

FINANCING IN EDUCATION SECTOR (Public and Private)

FY 2012-13, 2013-14, 2014-15 and 2015-16

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EXECUTIVE SUMMARY

This report was designed to collect and analyze the scanty information regarding financing in education sector in Pakistan. Data was collected from all concerned stakeholders including Federal, Provincial and Areas governments. Moreover, budget books were also used for verification of financial data. According to Pakistan Education Statistics, (2013-14) there are total 243,937 educational institutions functioning in public and private sector including Deeni Madaris and non-formal schools.

The total budgetary expenditure in education sector was Rs 1,188.856 billion in 2014-15 in both public and private sector. The expenditure of Federal government was Rs.122.016 billion in 2014-15 whereas provincial governments spent Rs.533.530 billion in the same financial year. The estimated expenditure incurred by the private sector was Rs.533.310 billion in 2014-15. The public sector is contributing 55% and private sector contribution is 45%. According to Pakistan Education for All Review Report (2015) Pakistan's education expenditure as percentage of GDP has varied between 1.7% and 2.2% during 2007-2008 to 2014-15 which is a gradual small increase that needs to be enhanced at least to 4% as per UNESCO recommendation. The comparison of Federal allocation and expenditure indicate that Federal allocation was Rs.65.250 billion in 2012-2013 that increased upto Rs.98.980 billion (52%) in 2015-16 whereas expenditure incurred increased during the same period from Rs.70.142 billion in 2012-2013 to Rs.94.070 billion (34%) 2014-2015.

Federal financial data further shows that Federal budget including budget of Ministry of Federal Education and Professional Training, other Ministries' spending on Education, FATA, Gilgit Baltistan and AJK Budgets which are being funded by the Federal Government allocated Rs.87.518 billion on Education Sector in 2012-2013 which increased to Rs.130.269 billion (49%) in 2015-2016. Similarly, expenditure incurred by the Federal government increased upwards from Rs.92.478 billion in 2012-2013 to Rs.122.016 billion in 2014-2015 (32%). This shows increase both in allocations (49%) and expenditure (32%). As far as level-wise Federal education budget is concerned data depict that Federal Government allocated major chunk (78%) of its budget for tertiary education as against meager 7%, 9% and 1% on primary, secondary and vocational education respectively.

Provincial/ regional education budgets which stood at Rs 460.978 billion in 2012-13 enhanced to Rs. 683.110 billion (48%) in 2015-16 whereas expenditure increased from Rs.436.694 billion in 2012-13 to Rs.572.905 billion (31%) in 2015-16. Financing on education as proportion of total budgetary as allocation indicates that Federal Government share of education was 2% in 2012-2013 which remained static in 2015-2016. Punjab evidenced decline as share of education budget allocations by 9-10% in 2015-16 as against 32% allocated share of education as proposition of total budget outlay. The proportioned share of education out of total provincial budget declined to 21% in 2015-16 from 27% in 2012-13. Similarly, trends were witnessed in Sindh and KPK during the same period. KPK was spending 31% of its total budget on education in 2012-2013 which decreased to 25% in 2015-16. However, it was encouraging to note that Balochistan's share of allocation increased to 22% in 2015-16 as against 13% of the total budget in 2012-13. Sub-sector wise share of the total education budgets shows that Federal Government allocated 7% of its education budget for primary education in 2015-2016, Punjab 37%, Sindh 36% KPK 40% and Balochistan 33% of its budget for primary education. Share of secondary education out of total education budget of Federal Government is 9% in 2015-2016, whereas Punjab allocated 45%, Sindh 42%, KPK, 43% and Balochistan 38% of the total budget on Secondary education in 2015-2016. Share of higher education out of total education budget of Federal Government is 78%, Punjab 13%, Sindh 14%, KPK 13% and Balochistan 22% in 2015-2016. The per student expenditure on education was calculated @ Rs.24,539/- per annum at national level.

Findings/ Analysis of budget allocation and expenditures

It was revealed that Federal Government has allocated Rs.98.98 billion for education sector for the year 2015-16 as against the expenditure of more than Rs.65.250 billion in 2012-13 (increase 52%). Similarly, increase in education budgets of all provinces is evidenced during the preceding three years and the current 2015-16 but the overall share of education as proportion of total budget outlay has decreased except in Balochistan. As far as share of sub-sectors of education was concerned, it was found that the major chunk of Federal Education budget has been allocated for Higher Education i.e. 78% of total education budgetary allocation as compared to meagre allocations on primary and secondary levels of education, whereas the trend in Provincial budgets is conversely tilted towards primary and secondary education. Data further indicate that the budgetary allocation to education has remained static

around 2.0 percent of GDP for more than a decade. Provinces need to gear up resource generation over and above the share received from the Federal Divisible Pool under 7th NFC award. Financial data reflects that technical and vocational education is grossly neglected among all sub-sectors of education. This requires immediate attention of planners and policy makers. The calculated per student expenditure depicts that it is higher in Sindh province as compared to KPK and FATA despite less number of enrolled students. Or conversely Sindh is spending more on per student as compared to other provinces.

Way forward

On the basis of data analysis, it is recommended that Federal government may fulfill longstanding commitment to enhance share of education out of GDP to at least 4% or Federal Education spending may be increased from present 2% to 6% annually. It is also suggested that share of Technical & Vocational Education has to be increased to ensure socio-economic development of the country. The strategies may be designed to redress the existing inequities in distribution of allocated education funding at district level to ensure focus on disadvantage groups and areas. It is also recommended that provinces may increase generation of resources over and above NFC award allocations or do not rely only on federal dole outs. There is need to develop appropriate mechanism, to identify issues/problems hampering achievement of national targets and strategies may be developed to achieve these national targets. Therefore, there is need to ensure effective coordination between various stakeholders to devise strategies for implementation of National Action Plan and Provincial Education Sector plans.

