

PUBLIC FINANCING IN EDUCATION SECTOR
FY 2013-2014, 2014-2015, 2015-2016, 2016-2017 and 2017-18

Dr. Dawood Shah
Ms. Shakila Khatoon
Mr. Muhammad Aslam Bhatti
Mr. Akhtar Tatla



Academy of Educational Planning and Management
Ministry of Federal Education and Professional Training
Islamabad

2018

Cataloging in Publication Data

Main entry under authors:

Dr. Dawood Shah, Ms. Shakila Khatoon, Mr. Muhammad Aslam Bhatti, Mr. Akhtar Tatla

Financing in Education Sector (Public and Private) 2017-2018: – Academy of Educational Planning and Management, Islamabad. (AEPAM Publication No.282)

- | | |
|----------------------------|-----------------------------|
| 1. Education Financing | 2. Expenditure on Education |
| 3. Allocation on Education | 4. 2017-2018 |
| 5. AEPAM - Pakistan | |

ISBN: 978-969-444-109-02

TABLE OF CONTENTS

Specification	Page #
Executive Summary	vi-ix
Introduction	1
Overview of Educational Institutions, 2016-2017	3
Total Public Expenditure on Education 2012-13 to 2016-17	4
Education Expenditure as Percentage of GDP 2007-08 to 2017-18	5
Federal Education Budget	6
Federal Financing on Education including Areas' Government	7
Budget of Ministry of Federal Education and Professional Training, Higher Education Commission and NAVTTC	8
Other Federal Ministries Financing on Education	9
Sub-Sectors Wise Federal Education Budget	11
Federal, Provincial and Areas' Education Budget Allocations and Expenditures during 2012-13 to 2017-18	12
Areas' Government Current and Development Education Budget Allocations and Expenditures	13
Areas' Government Education Budget Allocations and Expenditures	14
Provincial Education Budget Allocations and Expenditures (Recurring and Development)	15
Sub-Sectors Wise Share of the Total Allocation on Education by Punjab 2017-18	17
Sub-Sectors Wise Share of the Total Allocation on Education by Sindh 2017-18	18
Sub-Sectors Wise Share of the Total Allocation on Education by KP 2017-18	19
Sub-Sectors Wise Share of the Total Allocation on Education by Balochistan 2017-18	20
Sub-Sectors Wise Comparison of Allocation by Federal and Provinces on Education during 2017-18	21
Utilization of Education Budget	22
Increase in Budget Allocations from 2012-13 to 2017-18	23
Financing on Education as Proportion of total Budget Allocation	24
Per Student Recurring Expenditure on Education by Provinces/Regions 2012-13 to 2016-17	25
Main Findings and Way Forward	26
Way Forward	27

LIST OF TABLES

<u>Table</u>	<u>Page No.</u>
Table 1 Overview of Educational Institutions, 2016-2017	3
Table 2 Total Public Sector Expenditure on Education 2012-13 to 2016-17	4
Table 3 Education Expenditure as Percentage of GDP 2007-08 to 2017-18	5
Table 4 Federal Education Budget (Recurring and Development)	6
Table 5 Federal Financing on Education including Areas' Government	7
Table 6 Budget of Ministry of Federal Education and Professional Training, Higher Education Commission and NAVTTC	8
Table 7 Other Federal Ministries Financing on Education	9
Table 8 Sub-Sector Wise Federal Education Budget	11
Table 9 Federal, Provincial and Areas' Education Budget Allocations and Expenditures during 2012-13 to 2017-18	12
Table 10 Areas' Government Current and Development Education Budget Allocations and Expenditures	13
Table 11 Areas' Government Education Budget Allocations and Expenditures	14
Table 12 Provincial Education Budget Allocations and Expenditures (Recurring and Development)	15
Table 13 Sub-Sectors Wise Share of the Total Allocation on Education by Punjab 2017-18	17
Table 14 Sub-Sectors Wise Share of the Total Allocation on Education by Sindh 2017-18	18
Table 15 Sub-Sectors Wise Share of the Total Allocation on Education by KP 2017-18	19
Table 16 Sub-Sectors Wise Share of the Total Allocation on Education by Balochistan 2017-18	20
Table 17 Sub-Sectors Wise Comparison of Allocation by Federal and Provinces on Education during 2017-18	21
Table 18 Utilization of Education Budget	22
Table 19 Increase in Budget Allocations from 2012-13 to 2017-18	23
Table 20 Financing on Education as Proportion of total Budget Allocation	24
Table 21 Per Student Recurring Expenditure on Education by Provinces/Regions 2012-13 to 2016-17	25

ACRONYMS

AEPAM	Academy of Educational Planning and Management
AJK	Azad Jammu and Kashmir
BECS	Basic Education and Community Schools
CADD	Capital Administration and Development Division
EFA	Education for All
FATA	Federally Administered Tribal Area
GB	Gilgit Baltistan
GDP	Gross Domestic Product
HEC	Higher Education Commission
ICT	Islamabad Capital Territory
I-SAPS	Institute of Social and Policy Sciences
KP	Khyber Pakhtunkhawa
MDGs	Millennium Development Goals
MF&PT	Ministry of Federal Education and Professional Training
NAVTTTC	National Vocation and Technical Training Commission
NCHD	National Commission for Human Development
NEMIS	National Education Management Information System
NFC	National Finance Commission
TEVTAs	Technical Education and Vocational Training Authorities
UNESCO	United Nations Educational Scientific and Cultural Organization
UNO	United Nations Organization

EXECUTIVE SUMMARY

Present report was designed to collect and analyze information about public financing in education sector in Pakistan. Data was collected from all concerned stakeholders including Federal, Provincial, and Areas' governments by the research team of the Academy of Educational Planning and Management (AEPAM). Moreover, budget books, white papers and annual budget statements of all the relevant departments were reviewed for cross verification of financial data provided by the concerned departments. According to Pakistan Education Statistics 2016-17, there are total 317,323 educational institutions functioning in public and private sectors including Universities, Technical and Vocational institutions, Teachers Trainings institutions, Deeni Madaris and non-formal schools. Out of the total educational institutional, 198,727 (63%) educational institutions are functioning in public sector, and 118,596 (37%) educational institutions are managed by the private sector including 32,272 Deeni Madaris in the country. The public sector is accommodating 28.700 million (57%) students from pre-primary to tertiary whereas 21.623 million (43%) students are accommodated by private sector. It is evident that about 37% of private educational institutions are providing education to 43% students showing a slightly higher per institution enrolment ratio in the private sector as compared to the public sector. It was noted that during last decade private sector has showed a gradual growth in the education sector.

The total public expenditure in education sector of Federal and Provincial/Area governments was Rs. 674.474 billion in 2015-16 which was increased to Rs.843.054 billion in 2016-17 showing an increase of 25%. The expenditure of Federal and Area Governments was Rs.140.520 billion in 2015-16 that was increased to Rs.155.392 billion in 2016-17 which shows an increase of 11%. Provincial governments' expenditure has increased from Rs.533.954 billion in 2015-16 to Rs.687.662 billion in 2016-17 showing an increase of 29%. According to Pakistan Economic Survey (2016-17), Pakistan public spending on education as percentage of GDP was 1.8% in 2007-08 which increased to 2.2% in 2016-17 showing an increase of 22%. Federal government expenditure on education was Rs.74.878 billion in 2012-13 that was increased to Rs.107.392 billion in 2016-2017 indicating an increase of 43%. Federal Government has allocated a major chunk i.e. 80% of its budget for tertiary education and a meager amount i.e. 20% has allocated for other sub-sector i.e. primary, secondary, technical and vocational education and non-formal education in 2017-18.

Area governments (GB, AJK and FATA) have allocated Rs.24.192 billion for Education Sector in 2012-2013 which was increased to Rs.49.312 billion (104%) in 2017-2018. Similarly, Federal Government allocation for education sector has increased from Rs.70.558 billion in 2012-2013 to Rs.127.135 billion in 2017-2018 which shows an increase of 80% over a period of five years. An increasing trend was observed in Federal and Areas governments' education budget over period of five years.

Provincial budgetary allocation for education sector was Rs.432.536 billion in 2012-13 that was enhanced to Rs.766.830 billion (77%) in 2017-2018 and expenditure increased from Rs.408.140 billion in 2012-13 to Rs.687.662 billion (68%) in 2016-2017. The figures indicate that provincial allocation has been increased by 77% and expenditure increased by 68% during last five years. Financing on education as proportion of total budgetary allocations indicates that Federal Government's share of education was 2% in 2012-2013 which remained static till 2015-2016 and increased to 2.5% in 2017-2018.

It is noted that federal government has allocated Rs.127.135 billion out of total budget estimates i.e. Rs.5103.800 billion (2.5%) for education sector in 2017-18 whereas most of the provinces have allocated about one-fifth of their budget for education in 2017-18. Accordingly, it was noted that Punjab has allocated Rs.352.153 billion (18%) for education sector, out of its total provincial budget of Rs.1970.700 billion in 2017-18. Similarly, Sindh has allocated Rs.204.775 billion (20%) for education sector, out of its total provincial budget of Rs.1040.000 billion. Khyber Pakhtunkhwa Government has allocated Rs.155.977 billion (26%) for education sector, out of its total budget i.e. Rs.603.000 billion for education sector and Balochistan government has allocated Rs.53.925 billion (17%) for education sector out of its total provincial budget i.e. Rs.328.503 billion in 2017-18. It was observed that total budgetary allocation for education by federal and all provinces was Rs.893.965 billion (10%) out of total budget allocation Rs.8700.738 billion in 2017-18.

