

# WHITE PAPER BUDGET 2015-16



*My message lies in the sentence  
If you learn to read between the lines  
You will hear stories in my silence  
My life is not about roses and wines  
I may be smiling on the outside  
But I am hurting on the inside*



## **MESSAGE.**

Freedom, the primary means of development is to be ascertained. This is also its objective. Devoid of active participation of people Development is a doled out dead commodity.

The process development can be made efficient, effective and fruitful by paying due attention to its instrumental components-economic facilities, political freedom, social opportunities, transparency guarantees and protective security.

Without criticism, with utmost respect and regard for all, I believe that, to get our national purpose serve it is required to promote a culture of austerity, intellectual honesty, faith on own people and dependence of local resources.

We have welfare of people at heart. It is gratifying that progress has made on some issue, despite severe constraints. Peace and tranquility, the top most priority of this provincial government, during last two years a substantial reduction in crime rate is a proof of efforts made in this direction. The cash balance position of the province and amount received from federal government as incentive are irrefutable proof of efficient management of scarce resources of the province. The social sector needs have been attended to the possible maximum extent.

I am indebted to acknowledge dedicated hard work by the officers and officials of the Finance Department who have always been subjected to undue pressure not only during this budget process but across the whole year.

**MIR KHALID KHAN LANGAU**  
**Advisor to Chief Minister Balochistan on Finance**

## FOREWORD

The annual Budget is indeed a reflection of revenue collection and the spending priorities of the Government in light of public needs. Budget is one of the key tools to ensure appropriate allocation of scarce resources to attain equitable and sustainable growth. Citizens are key stakeholders in the budget making process. It is, therefore, important that they understand the budget basics, for example, how the resources are mobilized, for what purposes they are allocated and how they are spent. With this aim in, the Finance Department brings out the White Paper annually.

It clarifies the key concepts of budget and explains the rationales behind proposed allocations of resources and provides a valuable comprehension on budgetary and financial status of the Province to the readers to render deducing a well informed opinion, easy, about various financial issues of the Government of Balochistan.

The current budget has been formulated on sound principle of equitable distribution of resources among its people, employing various tools of fiscal measures. In this process guiding principles were: effective and efficient resource allocation and need based expenditure and sound financial control over expenditure.

The current White Paper portrays a comprehensive picture of the Balochistan's finances. Almost, all major areas have been covered. However, emphasis has been on current revenue receipts and expenditures, capital receipts and expenditures, development budget, public accounts, local government finances and debt management.

I sincerely thank those who put in their best end eavour to make the publication possible.

**MUSHTAQ AHMED**  
**Secretary Finance**  
**Government of Balochistan**

**TABLE OF CONTENTS**

<b>CHAPTER 1: ESTIMATES OF RECEIPTS .....</b>	<b>11</b>
<b>CHAPTER 2: ESTIMATES OF EXPENDITURE .....</b>	<b>31</b>
<b>CHAPTER 3: PUBLIC ACCOUNT .....</b>	<b>47</b>
<b>CHAPTER 4: OVERVIEW OF THE PSDP 2015-16 .....</b>	<b>51</b>
<b>CHAPTER 5: OVERVIEW OF FISCAL MANAGEMENT REFORMS .....</b>	<b>63</b>
<b>CHAPTER 6: PENSION AND GENERAL PROVIDENT FUND LIABILITIES .....</b>	<b>65</b>
<b>GLOSSARY .....</b>	<b>68</b>

## EXECUTIVE SUMMARY

Life is still in grip of chilling poverty and deprivation. The first crescent is yet to be visible and children are yet to learn to pick flowers. Flowers may lose fragrance but atleast not lose petals.

Balochistan is distinct from rest of Pakistan not only geographically but also in its sufferings and treatment meted out. It is distinct to receive attention and negligence. Its presentation at Pakistan Secretariat level is explicit, similarly clout on its socioeconomic and political decisions. This is an established impediment to progress and development of the province.

Balochistan is known to all for its enticing natural resources and Gwadar. No one wants to be aware of suffocation of people in Balochistan. Their mouth, nostrils and eyes are filled with sand particles. The irritation is rendered more terrible by scorching and destructive hot winds of miseries of all possible hues. Quickly end this misery but not annihilation.

This is the fateful hour for Balochistan. It is needed to avoid confusion and disorder, survival is of grave importance. The aspired way of life, distinguished by guaranteed individual liberty and freedom from destitutions, stands for bare minimum needs of life, honour and respect for self and customs.

The discontent due to hatred and alienation and lack of voice in own affairs nurtured miseries and expropriation. Mistrust and hatred spreads and grows in evil soil of poverty and strife. These reach their full growth when the hope of a people for a better life is dead. The hope should be kept alive. Investment is needed for happiness and living of people struggling against overwhelming odds since long.

No remorse can mend a heart deprived of love. The truth exists, and ultimately comes out.

## Balochistan: An Overview

Balochistan is nearly half of the land mass, however it is with the least population density.

Balochistan has a close geographical, social and cultural proximity with Iran and Afghanistan. This province is one of the leading factors accountable for overall relationship between Pakistan, Iran and Afghanistan. The geo-strategic location of Balochistan makes it the most attractive province for transit route to Iran and other countries in the region. The common border-line is responsible for the regular interactions between the similar people living in Pakistan and Iranian and beyond. The strategic trans-national gas pipeline projects and construction of seaport, oil refinery and oil at Gwadar further increase the significance of Balochistan as an important energy conduit in the region.

It is its main economic resource, gold, iron, copper, uranium, and other minerals. The land mass of the province endows Pakistan with a strategic space that might shorten trade and travel costs between emerging economic regions. The long coastline is not only a possible site of transit routes for trade and travel, but also the gatekeeper of rich marine resource

The population density is very low, this implies that the province enjoys a potentially high value of natural resources per person.

Division	Area Sq Km	Population (1988)	Districts
<i>Quetta</i>	64,310	1,699,957	Quetta, Pishin, Qilla Abdullah, Chagai, and Nushki.
<i>Zhob</i>	46,200	1,003,851	Zhob, Musakhail, QillaSaifullah, Loralai, Barkhan, and Sherani.
<i>Kalat</i>	140,612	1,457,722	Kalat, Mastung, Khuzdar, Kharan, Washuk, Awaran, and Lasbela.
<i>Sibi</i>	270,55	4,94,894	Sibi, Ziarat, DeraBugti, Kohlu, and Harnai
<i>Nasirabad</i>	16,946	1,076,708	Nasirabad, Jaffarabad, JhalMagsi, Sohbatpur, and Kachi.
<i>Makran</i>	52,067	832,753	Kech, Panjgur, and Gwadar

The principal strengths of Balochistan's economy are natural resource based: mines and minerals, fruit and crops, livestock and fishing. While the economy lacks diversification at the local level, the distinct ecological systems in different areas - flood-plains, uplands, and deserts to the coastal area - lead to a considerable variety at the provincial level. Balochistan's agriculture focuses on non-staple and high-value products, suitable for the water-scarce high-altitude environment, in addition to crop cultivation in the canal irrigated districts in the northeast close to the Indus Basin. The northern area specializes in horticulture; the central and western districts engage foremost in livestock rearing, and the coastal belt relies on fishery. In addition, rich mineral deposits, such as coal, copper, gold to natural gas, are scattered around the province.

social development appears to face particularly daunting challenges. The province starts from a relatively low level óin terms of social achievements such as health, education and gender equity indicators, economic development and physical infrastructure. The fact that Balochistan covers p g c t n { " j c n h " q h " v j g " n c p f " c t g c " q h " R c m k u v c p " y j r q r w n c v k q p " k u " c " u v c t m " g p q w i j " t g o k p f g t " v j c v " social development will need to pay attention to its geographical and demographic peculiarities. Indeed, remoteness, environmental fragility and geographical diversity might be viewed as defining the context of development in the province.

C p q v j g t " u g v " q h " e j c n n g p a n d s o c i a l d e v e l o p m e n t ó n a m e l y , t h o s e p ø u " relating to institutions, social structures and political fragmentation. The province first came into existence in its present form in 1970.

It ø main economic resource is its geography. Low population density means that the province enjoys a potentially high value of natural resources per person. The forbidding topography is home to rich mineral deposits ósome of which have been explored and exploited while yet others remain to be put to economic use. The land mass of the province endows Pakistan with a strategic space that might shorten trade and travel costs between emerging economic regions. The long coastline is not only a possible site of transit routes for trade and travel, but also the gatekeeper of rich marine resources. There are both internal and outside political obstacles to social and economic development of Balochistan. It may be argued that the main political q d u v c e n g u " v q " f g x g n q r o g p v " o k i j v " c e v w c n n € " n k g federal system; resource rents and allocations to the province; and the role of extra-provincial political stakeholders.

There are important contrasts between Balochistan and the rest of Pakistan in terms of comparative advantage and potential sectors of economic growth. While the rest of Pakistan is a labour-abundant economy with potential growth modes in agriculture, manufacturing as well as labour-intensive service sectors; Balochistan is relatively scarce in its endowments of human

capital, agricultural growth and industrial investment. For the last fifteen years, the overall share of the province in national GDP has been declining. The province's potential appears to be closely connected to its integration with the national economy and other regional economies. Any growth strategy for Balochistan would need to take these differences as a point of departure.

The agriculture continues to attract interest, like in the rest of Pakistan, as a source of growth, its relative potential in Balochistan is circumscribed by the chronic scarcity of water over much of the province. Livestock and horticulture dominate the agricultural sector in the rest of the province. The introduction of deep submersible tube wells as a drought mitigation measure was meant to support the horticultural economy. Three main nodes of potential economic growth in Balochistan, in the context of the global economy, have been identified.

These are: (a) mineral resources; (b) trade and transit routes; (c) coastal development

The mineral sector is a potentially significant but as yet under-utilized part of the province's economy.

Gas and coal have traditionally been more important amongst the mineral resources of the province and have been utilized widely for national use and export purposes. The share of the provincial governments in oil and gas resources is composed of royalties, Excise Duty and Gas Development Surcharge. In accordance with Rule 18 of Pakistan Petroleum (Production) Rules 1949, royalty on a gas field is calculated by using annual gas production and a fixed price for the well-head. The royalty is 12.5 percent of the total annual gas production, using a well-head price determined at the time of the concession, and can be paid in both cash and kind.

Copper, gold, silver, and iron are a few of the more well-known and important minerals present in Balochistan. All four are found in large quantities in Chagai District. In fact one very large deposit of copper and gold found in the small town of RekoDiq in Chagai District has recently been the source of a great deal of controversy and a court case.

Natural gas, currently the second largest energy source in Pakistan, was accidentally discovered in 1952 near the town of Sui, Balochistan. Natural gas has become almost synonymous with the province. In 1990, the province was contributing nearly 56% to national gas production. By 2007 its share had dropped to 22.7%, and that same year it became the largest producer of gas in Pakistan after Sindh. But consumption of natural gas is greatest in Punjab followed by Sindh, whereas Balochistan and KPK consume much less.

Majority of the natural gas is produced in one geographical region comprising of East Central Balochistan and Upper Sindh. The oldest and largest natural gas field in Pakistan is the Sui Gas

Field located at the foot of the Marri-Bugti Hills in Balochistan. The second largest gas field, Marri Gas Field, is located in Upper Sindh.

Despite the extraction of gas since the 1950s, approximately only 14 urban townships receive gas supply, including Quetta, Kalat, Mastung, and Pishin. There are still a large number of rural areas in Balochistan, including those near to the gas field, that do not have access to gas. This issue and the distribution of income from the natural gas to Balochistan has been a source of great tension within the province. These tensions have come to a head in the last decade with numerous bombings of the gas pipelines by Baloch nationalists.

Pakistan is believed to have 186 billion tonnes of coal reserves as of 2013, but is mostly of poor quality. Sindh has the largest coal reserves of 185.5 billion tones, followed by Balochistan, with 185.5 billion tones. The coal reserves of Balochistan are estimated at 185.5 billion tones (2006-7); of which 185.5 billion tones are in the form of lignite and 0.0 billion tones are in the form of bituminous coal. The majority of the coal is used in brick kilns and a small amount is used as an energy source.

The number of developed coalfields in Balochistan is 6. There is the Mach-Abegum coalfield found in Bolan district approximately 70 km southeast of Quetta. Sor Range- Sinjidi-Deghari coalfield is situated 28 km east of Quetta and is considered the deepest coalmine in Pakistan. Pir Ismail Ziarat-Margar-Narwar coalfield is situated 60 km east of Quetta, and the Duki-Anambar coalfield is located in Loralai District. The Khost-Sharig-Harnai coalfield is located in Sibi District about 160 km from Quetta and the Chamalang coalfield is found in Loralai District.

Balochistan has a considerable potential of wind energy in the coastal belt. Balochistan lies on the coast of the Arabian Sea and is the largest province of Pakistan in terms of area, covering 347.19 thousand km<sup>2</sup>. The province has about 800 km long coastline whose continental shelf extends to a distance of 150 km. The province has a population of around 8 million, of which about 76% lives in rural areas. Majority of the population is engaged in agriculture and livestock rearing for their livelihood. The province has a total installed capacity of 4.1 TWh/ year of electricity, which is only 5.6% of the total electricity consumption in the country. Per capita yearly electricity consumption in the province is only 490 kWh. The technical potential of wind power has been estimated as 41.6 GW, which is about 2 times the current power generation installed capacity in Pakistan. About 42.5 TWh of electricity could be generated annually from CGC on-shore wind farms, which is about half of the current total conventional electricity generation in Pakistan and 10 times the annual electricity consumption in the province of Balochistan.

The province of Balochistan is ideal for utilization of solar energy. Balochistan province is particularly rich in solar energy. It has an average daily global insolation of 19 to 20 MJ/m<sup>2</sup> per day with annual mean sunshine duration of 8 to 8.5 hours a day and these values are among the highest in the world. The Finance Department-Government of Balochistan

highest in the world. For daily global radiation up to 23MJ/m<sup>2</sup>, 24 (80%) consecutive days are available in this area. Such conditions are ideal for PV and other solar energy applications. We can make use of this freely available and widely distributed solar energy for improving the socio-economic conditions of the people.

If 0.25% of Balochistan was covered with solar panels with an efficiency of 20%, enough electricity would be generated to cover all of Pakistani demand.

Balochistan is located at an important geo-strategic position. Opposite Straits of Hormuz, it is on the cultural and geographical crossroads of South Asia, Central Asia and the Middle East. The Straits of Hormuz marks an entry into the Persian Gulf and is an important route for oil trade. Nearly 17 million barrels of oil passes through the Straits of Hurmoz daily. Straddled by the 900 km western border with Iran, and around 1200 km north-western border with Afghanistan, Balochistan opens access to these mineral-rich and strategically important areas<sup>42</sup>. It also marks an entry point into the resource-rich landlocked provinces of Punjab and KPK. Its geographical proximity to the oil and gas deposits of Central Asian regions adds to its strategic importance.

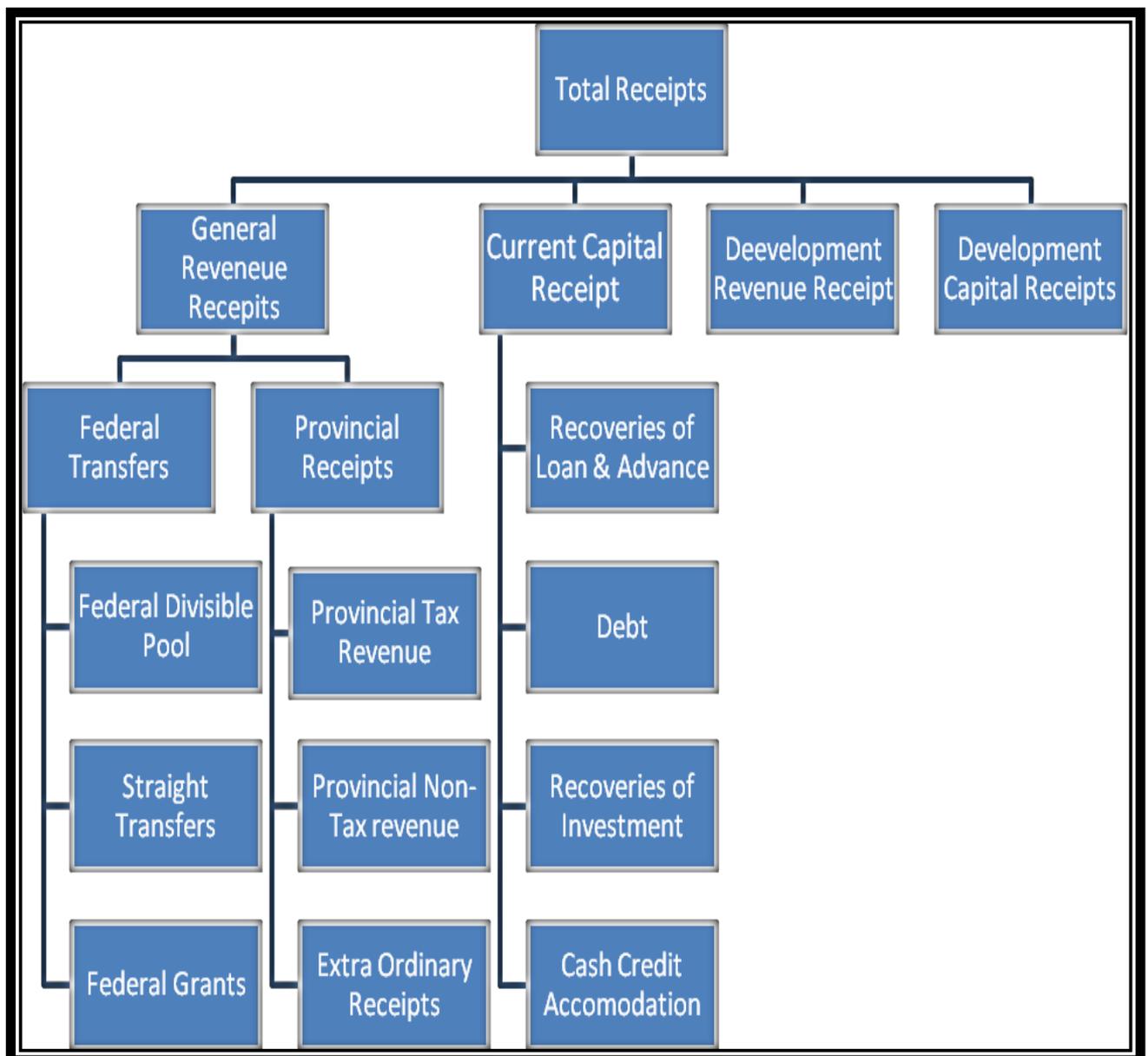
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coast is scenic and houses various types of marine life forms, which presents an opportunity for both tourism development and marine fishing. Along with development of mineral resources, promoting Balochistan as a tourist attraction and developing coastal and marine resources. D c n q e j k u v c p " c n u q " c e e q w p v u " h q t " c n o q u v " v j k t v {  
fisheries sector contributed to 9 percent of the national fisheries sector. In the last decade, the production of fish and domestic and export distribution has remained almost unchanged. The fisheries sector is also a source of employment for many in the coastal areas. Nearly 70 percent of the total employed persons in the coastal districts are associated with the sector.  
economic development potential of the province is largely pegged to sectors and activities that will require the exploitation of natural resources ó minerals, marine resources and strategic location.