INTRODUCTION

This report was designed to collect and analyze the scanty information regarding financing in education sector. The work on it was initiated in the month of July 2015 on the direction of the Minister of state for Ministry of Federal Education and Professional Training. After compilation of this report a presentation was made in the Ministry Committee Room C Block. The honorable Minister appreciated the efforts made by AEPAM team for the preparation this report. However, he further directed to share this report with INGOs, NGO and representatives of Civil Society Organizations. Subsequently a meeting was arranged on January 7, 2016 in AEPAM Auditorium Islamabad. A wide spectrum of INGOs, NGO, Representatives of Civil Society Organizations, and Representatives of Sub-ordinates offices of the Ministry of Federal Education and Professional Training and all other stakeholders attended the meeting. List of participants is at (*Annex-I*).

In the said meeting participants took active part in the discussion session and finally they suggested the following recommendations to be included in the report.

- i) It was suggested by the forum that PSLM Survey unit cost (per child) expenditure may be included in the report.
- ii) One of the participant suggested that detail of Recurring Budget may be given in the report. As huge amount of budget around (85%) is spent on salary whereas small amount is left for non-salary budget.
- iii) It is also suggested that a Proforma (FMIS) may be developed for financial data collection on annually basis from concerned departments.
- iv) It was further suggested that Education Accounts in Pakistan may be introduced that will provide flow of funds from start to end.

The aforementioned suggestions are to be considered in the next report which will also be developed in 2016. Research team also decided to work on other various dimensions of financial aspects in education sector.

Education is recognized and guaranteed as a basic human right by the state under UNO charter. The successive governments in Pakistan invested in education for a number of reasons i.e. to generate human capital and fuel economic growth, insure against imperfections of the market that may result in under-investment at the individual level, human rights, promotion of good citizenship and strengthen equality of opportunity. In addition acquiring education is linked to reduction in incidence of poverty as it imparts skills and generates income-earning ability. 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 (and lost out against) heavy debt repayments, large and ever-expanding defense budgets and unproductive expenditures on running an oversized government.

There are certain limitations of data availability and consistency that are recognized at the outset to limit the analysis to some degree. Collecting consistent data on financing and outcomes (across reported sources as well as over time) has ever been a challenge. Pakistan is a country with low per capita income levels. Adult literacy rate at present is 58% which does not indicate satisfactory situation regarding Pakistan's international commitments i.e. EFA and MDGs. Data indicate that around 6.1 million children are still out of school majority of which is of female gender. The public sector in the country is the major service provider in education sector, still suffers from low resource allocation.

Public spending on education in Pakistan has remained around 2% of GDP for the last two decade. This figure is low by regional standards and far below the target set to ensure achievement of universal access to primary education and quality education at all levels. Pakistan is compelled by its constitutional commitments and commitments to international agreements to ensure a minimum level of funding and to undertake policy reform. Implicitly, the state and levels of education financing affect the level of achievement of outcome targets. Under-financing of the education sector and low allocations are the most prevalent criticism and oft-cited reason for slow progress towards EFA goals.

Key messages on Domestic Finance in Education

- The Government of Pakistan has increased its overall spending on education in recent years. However, resource allocations to education as a proportion of GDP 2% which is far below the government's target of 4%. To achieve this target, there is an urgent need to increase budgetary resources for educational development.
- Within provinces, more needs to be done to ensure judicious use, distribution and allocation of resources to overcome inequities in education. This requires planning and budgeting that is sensitive to diverse needs across districts and schools.
- The allocation for higher education as compared to primary and secondary and technical and vocational education is considerably low which needs due attention of the provincial and regional governments for increase.
- The allocation for recurring budget major portion of which is salary component is almost 85% of the total allocated education budgets at federal as well as at provincial/regional level while rest 15% is for development. This needs attention of planners and policy makers for appropriately enhancing the budgetary allocations for development budget.

Pakistan's education system represents a distinct division as there are parallel streams of primary, elementary, secondary and tertiary education. The system is further divided as public and private sector, in addition to non-formal and Madrassah stream that caters for the poorest of the poor mostly focusing on religious education. Detail of educational institutions is given in the following table.

OVERVIEW OF EDUCATIONAL INSTITUTIONS (2013-14)

| | | Province/Region | | | | | | | | |
|----------------------------------|---------------|-----------------|--------------|---------------|--------------|-------------|-------------|-------------|-------------|---------------|
| | | Balochistan | KP | Punjab | Sindh | GB | ICT | FATA | AJK | PAKISTAN |
| Public | Male | 9027 | 17726 | 26064 | 38336 | 837 | 183 | 3149 | 3316 | 98638 |
| | Female | 3506 | 10233 | 26621 | 8094 | 334 | 165 | 2383 | 2586 | 53822 |
| Private | Male | 100 | 422 | 2733 | 261 | 29 | 09 | 186 | 30 | 3770 |
| | Female | 41 | 205 | 3426 | 397 | 66 | 12 | 09 | 56 | 4212 |
| | Mixed | 802 | 5268 | 39089 | 9934 | 358 | 533 | 174 | 1949 | 58107 |
| NEF/BECS (Non-formal) | | 607 | 1380 | 5614 | 1674 | 1425 | 248 | 872 | 203 | 12023 |
| Deeni Madaris | Male | 227 | 1292 | 2187 | 539 | 45 | 20 | 142 | 165 | 4617 |
| | Female | 28 | 506 | 1160 | 150 | 06 | 09 | 71 | 166 | 2096 |
| | Mixed | 471 | 1038 | 2541 | 1329 | 42 | 17 | 316 | 938 | 6692 |
| TOTAL | | 14809 | 38070 | 109435 | 60714 | 3142 | 1196 | 7302 | 9409 | 243937 |

Note: Public sector enrolments include students in NCHD- supported feeder schools.