Main Findings and Way forward

It was noticed that federal and provincial governments have enhanced their education budget for last five years i.e. 2012-13-2017-18. Federal Government has increased allocation for education from Rs.70.558 billion in 2012-13 to Rs.127.135 billion in 2017-18 showing an increase of (80%). Similarly a substantial increase i.e. (77%) in education budgets of all provinces has been noted over a period of last five years (2012-13 to 2017-18). Punjab province has enhanced allocation for education from Rs.220.572 billion in 2012-13 to Rs.352.153 billion in 2017-18 showing an increase of (60%). Similarly, Sindh has allocated Rs.109.297 in 2012-13 for education sector that was increased to Rs. 204.775 in 2017-18 showing an increase of (87%). Government of Khyber Pakhtunkhwa has increased its budgetary allocation for education from Rs.78.144 billion 2012-13 to Rs. 155.977 billion in 2017-18 indicating an increase of (100%). Balochistan has increased its budgetary allocation for education from Rs.24.518 billion in 2012-13 to Rs.53.925 billion in 2017-18 showing a significant increase of (120%).

However, a declining trend in percentage share of education in total budget of most of the provinces has been noted between 2012-13 and 2017-18. The percentage share of education in the total budget of Punjab reduced from (32%) in 2012-13 to (18%) in

2017-18, in Sindh from (27%) to (20%) and Khyber Pakhtunkhawa from (31%) to (26%) during the same period whereas the percentage share of education in the total budget of Balochistan has increased from (13%) in 2012-13 to (17%) in 2017-18.

It was discovered that all provinces have allocated their major share of education budget for elementary and secondary education. Khyber Pakhtunkhwa has allocated its (85%) of education budget for elementary and secondary education followed by Punjab (83%), Balochistan (73%) and Sindh (60%). Among all the provinces, Balochistan has allocated the highest share of its education budget i.e. (25%) for higher education followed by Sindh (14%), Punjab (13%) and KP (12%). The Federal Government has allocated its major share of education budget for higher education i.e. (80%) of total budget. A meagre amount less than two percent has been allocated by the provinces for other sub-sector such as technical and vocational education, teacher education, special education and literacy and non-formal education.

It was observed that a major portion of provincial education budget has been earmarked for recurring expenses in 2017-18. Amongst the provinces, the highest percentage share of the recurrent budget had been noted in Sindh which has allocated (91%) of its total education budget for recurring expenses for the financial year 2017-18. Sindh is followed by Khyber Pakhtunkhawa which has allocated (82%) of its total education budget for recurring expenses. Similarly, Balochistan and Punjab have earmarked (80%) and (78%) of their education budget respectively for recurring expenses in 2017-18. Federal government has earmarked (65%) of its total education budget for recurring expenses in 2017-18.

It was noted that three provinces i.e. Punjab, Sindh and Khyber Pakhtunkhawa were unable to fully utilize the allocated amount for education sector during financial year 2016-17. Sindh province has highest rate of under-utilization i.e. (18%) among all the provinces. In financial year 2016-17, Khyber Pakhtunkhwa has utilized Rs.126.510 billion against allocation Rs.133.934 billion (94%) and Punjab has utilized Rs.344.966 billion against the allocation of Rs.379.462 billion (91%), Sindh has utilized Rs.155.752 billion against the allocation of Rs. 189.092 billion (82%) and Baluchistan utilized Rs.60.464 billion against the allocation of 49.451 billion (122%).

It was observed that per student cost at national level was Rs.23,984/- in 2016-17. The highest per student cost was noted in ICT i.e. Rs.51,733/- in 2016-17 followed by Balochistan Rs.39,911, AJK Rs.36,541/-, Sindh Rs.28,301/- and GB Rs.24,511/-. The lowest per student cost was observed in FATA i.e. Rs. 18,994/ followed by KP i.e. Rs.19,407/- and Punjab i.e. Rs. 19,743/- in 2016-17.

Way forward

In order to fulfill Constitutional obligations and international commitments, the Federal government should fulfill its longstanding commitment to enhance share of public spending on education as percentage of GDP to at least (4%). Federal government should enhance its spending on education from present (2%) to at least (6%) in the federal budget. The share of Technical & Vocational Education needs to be increased in the federal and provincial education budget to a reasonable level to equip the workforce with the required technical & vocational knowledge and skills. Moreover, provinces should generate additional resources over and above NFC award allocations and should not rely only on federal funding. There is need to develop an appropriate mechanism, to identify issues/problems hampering achievement of national targets. Strategies may be developed to achieve all national targets particularly SDGs goals. There is need to ensure effective coordination between various stakeholders to devise strategies for implementation of Provincial Education Sector plans in line with national policies and international commitments such as SDGs which are to be achieved by 2030.

Systematic evaluation of financing on education mechanisms to inform and support financial management in Pakistan is a relatively new phenomenon. After 18th Constitutional Amendment, provincial governments have to play their due roles as the primary stakeholders of financing on education and management of financial resources. In view of 25-A, provinces have the major responsibilities for provision of free and compulsory education to all children aged 5-16 and bringing all the children of their respective areas to schools. There is a need to develop the practice of evidence based educational financing policy and ensure monitoring of expenditure on all activities. There is a dire need to articulate realistic targets and evolve a pragmatic implementation and monitoring mechanism. There is also need to ensure in time releases of fund to initiate activities in time and to accomplish these activities within the given time framework.

The gap between allocation and expenditure requires due attention of relevant authorities at Federal and Provincial levels and may involve all stakeholders in the process of timely release of funds as well as capacity building of the education managers, institutions, organizations and departments for its optimum utilization. The regular, smooth, and fair utilization of budget requires interaction and coordination between various departments of regions and provinces. It is important to figure out what are the causes of poor utilization of budget. The present and previous data indicate that there is a dire need to develop a robust financial management system for education sector.

An independent study is strongly recommended to analyse the level wise allocation and expenditure at national, provincial as well as at regional level in education sector. From existing data of allocations and expenditures on education, it is revealed that there is considerable variation in federal, provinces and regions' allocations and expenditure on education.

In view of poor infrastructure of education, the federal and provincial governments should allocate a higher percentage of their education budgets for development purposes.

INTRODUCTION

Education plays a pivotal role in socio-economic development of a nation. Education not only helps in nurturing and personality development of children but it also prepares them for their future roles as responsible and productive citizen. After insertion of Article 25-A in the Constitution of Pakistan under 18th Constitutional Amendment, free education has become a fundamental and legal right and provision of free and compulsory education to all children of age group 5-16 is the responsibility of the state. Education has been recognized and guaranteed as a basic human right by United Nations under Universal Declaration of Human Rights (1948). Government of Pakistan is fully cognizant about the importance of education, therefore each successive government invested in education for a number of reasons i.e. human capital development, economic growth, human rights, promotion of good citizenship and to strengthen equal opportunity to the masses. In addition acquiring education is linked to reduce poverty as it imparts knowledge and skills to enhance the productivity of labour force. Therefore, provision and financing of education has remained the primary responsibility of the state in Pakistan. Historically, in Pakistan, the state's commitment to social service delivery, education in particular, has often competed with heavy debt repayments, large and ever-expanding defence budget and unproductive expenditures on running an oversized public sector enterprises.

The availability of financial data is prerequisite for sound planning and decision making at various administrative tiers of government. Usually financial data is not collected by provincial EMISs, it was decided to collect and consolidate financial data from all the relevant government departments. Moreover, budget books, white papers and annual budget statements were also reviewed for cross verification of financial data provided by the concerned departments. However, there are certain limitations about the availability and consistency of financial data which hinder the in-depth analysis of data. AEPAM has been reporting and comparing financial data of federal and provinces/regions since 2012-13. The report presents the current state of financing of education by Federal and Provincial/Regional governments. It has also been tried to highlight allocations and expenditures by sub-sectors of education, recurring and development expenditure, expenditure on education by other federal ministries, share of education in total budget allocation, and per student expenditure.

It is encouraging to observe that all provinces have earmarked a substantial portion of their budget for education. Most of the provinces have allocated about one-fifth of their budget for education in 2017-18, however, a major portion of their budget has been earmarked to meet recurring expenditure. Despite enhancement in budgetary allocation for education by all provinces, the situation of the education sector in the country is not very encouraging. The major challenges of education sector include high illiteracy rate, low enrolment rates at all levels of education, high dropout rate, inequality in educational provisions across regions and gender, poor physical infrastructure, poor quality of education, and poor governance.

Public spending on education in Pakistan remained within limit of (1.8%) to (2.2%) of GDP for the last two decades. This figure is critically low as compared to other South Asian countries and insufficient to meet set national targets as well as targets set under different international conventions. Pakistan is also compelled by its constitutional and international commitments to ensure a minimum level of funding and to undertake policy reforms at various levels of education. So the provision of adequate financial resources for education sector can facilitate achieving both quantitative and qualitative education goals. Data has been analyzed and results are reported in the different tables.