**CHAPTER 1: ESTIMATES OF RECEIPTS**

Provincial Government receipts are categorized, according to Annual Budget Statement, under the following headings:

- I. General Revenue Receipts
- II. Development Revenue Receipts
- III. Capital Receipts
- IV. Development Capital Receipts

The following flow diagram provides different sub-categories of the receipts under the four main categories mentioned above:



For the purpose of this chapter and the budget, Development Revenue

Receipts have been included as a part of Non-Tax Receipts.

In FY 2014-15, total receipts were estimated as 176,772.000 Million. For FY2015-16, total receipts have been estimated to the tune of Rs. 188,557.00 Million Against the Revised Estimate of Rs.177.917 Million. In this way, Budget Estimate 2015-16 of total receipts reflect a growth of 5.98 % over Revised Estimates of FY2014-15.

BE 2015-16 of Provincial Tax Receipts have been fixed at Rs.3,599.749 Million in compare is on with revised estimates of Rs.2,836.679 Million for FY2014-15 showing a growth of 26.90%. For Non-tax receipts, an estimate of Rs.4,244.930 Million has been fixed in FY2015-16 against revised estimates of Rs.4,973.870 Million in FY2014-15.

Table below summaries the estimates of total provincial receipts of the government

**Table 1.1 - Total Provincial Receipts**

(Rs .In Million)

<b>RECEIPTS</b>	<b>Budget Estimate 2014-15</b>	<b>Revised Estimate 2014-15</b>	<b>Budget Estimate 2015-16</b>
<b>General Revenue Receipts</b>	<b>176,771.767</b>	<b>177,917.477</b>	<b>188,556.862</b>
A. Federal Receipt	167,801.283	170,106.928	180,712.182
< Divisible Pool	141,212.835	141,212.835	155,992.825
< Straight Transfers	16,588.448	13,023.828	14,719.357
< Other Grants from Federal Govt.	10,000.00	15,313.566	10,000.00
Previous { g catreorsu	-	556.699	
B. Provincial Own Receipt	8,970.484	7,810.549	7,844.679
< Provincial Tax Revenue (Including GST on Services)	3,508.676	2,836.679	3,599.749
< Provincial Non-Tax Revenue	5,461.808	4,973.870	4,244.930
<b>Current Capital Receipts</b>	<b>20,488.686</b>	<b>24,013.654</b>	<b>25,578.206</b>
Recoveries of Loans and Advances	842.124	157.920	5,848.300
Debt	12,845.244	15,711.828	11,600.000
State Trading - (A/c. No.II)	6,801.300	8,143.906	8,129.906
<b>Development Capital Receipts</b>	<b>2,791.712</b>	<b>3,676.830</b>	<b>3,391.400</b>
<b>Total Provincial Receipts</b>	<b>200,050.903</b>	<b>215,889.170</b>	<b>217,526.467</b>

The definitions, composition and analysis of different types of receipts are given below:-

### **GENERAL REVENUE RECEIPTS.**

Main elements of General Revenue Receipts are as follows:

I) Federal Transfers:

- < Share of Federal Divisible Pool of Taxes under the 7th NFC Award.
- < Straight Transfers on account of constitutional provisions: royalties on oil and gas
- < Federal Grants

II) Provincial Own Revenue:

- < Provincial Tax Revenue including Sales Tax on Services
- < Provincial Non-Tax Revenue
- < Extraordinary Receipts

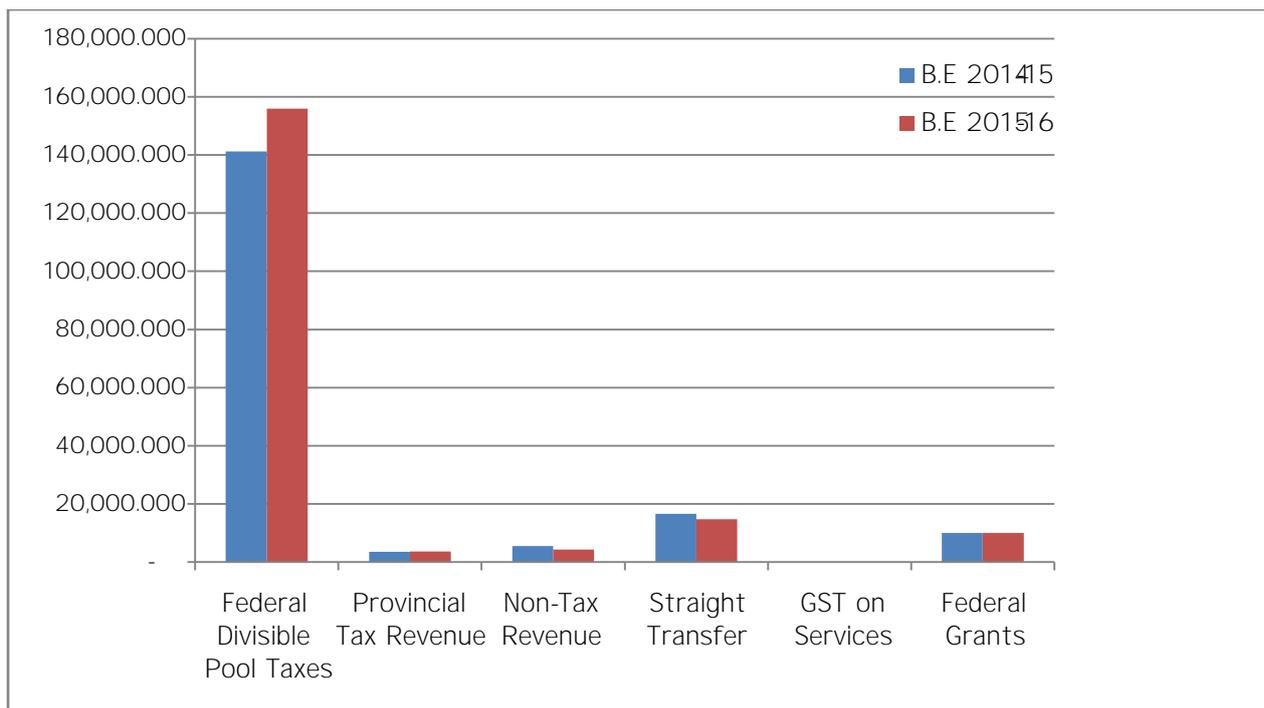
Table 1.2 shows the estimates for General Revenue Receipts for FY 2015-16 in comparison with RE 2014-15 and BE 2014-15. For the purpose of clarity, Federal Grants and Straight Transfers, which are part of the provincial non-tax receipt in the Annual Budget Statement, have been shown separately to give a clear picture of the provincial non-tax revenues under the control of the Provincial Government.

As depicted in Table 1.2 below, General Revenue Receipts were estimated at Rs. 200,050.903 Million. In FY 2015-16, budget estimate of General Revenue Receipts has been pitched at Rs. 217,526.467 Million against revised estimate of Rs. 215,889.170 Millions, an increase of approximately 0.75 % over revised estimates of these receipts in FY 2014-15. Moreover, increase in the estimates of Provincial Tax Revenue in FY 2015-16 against the revised estimates of these receipts for FY 2014-15 is not encouraging.

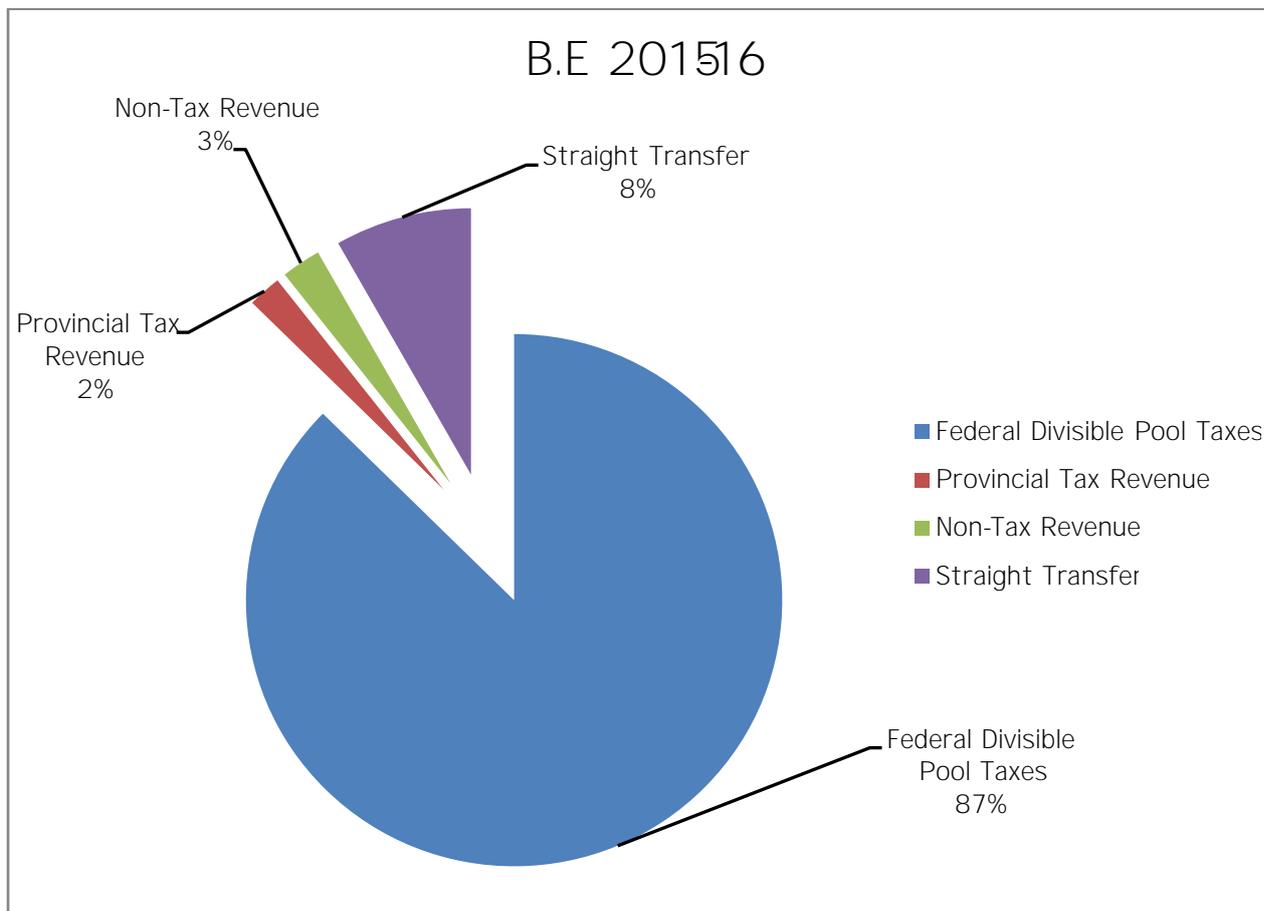
**Table 1.2- General Revenue Receipts***(Rs. In Million)*

<b>RECEIPTS</b>	<b>Budget Estimate 2014-15</b>	<b>Revised Estimate 2014-15</b>	<b>Budget Estimate 2015-16</b>
<b>a) Federal Divisible Pool Taxes</b>	<b>141,212.835</b>		
Taxes on Income	59,017.280	59,017.280	<b>67,283.708</b>
Capital Value Tax	34.783	34.783	<b>68.031</b>
Custom Duty	14,053.309	14,053.309	<b>15,001.732</b>
Tax on Sales	59,627.437	59,627.437	<b>63,876.031</b>
Federal Excise	8,480.026	8,480.026	<b>9,763.323</b>
<b>b) Provincial Tax Revenue</b>	<b>3,508.676</b>	<b>2,836.679</b>	<b>3,599.749</b>
<b>c) Total Non-Tax Revenue (Excluding Straight Transfer &amp; Grants)</b>	<b>26,793.362</b>	<b>29,249.324</b>	<b>31,049.616</b>
Income from Property and Enterprise	6,801.300	8,143.906	8,129.906
Capital Receipt	13,688.130	15,973.628	12,826.480
Receipts from Civil Administration and Other Functions	5,396.801	4,627.746	4,162.167
Capital Own Provincial Receipt	842.124	157.920	5,848.300
Miscellaneous Receipts	65.008	346.124	82.763
<b>d) Straight Transfers</b>	<b>16,588.448</b>	<b>13,023.828</b>	<b>14,719.357</b>
<i>Net Proceeds of Royalty on Crude Oil assigned to Provinces</i>	16.023	4.224	8.291
<i>Net Proceeds of Excise Duty on Natural Gas assigned to Provinces</i>	1,662.080	1,861.020	1,910.020
<i>Net Proceeds of Royalty on Natural Gas assigned to Provinces</i>	10,640.330	6,234.103	6,414.374
<i>Surcharge on Natural Gas-share of net proceeds assigned to provinces</i>	4,270.015	4,924.481	6,386.672
<i>Arrears</i>	-	556.699	-
<b>f) Federal Grants</b>	<b>11,947.582</b>	<b>29,009.806</b>	<b>12,164.920</b>
Development Grants from the Federal Govt	-	<b>1,0281.210</b>	-
Foreign Grants - Dev. Grants from Foreign Govts.	1,947.582	<b>3,415.030</b>	<b>2,164.920</b>
Non-Dev. Grants from the Federal Govt.	10,000.000	<b>15,313.566</b>	<b>10,000.00</b>
<b>Total Non-Tax</b>	<b>196,542.227</b>	<b>213,052.491</b>	<b>213,926.718</b>
<b>Total General Revenue Receipts (A+B)</b>	<b>200,050.903</b>	<b>215,889.170</b>	<b>217,526.467</b>

**Figure 1.1** below shows the comparison of Budget Estimates 2014-15 & BE2015-16 of different components of General Revenue Receipts. It shows that substantial growth is Expected in Federal Divisible Pool Transfers.



**Figure 1.2** shows the share of different components of General Revenue Receipts



The above pie chart depicts the dependence of Provincial Government on Federal Transfers. The combined share of Federal Divisible Pool Taxes is more than 60%. Therefore, even a small percentage variation in Federal Transfer warrants a major adjustment in provincial expenditure.

Following is the analysis of major components of General Revenue Receipts.

### Federal Transfers

#### a) Federal Divisible Pool Taxes

The tax revenue collected by the Federal Government is distributed between the Federation and the Provinces and amongst the Provinces on the basis of NFC Award. This share of the province under the NFC Award is known as Federal Divisible Pool Transfer. Table 1.4 below reflects the BE2014-15, revised estimate of FY2014-15 along with estimated FBR receipts for FY2015-16.

**Table 1.3 - Federal Divisible Pool Taxes**

*(Rs. In Millions)*

PARTICULARS	Budget Estimate 2014-15	Revised Estimate 2014-15	Budget Estimate 2015-16
<b>i. Direct Taxes</b> Income Tax	<b>59,017.280</b>	<b>59,017.280</b>	<b>67,283.708</b>
<b>ii. Indirect Taxes</b>	<b>82,195.555</b>	<b>82,195.555</b>	<b>88,709.117</b>
Federal Excise	8,480.026	8,480.026	9,763.323
Custom Duty	14,053.309	14,053.309	15,001.732
Sales Tax	59,627.437	59,627.437	63,876.031
Capital Value Tax	34.783	34.783	68.031

Under the 7<sup>th</sup> National Finance Commission Award, the percentage share of the provinces in the Divisible Pool is 57.5% w.e.f. FY2011-12. Due to increase in the nominal size of the Federal Divisible Pool, transfers to Balochistan are expected to increase.