Source: Pakistan Education Statistics, 2013-14, AEPAM

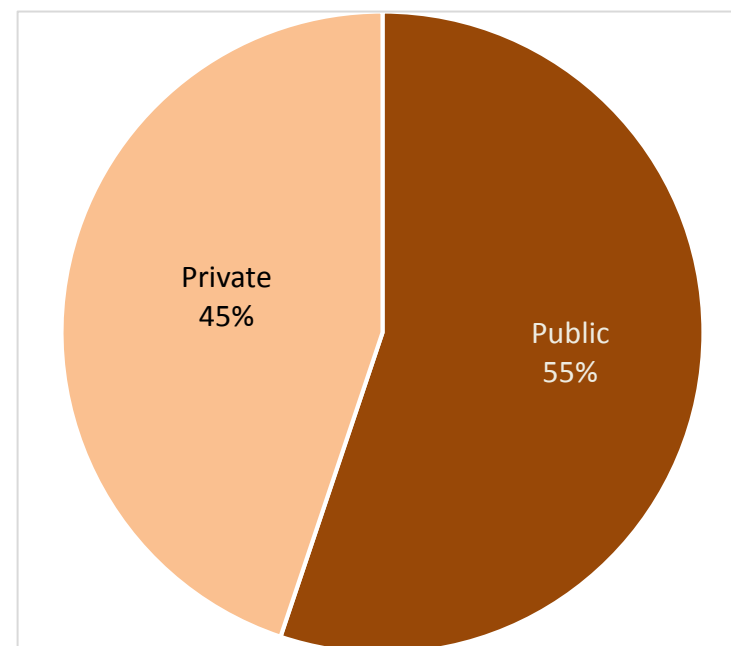
FINANCING IN EDUCATION

Pakistan's education estimated funding of Rs 1189 billion relies on both the public as well as private sector, with the former contributing 55% and the latter 45%.

Rs. in Billion

| Sector | Budget (Expenditure) | | |
|-----------------------|----------------------|------------------|------------------|
| | 2012-13 | 2013-14 | 2014-15 |
| A) Public Sector | 500.618 | 539.251 | 655.546 |
| Federal Government | 92.478 | 109.810 | 122.016 |
| Provincial Government | 408.140 | 429.441 | 533.530 |
| B) Private Sector * | 533.310 | 533.310 | 533.310 |
| Total (A+B) | 1,033.928 | 1,071.561 | 1,188.856 |

**Estimated from NEMIS data 2013-2014
Source: Pakistan Economic Survey 2014-15*



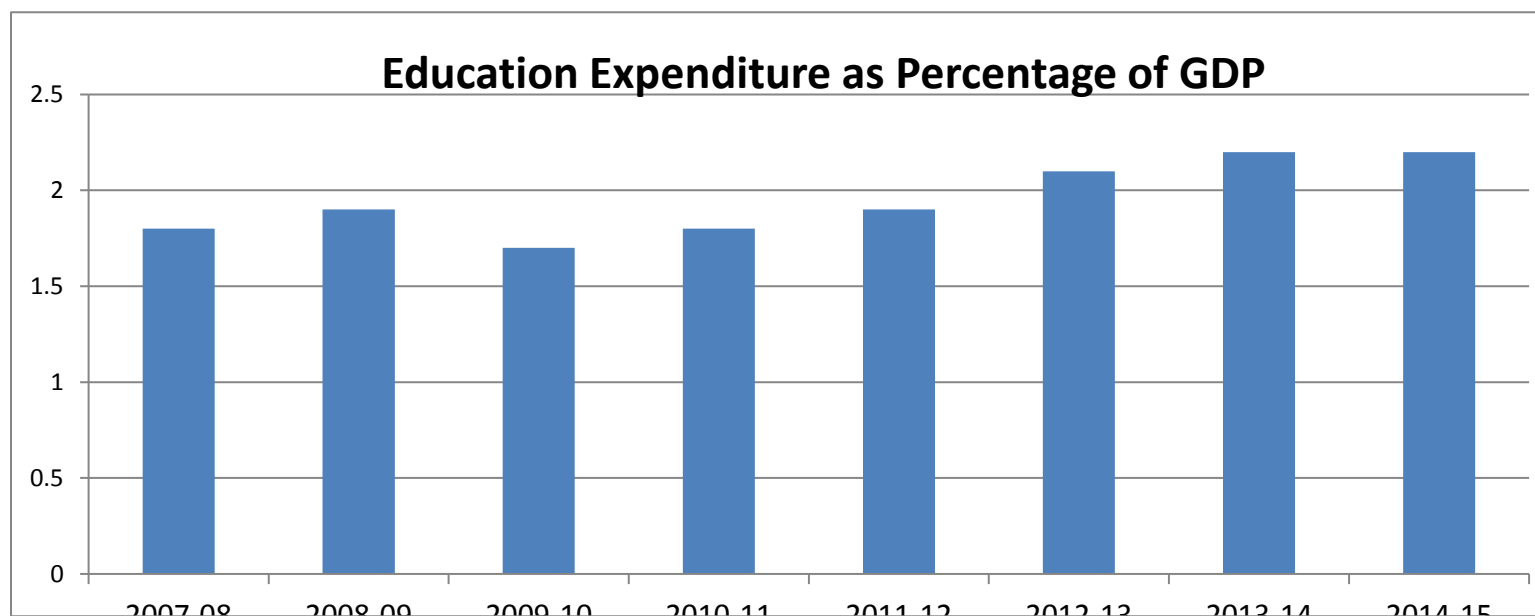
EDUCATION EXPENDITURE AS PERCENTAGE OF GDP 2007-08 TO 2014-15

Pakistan's education expenditure as percentage of GDP has varied between 1.7% and 2.2% during 2007-2008 to 2014-15.
Education Expenditure as % of GDP

Table 1

| 2007-2008 | 2008-2009 | 2009-2010 | 2010-2011 | 2011-2012 | 2012-2013 | 2013-2014 | 2014-2015 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 1.8 | 1.9 | 1.7 | 1.8 | 1.9 | 2.1 | 2.2 | 2.2 |

Source: i) Pakistan Education for All Review Report 2015
ii) Pakistan Economic Survey, 2014-15



The data indicate that there has been a gradual increase in education financing in terms of GDP share. The above table depicts that percentage of GDP allocation of education sector in 2007-2008 was 1.8% which increased upto 2.2% in 2014-15.