Table 1**OVERVIEW OF EDUCATIONAL INSTITUTIONS, 2016-2017**

Institutions		Provinces/Regions								
		Punjab	Sindh	KP	Balochistan	AJK	GB	FATA	ICT	Pakistan
Public	Male	28,595	33,262	17,057	10,017	3,328	874	3,548	213	96,894
	Female	24,736	10,786	10,951	4,092	2,821	468	2,447	213	56,514
	Mixed	31,360	5735	3208	1205	479	1663	1229	440	45,319
	Sub Total	84,691	49,783	31,216	15,314	6,628	3,005	7,224	866	198,727
Private	Male	2,347	272	432	105	30	32	220	18	3,456
	Female	3,359	416	208	43	56	57	13	20	4,172
	Mixed	51,882	14,155	6,829	1689	2,058	653	151	1,279	78,696
	Sub Total	57,588	14,843	7,469	1,837	2,144	742	384	1,317	86,324
Deeni Madaris	Male	5,129	2,675	2,456	926	182	71	319	154	11,912
	Female	2,711	747	572	114	183	10	110	69	4,516
	Mixed	5,958	6,611	-	1,919	1,039	64	122	131	15,844
	Sub Total	13,798	10,033	3,028	2,959	1,404	145	551	354	32,272
Grand Total		156,077	74,659	41,713	20,110	10,176	3,892	8,159	2,537	317,323

Source: Pakistan Education Statistics, 2016-17, AEPAM

The above table indicates gender wise educational institutions that exist both in public and private sector in Pakistan. It is observed that there are more male schools than female schools in public sector. However, trend reversed in private sector and presently the number of mixed institutions is higher than both male and female institutions in private sector. It is also evident that number of public schools for males in Sindh i.e. 33,262 is higher than number of public schools for males in Punjab 28,595 whereas number of public schools for females in Sindh i.e. 10,786 is lesser than number of public schools for females in Punjab 24,736. It is noted that 317,323 education institutions were functioning in the country both in public and private sector in 2016-17. Out of total institutions, 198,727 (63%) are functioning in public sector and 118,596 (37%) are run by private sector

Table 2**TOTAL PUBLIC SECTOR EXPENDITURE ON EDUCATION 2012-13 TO 2016-17**

Public sector expenditures was Rs.843.054 billion on education in 2016-2017 by Federal, Provincial and Area Governments. Federal Government spent Rs.107.392 billion (13%) and Provincial Governments spent Rs.687.662 billion (81%) while Area Governments were spent Rs.48.000 billion (6%) in 2016-17.

Years		Budget (Expenditure)				
		2012-13	2013-14	2014-15	2015-16	2016-17
A)	Federal Government [□]	74.878	88.836	99.389	106.248	107.392 (13%)
B)	Provincial Governments	408.14	429.441	533.530	533.954	687.662 (81%)
C)	Area Governments (GB,FATA and AJK)	23.594	29.133	31.732	34.272	48.00 (6%)
Total (A+B+C)		506.612	547.41	664.651	674.474	843.054

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*
 ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
 iii) *All Federal Ministries and Provincial/Area government Departments*

While comparing budget expenditures on education between 2015-2016 and 2016-2017 it is noted that total public expenditures on education has increased from Rs.674.474 billion in 2015-16 to Rs.843.054 billion in 2016-17 which shows an increase of (25%). Federal government expenditure has increased from Rs.106.248 billion in 2015-16 to Rs.107.392 billion in 2016-17 showing an increase one percent. Provincial expenditure on education has increased from Rs.533.954 billion in 2015-16 to Rs.687.662 billion in 2016-17 indicating an increase of (29%). The Area governments' expenditure on education has increased from Rs. 34.272 billion in 2015-16 to Rs. 48.000 billion in 2016-17 indicating an increase of (40%). It was observed that Federal and Area Governments' share of expenditure on education sector was (18%) and share of Provincial Government was (82%) during 2016-17.

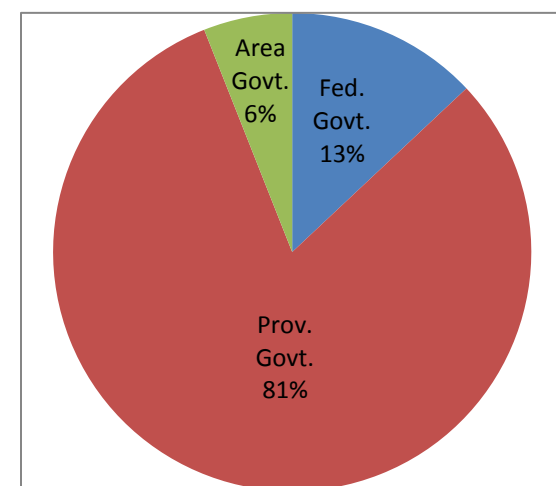
**Federal and Provincial Expenditure**

Table 3**EDUCATION EXPENDITURES AS PERCENTAGE OF GDP 2007-08 to 2016-17**

Pakistan's education expenditure as percentage of GDP varied from (1.8%) to (2.2%) between 2007-2008 and 2016-17. The following table indicates Education Expenditure as percentage of GDP in Pakistan.

2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
1.8	1.9	1.7	1.8	1.9	2.1	2.2	2.2	2.3	2.2

Source: i) *Pakistan Education for All Review Report 2015*
ii) *Pakistan Economic Survey, 2017-18*

It is observed from the above table that Pakistan public spending on education as percentage of GDP was (1.8%) in 2007-08 which increased to (2.2%) in 2016-17 showing an increase of (22%).

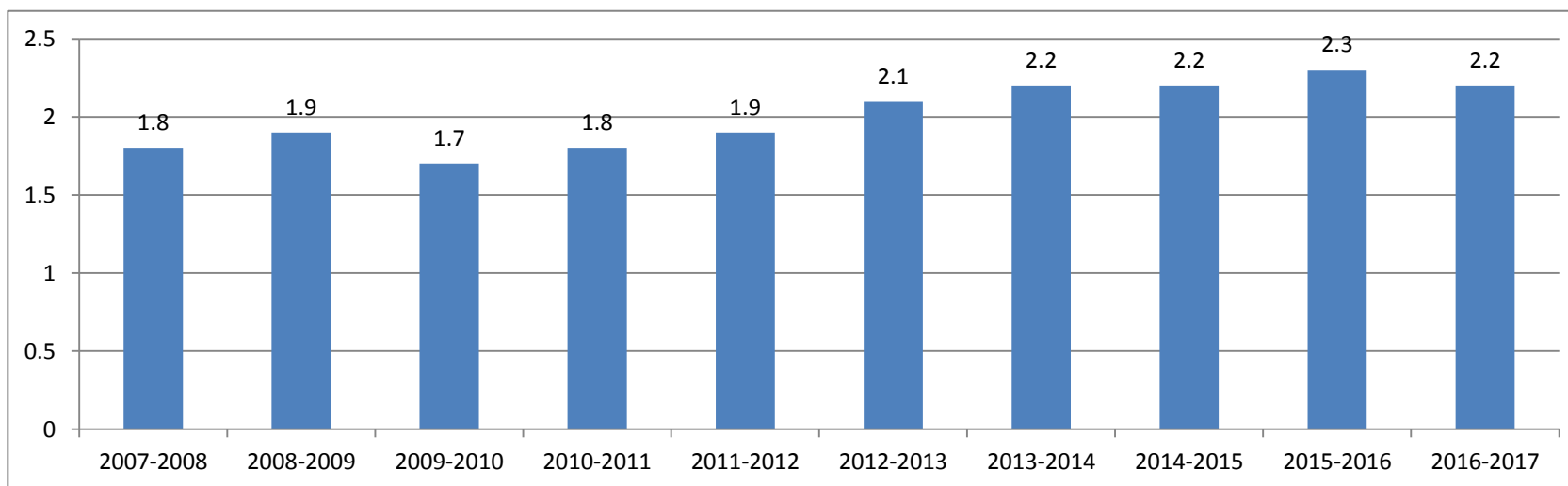
Budget Expenditure

Table 4

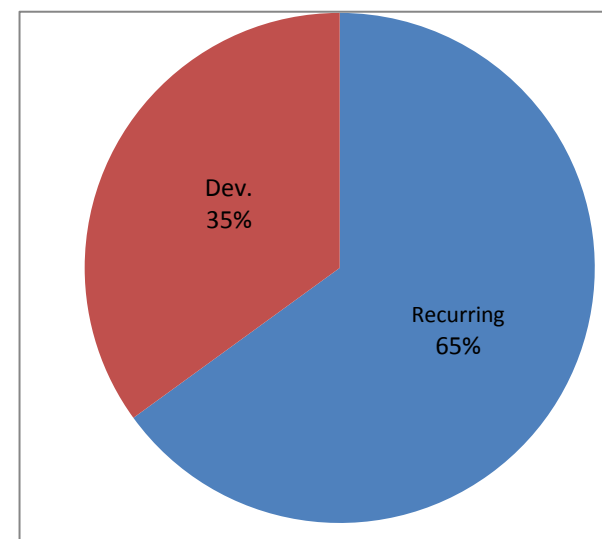
FEDERAL EDUCATION BUDGET (Recurring and Development)

Rs. in Billion

Budget	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	Increase from 2012-13 to 2017-18 (%)		
	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	All.	Allo.	Exp.	
A	Recurring	47.873	56.952	59.277	66.206	63.221	64.519	75.580	75.568	84.195	77.880	82.431 (65%)	72	37
B	Development	22.685	18.358	27.666	22.630	29.880	34.870	30.053	30.680	29.085	29.512	44.704 (35%)	97	61
Total (A+B)		70.558	74.878	86.943	88.836	93.101	99.389	105.633	106.248	113.928	107.392	127.135	80	43

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*
 ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
 iii) *Federal Education Ministry and other concerned Ministries/Divisions*
 □ *Federal Budget includes Ministry of Federal Education and all other Federal Ministries and Divisions*

The above table indicates the commulative figures of federal budget consists of allocation and expenditure either directly made by federal ministries like Ministry of Federal Education and Professional Training, Capital Administration and Development Division and other Federal Ministries. It is observed that there is an increase of (80%) in allocation and (43%) increase in expenditure between 2012-13 and 2016-17 which indicates a significant increase in the federal education budget. However, it was observed that allocation of recurring budget was decreased between 2016-17 and 2017-18 but an increase of (51%) was noted in the development budget during the same period. The percentage share of development budget increased from (32%) in 2012-13 to (35%) in 2017-18.