Under the 7<sup>th</sup> NFC Award, the Divisible Pool now comprises Taxes on Income, Customs Duties, Sales Tax, Federal Excise excluding Excise Duty on Gas charged at well head, and any other tax levied by the Federal Government. With the exception of Federal Excise Duty on gas, the taxes listed above are distributed between the province and the Federal Government in the ratios given below:

**Table 1.4- Vertical Distribution of Resources**

Provincial share	Federal share
57.50%	42.50%

The provincial share is divided amongst the provinces in the ratios given below. This share was decided on the basis of a multiple criteria based on population inverse population density, revenue and poverty.

**Table 1.5- Horizontal Distribution of Resources (%)**

<b>Punjab</b>	<b>Sindh</b>	<b>KPK</b>	<b>Balochistan</b>
51.74	24.55	14.62	9.09

The major increase in the Divisible Pool Taxes is expected from the Income Tax and Sales Tax. These two taxes collectively contribute to 67% of the share from the Federal Divisible Pool.

### **b) Straight Transfers**

Under Article 161 of the Constitution and the NFCA ward, Straight Transfers to the provinces include:

- i) The net proceeds of the Federal excise duty on natural gas
- ii) Net proceeds of royalty on crude oil and natural gas assigned to the provinces under the Constitution.

### **Royalton Gas:**

Sui gas field has sustained the energy economy of Pakistan for about 50 years. The field is now fast depleting and its production has declined from 80 to approximately 20%. Earliest the well-head price of the gas was amongst the lowest in the country. With the efforts of the government, however, the well head price of the gas had been enhanced to Rs.163.13 MMBTU during year 2009-10. This help ed to raise the non-tax receipts in the relevant head from Rs3,006.776 (2008-09) to Rs.4,443.718 Million (2009-10).

### **Gas Development Surcharge (GDS)**

GDS is the difference between consumer price and prescribed price. While consumer price is paid by the end-user, prescribed price is comprised of the elements including cost of gas, Excise Duty of Rs. 5.09 per MMBTU, transmission and distribution expenditure, depreciation on fixed assets, minimum return to gas companies etc.

GDS has been collected by gas companies under Natural Gas (Development Surcharge) Rules, 1967 framed under recommendation of the NFC, net proceeds of GDS are being distributed to the provinces from 1990, the net proceeds of GDS (after 2% collection charges) have been distributed to the provinces in accordance with their percentage share in total production of gas.

Prior the announcement of NFCA ward in 1991, the GDS was generated only from gas resources emanating from Balochistan. The surcharge was, however not paid to the Provincial Government but utilized for development of other Gas Fields in the country. The act deprived the province of Rs. 29,000 Million. Subsequently, the GDS was announced as it saved the interests of the new gas fields because of their larger share in production. Government of Balochistan always pleaded that the province should be compensated for its depleted resources and the amount utilized for exploration of new gas fields be paid with interest which by June 2009-10 came to Rs.178,597.000 Million.

The revised Estimates of GDS production from all systems in 2004-05 was Rs.16,471.85Million.of which the SNGPL and SSGCL, main resources from Balochistan (sharing approximately 20% of the gas injecting in national energy outlay) are produced a GDS of only Rs. 2,006.3Million. Due to the mechanism of mixing Balochistan gas (having low well-head price) in the past with high price gas of Punjab and Sind hand taking the weighted average cost of gas as input cost of gas for determining the prescribed price, Balochistan has been providing gas subsidy of approximately Rs.14.6billionperannumtothe consumers of the other three provinces, the province should be compensated for the subsidy paid and amount may be provided by Federal Government/ companies in the form of arrears.

The Straight Transfers less Excise duty on Natural Gas are being paid on the close of each Financial Year. The delayed payments of ten result on to accumulation of overdraft the SBP. More fiscal space can be acquired for the province if these dues are paid on accrual or monthly basis directly in to Provinces account by the Gas Campaign making it timelier and saving nearly 2% collection charges paid by Balochistan.

Under straight transfers, the provinces are entitled to receive net proceeds on Federal Excise Duty on natural gas, power, Royalty on crude oil and Surcharge on natural gas. Straight Transfers to Balochistan during 2015-16 has been pitched at Rs--- Million..

The Financial Year 2010-11, besides considerable increase in the Divisible Pool Taxes, also has positive interventions with regard to receipts in the shape of Straight Transfers, the estimates of transfer form Royalty on Natural Gas and Gas Development Surcharge for the Current Financial Year reflect the same trend but the volume of Straight Transfer due to an enormous increase in the estimates of GST on Services from Rs 301.870 Million to Rs.4,557.248 Million.

Excise duty on Crude Oil and Excise Duty on Natural Gas are of the most important revenues included in Straight Transfers. The revenues somehow were on a decline till 2003-04, which started taking an upward trend mainly due to increasing well-Head price and payment of arrears. The straight transfers to the Provincial Government are reflected below in figure.

**Table 1.6 - Straight Transfers for FY 2014-15 & FY 2015-16**

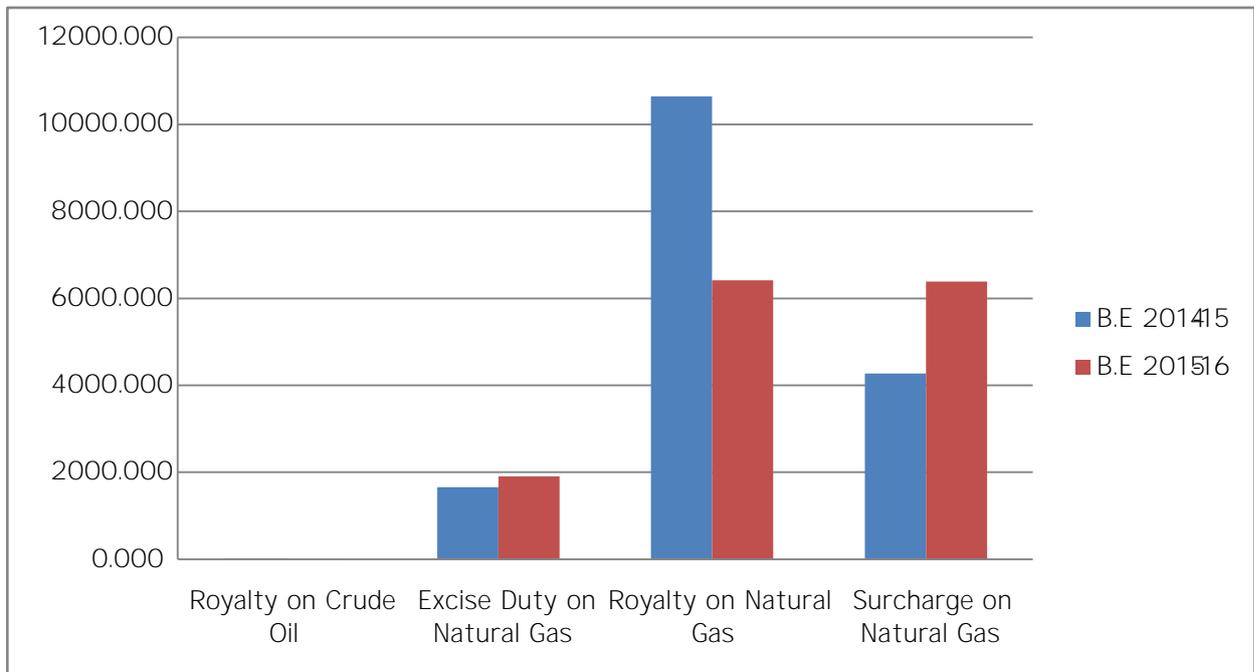
(Rs. In Millions)

<b>Straight Transfers</b>	<b>Budget Estimate 2014-15</b>	<b>Revised Estimate 2014-15</b>	<b>Budget Estimate 2015-16</b>
Net Proceeds of Royalty on Crude Oil assigned to Provinces	16.023	4.224	8.291
Net Proceeds of Excise Duty on Natural Gas assigned to Provinces	1,662.080	1,861.020	1,910.020
Arrears of Excise Duty on Natural Gas assigned to Provinces	-	556.699	-
Net Proceeds of Royalty on Natural Gas assigned to Provinces	10,640.330	6,234.103	6,414.374
Surcharge on Natural Gas-share of net proceeds assigned to provinces	4,270.015	4,924.481	6,386.672
<b>Total</b>	<b>16,588.448</b>	<b>13,580.527</b>	<b>14,719.357</b>

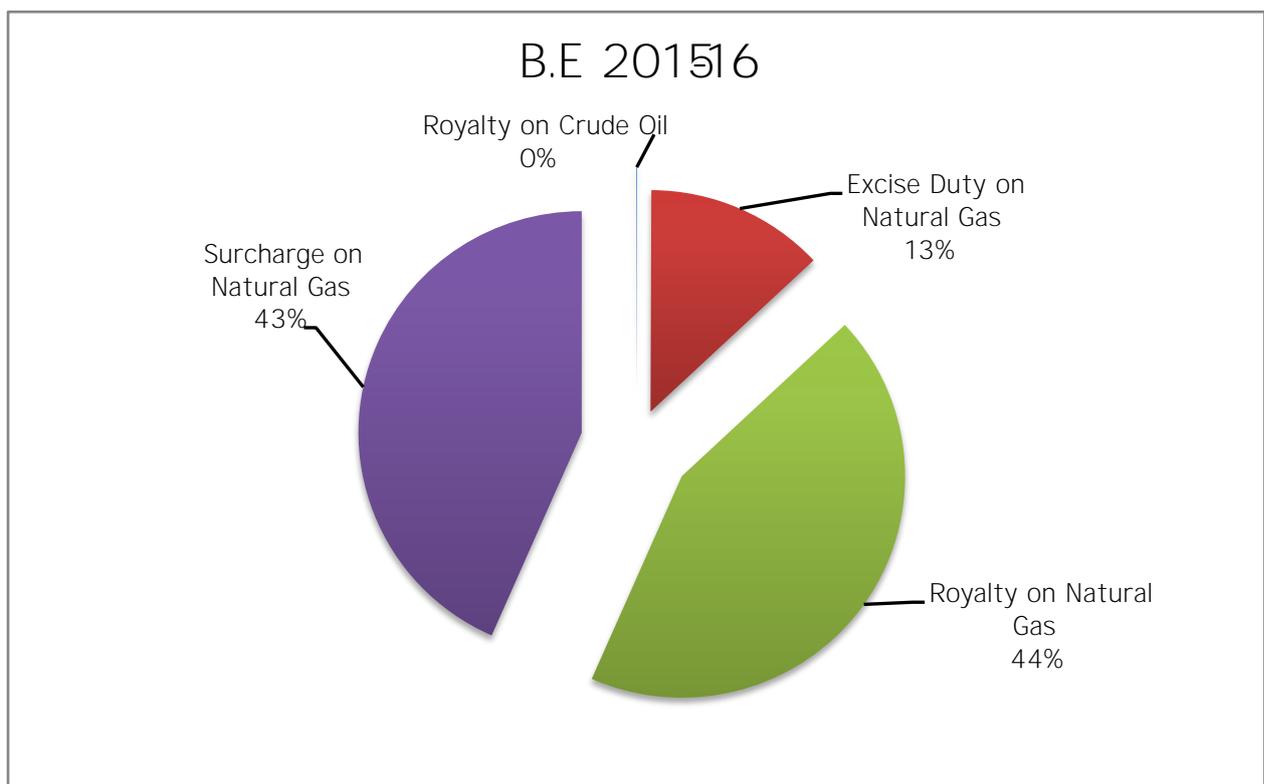
Importance of natural gas for Balochistan should be understood. The gas resources in Balochistan- Loti, Pirkoh and Sui- have been harnessed for last 68 years now to the fullest extent and resources are near to dry. Natural gas from these gas fields of Balochistan contributed to national economy at a rate of three billion a year. If this amount gas was not available from Balochistan the country had to import oil as substitute spending at least three billion dollar per annum. This gas was used for development of economy, outside Balochistan. But it was also squandered by millions of street vendors for their cheap and worthless products all over the country except Balochistan. Hence the contribution of Balochistan to national economy is of 180 billion dollars.

In order to compensate for losses incurred by people in Balochistan and to mitigate sufferings of Balochistan, the provincial government should be allowed to levy a substantial tax on natural gas at well head to generate revenue for future development. The 12.5 per cent royalty and Gas development surcharge made admissible only after 1991,39 long years after discovery of natural gas in Balochistan, have failed to serve purpose of the province.

**Figure 1.3:** Straight Transfers for FY2014-15& FY2015-16



**Figure 1.4:** The budget estimates 2015-16 of Straight Transfers has been pitched at Rs.----Million compared to budget estimate 2014-15 of Rs. 16,588.448 Million.



### Provincial Own Receipts

The Provincial Own Receipts consist of the following:

- a. Tax Receipts
  - i. Receipts from Direct Taxes(Agricultural Income Tax, Property Tax, Land
  - ii. Revenue, Professional Tax, Capital Value Tax etc.)
  - iii. Receipts from Indirect Taxes (Sales Tax on Services, Provincial Excise, Stamp Duties, Motor Vehicle Taxes, Electricity Duty etc.)
- b. Non-Tax Receipts
  - i. Income from property and enterprises
  - ii. Receipts from civil administration and other functions
  - iii. Miscellaneous Receipts (other receipts excluding Grants and Federal; Development Surcharges and Royalties
  - iv. Extra ordinary Receipts

The estimates of Provincial Own Receipts are provided in Table 1.7 below. The table shows that during FY2014-15, the actual collection of Provincial Own Receipts.

The estimates of Provincial Own Receipts are provided in Table 1.7.

**Table 1.7- Provincial Own Receipts**

*(Rs. in Million)*

RECEIPTS	Budget Estimate 2014-15	Revised Estimate 2014-15	Budget Estimate 2015-16
<b>a) Tax Receipts</b>	<b>3,508.676</b>	<b>2,836.679</b>	<b>3,599.749</b>
i. Direct Taxes	3,428.435	2,753.749	3,514.616
ii. Indirect Taxes	80.240	82.930	85.133
<b>b) Non-Tax Receipts</b>	<b>5,461.808</b>	<b>4,973.870</b>	<b>4,244.931</b>
i. Income from Property and Enterprises	953.025	443.869	474.525
ii. Receipts from Civil Administration and other Functions	814.785	609.464	715.602
iii. Miscellaneous Receipts	3,693.998	3,920.538	3,054.804
<b>Total Provincial Own Receipts</b>	<b>8,970.484</b>	<b>7,810.549</b>	<b>7,844.680</b>

Table 1.8 shows department wise collection of provincial Tax receipts

**Table 1.8- Provincial Tax Receipts**

(Rs. in Million)

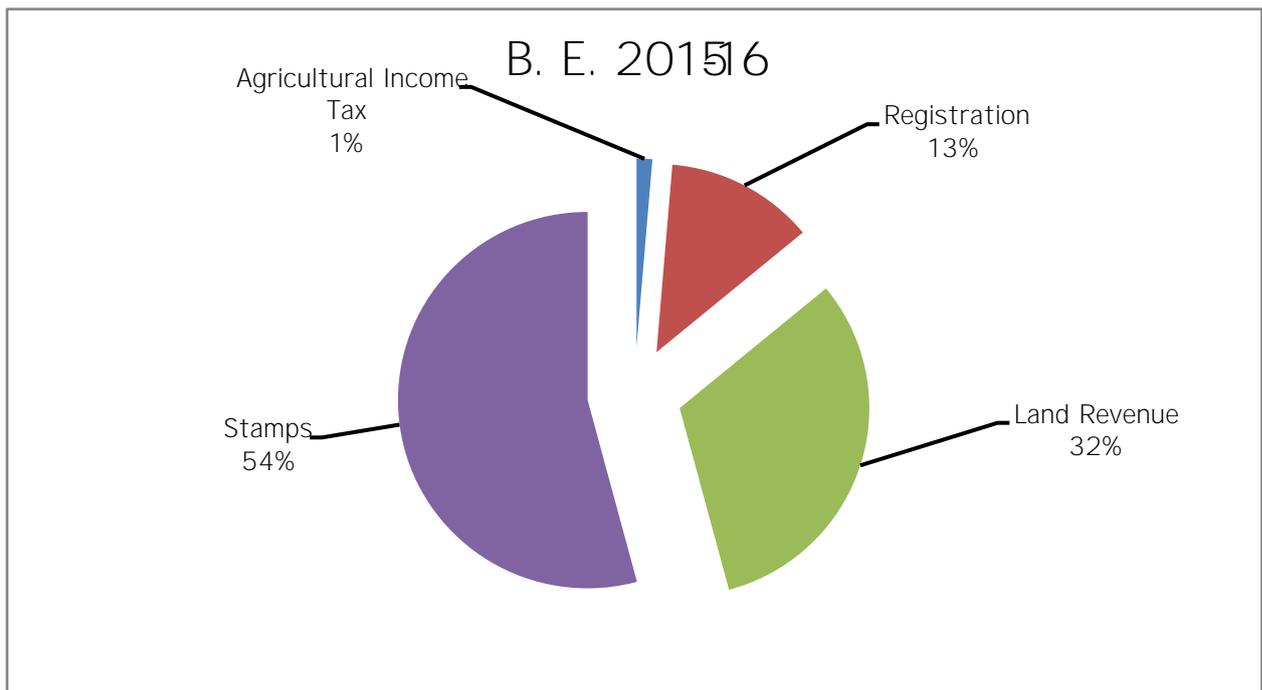
TAX RECEIPTS	Budget Estimate 2014-15	Revised Estimate 2014-15	Budget Estimate 2015-16
Board of Revenue	453.720	585.864	748.300
Agricultural Income Tax	0.500	1.000	10.000
Registration	95.000	25.000	95.000
Land Revenue	114.220	189.827	237.800
Stamps	244.000	370.037	405.500
Excise &Taxation	2949.314	2115.280	2710.914
Urban Immovable Property Tax	87.720	60.000	87.720
Tax on Professions, Trades and Callings	2.700	1.350	2.700
Receipts under Motor Vehicle Acts	521.138	521.200	551.500
Sales Tax on Services	1912.630	1031.580	1500.000
Capital Gains Tax	3.500	3.500	3.500
Provincial Excise	417.028	495.254	560.890
Other Indirect Taxes	4.598	2.396	4.598
Transport	30.000	55.000	60.000
Motor Vehicles fitness certificate and permit fee	30.000	55.000	60.000
Energy	75.642	80.535	80.535
Electricity Duty	75.642	80.535	80.535
TOTAL	3508.676	2836.679	3599.749

**BOARD OF REVENUE**

**Figure1.5:** The following bar charts shows that Board of Revenue failed to achieve the targets in the BE2014-15 except for the Stamps. Especially the performance with regard to Land revenue and Registration is highly questionable.