Table 2**Federal Education Budget****Rs. in Billion**

| Budget | | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | | Increase from 2012-13 to 2015-16 (%) | |
|--------------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------|--------------------------------------|-------------|
| | | Allocation | Expenditure | Allocation | Expenditure | Allocation | Expenditure | Allocation | Expenditure | Allocation | Expenditure |
| A | Current | 47.873 | 56.952 | 59.277 | 66.206 | 63.221 | 64.519 | 75.580 | 58 | 13 | |
| B | Development | 17.376 | 13.190 | 21.121 | 20.510 | 21.106 | 29.557 | 23.400 | 35 | 124 | |
| Total (A+B) | | 65.250 | 70.142 | 80.398 | 86.716 | 84.328 | 94.070 | 98.980 | 52 | 34 | |

- Source:**
- i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
 - ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
 - iii) *Concerned Education Departments*

The data includes the commulative figure of federal budgeting and expenditure either directly made by federal ministries like Ministry of Federal Education and Professional Training, Capital Administration and Development Division and others and the spending of FATA, GB and AJK governments financed by federal government. The data shows an increase of 52% in allocation and 34% in expenditure. There is a need to analyse the reasons for low expenditure as compared to the allocation. This may involve significant of release processes as well as capacity building of the respective institutions/organizations and departments.

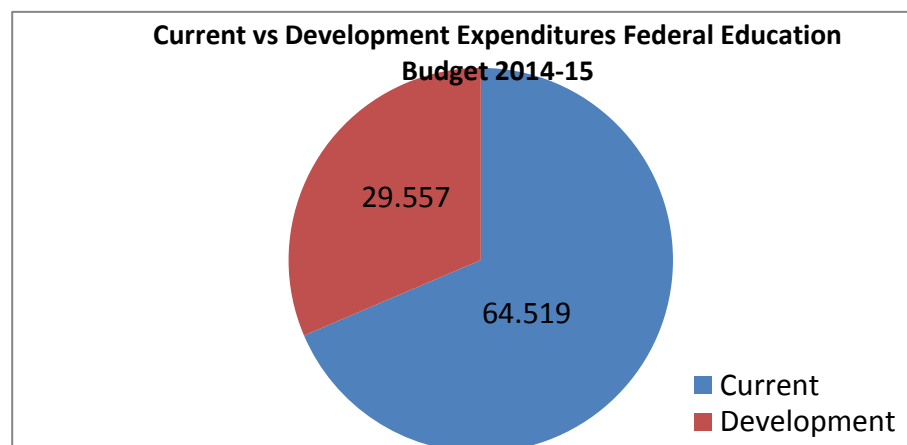


Table 3**Federal Financing on Education****Rs. in Billion**

| Budget | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | Increase from 2012-13 to 2015-16 (%) | |
|---|------------|-------------|------------|-------------|------------|-------------|------------|--------------------------------------|-------------|
| | Allocation | Expenditure | Allocation | Expenditure | Allocation | Expenditure | Allocation | Allocation | Expenditure |
| M/o Federal Education and Professional Training including Higher Education Commission | 52.502 | 56.292 | 63.193 | 66.033 | 67.525 | 74.551 | 75.058 | 43 | 32 |
| Other Federal Ministries Financing on Education | 18.016 | 18.546 | 22.888 | 22.627 | 24.77 | 24.217 | 29.323 | 63 | 31 |
| Gilgit Baltistan and AJK | 17.00 | 17.64 | 20.62 | 21.150 | 23.185 | 23.248 | 25.888 | 52 | 32 |
| Total Federal Financing on Education | 87.518 | 92.478 | 106.701 | 109.81 | 115.48 | 122.016 | 130.269 | 49 | 32 |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Education Departments*

The Federal budget include budget of Ministry of Federal Education and Professional Training, other Ministries' spending on Education, FATA, Gilgit Baltistan and AJK Budget being funded by Federal Government. This shows an increase both in allocations (49%) and expenditure (32%). The gap between allocation and expenditure is on the pattern of national scenario i.e 2% of GDP, this requires due attention of relevant authorities.

Table 4

**Budget of Ministry of Federal Education and
Professional Training, Higher Education Commission and NAVTTC**

Rs. in Billion

| Budget | | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | Increase/decrease from 2012-13 to 2015-16 (%) | |
|--|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|-----------|
| | | Allocation | Exp. | Allocation | Exp. | Allocation | Exp. | Allocation | Allocation | Exp. |
| Ministry of Federal Education and Professional Training | | | | | | | | | | |
| A | Current | 0.773 | 1.055 | 1.016 | 1.070 | 0.910 | 1.344 | 1.178 | 52 | 27 |
| B | Development | 2.651 | 2.636 | 5.045 | 3.030 | 3.290 | 1.845 | 2.207 | -17 | -30 |
| Higher Education Commission | | | | | | | | | | |
| Current | | 32.755 | 36.278 | 39.000 | 43.118 | 43.000 | 43.050 | 51.000 | 56 | 19 |
| Development | | 15.800 | 15.800 | 18.490 | 18.490 | 20.000 | 27.809 | 20.000 | 27 | 76 |
| NAVTTC | | | | | | | | | | |
| Current | | 0.223 | 0.223 | 0.170 | 0.170 | 0.165 | 0.258 | 0.324 | 45 | 16 |
| Development | | 0.300 | 0.300 | 0.192 | 0.155 | 0.160 | 0.245 | 0.349 | 16 | -18 |
| Total | | 52.502 | 56.292 | 63.913 | 66.033 | 67.525 | 74.551 | 75.058 | 43 | 32 |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS)*, Islamabad

ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure*

iii) *Concerned Education Departments*

The pattern of increase in allocation of budget and actual expenditure is almost the same however the gap between allocation and expenditure is an decrease which is positive and shows efforts made by the Ministry and institutions/organizations under it. This trend needs to be continued to ensure 100% utilization of the budgetary allocations every year.