Federal Education Budget
(Development and Recurring 2017-18)

Table 5**FEDERAL FINANCING ON EDUCATION INCLUDING AREAS' GOVERNMENT****Rs. in Billion**

Budget	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	Increase from 2012-13 to 2017-18 (%)	
	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Allo.	Exp.
M/o Federal Education and Professional Training including Higher Education Commission and NAVTT	52.542	56.332	64.055	66.209	68.331	75.172	75.892	76.124	85.414	88.465	105.553	101	57
Other Federal Ministries Financing on Education	18.016	18.546	22.888	22.627	24.77	24.217	29.741	30.124	28.514	18.927	21.582	20	2
Area Governments (GB,AJK and FATA)	24.192	23.594	28.584	29.133	31.669	31.732	35.097	34.272	52.062	48.00	49.312	103	103
Total Federal Financing on Education	94.75	98.472	115.527	117.969	124.77	131.121	140.73	140.52	165.99	155.392	176.447	86	58

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*

ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*

iii) *Concerned Federal Education and other Departments*

The Federal budget includes budget of Ministry of Federal Education and Professional Training and spending on education by other Federal Ministries whereas Area governments include FATA, Gilgit Baltistan and AJK. There is an increase of (86%) in allocations between 2012-13 and 2017-18 and (58%) increase in expenditure between 2012-13 and 2016-17 which indicates a substantial increase in federal education budget.

Table 6

**BUDGET OF MINISTRY OF FEDERAL EDUCATION AND
PROFESSIONAL TRAINING, HIGHER EDUCATION COMMISSION AND NAVTTC**

Budget	Rs. in Billion												
	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	Increase/decrease from 2012-13 to 2017-18 (%)	
	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Allo.	Exp.
Ministry of Federal Education and Professional Training													
Current	0.773	1.055	1.016	1.070	0.910	1.344	1.178	1.180	1.214	1.215	1.263	63	15
Development	2.651	2.636	5.045	3.030	3.290	1.845	2.207	2.207	2.221	1.666	2.962	12	-37
Total	3.424	3.691	6.061	4.1	4.2	3.189	3.385	3.387	3.435	2.881	4.225	23	-22
Higher Education Commission													
Current	32.755	36.278	39.000	43.118	43.000	43.050	51.000	51.000	58.000	58.000	62.183	90	60
Development	15.800	15.800	18.490	18.490	20.000	27.809	20.000	20.207	21.486	25.110	35.663	126	59
Total:	48.555	52.078	57.490	61.608	63.000	70.859	71.000	71.207	79.486	83.11	97.846	101	60
NAVTTC													
Current	0.323	0.323	0.304	0.301	0.259	0.258	0.258	0.281	0.334	0.315	0.348	8	-2
Development	0.240	0.240	0.200	0.200	0.872	0.866	1.249	1.249	2.159	2.159	3.134	1206	800
Total	0.563	0.563	0.504	0.501	1.131	1.124	1.507	1.530	2.493	2.474	3.482	518	339
Grand Total	52.542	56.332	64.055	66.209	68.331	75.172	75.892	76.124	85.414	88.465	105.553	101	57

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*
ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Federal Education and other Departments*

Table 7**OTHER FEDERAL MINISTRIES FINANCING ON EDUCATION****Rs. in Billion**

Name of Ministry	2012-13		2013-14		2014-15		2015-2016		2016-17		2017-18	Increase/decrease from 2012-13 to 2017-18 (%)	
	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Allo.	Exp.
CAD Division	4.250	4.072	7.402	6.725	8.127	7.643	9.351	9.351	9.440	10.293	12.474	132	84
Ministry of Religious Affairs													
Grants of Model Deeni Madaris	0.036	0.036	0.046	0.046	0.050	0.050	0.053	0.053	0.053	0.053	0.055	52	47
Madaris Reforms (Teaching of formal subjects in Deeni Madaris)	0.039	0.039	0.038	0.037	0.040	0.040	0.040	0.038	0.038	0.038	0.041	5	-3
Ministry of Science & Technology													
NUST, Islamabad	1.512	1.512	1.562	1.490	1.703	1.703	2.146	2.146	2.214	2.335	2.275	50	54
COMSATS, Islamabad	0.008	0.009	0.050	0.050	0.100	0.100	0.100	0.052	0.042	0.042	0.042	425	366
M/o Defense FGEI (Cantt& Garr.)	2.893	3.574	3.823	4.012	4.136	4.136	4.874	5.337	5.093	5.093	5.272	82	42
Cabinet Division	0.048	0.039	0.067	0.063	0.786	0.787	0.857	0.991	0.374	0.372	0.373	677	854
M/o Economic Affairs and Statistics	0.199	0.198	0.105	-	-	-	-	-	-	0.019	0.009	-95	-90

M/o Information, Broadcasting and National Heritage	0.127	0.144	0.148	0.019	0.022	0.022	0.129	0.129	0.375	0.022	0.223	75	-85
M/o Inter Provincial Coordination	0.210	0.216	0.590	1.141	0.105	0.217	0.109	0.109	0.102	0.096	0.140	-33	-55
M/o States and Frontier Regions	7.192	7.192	7.964	7.983	8.484	8.484	10.209	10.209	4.045	0.00	0.00	--	--
Establishment Division	0.456	0.450	0.139	0.138	0.142	-	-	-	-	0.00	0.00	-	-
M/o Foreign Affairs	0.438	0.317	0.434	0.437	0.432	0.519	0.562	0.453	1.104	0.467	0.586	34	47
Ministry of Overseas	0.80	0.780	0.717	0.701	0.879	0.757	1.151	1.151	5.553	0.097	0.092	-88	-88
M/o Water and Power	0.042	0.046	0.047	0.049	0.051	0.050	0.058	-	-	0.00	0.00	-	-
M/o Railways	0.014	0.016	0.017	0.018	0.019	0.102	0.102	0.105	0.123	0.00	0.00	--	--
Grand Total	18.016	18.546	22.888	22.627	24.77	24.217	29.741	30.124	28.514	18.927	21.582	20	2

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*
ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Federal Education and other Departments*

An increasing trend is observed both in allocations and expenditures on education by federal ministries. However, the increase in allocations and expenditures is uneven, the analysis indicates that allocations have been increased up to (20%) between 2012-13 and 2017-18 whereas expenditure has increased up to (2%) from 2012-2013 to 2016-2017.

Table 8**SUB-SECTORS WISE FEDERAL EDUCATION BUDGET****Rs. in Billion**

Sub-Sector	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18
	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation
Primary Education	4.700 (7%)	6.33 (9%)	5.83 (7%)	7.18 (8%)	6.33 (8%)	6.03 (6%)	7.24 (7%)	16.644 (16%)	19.299 (17%)	8.007 (7%)	10.136 (8%)
Secondary Education	5.630 (8%)	7.63 (10%)	7.43 (8%)	8.61 (10%)	8.13 (9%)	8.00 (8%)	9.28 (9%)				
Tertiary Education	51.620 (73%)	52.71 (70%)	61.88 (71%)	65.97 (74%)	67.76 (73%)	75.78 (76%)	77.40 (73%)	71.500 (67%)	79.486 (70%)	87.704 (82%)	101.523 (80%)
Federal (NAVTC & PM Special Initiative for Human and Pakistan Program)	0.998 (1%)	0.998 (1%)	0.712 (1%)	0.675 (1%)	0.671 (1%)	0.75 (1%)	1.02 (1%)	1.53 (1%)	2.493 (2%)	2.474 (2%)	3.482 (3%)
Others	7.61 (11%)	7.21 (10%)	11.091 (13%)	6.401 (7%)	10.21 (11%)	8.829 (9%)	10.693 (10%)	16.574 (16%)	12.65 (11%)	9.207	11.994
Total	70.558	74.878	86.943	88.836	93.101	99.389	105.633	106.248	113.928	107.392	127.135

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*
ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Federal Education and other Departments*

Note: (i) Federal budget include budget of Ministry of Federal Education and Professional Training, Higher Education Commission and other Ministries spending on Education.

It is observed from above table that the federal budget allocation for the financial year 2017-18 to sub-sectors of education is uneven. A major chunk of federal education budget i.e. (80%) has been allocated to tertiary education whereas a meagre portion of its total education budget i.e. (8%) and (3%) allocated for secondary education and technical and vocational education respectively in 2017-18.

Table 9

**FEDERAL, PROVINCIAL AND AREAS' EDUCATION BUDGET ALLOCATIONS & EXPENDITURES
DURING 2012-13 TO 2017-18**

Rs. in Billion

Province/ Region	2012-2013		2013-2014		2014-2015		2015-2016		2016-2017		2017-18	Increase from 2012-13 to 2017-18 (%)	
	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Alloc. Exp	
												Alloc.	Exp
Federal Budget	70.558	74.878	86.943	88.836	93.101	99.389	105.633	106.248	113.928	107.392	127.135	80	43
Provincial Budgets	432.536	408.14	499.417	429.441	551.715	533.530	557.794	533.954	751.939	687.662	766.830	77	68
Area Governments (GB, AJK & FATA)	24.192	23.594	28.584	29.133	31.669	31.732	35.097	34.272	52.062	48.00	49.312	104	103
Total:	527.286	506.612	614.944	547.41	676.485	664.651	698.524	674.474	917.929	843.054	943.277	79	66

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*
ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial and Regional Education and other Departments*

It was found that Federal, Provincial/Area Governments budget allocation was Rs.527.286 billion in 2012-13 that was increased to Rs.943.277 billion in 2017-18 showing an overall increase of (79%). Similarly total expenditure was increased from Rs.506.612 billion in 2012-13 to Rs.843.054 billion in 2016-17 indicating an increase of (66%). Capacity of education departments need to be enhanced to utilize allocated amount within financial year according to prescribed financial controls, procedures and rules set by the provincial and regional governments.