**Figure 1.6:** Following pie-chart shows the composition of taxes to be collected by Board of Revenue as estimated for FY 2015-16



### **Land Revenue**

Land Revenue is a broad category which includes anumber of receipts related to Land Revenue functions. Mutation Fee is the major component of the Land Revenue receipts. Land Revenue is expected to contribute Rs.237.800 Million to the provincial exchequer during FY2015-16. The RE2014-15 of Land Revenue is 189.827 Million compared to target of Rs.114.220 Million during FY 2014-15. It is need of the hour that the Government has to implement a major reform initiative i.e. imposition of valuation tables for determination of Mutation. Similar major reform measure will contribute positively to the growth in revenue from Land Revenue and other sources of revenue collection.

### **Registration**

Registration fee is collected at the time of registration of a sale deed of property. BE 2015-16 of Registration has been set at Rs.95.000Million compared to RE 2014-15 of Rs. 25.00 Million.

### **Agricultural Income Tax**

Agricultural Income Tax (AIT) is being envisaged as a tax on income from agricultural activities. All income from agriculture above Rs.80, 000 per year is subject to tax. AIT is levied on land holdings of above 12½ or 25 acres, respectively for irrigated and non-irrigated cultivated and Finance Department-Government of Balochistan

the target for the next financial year 2015-16 for (AIT) has been set at Rs.----Million. It is very easy to say that like other sectors, income from agriculture should also be taxed but its assessment and collection is very difficult because of many reasons.

### **Agriculture Land Ownership in Balochistan**

**(As per Agriculture Statistics 2000)**

Less than 5 acre (%)	5 to 25 acres (%)	25 to 50 acres (%)	50 acres and plus (%)
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### **GST on Services**

The Government levied GST on services on following services w.e.f.

01.07.2010 as the right of provinces to collect GST on Services was recognized by the Federal Government during deliberations on 7<sup>th</sup> NFC Award:-

- “ Telecommunication
- “ Banking
- “ Shipping Agents
- “ Insurance and other financial services
- “ Stock Brokers
- “ Advertisements on Cable TV and similar services

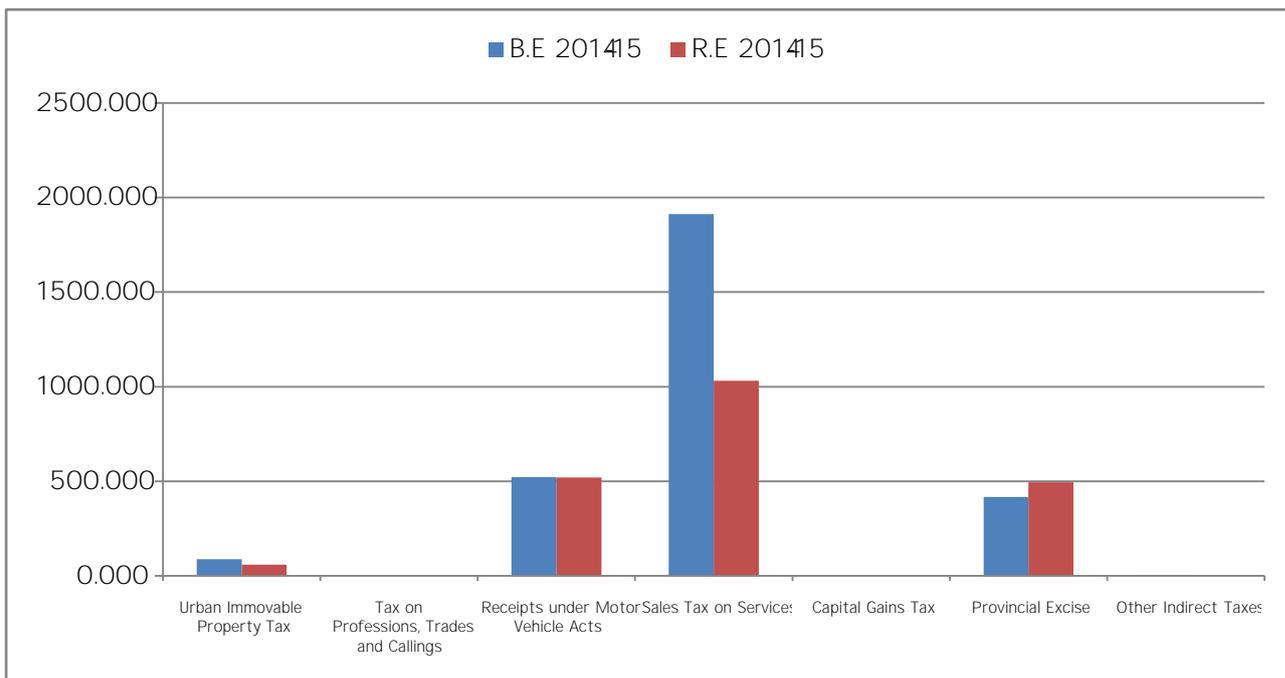
Collection of General Sales Tax on Services in FY 2011-12 was assigned to Federal Board of Revenue in conformity with Record Note signed between Federal Government and Provincial Governments. Presently the Federal Government is collecting the GST on behalf of provincial Government, but the present provincial Government has decided to establish its own Balochistan Revenue Authority to collect the tax in the near future. The Government of Balochistan has decided to go for legislation in this regard in the FY 2013-14.

Three federating units (Sindh, Punjab and KP) have their own revenue collecting arms, whereas Balochistan has yet to set up its own revenue authority. The federation is collecting the tax on its behalf.

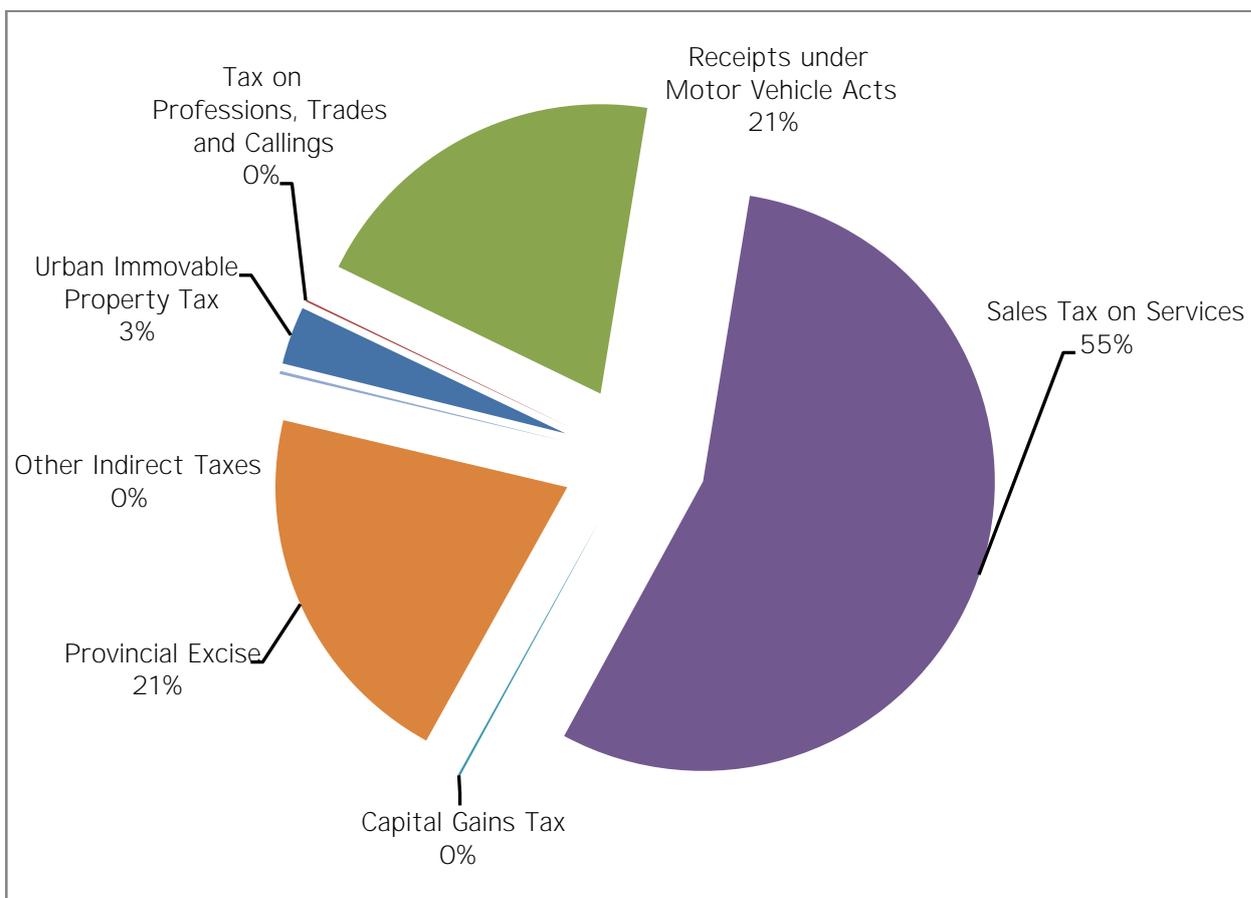
### **Excise & Taxation Department**

The following bar chart shows the comparison of budgeted and collected taxes by Excise and Taxation Department. The chart shows the Department achieved its targets in the FY2014-15.

**Figure1.7:**



**Figure1.8:** The following pie-chart shows the composition of taxes collected by Excise & Taxation as estimated for FY 2015-16.



**Table 1.9 shows a comparison of the Provincial Non-Tax receipts between FY 2014-15 and FY 2015-16.**

**Table 1.9- Provincial Non Tax Revenue**

*(Excluding Federal Grants and Development Surcharges and Royalties)*

*(Rs. In Million)*

<b>NON TAX REVENUE</b>	<b>Budget Estimate 2014-15</b>	<b>Revised Estimate 2014-15</b>	<b>Budget Estimate 2015-16</b>
Income from Property and Enterprises	953.025	443.869	474.525
Interest on Loans to Financial Institutions	880.000	416.000	400.000
Interest on Loans to Financial	46.525	-	46.525
Dividends	26.500	27.869	28.000
Civil Administration and other Functions	42.085	38.074	57.002
General Administration	42.085	38.074	57.002
Law and Order	247.300	246.100	293.900
Justice Department	123.200	88.900	102.400
Police	112.100	147.200	179.500
Jail	12.000	10.000	12.000
Community Services	231.000	137.000	147.500
Communications & Works	170.000	60.000	62.500
Urban Planning & Development	34.000	50.000	55.000
Public Health	27.000	27.000	30.000
Social Services	294.400	188.290	217.200
Education	170.000	56.700	67.950
Health	75.000	82.550	96.600
Miscellaneous Labour	47.300	0.940	1.050
Mines Inspectorate Mines & Mineral		46.500	49.000
Social Welfare	2.100	1.600	2.600
Miscellaneous Receipts	3628.990	3574.414	3054.804
Food	3.000	0.050	0.100
Agriculture	324.645	191.003	342.650
Fisheries	13.645	12.965	15.291
Animal Husbandry	79.300	72.600	80.100
Forest	55.000	59.225	83.650
Irrigation	87.900	91.900	100.900
Stationery and Printing	13.500	16.000	16.500
Industries	45.000	56.450	57.850
Mines and Minerals	75.000	147.221	150.000
Development Surcharge and Royalties	2917.000	2917.000	2110.000
Extra Ordinary Receipt (Sale of Land)	15.000	10.000	15.000
Misc:	65.008	346.124	82.763
<b>TOTAL NON-TAX RECEIPTS</b>	<b>5461.808</b>	<b>4973.871</b>	<b>4244.931</b>