Table 5**Other Federal Ministries Financing on Education****Rs. in Billion**

| Name of Ministry | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | Increase/decrease from 2012-13 to 2015-16 (%) | |
|---|------------|--------|------------|-------|------------|-------|------------|---|------|
| | Allocation | Exp. | Allocation | Exp. | Allocation | Exp. | Allocation | Allocation | Exp. |
| CAD Division | 4.250 | 4.072 | 7.402 | 6.725 | 8.127 | 7.643 | 9.351 | 120 | 88 |
| Ministry of Religious Affairs | | | | | | | | | |
| i) Grants of Model Deeni Madaris | 0.036 | 0.036 | 0.046 | 0.046 | 0.050 | 0.050 | 0.053 | 47 | 39 |
| i) Madaris Reforms (Teaching of formal subjects in Deeni Madaris) | 0.039 | 0.039 | 0.038 | 0.037 | 0.040 | 0.040 | 0.040 | 3 | 3 |
| Ministry of Science & Technology | | | | | | | | | |
| i) NUST, Islamabad | 1.512 | 1.512 | 1.562 | 1.490 | 1.703 | 1.703 | 2.146 | 42 | 13 |
| ii) COMSATS, Islamabad | 0.008 | 0.009 | 0.050 | 0.050 | 0.100 | 0.100 | 0.100 | 1150 | 1011 |
| iii) National Institute of Electronics | 0.094 | 0.094 | 0.104 | 0.095 | 0.096 | 0.096 | 0.112 | 19 | 2 |
| iv) iv) Development Budget | 0.033 | 0.035 | 0.005 | 0.005 | 0.020 | 0.020 | 0.020 | -39 | -43 |
| Ministry of Defence FGEI (Cantt & Garrison) | 2.893 | 03.574 | 3.823 | 4.012 | 4.136 | 4.136 | 4.875 | 69 | 16 |
| Cabinet Division | 0.048 | 0.039 | 0.067 | 0.063 | 0.786 | 0.787 | 0.857 | 1685 | 1918 |

Continue...

Rs. in Billion

| Name of Ministry | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | Increase from 2013-14 to 2015-16 (%) | |
|---|---------------|---------------|---------------|---------------|--------------|---------------|---------------|--------------------------------------|-----------|
| | Allocation | Expenditure | Allocation | Expenditure | Allocation | Expenditure | Allocation | Allocation | Exp. |
| Ministry of Economic Affairs and Statistics | 0.199 | 0.198 | 0.105 | - | - | - | - | - | - |
| M/o Information, Broadcasting and National Heritage | 0.127 | 0.144 | 0.148 | 0.019 | 0.022 | 0.022 | 0.129 | 2 | -85 |
| Ministry of Inter Provincial Coordination | 0.210 | 0.216 | 0.590 | 1.141 | 0.105 | 0.217 | 0.109 | -48 | 1 |
| Ministry of States and Frontier Regions | 7.192 | 7.192 | 7.964 | 7.983 | 8.484 | 8.484 | 10.209 | 42 | 18 |
| Establishment Division | 0.456 | 0.450 | 0.139 | 0.138 | 0.142 | - | - | - | - |
| Ministry of Foreign Affairs | 0.063 | 0.094 | 0.064 | 0.055 | 0.010 | 0.010 | 0.011 | -82 | -89 |
| Ministry of Overseas | 0.80 | 0.780 | 0.717 | 0.701 | 0.879 | 0.757 | 1.151 | 44 | -3 |
| Ministry of Water and Power | 0.042 | 0.046 | 0.047 | 0.049 | 0.051 | 0.050 | 0.058 | 38 | 9 |
| Ministry of Railways | 0.014 | 0.016 | 0.017 | 0.018 | 0.019 | 0.102 | 0.102 | 629 | 538 |
| Grand Total | 18.016 | 18.546 | 22.888 | 22.627 | 24.77 | 24.217 | 29.323 | 63 | 31 |

Source: Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure

An increasing trend is visible from the data both in allocation and expenditure however the gap between expenditure and allocation as a whole is quite wide. The federal government as a whole may look into the situation and take steps for 100% utilization of budgetary allocation on education.

Table 6**Level Wise Federal Education Budget**

Rs. in Billion

| Level | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 Allocation |
|---|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| | Allocation | Exp. | Allocation | Exp. | Allocation | Exp. | |
| Primary Education | 4.70 (7%) | 6.33 (9%) | 5.83 (7%) | 7.18 (6%) | 6.33 (8%) | 6.035 (6%) | 7.24 (7%) |
| Secondary Education | 5.63 (8.62%) | 7.63 (11%) | 7.43 (9%) | 8.61 (10%) | 8.13 (10%) | 8.00 (8%) | 9.28 (9%) |
| Tertiary Education | 51.62 (79%) | 52.71 (75%) | 61.88 (77%) | 65.97 (76%) | 67.76 (80%) | 75.78 (80%) | 77.40 (78%) |
| Federal (NAVTTC & PM Special Initiative for Hunarmand Pakistan Program) | 0.998 (1.52%) | 0.998 (1.52%) | 0.712 (0.9%) | 0.675 (0.8%) | 0.671 (0.8%) | 0.759 (0.8%) | 1.02 (1%) |
| Others* | 2.302 (3.52%) | 2.474 (3.5%) | 4.53 (6%) | 4.27 (5%) | 1.43 (2%) | 3.50 (3%) | 4.04 (5%) |
| Total | 65.250 | 70.142 | 80.390 | 86.710 | 84.320 | 94.070 | 98.980 |

* Salary and benefit of secretariat employees, POL and utility charges, etc.

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS)*, Islamabad
 ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II*
Current Expenditure and Vol-III Development Expenditure
 iii) *Budget Book 2015-16*

Note: (i) Federal budget include budget of Ministry of Federal Education and Professional Training, other Ministries spending on Education and FATA.
 (ii) Gilgit Baltistan and AJK Budget are partially funded by Federal Government.

The figures show that a huge disparity exists in allocation of resources between basic education, tertiary education and technical and vocational education. This needs to be considered at appropriate level and steps be taken to remove the disparity particularly in respect of technical and vocational education.

