 2022-23, the share of the non-salary budget has dropped to 16 percent with an allocation of Rs. 13 billion.

6.2.3 Trends in Development Budget Allocation and Expenditure

The development budget receives a smaller portion of the education budget each year compared with the share of the recurrent budget. In 2022-23, 20 percent of the education budget has been allocated for development purposes compared with the 80 percent share of the recurrent budget. The development budget for education was significantly reduced in the 2014-15 to 2016-17 period. In 2014-15, a budget of Rs. 12 billion was allocated for education which declined to Rs. 6 billion in 2016-17. An increase of Rs. 3 billion was recorded for each of the 2017-18 and 2018-19 financial years. In 2018-19, a budget of Rs. 12.7 billion was earmarked for development purposes. For 2019-20, the increase has been marginal with an allocation of Rs. 12.9 billion.

In 2020-21, a significant reduction in the development budget was recorded with an allocation of Rs. 9.8 billion. This highlighted a decrease of 24 percent over the last year's allocation. With an increase of 83 percent over the previous year's allocation, a budget of Rs. 18 billion was earmarked for development purposes in 2021-22. In 2022-23, a budget of Rs. 20 billion was allocated for the development budget with an increase of 13 percent over the previous year's allocation. It is important to note that a significant part of the development budget remains unspent each year. The highest unspent amount was recorded in 2010-11 when 57 percent of the development budget could not be spent. In 2021-22, 56 percent of the allocated budget remained unspent. This is followed by the low expenditure in 2018-19 and 2019-20 when 54 percent of the development budget remained unspent. In 2016-17, an overspending of Rs. 0.41 billion was recorded. Chart 6.7 looks at the allocated and expensed development budget of Balochistan for the last thirteen years.

Chart 6.7: Trends in Development Education Budget 2010-11 to 2022-23



Source: I-SAPS Calculations from Budget Books and PIFRA

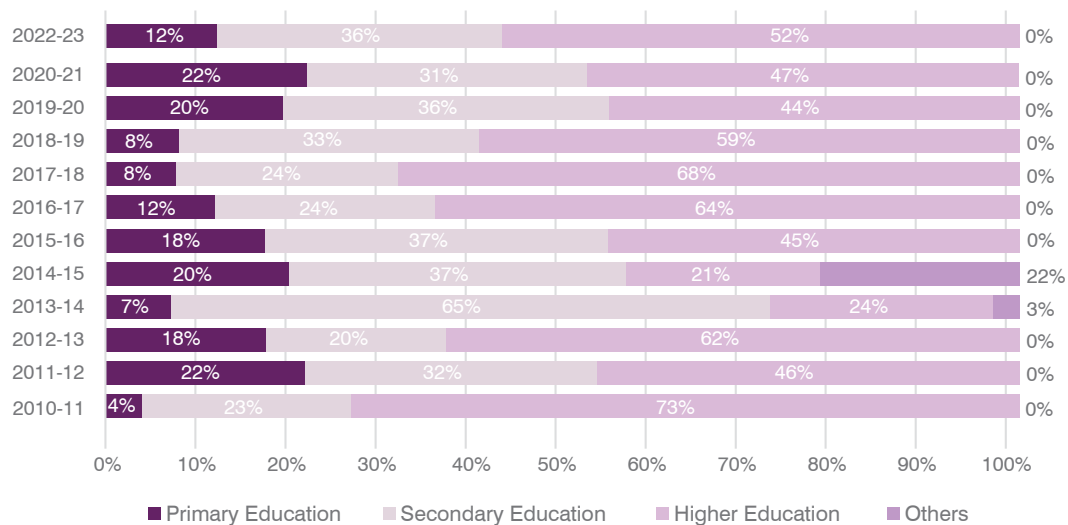
In 2010-11, a budget of Rs. 2 billion was allocated for development purposes out of which only Rs. 1 billion (43 percent of the budget) could be expensed during the year. In 2011-12, the percentage of unspent budget was significantly reduced to 22 percent of the allocated budget. In 2011-12, a budget of Rs. 2 billion was earmarked for development purposes highlighting an increase of 9 percent over the previous year's budget. With an increase of 2 percent over the allocated budget in 2011-12, a budget of Rs. 2.1 billion was allocated in 2012-13. 18 percent of the development budget could not be spent during this year. In 2013-14, compared with the allocated budget in the previous year, the development budget for education was increased by 393 percent with an allocation of Rs. 10 billion. However, 48 percent of the allocated budget for the year remained unspent. An increase of Rs. 1.6 billion (16 percent) was made in 2014-15 when a development budget of Rs. 12 billion was allocated for education. During this year, 36 percent of the budget could not be expensed.

Registering a decrease of 15 percent, a development budget of Rs. 10 billion was apportioned for education in 2015-16. Similar to the previous trends, 21 percent of the development budget remained unspent during the year. In 2016-17, a budget of Rs. 6 billion was earmarked. An overspending to the tune of Rs. 0.41 billion was recorded during the year. In 2017-18, the development budget for education was increased by 48 percent, as a budget of Rs. 10 billion was allocated for development purposes in 2017-18. However, 41 percent of the budget could not be spent during the year. In 2018-19, registering an increase of 33 percent over previous year's allocation, Rs. 12.7 billion were allocated for the development budget.

Continuing with the previous year's trend, 54 percent of the allocated budget (Rs. 7 billion) could not be spent. For 2019-20, a development budget of Rs. 13 billion was earmarked showing an increase of only 1 percent compared with the allocated budget in 2018-19. During the year, 54 percent of the allocated budget, i.e., Rs. 7 billion remained unspent. In 2020-21, Rs. 10 billion was allocated for development purposes registering a decrease of 24 percent over the previous year's allocation. During the year, 8 percent of the allocated budget remained unspent. With an increase of 83 percent, a budget of Rs. 18 billion was earmarked for the development budget in 2021-22. During the year, 56 percent of the allocated budget was unspent, amounting to Rs. 10 billion. In 2022-23, a budget of Rs. 20 billion was allocated for development budget, highlighting an increase of 13 percent (Rs. 2.4 billion) over previous year's allocated budget.

During the last eleven years, primary education has received the lowest portion of the development budget expenditure. The highest share of 22 percent of the development budget was expensed on primary education in 2011-12 and 2020-21. In 2021-22, out of the expensed development budget for education, 52 percent of spending was made on higher education, followed by 35 percent and 12 percent expensed budget on secondary education and primary education respectively. Chart 6.8 presents the functional-level analysis of development budget spending in Balochistan.

Chart 6.8: Trends in Development Budget Expenditure by Educational Level



Source: I-SAPS Calculations from Budget Books and PIFRA

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