**Figure 1.9:**

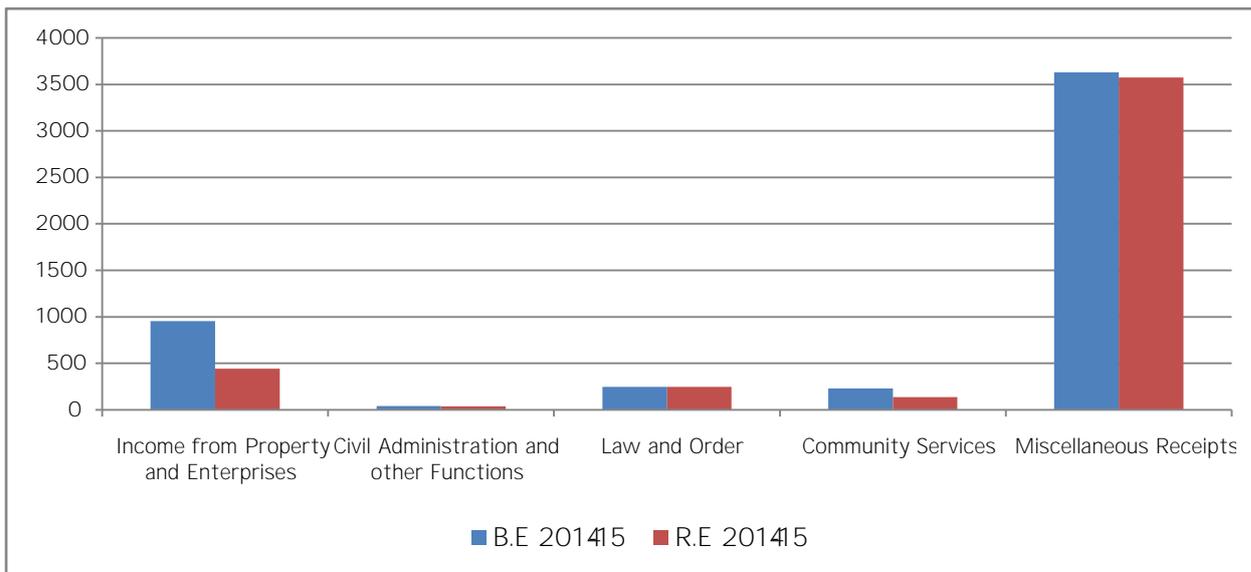
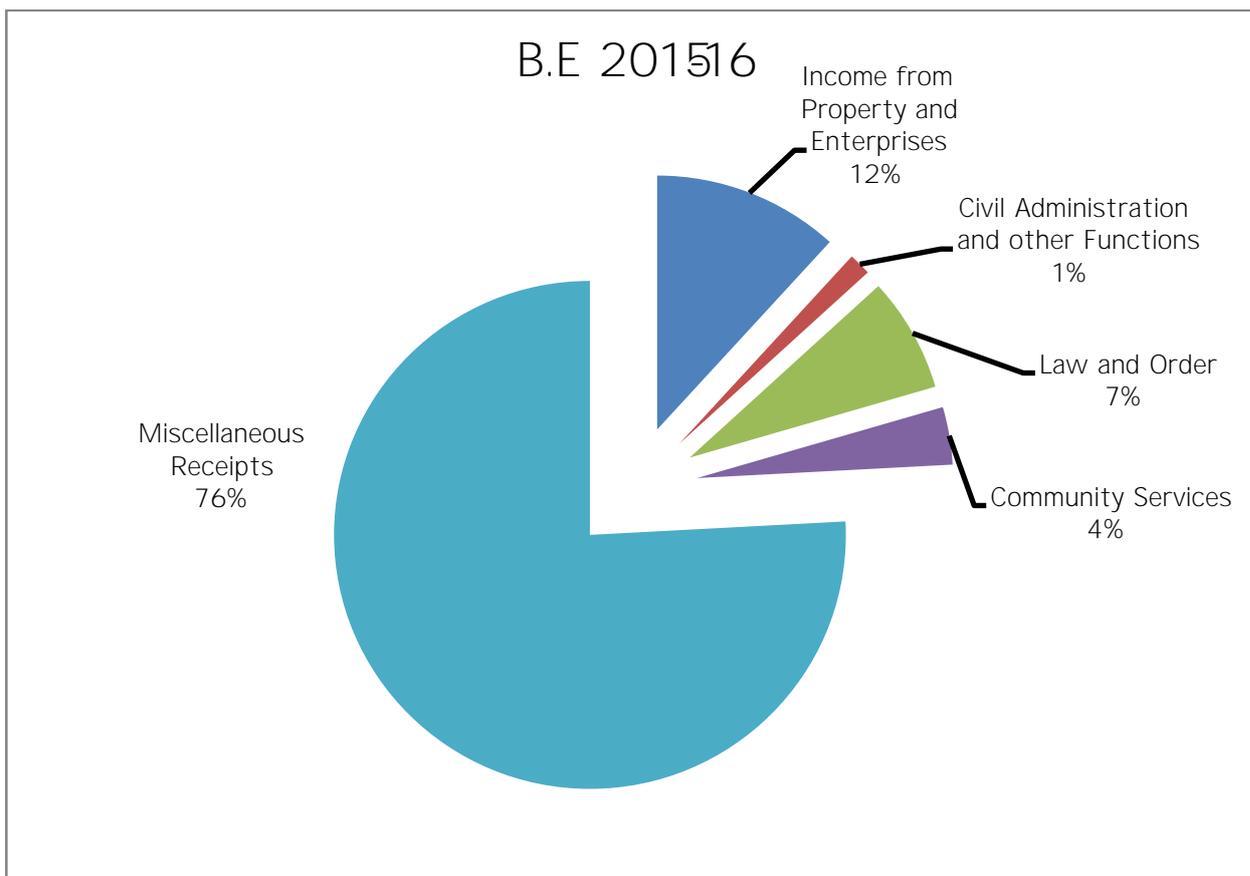
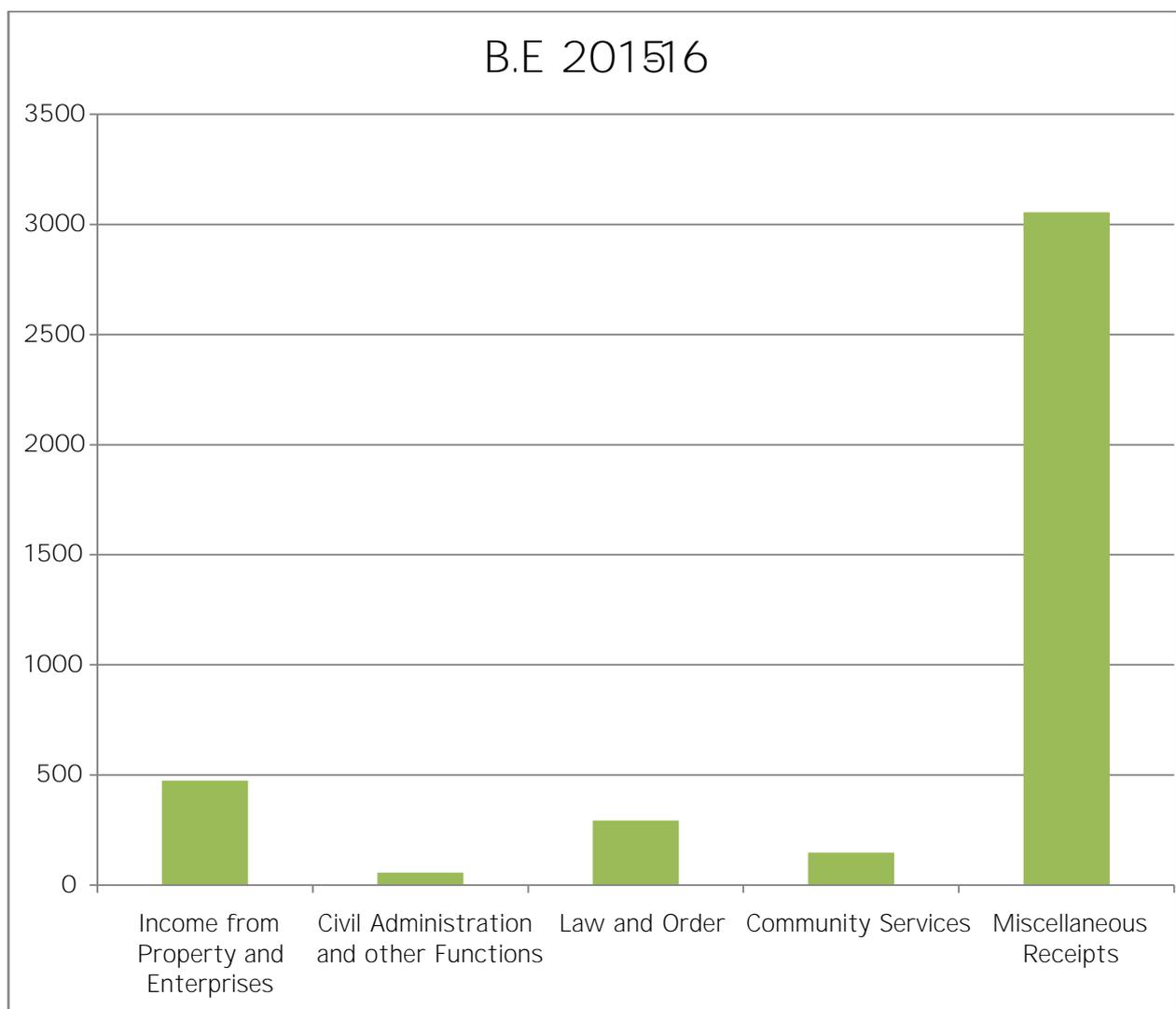


Figure 1.10: shows the share of Income from Property and Enterprises, Receipts of Civil Administration and other functions and Miscellaneous Receipts as estimated for FY 2014-15:



**Figure 1.11:**

### DEVELOPMENT REVENUE RECEIPTS

Development Revenue Receipts are primarily grants from foreign multilaterals for specific development projects. The RE2014-15 of Development Revenue Receipt was Rs.----- Million compared to BE2014-15 of Rs.1,947.582 Million. The BE2015-16 has been pitched at only Rs.-----Million.

**Table 1.10 - Development Revenue Receipt**

*(Rs. In Million)*

Particulars	Budget Estimate 2014-15	Revised Estimate 2014-15	Budget Estimate 2015-16
Foreign Grants from Federal Govt:	1,947.582	3,415.030	2,164.920
Other Development Grant	-	10,281.210	-
<b>Total Development Grants</b>	<b>1,947.582</b>	<b>13,696.240</b>	<b>2,164.920</b>

## CURRENT CAPITAL RECEIPTS

Current Capital Receipts mainly accrue from new loans borrowed or raised by the Provincial Government and recoveries of loans granted to provincial establishments or their employees. Current Capital Receipts may be credited either to the Provincial I q x g t p o g p v Account No. I (Non-Food Account) or Account No. II (Food Account), depending on the nature of the receipt. Money rose through loans, budgetary support programme of multi laterals, recoveries of principal amount of loans advanced by the Government to its employees and autonomous bodies are credited to Current Capital Receipts (Account No. I). On the other hand, receipts from sale of wheat and financing for procurement of wheat accrue to Account No. II.

**Table 1.11 - Current Capital Receipts**

(Rs. in Millions)

RECEIPTS	Budget Estimate 2014-15	Revised Estimate 2014-15	Budget Estimate 2015-16
<b>a) Loans &amp; Advances/Recoveries of Loans and Advances</b>	<b>842.124</b>	<b>157.920</b>	<b>5848.300</b>
From Financial Institutions	200.000	-	5,200.00
From Non-Financial Institutions	465.250	-	465.250
From Government Servants	176.874	157.920	183.050
<b>b) Debt</b>	<b>844.130</b>	<b>261.800</b>	<b>1,226.480</b>
Permanent Debt-Domestic	-	-	-
Permanent Debt-Direct (Access to Justice Programme)	-	-	-
Recovery of Investment	-	-	-
Permanent Debt-Foreign	844.130	261.800	1,226.480
<b>Account No. I (a) + (b)</b>	<b>1686.254</b>	<b>419.720</b>	<b>7074.780</b>
State Trading Schemes	6,801.300	8,143.906	8,129.906
Cash Credit Accord; Account No.II	8,344.000	8,314.828	7,100.000
Cash Credit Account; Account No.II	4,500.000	7,397.000	4,500.000
<b>Total Current Capital Receipts (I &amp; II)</b>	<b>21,331.554</b>	<b>24,275.454</b>	<b>26,804.686</b>

### *Permanent Debt - Account No. I*

Direct debt and loans borrowed from or through the Federal Government i.e. domestic and foreign loans comprise the permanent debt of the provincial government. Government of Balochistan has not been borrowing from any domestic source.

### *Public Debt óAccount No. II (Food Account)*

Account No. II, like Account No. I, is also maintained with the State Bank of Pakistan. The distinction, however, is that this account is meant exclusively for transactions relating to state trading in food commodities by the Food Department. Finances for food commodity purchases are raised through what is known as ÷ E cCredit Accommodation.

## DEVELOPMENT CAPITAL RECEIPTS

Development Capital Receipts comprise loans borrowed from multilateral on or agencies through the Federal Government for specific foreign-assisted development projects. Combined with the Development Revenue Receipts and surpluses from the General Revenue Account and Capital Account, Development Capital Receipts finance the Annual Development Programme of the province. The Budget Estimates 2015-16 for Development Capital Receipts is Rs.----- Million compared to Budget Estimates 2014-15 of Rs.844.130 Million and RE 2014-15 of Rs. ---Million.

**Table 1.12 -Current Capital Receipts**

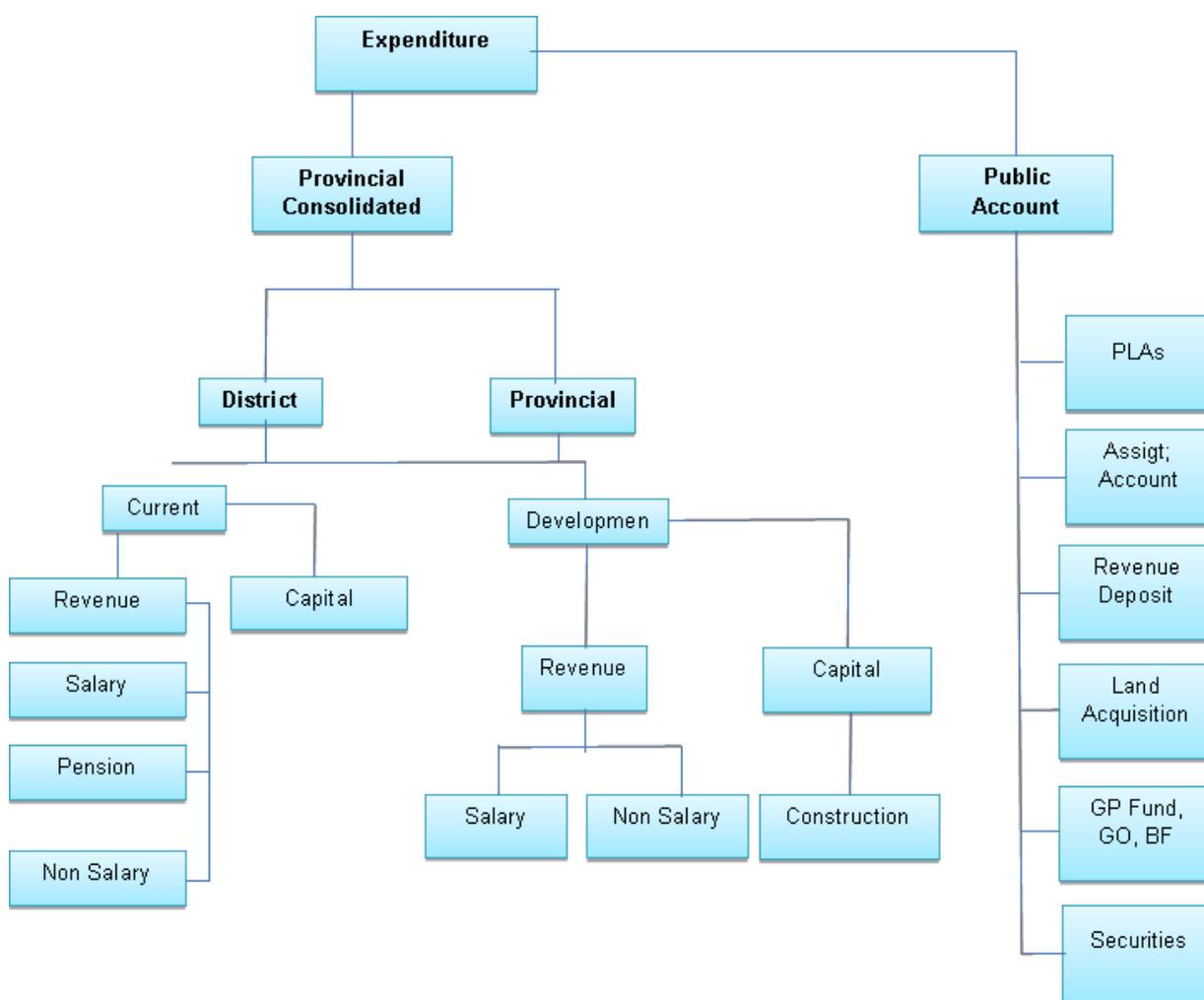
*(Rs. in Millions)*

<b>Development Capital</b>	<b>Budget Estimate 2014-15</b>	<b>Revised Estimate 2014-15</b>	<b>Budget Estimate 2015-16</b>
Domestic Debt	--		
Foreign Debt	844.130	261.800	1,226.480
<b>Total</b>	<b>844.130</b>	<b>261.800</b>	<b>1,228.480</b>

**CHAPTER 2: ESTIMATES OF EXPENDITURE.**

Under Article 118 of the Constitution of Islamic Republic of Pakistan 1973, General Public Service Over all expenditures of the government is classified under Provincial Consolidated Fund and Public Account of the province. Components and streams of financing items of Provincial Consolidated Fund and Public Account are represented in the Figure2.2.

**Figure 2.2:** Expenditure Classification



Transactions on receipt and expenditure side which are not part of the Provincial Consolidated Fund are explained separately in the Chapter of the White Paper on Public Account.

As regards the expenditures from the Provincial Consolidated Fund, the same are classified in to following categories:

- a) **Current**
  - I. Current Revenue Expenditure
  - II. Current Capital Expenditure
- b) **Development**
  - I. Revenue Expenditure
  - II. Capital Expenditure.

#### **I. Current Revenue Expenditure**

Current Revenue Expenditure includes the expenditures on the regulatory functions of the government and provision of social and economic services. According to the Chart of Accounts under the New Accounting Model adopted through PIFRA, World Development Bank funded project, computerized disbursement budgetary mechanism which has become functional almost in all districts in Balochistan, following are the main functional heads of expenditure in Current Revenue Expenditure:

- < Public Order and Safety Affairs
- < Economic Affairs
- < Environment Protection
- < Housing and Community Amenities
- < Health Affairs & Services
- < Recreational, Culture and Religion
- < Education Affairs and Services
- < Social Protection

#### **II. Current Capital Expenditure**

Current Capital Expenditure like current capital receipt figures both in the Account No. I and Account No. II of the Provincial Government maintained with the State Bank of Pakistan. Expenditure items under Current Capital

Expenditure in Account No. I include the following:

- (i) Principal Repayment of Domestic and Foreign and Market Debt. Expenditure on repayment on account of Ways and Means Advances availed by the Government of the Balochistan from the State Bank of Pakistan is also included in this category;
- (ii) Loans and advances to corporate bodies of the Government of Balochistan or associated with the Government of Balochistan.

Expenditure in Account No.II, are mainly incurred on state trading operations of the government in food grains especially procurement of wheat and repayment of loans taken from banks for trading operations of Food Department.

### **III. Development Revenue Expenditure**

The expenditure under this grant pertains to most of the expenses other than the brick and mortar expense. Employees related expense, purchase of transport, machinery and equipment, operating expenses, research and development, training etc. provided under the projects during the execution of the projects are all part of the development revenue expenditures.

### **IV. Development Capital Expenditure**

Development capital expenditure is the capital investment under the development programs for roads, buildings, irrigation sectors etc.

## **OVER VIEW OF EXPENDITURE**

In Financial Year 2015-16, total financial outlay of the government has been estimated at Rs. 243.528 Billion. In FY-2015-16, size of the Provincial Development Budget has been pitched at Rs. 54.505 Billion including Provincial PSDP Rs. 51.077 Billion and Foreign Project Assistance Loan of Rs. 3.429 Billion. An allocation of Rs.168.548 Billion has been proposed for current expenditure in FY 2015-16, against revised budget estimates 2014-15 of Rs.138.487 Billion representing an increase of approximately 21%. Despite persistent inflationary trends, Increase in salaries, allowances and pensions of employees of the government, allocations of development expenditure have been protected by adopting a considerable increase in development budget. This is in conform it with the development vision of the incumbent government where allocations of development budget are protected through austerity measures, curbing wasteful expenditure, improving budgetary efficiency, monitoring out comes against budgetary allocations and bringing efficiency, effectiveness and economy in government operation

Table 2.1 reflects the allocations for Current Revenue Expenditure and Development Expenditure of Balochistan Got; for the year 2014-15 & 2015-16.