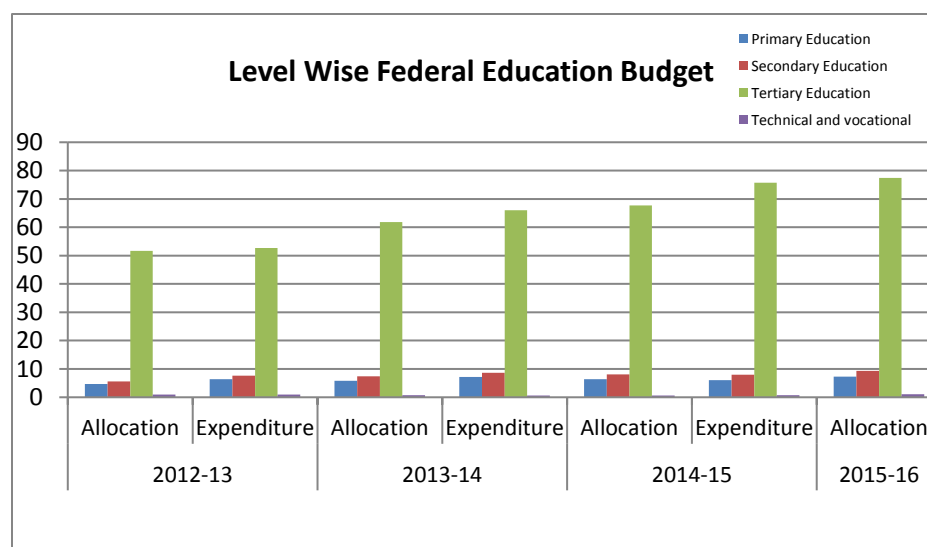


Table 7**Provincial/Regional Education Budget Allocations****Rs. In Billion**

| Province/ Region | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | Increase from 2012-13 to 2015-16 (%) | |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|-------------|
| | Allocation | Expenditure | Allocation | Expenditure | Allocation | Expenditure | Allocation | Allocation | Expenditure |
| | | | | | | | | | |
| Provincial Budgets | 432.536 | 408.14 | 499.417 | 429.441 | 551.715 | 533.530 | 637.662 | 47 | 31 |
| Regional Budgets | 28.442 | 28.554 | 35.986 | 35.858 | 39.796 | 39.375 | 45.448 | 60 | 38 |
| Total: | 460.978 | 436.694 | 535.403 | 465.299 | 591.511 | 572.905 | 683.110 | 48 | 31 |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Concerned Education Departments*

The pattern of increase in education budget at province/region level is similar to that of federal government. Gap in utilization at provincial/regional level is also these which require attention of relevant authorities.

Table 8**Provincial Education Budget Allocations and Expenditures**

Rs. in Billion

| Provinces | | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | Increase/decrease from 2012-13 to 2015-16 (%) | |
|--------------------|---------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|---|-------------|
| | | Allocation | Expenditure | Allocation | Expenditure | Allocation | Expenditure | Allocation | Allocation | Expenditure |
| Punjab | Current | 185.546 | 186.763 | 200.110 | 182.113 | 221.039 | 241.260 | 264.093 | 42 | 29 |
| | Dev. | 35.026 | 9.323 | 32.456 | 28.933 | 38.589 | 42.120 | 46.107 | 32 | 352 |
| | Total | 220.575 | 196.086 | 232.566 | 211.107 | 259.629 | 283.380 | 310.200 | 41 | 45 |
| Sindh | Current | 97.297 | 92.697 | 118.665 | 98.199 | 134.462 | 109.054 | 144.783 | 49 | 18 |
| | Dev. | 12.000 | 5.728 | 16.885 | 5.529 | 11.800 | 6.526 | 10.000 | -17 | 14 |
| | Total | 109.297 | 98.425 | 135.546 | 103.709 | 146.270 | 115.581 | 154.783 | 42 | 17 |
| Khyber Pakhtunkhwa | Current | 55.992 | 65.856 | 66.608 | 65.707 | 80.729 | 77.088 | 97.542 | 74 | 17 |
| | Dev. | 22.152 | 18.602 | 29.798 | 14.967 | 26.106 | 25.373 | 22.178 | 0 | 36 |
| | Total | 78.145 | 84.458 | 96.407 | 80.675 | 106.835 | 102.462 | 119.720 | 53 | 21 |
| Balochistan | Current | 22.457 | 26.601 | 24.743 | 28.643 | 39.773 | 27.835 | 38.325 | 71 | 5 |
| | Dev. | 2.061 | 2.570 | 10.154 | 5.306 | 5.992 | 4.299 | 14.032 | 581 | 67 |
| | Total | 24.519 | 29.171 | 34.898 | 33.950 | 35.766 | 32.107 | 52.959 | 116 | 10 |
| Total | Current | 361.294 | 371.917 | 410.122 | 394.702 | 466.015 | 455.717 | 544.745 | 51 | 23 |
| | Dev. | 71.242 | 36.233 | 89.295 | 54.739 | 82.487 | 78.313 | 92.917 | 30 | 116 |
| | Total | 432.536 | 408.14 | 499.417 | 429.441 | 548.500 | 533.530 | 637.662 | 47 | 31 |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS)*, Islamabad
ii) *Concerned Provincial Education Departments*

This table shows budgetary allocation of four major federal units Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan. A trend of increase is visible in allocations however on expenditure side there is a need to pay attention for 100% utilization.