Table 10

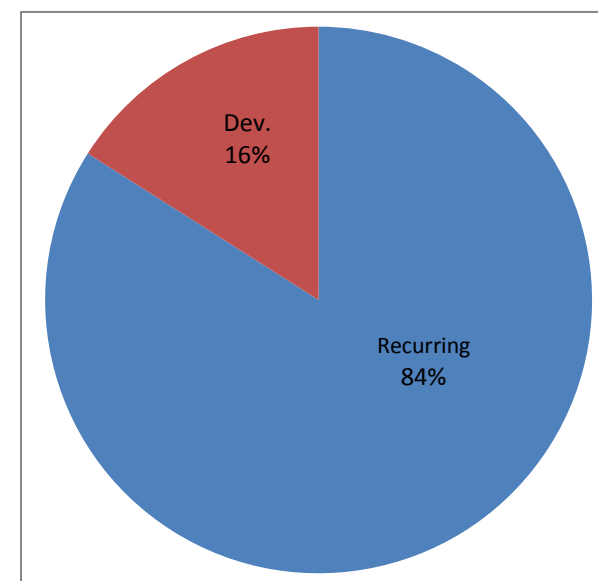
**AREAS' GOVERNMENT CURRENT AND DEVELOPMENT EDUCATION BUDGET ALLOCATIONS
AND EXPENDITURES**

Rs. In Billion

Budget	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	Increase from 2012-13 to 2017- 18 (%)	
	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Allo.	Exp.
Recurring	23.241	23.969	28.175	27.327	30.533	30.302	33.640	33.764	46.090	41.685	41.371 (84%)	78	74
Development	0.951	0.513	0.409	1.806	1.136	1.078	1.457	0.508	5.972	6.315	7.941 (16%)	735	1131
Total	24.192	23.594	28.584	29.133	31.669	31.732	35.097	34.272	52.062	48.000	49.312	104	103

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*
 ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
 iii) *Concerned Provincial and Regional Education and other Departments*

It is observed from the above table that budgetary allocation of regions have been increased from Rs. 24.192 billion in 2012-13 to Rs.49.312 billion in 2017-18 showing an increase of (104%). The expenditure on education has also increased from Rs. 23.594 billion in 2012-13 to Rs. 48.000 billion in 2016-17 indicating an increase of (103%). The share of development budget was (4%) in 2012-13 which was increased to (16%) in 2017-18.



**Share of Development and Recurring
Budget in Education 2017-2018**

Table 11**AREAS' GOVERNMENT EDUCATION BUDGET ALLOCATIONS AND EXPENDITURES****Rs. in Billion**

Regions	2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	Increase in Allocation and Expenditure from 2012-13 to 2017-18 (%)		
	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Allo.	Exp.	
Gilgit Baltistan	Current	3.849	3.889	4.333	3.929	5.007	5.011	5.234	5.213	5.688	5.898	6.268	63	52
	Dev.	0.251	0.251	0.087	0.521	0.326	0.323	1.352	0.345	1.068	0.962	1.606	540	283
	Total	4.10	4.14	4.420	4.450	5.333	5.334	6.586	5.559	6.757	6.860	7.874	92	66
AJK	Current	12.200	12.000	15.878	15.415	17.042	17.159	18.197	18.342	19.898	21.749	22.887	87	81
	Dev.	0.700	0.262	0.322	1.285	0.810	0.755	0.105	0.163	1.270	1.048	1.850	164	300
	Total	12.90	13.15	16.200	16.700	17.852	17.914	19.302	18.505	21.168	22.797	24.737	92	73
FATA	Current	7.192	7.192	7.964	7.983	8.484	8.484	10.209	10.209	20.504	14.038	12.216	70	95
	Dev.	-	-	-	-	-	-	-	-	3.634	4.305	4.485	-	-
	Total	7.192	7.192	7.964	7.983	8.484	8.484	10.209	10.209	24.138	18.343	16.701	132	155
Total	Current	23.241	23.969	28.175	27.327	30.533	30.302	33.640	33.764	46.090	41.685	41.371	78	74
	Dev.	0.951	0.513	0.409	1.806	1.136	1.078	1.457	0.508	5.972	6.315	7.941	735	1131
	Total	24.192	23.594	28.584	29.133	31.669	31.732	35.097	34.272	52.062	48.00	49.312	104	103

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*
ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial and Regional Education and other Departments*

It was noted from the above table that there is an overall increase of (104%) in allocation in the Area governments' budget from 2012-13 to 2017-18. An increase of (103%) was observed in expenditures of Area governments' budget from 2012-13 to 2016-17.

Table 12

**PROVINCIAL EDUCATION BUDGET ALLOCATIONS AND EXPENDITURES
(DEVELOPMENT AND RECURRING)**

Rs. in Billion

Provinces		2012-13		2013-14		2014-15		2015-16		2016-17		2017-18	Increase in allocation and expenditures from 2012-13 to 2017-18 (%)	
		Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allo.	Allocation	Exp.
Punjab	Recurring	185.546	186.763	200.110	182.113	221.039	241.260	212.035	212.035	314.072	279.651	276.339	49	50
	Dev.	35.026	9.323	32.456	28.933	38.589	42.120	37.921	37.921	65.390	65.315	75.814	116	600
	Total	220.572	196.086	232.566	211.046	259.628	283.380	249.956	249.956	379.462	344.966	352.153	60	76
Sindh	Recurring	97.297	92.697	118.665	98.199	134.462	109.054	145.893	145.893	174.794	146.424	187.175	92	58
	Dev.	12.000	5.728	16.885	5.529	11.800	6.526	10.000	7.386	14.298	9.298	17.600	47	62
	Total	109.297	98.425	135.550	103.728	146.262	115.580	154.783	153.279	189.092	155.752	204.775	87	58
Khyber Pakhtun-Khawa	Recurring	55.992	65.856	66.608	65.707	80.729	77.088	99.297	87.779	111.354	102.215	128.241	129	55
	Dev.	22.152	18.602	29.798	14.967	26.106	25.373	23.487	17.957	22.580	24.295	27.736	25	31
	Total	78.144	84.458	96.406	80.674	106.835	102.461	122.784	105.736	133.934	126.510	155.977	100	50
Balochistan	Recurring	22.457	26.601	24.743	28.643	39.773	27.835	27.869	23.823	43.101	40.476	43.351	93	52
	Dev.	2.061	2.570	10.154	5.306	5.992	4.299	1.292	1.160	6.351	19.988	10.574	413	677
	Total	24.518	29.171	34.897	33.949	45.765	32.134	29.161	24.983	49.451	60.464	53.925	120	107
Total	Recurring	361.292	371.917	410.126	374.662	476.003	455.237	485.094	469.530	643.320	568.766	635.106	76	53
	Dev.	71.239	36.223	89.293	54.735	82.487	78.318	72.700	64.424	108.619	118.896	131.724	85	228
	Total	432.531	408.140	499.419	429.397	558.490	533.555	557.794	533.954	751.939	687.662	766.830	77	69

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*
ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial Education and other Departments.*

The above table shows budgetary allocations of provincial governments. It is observed that total provincial budgetary allocation for education sector has increased from Rs.432.531billion in 2012-13 to Rs. 766.830 billion in 2017-18 showing an increase of (77%) which was a significant increase in education budget over a period of five years. Punjab province has allocated Rs.220.572 billion for education sector in 2012-13 which was increased to Rs.352.153 billion in 2017-18 showing an increase of (60%). Similarly, Sindh has allocated Rs.109.297 billion in 2012-13 for education sector that was increased to 204.775 billion in 2017-18 showing an increase of (87%). Government of Khyber Pakhtunkhawa has increased its budgetary allocation for education from Rs.78.144 billion 2012-13 to Rs. 155.977 billion in 2017-18 indicating an increase of (100%). Balochistan has increased its budgetary allocation for education from Rs.24.518 billion in 2012-13 to Rs.53.925 billion in 2017-18 showing a significant increase of (120%). Similarly, expenditures were increased on the same pattern by all provinces. However on expenditure side there is a need to pay more attention for its (100%) utilization.

Table 13**SUB-SECTORS WISE ALLOCATION AND EXPENDITURE ON EDUCATION BY PUNJAB**

Rs. In Billion

S#	Sub-Sector	2016-17		2017-18	
		Allocation	Expenditure	Allocation	Share in Provincial Education Budget 2017-18 in % age
1	Elementary and Secondary Education	323.559	291.691	292.969	83
2	College Education/Higher Education	41.724	40.922	44.613	13
3	Teacher Education	3.473	2.321	4.790	1.36
4	Special Education	0.865	0.379	1.293	0.37
5	Technical and Vocational Education	7.897	8.586	6.755	2
6	Literacy and Non-Formal Education	1.944	1.067	1.733	0.48
Total		379.462	344.966 (83%)	352.153	100

In order to bring quantitative expansion and qualitative improvement in education sector, the Government of Punjab has allocated Rs.352.153 billion for Education Sector in 2017-18. Province of Punjab has earmarked a major portion of its education budget amounting Rs.292.969 billion i.e. (83%) for elementary and secondary education in 2017-18. An amount of Rs.44.613 billion (13%) has been allocated for higher education in 2017-18. A meagre portion of two percent of Punjab education budget was allocated for technical and vocational education, about one percent for teacher education, and less than one percent for special education and literacy and non- formal education.