**Table: 2.1 óCurrent & Development Expenditure**

*(Rs. in Millions)*

Classification		Budget Estimates 2014-	Revised Estimates 2014-	Budget Estimates 2015-
<b>A. Current</b>	General Administration	24,762.649	25,647.562	28,751.447
	Law & Order	20,280.510	21,561.228	26,957.714
	Community Services	11,250.261	12,523.091	11,681.755
	Social Services	48,674.147	48,657.769	60,571.351
	Economic Services	28,260.928	28,721.970	39,044.394
	Debt Servicing	1,821.699	1,376.368	1,542.050
<b>B. Development</b>	PSDP	48,019.000	41,521.000	48,309.000
	Outside PSDP (Federal)	0.000	150,000.000	0.000
	Foreign Project Assistance Loans/ Grants	2,723.000	3,677.000	3,391.000
<b>Total Expenditures A+ B</b>		<b>185,792.195</b>	<b>333,685.989</b>	<b>220,248.710</b>

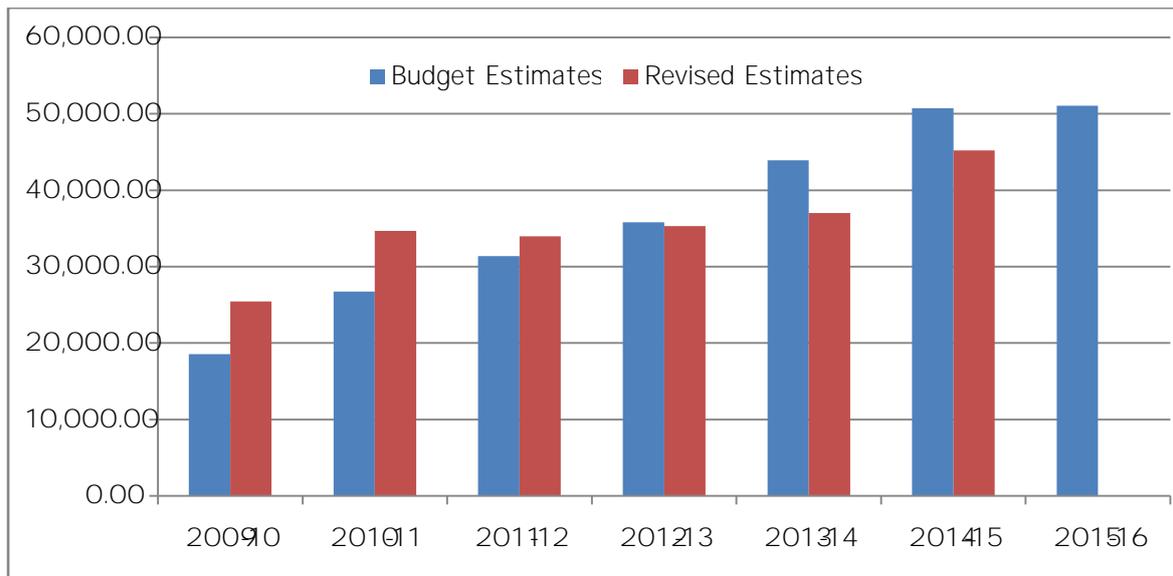
After FY 2009-10, subsequent financial years witnessed a palpable increase in size of provincial development allocation but with each passing year allocation for development is not increasing by an impressive quantum.

Table 2.2 shows the outlay of development budget of Balochistan Government including assistance loans and grant etc. for last five years and allocation for FY2015-16.

**Table: 2.2 óDevelopment Budget**

*(Rs. in Millions)*

Fiscal Year	Budget Estimates	Revised Estimates	%
2009-10	18,536.322	25,441.294	27.14
2010-11	26,753.566	34,664.043	22.82
2011-12	31,367.845	33,988.848	7.71
2012-13	35,818.855	35,302.352	-1.46
2013-14	43,912.875	37,003.119	-18.67
2014-15	50,741.681	45,198.387	-12.26
2015-16	51,076.643		

**Figure 2.1: Comparison of Development Budgets**

In this regard, it would be pertinent to add that in last three years despite substantial increase in salary and allowances of government employees, allocations for development program of the province has registered a significant increase. But the entire available resources were sent on brick and mortar without any improvement in service delivery.

### CURRENT REVENUE EXPENDITURE

Table 2.3 summarizes the Budget Estimates and Revised Estimates of Current Revenue Expenditure for FY2014-15 along with Budget Estimates for FY2015-16.

**Table: 2.3 Current Revenue Expenditure***(Resin Million)*

CLASSIFICATION	BE 2014-15	RE 2014-15	BE 2015-16
<b>A. Current</b>	<b>133,228.496</b>	<b>137,111.621</b>	<b>167,006.660</b>
General Administration	24,762.649	25,647.562	28,751.447
Law & Order	20,280.510	21,561.228	26,957.714
Community Services	11,250.261	12,523.091	11,681.755
Social Services	48,674.147	48,657.769	60,571.351
Economic Services	28,260.928	28,721.970	39,044.394
<b>B.DEVELOPMENT</b>	<b>50,742.00</b>	<b>45,198.000</b>	<b>51,700.000</b>
ADP including operational shortfall			
<b>TOTAL EXPENDITURE (A+B)</b>	<b>183,970.496</b>	<b>182,309.621</b>	<b>218,706.66</b>

### **Salient Feature of the Allocations for different Departments/ Functions for FY 2015-16.**

Outlay of current expenditure for FY 2015-16 is estimated at Rs 51,700.000 Million against Revised Budget Estimates of Rs. 45,198.000 Million for FY2014-15 which shows an increase of approximately 14.38%. The allocations in the current budget for FY2015-16 have been made on the parameters q h " ð k p e ht qg to ogwp nv cc ön " under contingent expendi v w t g u " q h " ð r g 14ø15öp" gkppv"" xdkwgf yi "gqv h" "4k2p h n c and requirements of the departments. This year like previous year emphasis has been to cater needs of police department which is glaringly evident from revised estimates of FY 2014-15.

- < 10% increase in pay and pension for civil employees of Government of Balochistan.
- < Recurring cost of transfer of development programs to non-development budget after the completion of schemes.

Owing to persistent inflationary trends, prices of POL and Utilities like electricity have been revised upwards frequently in last two years. To absorb this increase, allocations in current FY have been made commensurate with this

#### Increase

- < Huge Allocation for provision of free medicines in public sector hospitals
- < Inclusion of new Initiatives programs in Education and Health sectors
- < Huge allocations for distribution of free books

### **Public Order and Safety Affairs**

- Ø Under this head expenditures included are:
- Ø Administration of justice,
- Ø Administration of Law and order
- Ø police,
- Ø levies,
- Ø Balochistan constabulary,
- Ø prisons, prosecution and
- Ø civil defense

Allocation for Police has been increased from Budget Estimates-2014-15, Rs 9,265.181 to Rs13,608.265 in 2015-16. Whereas, Revised Estimates of 2014-15 was Rs. 9,993.450 Million. In this way, an additional allocation of Rs. 3614.815 Million has been provided to Police which represents an increase over Budget Estimates 2014-15 despite revival of "D" in the province.

It is very pertinent to mention here Police in Balochistan is only to look after five per cent of its geographical area, 17,359.5 sqKm. Police as elsewhere in Pakistan is top heavy with a huge number of officers. Balochistan Constabulary is a part and parcel of Police, detail of strength is:

IGP=1, Addl:IG=4, DIG=16, SSP=90, ASP=5, DSP=289, PDSP=39, IP=565, MM-IP=5, PI=48, SI=1686, ASI=2673, HC=7902, Constable=22212 and Ministerial Staff=3080

**TOTAL=38615**

Whereas, total strength of levies Forces for remaining, 95% geographic area of Balochistan, 329830.5 Sq Km, is 14831 (BPS 18-16= 212 and remaining 14619).

LEA	Area of responsibility SQ Km	Total Strength	BE 2014-15
Police	17,359.5	38,615	12,197.705
Levies	329830.5	14831	5,053.413

Conversion of "D" to "C" (CBA) Project in 2003 converting Balochistan into police controlled area phase-wise by 2008. Traditional Levies Force was merged in police. The former government restored "D" and revived Levies Force on consistent demand of the people in the province. Separation of Levies from police raised a great challenge for Finance Department on issue of missing posts due to repatriation of Levies Force officials/personal who got one step promotion in police. Any further merry go round with B to A and A to B area conversion will add more on expenditure side without any salubrious effect.

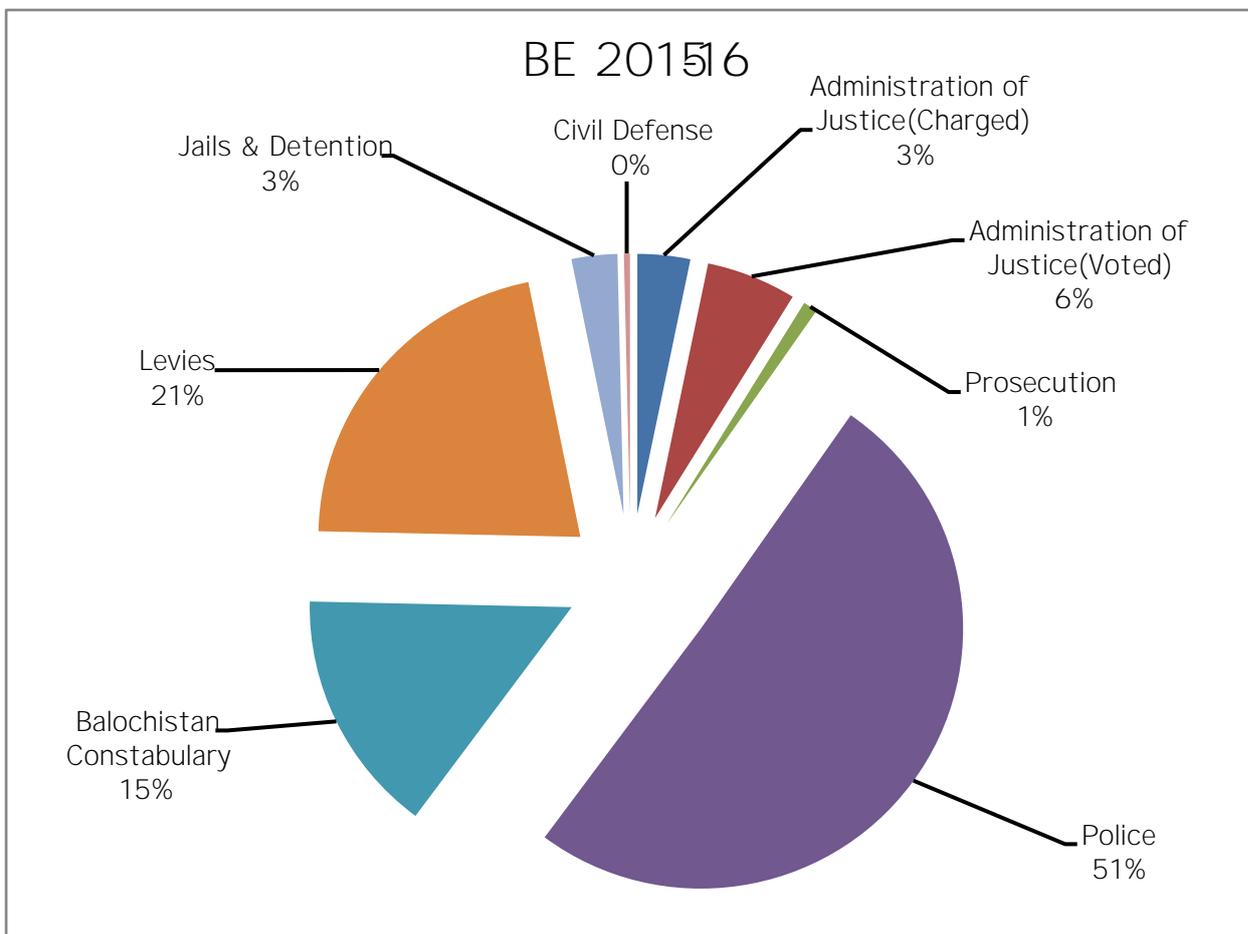
Table 2.4 below gives the break-up of this allocations for different departments classified under public order and safety affairs

**Table:2.4 Public Order & Safety Affairs**

(Rs.inMillion)

Public Order & Safety Affairs	BE 2014-15	RE 2014-15	BE 2015-16
Administration of Justice(Charged)	770.01	773.87	875.94
Administration of Justice(Voted)	1,341.15	1,197.93	1,497.19
Prosecution	178.18	196.58	238.99
Police	9,265.18	9,993.45	13,608.20
Balochistan Constabulary	2,932.52	2,993.55	4,090.93
Levies	5,053.41	5,463.15	5,786.61
Jails & Detention	670.67	864.22	760.27
Civil Defense	69.37	78.44	99.48
<b>Total:-</b>	<b>20,280.510</b>	<b>21,561.228</b>	<b>26,957.714</b>

**Figure 2.2: Public Order and Safety Affairs BE 2015-16**



### Economic Affairs

Expenditures on sectors/ departments contributing in economic development of the province viz. Food, Agriculture, Land Revenue, Animal Husbandry, Forestry, Fisheries, Cooperative, Irrigation, Rural Development, Industries, Printing, Mineral Resources, Transport, Energy, Information Technology and Environment etc. are included under this classification. Current Revenue Expenditure in these sectors also includes allocations for research, extension and field services to farmers, maintenance and repair of the agriculture and irrigation networks. All major economic infrastructure departments and departments involved primarily in activities relating to economic affairs are included under this functional classification.

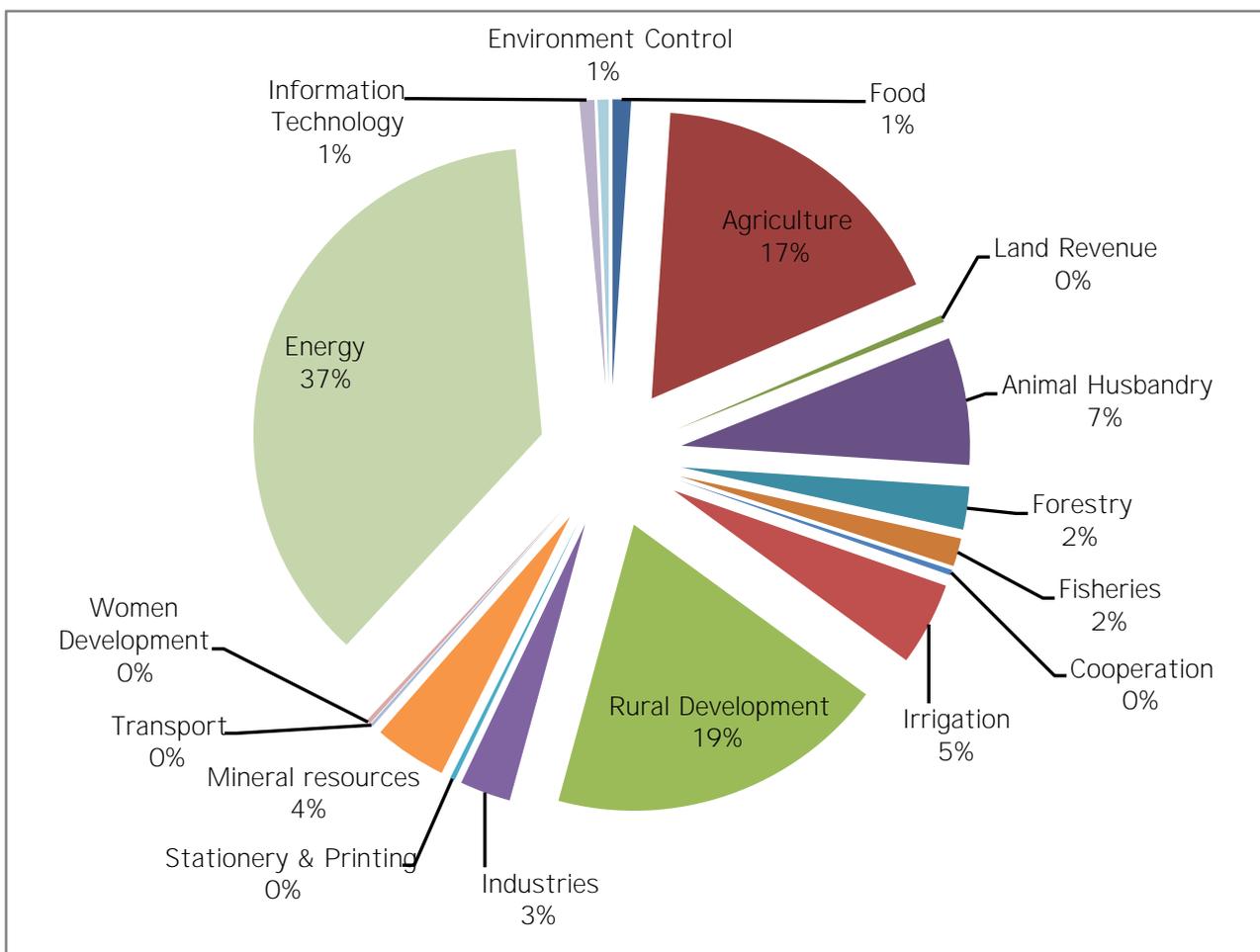
Table 2.5 shows the break-up of this expenditure across major departments.