Provincial Education Budget Allocations and Expenditures

- Punjab
- Sindh
- Khyber Pakhtunkhwa
- Balochistan

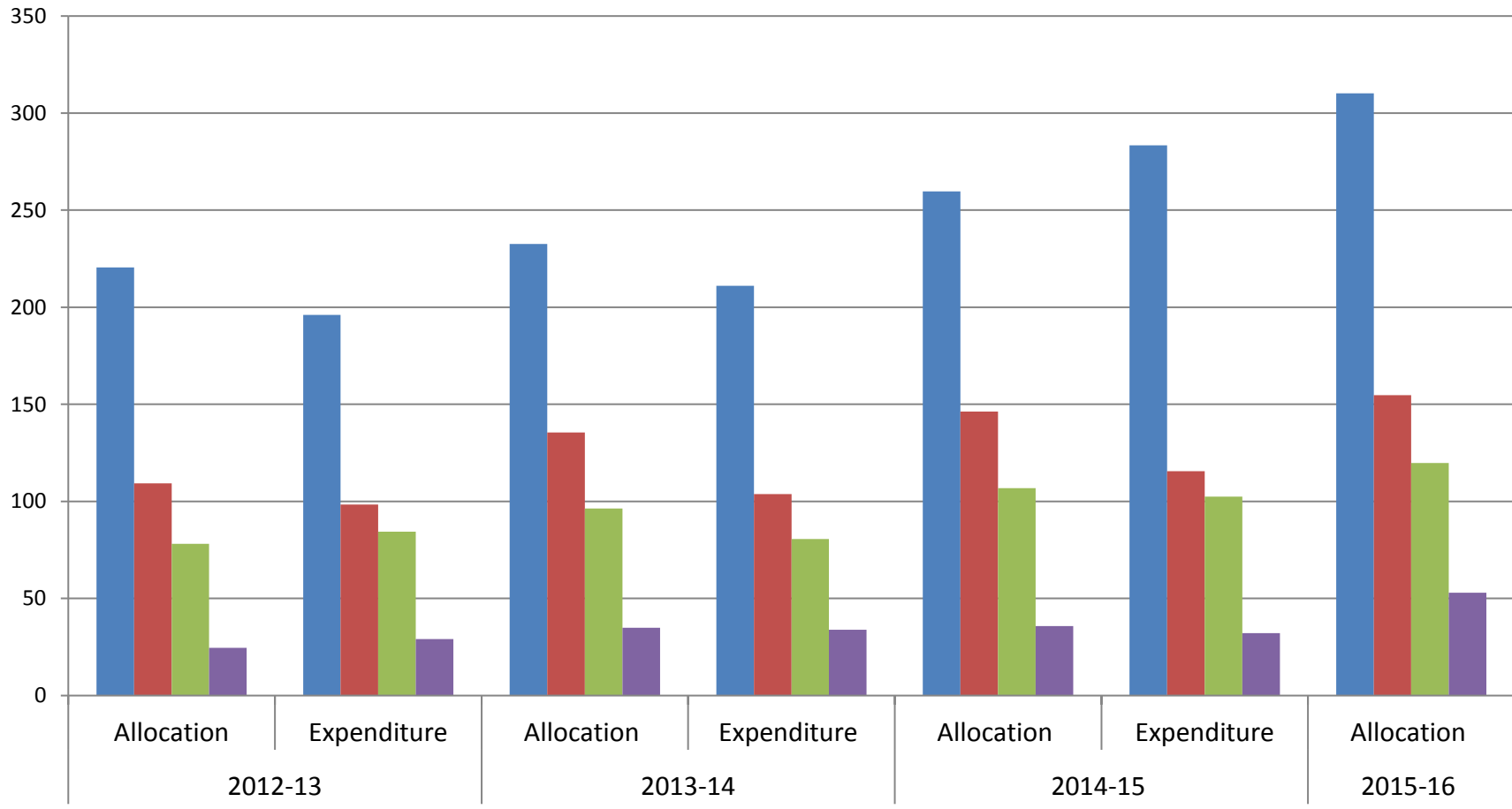


Table 9**Regional Current and Development Education Budget Allocations and Expenditures**

| Budget | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | Increase from 2012-13 to 2015-16 (%) | |
|-------------|---------|--------|---------|--------|---------|--------|---------|---|-----|
| | Alloc | Exp | Alloc | Exp | Alloc | Exp | Alloc | Alloc | Exp |
| Current | 27.378 | 27.900 | 35.555 | 33.820 | 37.911 | 38.034 | 41.982 | 53 | 36 |
| Development | 1.064 | 0.654 | 0.431 | 2.038 | 1.885 | 1.341 | 3.466 | 226 | 105 |
| Total | 28.442 | 28.554 | 35.986 | 35.858 | 39.796 | 39.375 | 45.448 | 60 | 38 |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS)*, Islamabad
ii) *Concerned Provincial Education Departments*

Table 10**Regional Education Budget Allocations and Expenditures**

Rs. in Billion

| Provinces | | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | Increase/decrease from 2012-13 to 2015-16 (%) | |
|----------------------|---------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---|-------------|
| | | Allocation | Expenditure | Allocation | Expenditure | Allocation | Expenditure | Allocation | Allocation | Expenditure |
| Gilgit Baltistan | Current | 3.849 | 3.889 | 4.333 | 3.929 | 5.007 | 5.011 | 5.234 | 36 | 29 |
| | Dev. | 0.251 | 0.251 | 0.087 | 0.521 | 0.326 | 0.323 | 1.352 | 439 | 29 |
| | Total | 4.10 | 4.14 | 4.420 | 4.450 | 5.333 | 5.334 | 6.586 | 61 | 29 |
| Azad Jammu & Kashmir | Current | 12.200 | 12.000 | 15.878 | 15.415 | 17.042 | 17.159 | 18.197 | 49 | 43 |
| | Dev. | 0.700 | 0.262 | 0.322 | 1.285 | 0.810 | 0.755 | 0.105 | -85 | 188 |
| | Total | 12.90 | 13.15 | 16.200 | 16.700 | 17.852 | 17.914 | 19.302 | 50 | 36 |
| FATA | Current | 7.192 | 7.192 | 7.964 | 7.983 | 8.484 | 8.484 | 10.209 | 42 | 18 |
| | Dev. | Nil | | | | | | | | |
| | Total | 7.192 | 7.192 | 7.964 | 7.983 | 8.484 | 8.484 | 10.209 | 42 | 18 |
| ICT | Current | 4.137 | 3.931 | 7.380 | 6.493 | 7.378 | 7.380 | 8.342 | 102 | 88 |
| | Dev. | 0.113 | 0.141 | 0.222 | 0.232 | 0.749 | 0.263 | 1.009 | 793 | 87 |
| | Total | 4.250 | 4.072 | 7.402 | 6.725 | 8.127 | 7.643 | 9.351 | 120 | 88 |
| Total | Current | 27.378 | 27.900 | 35.555 | 33.820 | 37.911 | 38.034 | 41.982 | 53 | 36 |
| | Dev. | 1.064 | 0.654 | 0.431 | 2.038 | 1.885 | 1.341 | 3.466 | 226 | 105 |
| | Total | 28.442 | 28.554 | 35.986 | 35.858 | 39.796 | 39.375 | 45.448 | 60 | 38 |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS)*, Islamabad
ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Regional Education Departments*

The Table shows that at regional level increase in budget allocation for education on the pattern of provincial and federal level is visible.