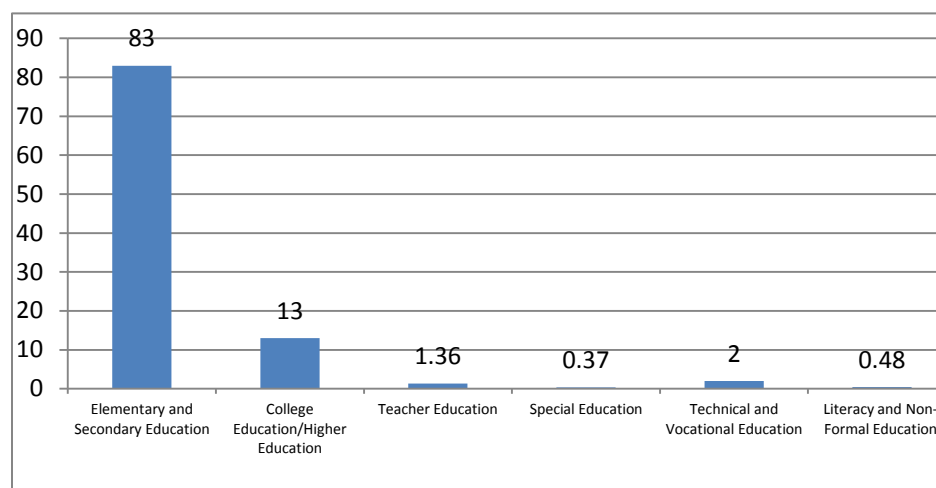
**Sub-Sectors wise Budget Allocation in Punjab 2017-2018**

Table 14**SUB-SECTORS WISE ALLOCATION AND EXPENDITURE ON EDUCATION BY SINDH****Rs. In Billion**

S#	Sub-Sector	2016-17		2017-18	
		Allocation	Expenditure	Allocation	Share of Provincial Budget 2017-18 in %age
1	Elementary and Secondary Education	115.646	97.424	123.549	60
2	College Education/Higher Education	26.058	25.331	28.732	14
3	Teacher Education	0.347	0.203	0.441	0.2
4	Special Education	1.046	0.172	1.117	0.54
5	Technical and Vocational Education	5.970	3.976	6.131	3
6	Literacy and Non-Formal Education	0.051	0.037	0.103	0.05
7	Others/Miscellaneous	39.974	28.609	44.702	22
Total		189.092	155.752 (82%)	204.775	100%

It is observed from the above table that Sindh Province has utilized Rs.155.752 billion (82%) against Rs.189.092 billion earmarked for education sector in 2016-17. During 2017-18, the government of Sindh has allocated Rs.204.775 billion for education sector and the major share i.e. (60%) of its education budget has been earmarked for elementary and secondary education. About (14%) of Sindh education budget has been earmarked for higher education, three percent for technical and vocational education, and less than one percent for other sub-sectors which include teacher education, special education and literacy and non- formal education accordingly.

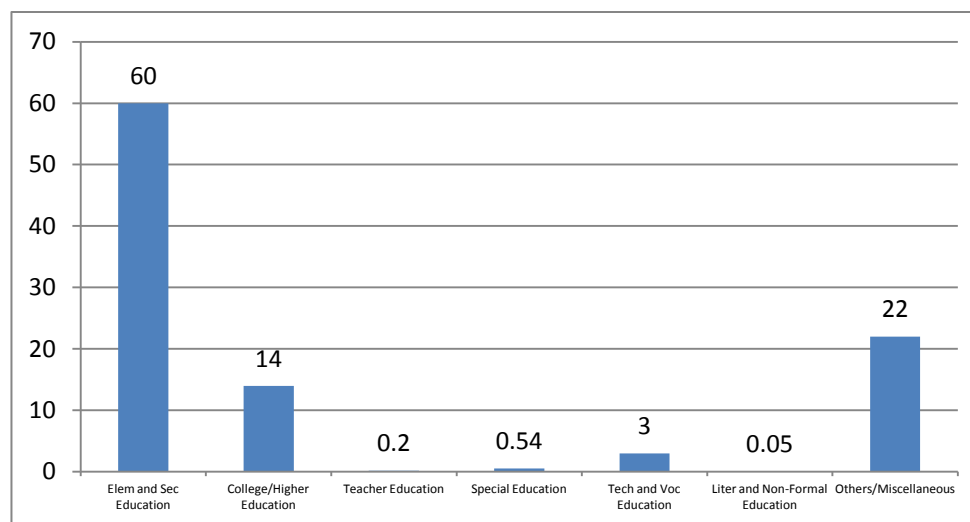
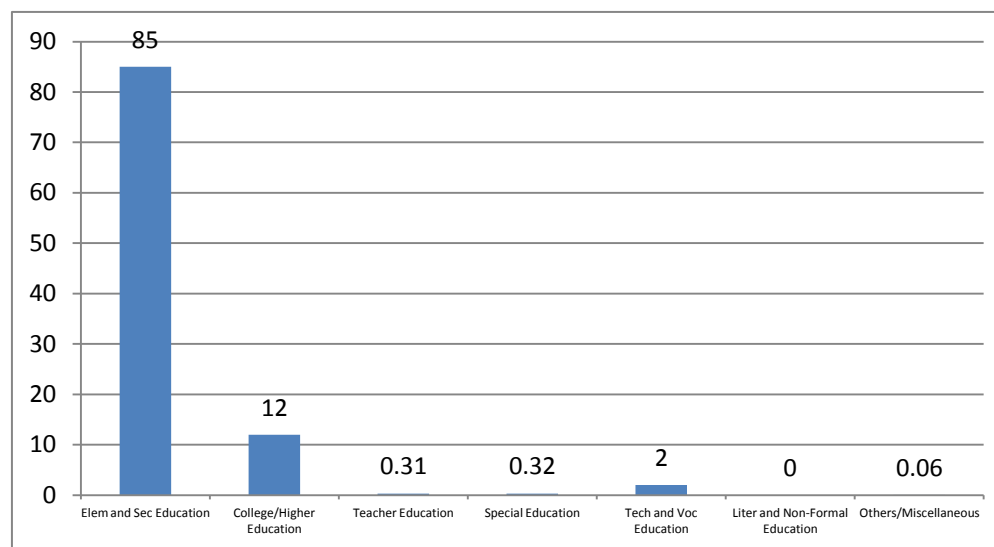
**Sub-Sectors wise Allocation in Sindh 2017-2018**

Table 15

**SUB-SECTORS WISE ALLOCATION AND EXPENDITURE ON EDUCATION
BY KHYBER PAKHTUNKHWA**

S#	Sub-Sector	2016-17		2017-18	
		Allocation	Expenditure	Allocation	Share of Provincial Education Budget 2017-18 in % age
1	Elementary and Secondary Education	115.745	108.816	133.204	85
2	College Education/Higher Education	14.281	14.327	18.733	12
3	Teacher Education	0.467	0.475	0.487	0.31
4	Special Education	0.494	0.426	0.499	0.32
5	Technical and Vocational Education	2.847	2.366	2.954	2
6	Literacy and Non-Formal Education	0.000	0.000	0.000	0
7	Others/Miscellaneous	0.100	0.100	0.100	0.06
	Total	133.934	126.510 (94%)	155.977	100%

It is observed from the above table that government of Khyber Pakhtunkhwa has utilized Rs.126.510 billion i.e. (94%) out of its total allocation for education sector Rs.133.934 billion in 2016-17. Khyber Pakhtunkhwa Government has allocated 155.977 billion for education sector during the financial year 2017-18. The major share i.e. (85%) of Khyber Pakhtunkhwa education budget has been earmarked for elementary and secondary education and (12%) of its education budget has been allocated for higher education during financial year 2017-18. The province has allocated only two percent of its total education budget for technical and vocational education and less than one percent for teacher education and special education.



Sub-Sectors wise Allocation in Khyber Pakhtunkhwa 2017-2018

Table 16**SUB-SECTORS WISE ALLOCATION AND EXPENDITURE ON EDUCATION BY BALOCHISTAN**

S#	Sub-Sector	2016-17		2017-18	
		Allocation	Expenditure	Allocation	Share of Provincial Education Budget 2017-18 in % age
1	Elementary and Secondary Education	32.760	41.003	39.246	73
2	College Education/Higher Education	15.619	18.118	13.405	25
3	Teacher Education	0.087	0.068	0.098	0.18
4	Special Education	0.135	0.120	0.145	0.27
5	Technical and Vocational Education	0.606	0.957	0.618	1.17
6	Literacy and Non-Formal Education	0.048	0.026	0.031	0.06
7	Others/Miscellaneous	0.196	0.172	0.382	0.71
Total		49.451	60.464 (122%)	53.925	100%

It is observed from above table that government of Balochistan has utilized Rs.60.464 billion (122%) against Rs.49.451 billion earmarked for education sector in 2016-17 which indicates that province of Balochistan has utilized an excess amount of Rs. 11.013 than allocated amount during 2016-17. Balochistan government has allocated an amount of Rs. 53.925 billion for education sector during the financial year 2017-18. The major portion of Balochistan education budget i.e. (73%) has been earmarked for elementary and secondary education and one-fourth of its education budget for higher education. It is noted that government of Balochistan has earmarked less than two percent of its education budget for other subsectors of education which include technical and vocational education, teacher education, special education and literacy and non-formal education.