**Table: 2.5 Economic Affairs**

(Rs.inMillion)

<b>Economic Services</b>	<b>BE 2014-15</b>	<b>RE 2014-15</b>	<b>BE 2014-15</b>
Food	363.313	317.019	403.724
Agriculture	6,351.426	5,883.478	6,807.249
Land Revenue	146.555	123.770	157.553
Animal Husbandry	2,568.997	2,184.248	2,812.549
Forestry	758.193	1,157.765	945.143
Fisheries	549.925	549.903	619.611
Cooperation	113.986	97.240	121.917
Irrigation	2,081.698	1,668.369	1,838.655
Rural Development	7,028.159	7,885.201	7,461.339
Industries	971.280	836.208	1,113.344
Stationery & Printing	103.664	60.532	106.645
Mineral resources (Scientific Deptt:)	1,005.555	1,795.192	1,594.718
Transport Department	50.256	47.689	66.157
Women Development Department	75.332	62.277	94.892
Energy Department	5,497.719	5,641.064	14,334.153
Information Technology Department	384.297	209.354	325.876
Environment Control Department	210.573	202.662	240.868
<b>Total:-</b>	<b>28,260.928</b>	<b>28,721.971</b>	<b>39,044.393</b>

**Figure 2.3:** Economic Affairs Expenditure, BE 2015-16



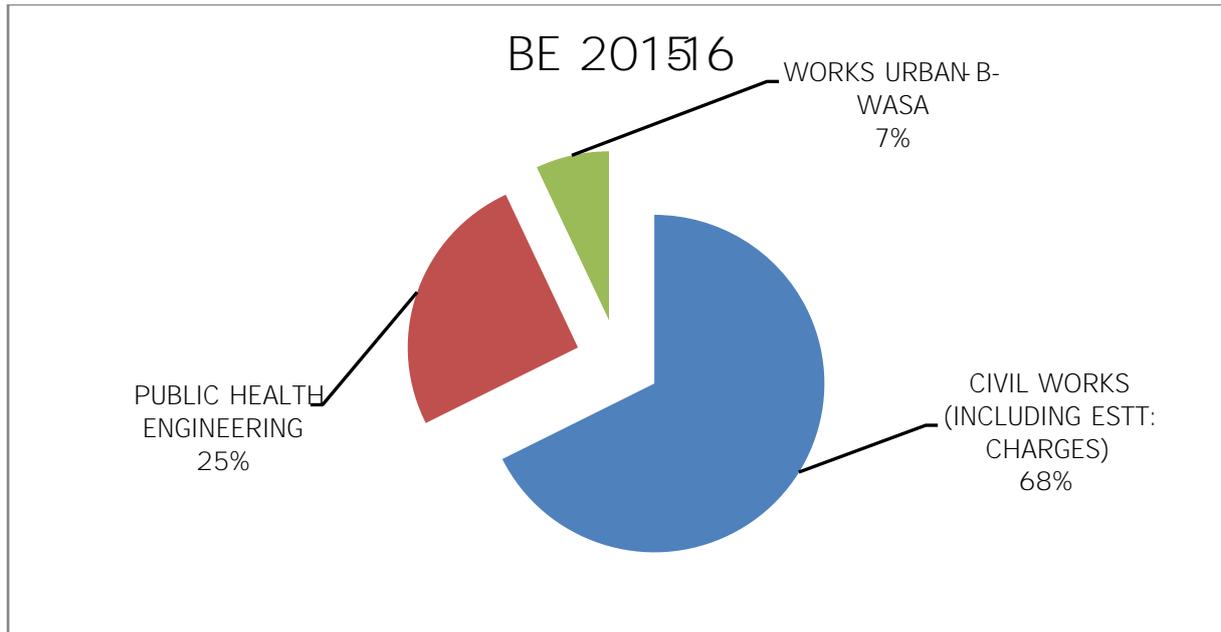
**Housing and Community Amenities**

This head comprises of Civil works, PHE and Q - WASA. Details of expenditure on Housing and Community Amenities are provided in Table below:

**Table: 2.6 Community Services**

*(Rs.inMillion)*

Community Services	BE 2014-15	RE 2014-15	BE 2015-16
Civil Works including Establishment Charges	7,917.986	8,158.679	7,898.393
Public Health Engineering	2,680.000	3,050.501	2,968.019
Works Urban B-WASA	652.275	1,113.911	815.344
<b>Total</b>	<b>11,250.261</b>	<b>12,323.091</b>	<b>11,681.755</b>

**Figure 2.4: Housing and Community Amenities BE 2015-16**

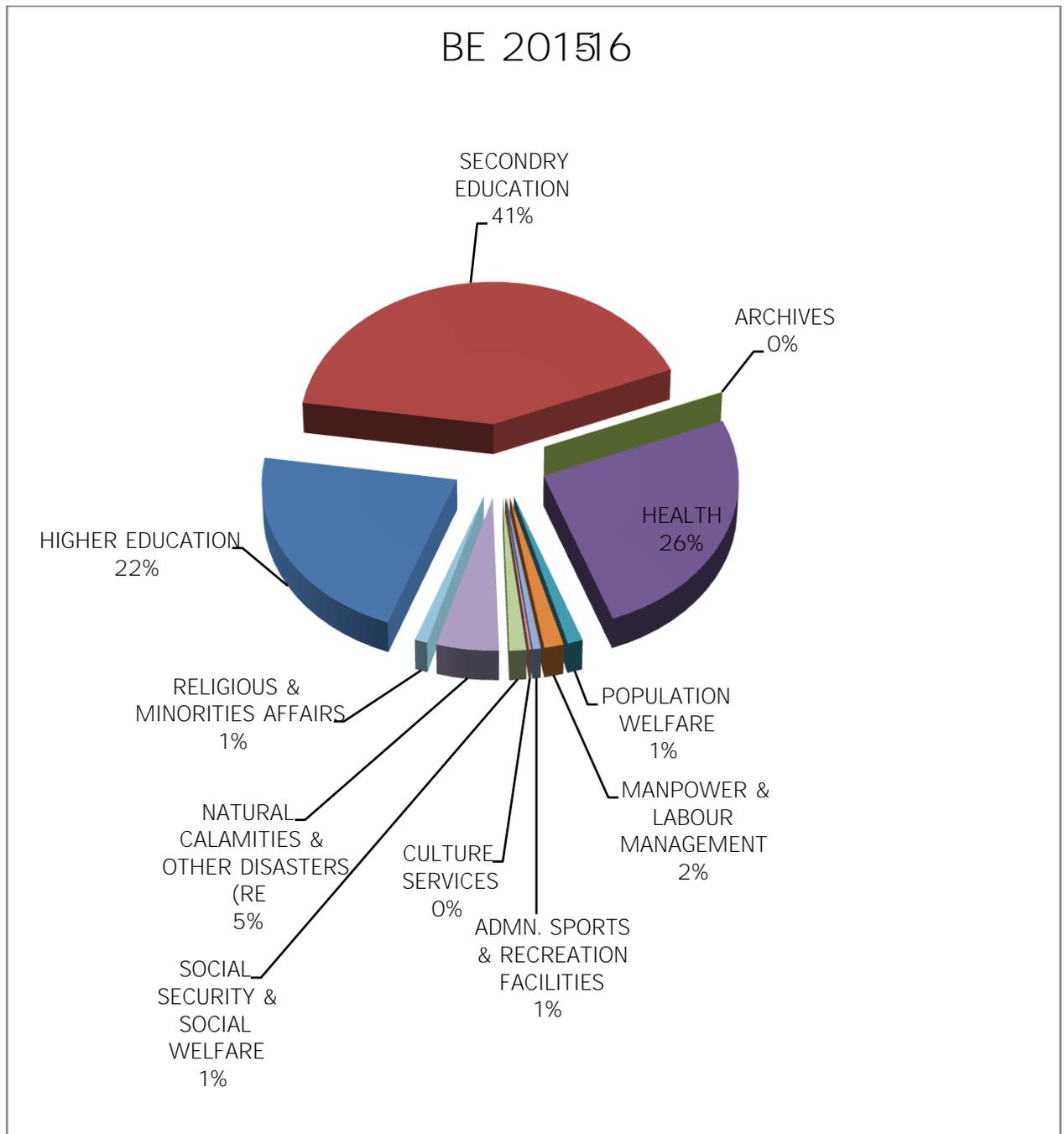
### Recreational, Culture, Religion & Other Social Services

Table 2.9 shows the breakup of different services under this functional classification and their allocations for FY 2014-15 alongwith Budget Estimates 2015-16 and Revised Estimates 2014-15. However, Education Service is also discussed separately.

**Table:2.9 Social Services***(Rs. in Million)*

Social Services	BE 2014-15	RE 2014-15	BE 2015-16
Education	28937.226	28,955.241	38,327.207
Archives	27.908	12.877	42.022
Health	14148.792	14011.528	15482.100
Population Welfare	27.100	37.783	744.351
Man power & Labour Management	852.534	811.204	952.122
Admin: Sport & Recreation Facilities	234.149	449.461	397.407
Culture Services	101.528	180.126	121.060
Social Security & Social Welfare	725.069	660.380	831.417
Natural Calamities & Others Disasters	3049.500	3027.150	3055.000
Religious & Minorities Affairs	570.341	512.019	618.665
<b>Total:-</b>	<b>48674.147</b>	<b>48,657.769</b>	<b>60,571.351</b>

**Figure 2.6: Social Services**



**Education Affairs and Services**

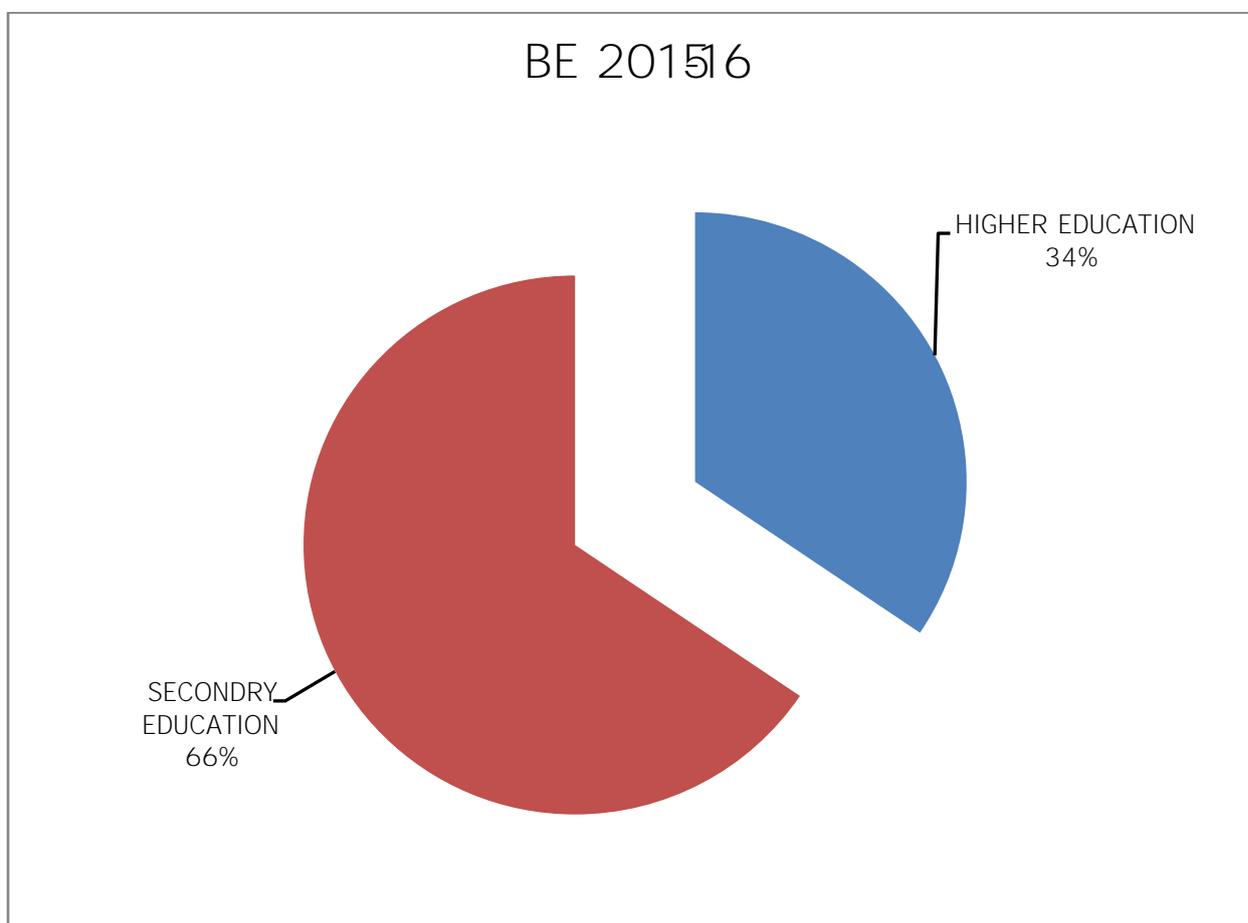
Education sector has been the most favored sector by the present Government. Accordingly, for FY 2014-15 allocations for this sector was Rs 28,937.226 Million, the estimates for financial year 2015-16 are pitched at Rs 38,327.000 representing an increase of 32.44%. Moreover, in line with the education sector vision of Chief Minister Balochistan and to achieve the targets envisaged in Education Sector road map, substantial resources allocation has also been made in the development budget of financial year 2014-15 and also in 2015-16.

Table:2.10 Education Affairs & Services

*(Rs. in Million)*

Education Affairs & Services	BE 2014-15	RE 2014-15	BE 2015-16
<b>Education (Colleges Side) Higher Edu:</b>	21,444.804	27,869.243	13,209.400
<b>Education (Secondary)</b>	7,492.422	1,085.998	25,117.807
<b>Total Education</b>	28,937.226	27,869.243	38,327.207

**Figure 2.7:** Education Affairs & Services 2015-16



There as on in increase in the budget under Education Sector are as under:-

- i. Increase in volume of budget is due to admissibility of time scale to teaching cadre.
- ii. Main increase in budget is due to increase in R & Allowances

- iii. Entitlement of conveyance allowance to all Government servants which was previously allowed to Government servants posted at District Quetta and Divisional Headquarter.
- iv. Inclusion of Adhoc Relief Allowance 2012 @ 20% of the basic pay.
- v. For students of BMC the previous allocation was Rs.8.00 Million, but now the same has been rationalized. As per actual allocation of scholarship previously reflected as 8.0Million has now been enhanced to Rs.33.00Million in view of existing strength of students.
- vi. Funds for provision of missing facilities have been allocated for Schools and Colleges of the Province for the next financial year-2013/14.
- vii. Allocations have been made in the current financial year under the following heads in Schools Directorate :
  - a) Starting of higher secondary classes                      Rs.5.00m Million
  - b) Establishment of PTSMCs                                      Rs.50Million
- viii. Current allocation of 150 Million for free distribution of Text Books has been enhanced to Rs.250 Million. Rs.180 Million @ Rs.0.6 Million per District for establishment of two Class room based Libraries one each in boys and the same Girls School of each District.
- ix. Allocation of funds as grant-in-Aid in respect of the following Cadet Colleges of the province has been enhanced.
- x. During FY 2014-15, the Chamalang Coal project stopped payments of their share of expenditure for students studying in various educational institutes of Punjab. Government of Balochistan paid that amount from its kitty.

### Health Services

Health services include Hospital Services, Public Health Services (laboratories and health related population welfare activities), and Health Administration. Details of current expenditure on the Health sector are shown in Table 2.10. Major allocations are for Hospital Services which include current expenditures hospitals, public health services like medical institutions and health administration. Allocation for major tertiary care hospitals and grant-in-aid to autonomous hospitals has been granted and reflected for the first in Revised Estimates - 2014-15 of Rs.375.00 Million. Budget Estimates - 2015-16 is Rs.515.00 against RE 2014-15 Rs.604.885 Million, with an increase 37 %.