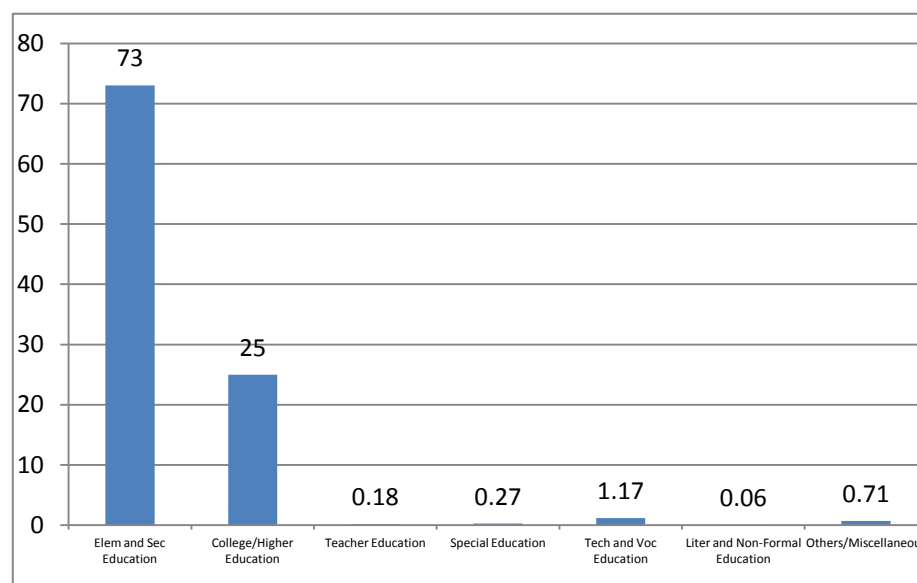
**Sub-Sectors wise Allocation in Balochistan 2017-2018**

Table 17**SUB-SECTORS WISE COMPARISON OF ALLOCATION BY PROVINCES ON EDUCATION (2017-18)****Rs. In Billion**

S#	Sub-Sector	Federal		Punjab		Sindh		KP		Balochistan	
		Allo.	Sub-Sector share of Education Budget in %	Allo.	Sub-Sector share of Education Budget in %	Allo.	Sub-Sector share of Education Budget in %	Allo.	Sub-Sector share of Education Budget in %	Allo.	Sub-Sector share of Education Budget in % age
1	Elementary and Secondary Education	10.136	8	292.969	83	123.549	60	133.204	85	39.246	73
2	College Education/Higher Education	101.523	80	44.613	13	28.732	14	18.733	12	13.405	25
3	Teacher Education	-	-	4.790	1.36	0.441	0.2	0.487	0.31	0.098	0.18
4	Special Education	-	-	-	0.37	1.117	0.54	0.499	0.32	-	0.27
5	Technical and Vocational Education	3.482	3	6.755	2	6.131	3	2.954	2	0.618	1.17
6	Literacy and Non-Formal Education	-	-	1.733	0.48	0.103	0.05	0.000	0	0.031	0.06
7	Others/ Miscellaneous	11.994	9	0.00	0	44.702	22	0.100	0.06	0.382	0.71
Total		127.135	100%	352.153	100	204.775	100%	155.977	100%	53.925	100%

It is revealed from the above table that all provinces have allocated their major share of education budget for elementary and secondary education. Khyber Pakhtunkhwa has allocated its (85%) of education budget for elementary and secondary education followed by Punjab (83%), Balochistan (73%) and Sindh (60%). Among all the provinces, Balochistan has allocated the highest share of its education budget i.e. (25%) for higher education followed by Sindh (14%), Punjab (13%) and KP (12%). The Federal Government has allocated major share of its education budget for higher education i.e. (80%) of total budget.

Table 18**UTILIZATION OF EDUCATION BUDGET****Rs. in Billion**

Provinces/ Regions	2012-13		2013-14		2014-15		2015-16		2016-17		Percentage of Budget utilization				
	Allo.	Utili.	Allo.	Utili.	Allo.	Utili.	Allo.	Utili.	Allo.	Utili.	2012-13	2013-14	2014-15	2015-16	2016-17
Federal	70.558	74.878	86.943	88.836	93.101	99.389	105.633	106.248	113.928	107.392	106	102	106	101	94
Punjab	220.575	196.086	232.566	211.107	259.629	283.380	249.956	249.956	379.462	344.966	89	91	109	100	91
Sindh	109.297	98.425	135.546	103.709	146.270	115.581	154.783	154.783	189.092	155.752	90	77	79	100	82
Khyber Pakhtunkhwa	78.145	84.458	96.407	80.675	106.835	102.462	122.784	105.730	133.934	126.510	108	84	96	86	94
Balochistan	24.519	29.171	34.898	33.950	35.766	32.107	29.161	24.983	49.451	60.464	119	97	90	86	122
Area Governments GB, AJK & FATA	24.192	23.594	28.584	29.133	31.669	31.732	35.097	34.272	52.062	48.00	97	102	100	98	92
Total:	527.286	506.612	614.944	547.41	673.27	664.651	697.414	675.972	917.929	843.054	96	89	99	97	92

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*

ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*

iii) *Concerned Provincial and Regional Education and other Departments*

The above table shows the utilization of education budget in all provinces/regions. In financial year 2016-17, Khyber Pakhtunkhwa has utilized Rs.126.510 billion against allocation Rs.133.934 billion (94%) and Punjab has utilized Rs.344.966 billion against the allocation of Rs.379.462 billion (91%), Sindh has utilized Rs.155.752 billion against the allocation of Rs. 189.092 billion (82%) and Balochistan utilized Rs.60.464 billion against the allocation of 49.451 billion (122%). It is observed that three provinces i.e. Punjab, Sindh & Khyber Pakhtunkhwa were unable to fully utilize the allocated amount during financial year 2016-17 and the Sindh province has the highest rate of under-utilization i.e. (18%) among all the provinces.

Table 19**INCREASE IN BUDGET ALLOCATIONS FROM 2012-13 TO 2017-18****Rs. In billion**

Budget	Total Budget							Education Budget						
	2012-13	2013-14	2014-15	2015-16	2016-2017	2017-18	Percentage (%) Increase in Total Budget from 2012-13 to 2017-18	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage (%) Increase in Education Budget from 2012-13 to 2017-18
Federal	3441.01	3,985.00	4,301.75	4,451.30	4894.90	5103.800	48	70.558	86.943	93.101	105.633	113.928	127.135	80
Punjab	690.88	897.56	1,095.12	1,447.24	1681.62	1970.700	185	220.515	232.56	259.62	249.956	379.462	352.153	60
Sindh	404.25	585.91	686.18	739.00	869.10	1040.000	157	109.297	135.54	149.48	154.784	189.092	204.775	87
Khyber Pakhtunkhwa	248.08	329.00	404.80	487.00	505.00	603.000	143	78.145	96.41	111.203	122.784	133.934	155.977	99
Balochistan	183.35	198.40	215.72	243.00	289.37	328.503	79	24.519	34.89	40.67	24.983	49.451	53.925	120
Total	4967.57	5995.87	6703.57	7367.54	8010.37	8700.738	75	503.034	586.343	654.074	658.14	865.867	893.965	78

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*
ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial and Regional Education and other Departments*

It is evident from above table that Federal Government's budget allocation for education sector has been increased from 70.558 billion in 2012-13 to 127.135 billion in 2017-18 showing an increase of 80%. Similarly, Punjab education budget has been increased by (60%), Sindh (87%), KP (99%) and Balochistan (120%) over period of six years (from 2012-13 to 2017-18). The highest increase in education budget allocation has been observed in Balochistan i.e. (120%) followed by Khyber Pakhtunkhawa i.e. (99%) over a period of six years.

Table 20

**FINANCING ON EDUCATION AS PROPORTION OF TOTAL BUDGET ALLOCATION
2012-13 to 2017-18**

Rs. in Billion

Budget	Total Budget						Education Budget						Share of Education (%)					
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Federal	3441.01	3,985.00	4,301.75	4,451.30	4894.090	5103.800	70.558	86.943	93.101	105.633	113.928	127.135	2	2	2	2.3	2.3	2.5
Punjab	690.88	897.56	1,095.12	1,447.24	1452.000	1970.700	220.515	232.56	259.62	249.956	379.462	352.153	32	26	24	22	26	18
Sindh	404.25	585.91	686.18	739.00	869.100	1040.000	109.297	135.54	149.48	154.783	189.092	204.775	27	23	22	21	22	20
KP	248.08	329.00	404.80	487.00	505.000	603.000	78.145	96.41	111.203	122.784	133.934	155.977	31	29	26	25	27	26
Balochistan	183.35	198.40	215.72	243.00	289.370	328.503	24.519	34.89	40.67	24.983	49.451	53.925	13	18	19	10	17	17
Total	4967.57	5,995.87	6,703.57	7,367.54	8,009.56	8700.738	503.034	586.343	654.074	658.140	865.867	893.965	10.0	9.8	9.7	8.9	11	10

Source: i) *Financing in Education Sector Report 2016-17, AEPAM, Islamabad*
ii) *Federal Budget 2017-18 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial and Regional Education and other Departments*

The above table shows federal and provincial budgets, education budgets and percentage share of education in total budget over period of six years (from 2012-13 to 2017-18). It is observed that most of the provinces have earmarked a significant portion of their total budget for education sector. Among provinces, Khyber Pakhtunkhwa has earmarked the highest percentage share i.e. 26% of its total for education in financial year 2017-2018, followed by Sindh (20%), Punjab (18%) and Balochistan (17%). However, a declining trend in percentage share of education in total budget of most of the provinces except Balochistan has been observed from 2012-13 to 2017-18. The percentage share of education in the total budget of Punjab has decreased from (32%) in 2012-13 to (18%), in Sindh from (27%) to (20%) and Khyber Pakhtunkhwa from (31%) to (26%) whereas the percentage share of education in the total budget of Balochistan has increased from (13%) in 2012-13 to (17%) in 2017-18.

Table 21**PER STUDENT EXPENDITURE ON EDUCATION BY GOVERNMENT SECTOR 2012-13 TO 2016-17**

Federal/ Provinces	2012-2013			2013-2014			2014-15			2015-2016			2016-17		
	Enrollment	Exp. (Rs. Billion)	Per Student Cost/Year (Rs.)	Enrollment	Exp. (Rs. Billion)	Per Student Cost/Year (Rs.)	Enrollment	Exp. (Rs. Billion)	Per Student Cost/Year (Rs.)	Enrollment	Exp. (Rs. Billion)	Per Student Cost/Year (Rs.)	Enrollment	Recurring Exp. (Rs. Billion)	Per Student Cost (Rs.)
Punjab	12,359,385	186.763	15,111	11,895,931	182.113	15,309	13,240,306	241.26	18,222	13,203,581	212.035	16,059	14,164,394	279.651	19,743
Sindh	5,244,000	92.697	17,677	5,050,638	98.199	19,443	5,262,123	109.054	20,724	5,203,554	145.893	28,037	5,173,764	146.424	28,301
KP	4,997,046	65.856	13,179	5,094,495	65.707	12,898	5,201,383	77.088	14,821	5,237,561	87.779	16,760	5,266,923	102.215	19,407
Balochistan	1,217,057	26.601	21,857	1,199,759	28.643	23,874	1,159,015	27.835	24,016	1,017,479	23.823	23,414	1,014,162	40.476	39,911
AJK	597,409	12.	20,087	592,742	15.415	26,006	589,272	17.159	29,119	592,556	18.342	30,954	595,190	21.749	36,541
Gilgit Baltistan	308,115	3.889	12,622	232,781	3.929	16,879	232,016	5.011	21,598	233,952	5.213	22,282	240,626	5.898	24,511
FATA	649,620	7.192	11,071	669,505	7.983	11,924	688,362	8.484	12,325	733,536	10.209	13,918	739,087	14.038	18,994
ICT	1,635,528	56.952	34,822	1,627,219	66.206	40,687	1,145,087	64.519	56,344	1,153,297	75.568	65,523	1,505,422	77.880	51,733
Total	27,008,160	451.95	.	26,363,070	468.195	.	27,517,564	550.41	.	27,375,516	578.862	.	28,699,568	688.331	.
National Average			16,734			17,760			20,002			21,145			23,984

Source: i) *Pakistan Education Statistics 2012-2013 & 2013-2014, 2014-15, 2015-2016 and 2016-17*

ii) *Provincial/Regional Education Departments.*

* Calculated on the basis of per students recurring cost per year by province/regions government on education sector in 2016-17

The above table shows that per student cost was increased by all four provinces and three regions in 2016-17 as compared to per student cost during previous financial year 2015-16. However, per student cost decreased in ICT as compared to last year 2015-16. The highest per student cost remained in ICT during 2016-17 i.e. Rs.51,733/- and the lowest per student cost was noted in FATA i.e. Rs.18,994/-.

Main Findings and Way Forward

It was noticed that federal and provincial governments have enhanced their education budget for last five years i.e. 2012-13-2017-18. Federal Government has increased allocation for education from Rs.70.558 billion in 2012-13 to Rs.127.135 billion in 2017-18 showing an increase of (80%). Similarly a substantial increase i.e. (77%) in education budgets of all provinces has been noted over a period of last five years (2012-13 to 2017-18). Punjab province has enhanced allocation for education from Rs.220.572 billion in 2012-13 to Rs.352.153 billion in 2017-18 showing an increase of (60%). Similarly, Sindh has allocated Rs.109.297 in 2012-13 for education sector that was increased to Rs. 204.775 in 2017-18 showing an increase of (87%). Government of Khyber Pakhtunkhawa has increased its budgetary allocation for education from Rs.78.144 billion 2012-13 to Rs. 155.977 billion in 2017-18 indicating an increase of (100%). Balochistan has increased its budgetary allocation for education from Rs.24.518 billion in 2012-13 to Rs.53.925 billion in 2017-18 showing a significant increase of (120%).

However, a declining trend in percentage share of education in total budget of most of the provinces has been noted from 2012-13 to 2017-18. The percentage share of education in the total budget of Punjab reduced from (32%) in 2012-13 to (18%) in 2017-18, in Sindh from (27%) to (20%) and Khyber Pakhtunkhawa from (31%) to (26%) during the same period whereas the percentage share of education in the total budget of Balochistan has increased from (13%) in 2012-13 to (17%) in 2017-18.

It was discovered that all provinces have allocated their major share of education budget for elementary and secondary education. Khyber Pakhtunkhwa has allocated its (85%) of education budget for elementary and secondary education followed by Punjab (83%), Balochistan (73%) and Sindh (60%). Among all the provinces, Balochistan has allocated the highest share of its education budget i.e. (25%) for higher education followed by Sindh (14%), Punjab (13%) and KP (12%). The Federal Government has allocated its major share of education budget for higher education i.e. (80%) of total budget. A meagre amount less than two percent has been allocated by the provinces for other sub-sector such as technical and vocational education, teacher education, special education and literacy and non-formal education.

It was observed that a major portion of provincial education budget has been earmarked for recurring expenses in 2017-18. Amongst the provinces, the highest percentage share of the recurrent budget had been noted in Sindh which has allocated (91%) of its total education budget for recurring expenses for the financial year 2017-18. Followed by Khyber Pakhtunkhawa has allocated (82%) of its total education budget for recurring expenses. Similarly, Balochistan and Punjab have earmarked (80%) and (78%) of their education budget respectively for recurring expenses in 2017-18. Federal government has earmarked (65%) of its total education budget for recurring expenses in 2017-18.

It was noted that three provinces i.e. Punjab, Sindh and Khyber Pakhtunkhwa were unable to fully utilize the allocated amount for education sector during financial year 2016-17. Sindh province has highest rate of under-utilization i.e. (18%) among all the provinces. In financial year 2016-17, Khyber Pakhtunkhwa has utilized Rs.126.510 billion against allocation Rs.133.934 billion (94%) and Punjab has utilized Rs.344.966 billion against the allocation of Rs.379.462 billion (91%), Sindh has utilized Rs.155.752 billion against the allocation of Rs. 189.092 billion (82%) and Balochistan utilized Rs.60.464 billion against the allocation of 49.451 billion (122%).

It was observed that per student cost at national level was Rs.23,984/- in 2016-17. The highest per student cost was noted in ICT i.e. Rs.51,733/- in 2016-17 followed by Balochistan Rs.39,911, AJK Rs.36,541/-, Sindh Rs.28,301/- and GB Rs.24,511/-. The lowest per student cost was observed in FATA i.e. Rs. 18,994/ followed by KP i.e. Rs.19,407/- and Punjab i.e. Rs. 19,743/- in 2016-17.

Way forward

In order to fulfill Constitutional obligations and international commitments, the Federal government should fulfill its longstanding commitment to enhance share of public spending on education as percentage of GDP to at least (4%). Federal government should enhance its spending on education from present (2%) to at least (6%)⁴ in the federal budget. The share of Technical & Vocational Education needs to be increased in the federal and provincial education budget to a reasonable level to equip the workforce with the required technical & vocational knowledge and skills. Moreover, provinces should generate additional resources over and above NFC award allocations and should not rely only on federal funding. There is need to develop an appropriate mechanism, to identify issues/problems hampering achievement of national targets. Strategies may be developed to achieve all national targets particularly SDGs goals. There is need to ensure effective coordination between various stakeholders to devise strategies for implementation of Provincial Education Sector plans in line with national policies and international commitments such as SDGs which are to be achieved by 2030.

Systematic evaluation of financing on education mechanisms to inform and support financial management in Pakistan is a relatively new phenomenon. After 18th Constitutional Amendment, provincial governments have to play their due roles as the primary stakeholders of financing on education and management of financial resources. In view of 25-A, provinces have the major responsibilities for provision of free and compulsory education to all children aged 5-16 and bringing all the children of their respective areas in schools. There is a need to develop the practice of evidence based educational financing policy and ensure

monitoring of expenditure on all activities. There is a dire need to articulate realistic targets and evolve a pragmatic implementation and monitoring mechanism. There is also need to ensure in time releases of fund to initiate activities in time and to accomplish these activities within the given time framework.

The gap between allocation and expenditure requires due attention of relevant authorities at Federal and Provincial levels and may involve all stakeholders in the process of timely release of funds as well as capacity building of the education managers, institutions, organizations and departments for its optimum utilization. The regular, smooth, and fair utilization of budget requires interaction and coordination between various departments of regions and provinces. It is important to figure out what are the causes of poor utilization of budget. The present and previous data indicate that there is a dire need to develop a robust financial management system for education sector.

An independent study is strongly recommended to analyse the level wise allocation and expenditure at national, provincial as well as at regional level in education sector. From existing data of allocations and expenditures on education, it is revealed that there is considerable variation in federal, provinces and regions' allocations and expenditures on education. In view of poor infrastructure of education, the federal and provincial governments should allocate a higher percentage of their education budgets for development purposes.