**Table: 2.7 Health Services**

*(Rs. in Millions)*

Health Service	BE 2014-15	RE 2014-15	BE 2015-16
Hospital Services	9,770.766	11622.183	10740.800
Public Health Services	381.551	502.016	407.960
Health Administration	3,996.475	1887.329	4333.610
<b>Total:-</b>	<b>14,148.792</b>	<b>14,011.528</b>	<b>15,482.100</b>

**Figure 2.5: Health Services BE 2014-15**

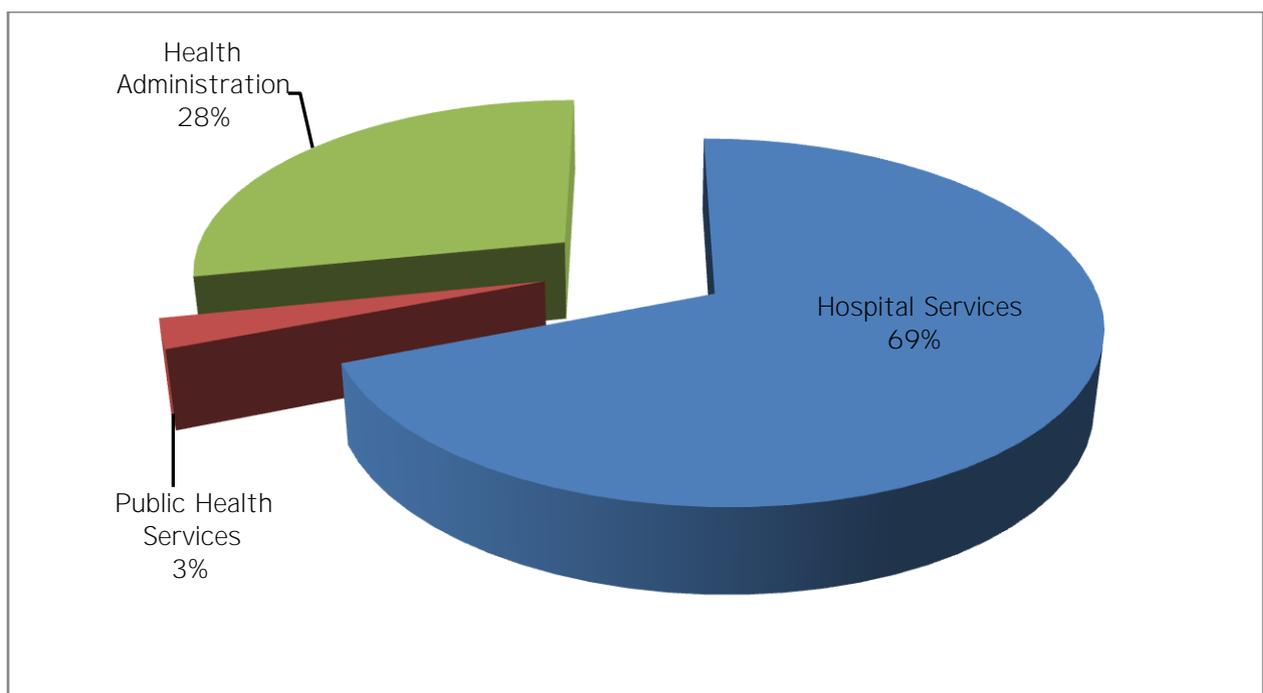


Table: 2.8 Other Allocations

*(Rs. in Millions)*

Other Allocations	BudgetEstimates 2015-16
Purchase of Medical Equipment	1,000.000
Grant-in-Aid for SNGB Raisani Memorial Hospital, Mustang	200.000
Grant-in-Aid for Children Hospital, Quetta	15.000
Grant-in-Aid for GDA Hospital	150.000
New Policy Initiatives and Implementation	500.000
Grant-in-Aid for Mission Hospital, Quetta	5.000
Grant-in-Aid for lady Duffer in Hospital, Quetta	5.000
<b>Total:</b>	<b>1,875.000</b>

**ALLOCATIONS DEBT MANAGEMENT AND PENSIONS**

The amazed allocations on this account are shown in Table 2.13.

**Table: 2.13 Debt Management**

*(Rs in Million)*

Debt Management	BE 2014-15	RE 2014-15	BE 2015-16
Debt Servicing	1,821.699	1,376.368	1,542.050
Public Debt Discharged	17,119.822	19,927.284	16,114.984

**Table: 2.14 Pension**

*(Rs. in Millions)*

Pension	BE 2014-15	RE 2014-15	BE 2015-16
Pension	10,000.000	9,410.000	12,000.000

**CHAPTER 3: PUBLIC ACCOUNT****INTRODUCTION**

The Constitution of Islamic Republic of Pakistan Article 118 defines Public Account as, all *moneys which do not form the part of the Provincial Consolidated Fund but are* :*(a) received by or on behalf of the Provincial Government or (b) received by or deposited with the High Court or any other Court established under the authority of the Province.*

The set transactions are outside the Provincial Consolidated Fund on both the receipt and expenditure side, and are categorized as:

- a) Un funded Debt( deferred liabilities);
- b) Deposits and reserves;
- c) Remittances.

Public Account consists of those moneys for which the Provincial Government has statutory or other such obligation. These are in the form of trust money for which the Government has a fiduciary responsibility. Public Account consists of series of accounts, each of which is separately governed under specific rules framed for the said purpose. Main elements of the Public Account in the Annual Budget Statement are summarized as follows:

- a) Assets
  - “ Cash and Bank Balances
  - “ Receivable
- b) Deposits and Reserves/ Liabilities
  - “ Control Account
  - “ Trust Account-Fund
  - “ Trust Accounts-Others
  - “ Special Deposit-Investments
  - “ Special Deposit Fund

Following table summarizes the Budget Estimates, Revised Estimates for FY 2014-15 and Budget Estimates for FY 2015-16

**Table: 3.1 PUBLIC ACCOUNTS PROVINCE UNFUNDED FUND (RECEIPTS)***(Rs. in Million)*

<b>PUBLIC ACCOUNTS OF THE PROVINCE UNFUNDED FUND (RECEIPTS)</b>		<b>BE 2014-15</b>	<b>RE 2014-15</b>	<b>BE 2015-16</b>
G06103	State Provident Funds	2,263.54 1	2,342.067	2,438.847
	<b>TOTAL-UNFUNDEDDEBT</b>	<b>2,263.54 1</b>	<b>2,342.067</b>	<b>2,438.847</b>
G06214	Balochistan Government Servants	1,000.99 0	998.764	1,040.35
	Benevolent Fund	-	-	-
G06408	Provincial Govt Employees Group	693.43 7	750.016	781.008
	Insurance Fund	-	-	-
G10304	Zakat Fund	45.320	273.330	284.625
G11216	Departmental and Judicial Deposits	84.008	116.634	121.454
G12160	CM Earthquake Rehabilitation	1.560		
G10134	Cheques and Bills	47,304.298	55,087.226	57,363.558
G061	State Provident Funds	1,312.30 2	1,540.014	1,603.650
	<b>TOTAL-UNFUNDEDDEBT</b>	<b>1,312.30 2</b>	<b>1,540.014</b>	<b>1,603.650</b>
G103	<b>DEPOSITSANDADVANCES</b>			
	<b>A-Bearing Interest</b>			
G06214	Balochistan Govt; Servants BF	1,122.1 46	1,034.37 2	1,077.115
G06408	Provincial Govt; Employees Group IF	773.05 9	62.617	794.130
G11216	Departmental and Judicial Deposits	93.895	64.162	66.814
G12160	CM Earthquake Fund	0.211	-	-
G10304	Zakat Fund	641.96 9	270.553	218.733
G10134	Cheques and Bills	50,840. 206	55,380.9 87	57,669.45 8
	<b>TOTAL -DEPOSITSANDADVANCES</b>			
G10407	P.W. Remittances	2.732	4.955	5.160
G05107	Adjusting Accounts between Federal and Provincial Govts;	0.0246	0.973	1.013
G10414	Cash Remittances between Treasuries	20.710	32.160	33.489

G10402	Forest Remittances	0.567	0.371	0.386
G08123	Other Remittances	-	-	-
	<b>TOTAL-REMITTANCES</b>	24.034		
F01101	Deposits with State Bank	148,831.232	-	-
	<b>TOTAL- PUBLIC ACCOUNTS OF THE PROVINCE</b>			
	<b>TOTAL-PROVINCIAL RECEIPTS</b>	-		
<b>PUBLIC ACCOUNTS OF THE PROVINCEREMITTANCES(DISBURSEMENTS)</b>				
	Cash remittances and adjustments between offices rendering accounts to the same Accountant General.			
G10407	P.W. Remittances	5.551	1.053	1.097
G10415	State Bank of Pakistan Remittances	3.684		
G05107	Adjusting Accounts between Federal and Provincial Governments	0.575	-	-
G8123	Other Misc I Remittances	2.430	-	-
	<b>TOTAL-REMITTANCES</b>	12.240		
	<b>TOTAL-PUBLIC ACCOUNTS RE-IMBURSEMENTS</b>			
F01101	Deposits with State Bank	183,778.483	-	-
<b>TOTAL -PUBLICACCTS OF THEPROVINCE</b>				
<b>TOTAL -PROVINCIALDISBURSEMENTS</b>				

### RECEIPTS ASSETS

Assets as Public Account receipts include cash and bank balances, investments, loans and advances, imprest monies, advances to departments and returns from investments and loans

### DEPOSITSANDRESERVES

Deposits and Reserves constitute a major part of receipts of the Public Account. Deposits and reserves include inter governmental adjustments,

remittances, suspense funds, special deposit fund, welfare fund, development fund, education & training fund, Income Tax deductions from salaries, Personal Ledger Accounts (PLAs) and most importantly, Trust Account Fund, comprising the Provident, Benevolent and Insurance Fund receipts. Table 3.2 details the Trust Account Fund.

### **DISBURSEMENTS CURRENT ASSETS**

Out flows from Assets are included under the category of Current Assets which includes cash, bank balances and receivables.

### **LIABILITY**

Disbursements from Deposits and Reserves are indicated as liabilities. This is a contra item to the deposits and reserves indicated on the receipt side.

In FY2015-16, the Public Account is expected to exhibit a positive balance.

## CHAPTER 4: OVERVIEW OF THE PSDP 2014-15

Public Sector Development Program (PSDP) is a manifestation of government's planning a culminant that of its consistency in planning pattern over the years. Theoretically, it is an execution of medium and long term plans of the governments, both at federal and provincial levels. Practically, it includes programs and projects that may not conform to medium or long term plans.

The PSDP is formulated according to provisions of Chapter IV of the Budget Manual, briefly stated as follows:

<b>Prescribed Procedure</b>		
<u>Action By</u>	<u>Action</u>	<u>Time Period</u>
P &D Department	Circulate BM 13 form to Administrative departments for identification of schemes	Early in December
Admin: Departments	Return BM 13 Form to P &D	1st January
P &D Department	Consolidation of information relating to ongoing schemes from data supplied by Administrative departments	1 <sup>st</sup> half of January
<p>schemes are included in PSDP only when fulfilling either of the following two conditions:</p> <ul style="list-style-type: none"> <li>◁ Cleared by the competent Authority (defined under <u>Section 4(4) a</u> of the Balochistan Budget Manual 2007).</li> <li>◁ If a scheme is not approved by the competent Authority then tentatively included in PSDP in anticipation of the approval. For the purpose the Secretary of the department concerned takes up the matter with the secretary Finance and the P&amp;D Department and explains the circumstances which necessitate its inclusion. If Finance Secretary and the P&amp;D Department agree then scheme is included in PSDP (defined under <u>Section 4(4) g</u> of the Balochistan Budget Manual 2007).</li> </ul>		
P &D Department	First Edition of PSDP in two volumes, one each for new and old/ongoing schemes	15 <sup>TH</sup> January
P &D Department Admin: Department	Circulate 1 <sup>st</sup> edition to Departments Meeting in P&D with Finance and the Department concerned to make tentative allocation for individual scheme.	15 January_10 February
P &D Department	Intimate provisions approved for each scheme as a result of scrutiny carried out in above referred meeting with Departments and the Finance Department.	By 15 February
P &D Department	Preparation of Second Edition of PSDP	February
Finance Department	Indicate to Federal Government resources required	After 7 <sup>th</sup> NFC and 18 <sup>th</sup> Amendment no more required
Ministry of Finance Government of	Indicate final estimates of resources expected to be made, both from	By the end of April

Pakistan	divisible pool and straight transfers	
P &D Department	Fix size of PSDP in consultation with the Finance Department	By the end of April
P &D Department	Cabinet meeting convened for consideration of proposed PSDP Printing of PSDP.	May

The Development budget comprises development receipts and expenditures, which form a part of the Provincial Consolidated Fund in Account NO.1 (Non Food). These are further divided into categories of Revenue and capital as follows:

- (i) Development Revenue Receipts
- (ii) Development Capital Receipts
- (iii) Development Revenue Expenditure.
- (iv) Development Capital Expenditure

For all development activities in Balochistan, the provincial government spends annual allocations of funds as reflected in provincial PSDP, gets financial resources in the shape of development grants (both from federal and donor agencies) and the federal government also spends through federal PSDP. Scope of this analysis is limited to the last ten years provincial PSDP only and that too Government of Balochistan funds and not those provided by the donor agencies though referral will be made to both federal PSDP and federal PSDP at some points in the analysis. There as on for not including foreign project assistance (donor contribution) in analysis as the record available not contains accurate figures of expenditure.

## FUNDS DISTRIBUTION TO SCHEMES

Funds distribution to development schemes requires careful consideration of size of the scheme, annual financial phasing in PC-I, total number of schemes in PSDP, number of schemes in a particular sector, relative importance of schemes, percentage of allocation fixed for various sectors/sub-sectors.

### TRENDS IN THE PSDP SINCE 2004

PSDP funding comprises of two parts:

- Ø Government of D c n q e j (Government of D c n q e j k u v c p ÷ u - resource and
- Ø Foreign project assistance (FPA) i.e. funds provided by the donor agencies.

Since FY 2010-11, resources available for Development budget are communicated on estimating Current Revenue expenditures and debt servicing charges. The Government of D c n q e j size has fluctuated steeply SINCE 1970-71.

**Table 4.1: Abstract of Public Sector Development Programme (PSDP) /SAP/Non SAP SINCE 1970-71**

(Rs .in Million)

S.No	FY	Revised Allocation			
		BOB	GOB(SAP)	FPA	Total
1	1970-71	67.050	Nil	Nil	67.050
2	1971-72	43.817	Nil	4.004	47.821
3	1972-73	139.474	Nil	8.084	147.558
4	1973-74	249.138	Nil	30.869	280.007
5	1974-75	310.135	Nil	9.312	319.447
6	1975-76	300.000	Nil	1.700	310.700
7	1976-77	357.917	Nil	83.582	441.499
8	1977-78	339.591	Nil	36.548	376.139
9	1978-79	413.660	Nil	86.758	500.418
10	1979-80	426.878	Nil	54.797	481.675
11	1980-81	409.642	Nil	64.819	474.461
12	1981-82	481.746	Nil	63.452	545.198
13	1982-83	650.000	Nil	69.222	719.222
14	1983-84	710.000	Nil	39.000	749.000
15	1984-85	758.654	Nil	64.643	823.297
16	1985-86	945.573	Nil	5.050	950.623
17	1986-87	1,280.000	Nil	80.207	1,360.207
18	1987-88	497.082	Nil	87.342	584.424
19	1988-89	1,286.468	Nil	0.00	1,286.468
20	1989-90	1,589.787	Nil	44.863	1,634.650
21	1990-91	1,442.594	Nil	7.588	1,450.182

22	1991-92	4,469.452	Nil	812.680	5,282.132
23	1992-93	2,952.188	40.798	983.970	3,976.956
24	1993-94	1,495.132	902.108	1,773.760	4,171.000
25	1994-95	1,697.810	905.096	1,942.951	4,545.857
26	1995-96	2,359.850	969.064	2,085.265	5,414.179
27	1996-97	1,181.820	779.035	2,495.236	4,456.091
28	1997-98	1,285.551	592.271	1,627.425	3,505.247
29	1998-99	1,412.380	540.211	2,271.608	4,224.199
30	1999-00	1,632.087	389.550	3,531.227	5,552.864
31	2000-01	3,954.643	342.954	2,293.535	6,591.132
32	2001-02	3,093.605	279.336	722.990	4,095.931
33	2002-03	4,896.058	255.487	1,315.543	6,467.088
34	2003-04	8,395.192	Nil	644.123	9,039.315
35	2004-05	8,642.974	Nil	1,401.957	10,044.931
36	2005-06	8,989.009	Nil	2,401.518	11,390.527
37	2006-07	9,444.002	Nil	3,741.420	13,185.422
38	2007-08	10,810.651	Nil	3,323.418	14,134.069
39	2008-09	13,358.762	Nil	1,804.559	15,163.231
40	2009-10	13,474.147	Nil	1,649.492	15,123.639
41	2010-11	25,585.663	Nil	1,477.747	27,063.380
42	2011-12	31,458.084	Nil	2,015.881	33,473.965
43	2012-13	31,799.424	Nil	2,980.643	34,780.067
44	2013-14	34,964.877	Nil	2,038.242	3,700.119
45	2014-15	41,521.000	Nil	3,677.000	45,198.000
	<b>Total</b>	<b>317,042.324</b>		<b>53,844.424</b>	<b>376,378.271</b>

### ANNUAL SECTORAL ALLOCATIONS:

The sectors have been grouped into the following three main categories (sub-sectors are clubbed under these three sectors):

#### SOCIAL

- a. Education
- b. Health
- c. Social welfare
- d. Water supply & sewerage
- e. Labor & manpower
- f. Culture
- g. Sports, tourism & youth
- h. Information Technology
- i. Women Development

**PRODUCTIVE**

- a) Agriculture
- b) Forestry
- c) Fisheries
- d) Livestock & dairy development
- e) Industries & commerce
- f) Minerals

**INFRASTRUCTURE**

- a) Transport & communication
- b) Energy (fuel & power)
- c) PP&H
- d) Irrigation
- e) Local Government
- f) UP&D

**ALLOCATED RESOURCES TO VARIOUS DEPARTMENTS**

**INFRASTRUCTURE - U G E V Q T " F G R C T V O G V U ø " C N N Q E C V K Q P U**

The infrastructure sector was markedly dominated by the roads sub-sector. This also evident from analysis of number of schemes kept in previous years PSDPs and the allocations made.

**SOCIAL - U G E V Q T " F G R C T V O G V U ø " C N N Q E C V K Q P U**

In a financial year, public money is spent on a number of schemes, ongoing and new (varying in scope and size). Generally, development schemes are grouped under different sectors and sub-sectors in the PSDP. Exact amount of allocation is very difficult to calculate as the database of P&D department does not take into account details of grouped schemes and of schemes that are implemented under a single big allocation of funds. Due to exigency of circumstances, there had been block allocations bearing different names. These block allocations contained almost every type of schemes, It is believed that Planning and Development Department is trying hard to avoid the w p r c n c v c d n g " r t c e v k e g " q h " ð d n q e m " c n n q e c v k q p ö