Regional Education Budget Allocations and Expenditures

- Gilgit Baltistan
- Azad Jammu & Kashmir
- FATA
- ICT

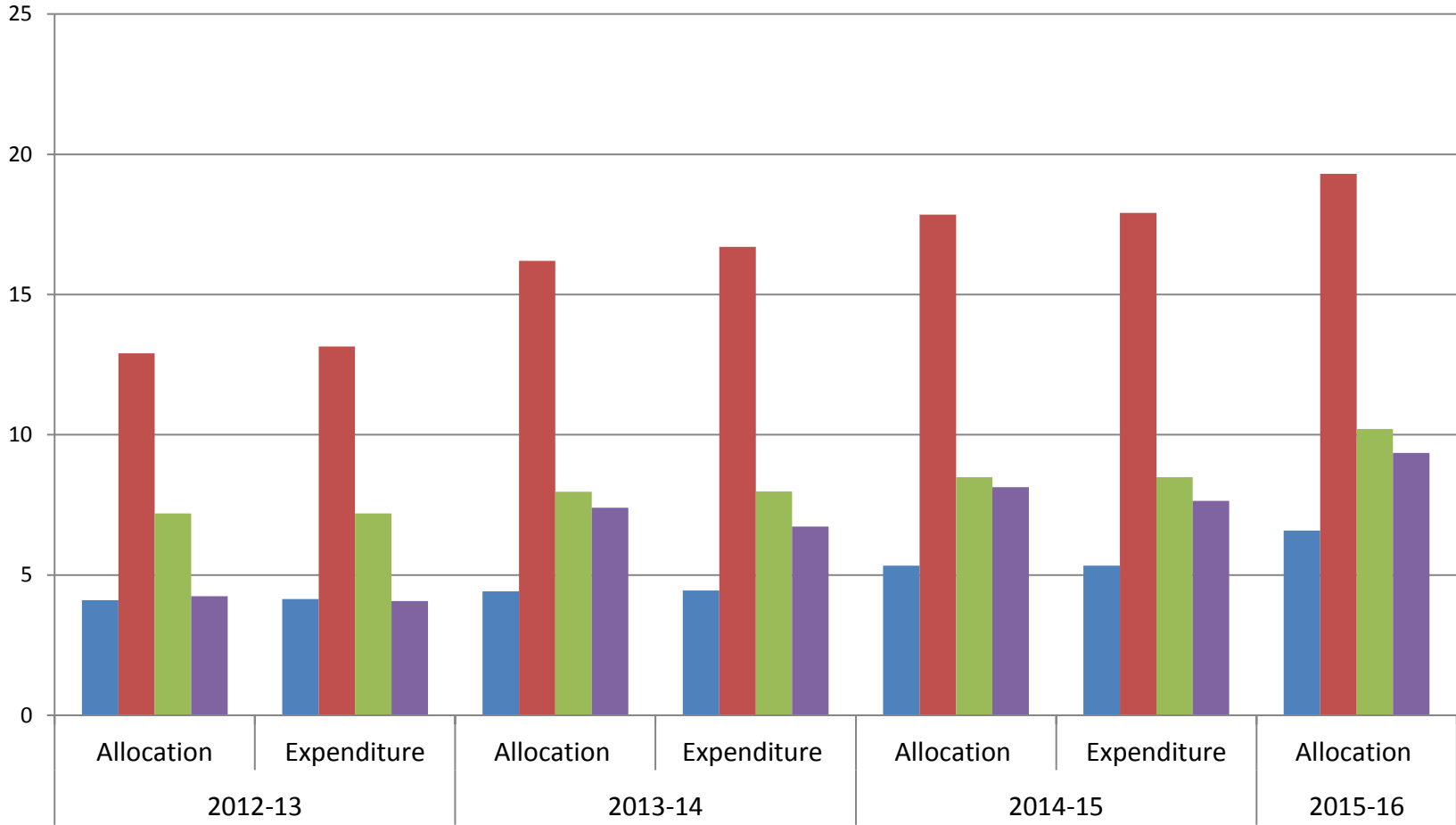


Table 11**Regional Education Budget Allocations and Expenditures**

| Provinces | | 2012-13 | | 2013-14 | | 2014-15 | | 2015-16 | Increase/decrease from 2012-13 to 2015-16 (%) | |
|----------------------|---------|---------|--------|---------|--------|---------|--------|---------|---|------|
| | | Alloc. | Exp. | Alloc. | Exp. | Alloc. | Exp. | Alloc. | Alloc. | Exp. |
| Gilgit Baltistan | Current | 3.849 | 3.889 | 4.333 | 3.929 | 5.007 | 5.011 | 5.234 | 36 | 29 |
| | Dev. | 0.251 | 0.251 | 0.087 | 0.521 | 0.326 | 0.323 | 1.352 | 439 | 29 |
| | Total | 4.100 | 4.140 | 4.420 | 4.450 | 5.333 | 5.334 | 6.586 | 61 | 29 |
| Azad Jammu & Kashmir | Current | 12.200 | 12.000 | 15.878 | 15.415 | 17.042 | 17.159 | 18.197 | 49 | 43 |
| | Dev. | 0.700 | 0.262 | 0.322 | 1.285 | 0.810 | 0.755 | 0.105 | -85 | 188 |
| | Total | 12.90 | 13.15 | 16.200 | 16.700 | 17.852 | 17.914 | 19.302 | 50 | 36 |
| FATA | Current | 7.192 | 7.192 | 7.964 | 7.983 | 8.484 | 8.484 | 10.209 | 42 | 18 |
| | Dev. | Nil | | | | | | | | |
| | Total | 7.192 | 7.192 | 7.964 | 7.983 | 8.484 | 8.484 | 10.209 | 42 | 18 |
| ICT | Current | 4.137 | 3.931 | 7.380 | 6.493 | 7.378 | 7.380 | 8.342 | 102 | 88 |
| | Dev. | 0.113 | 0.141 | 0.222 | 0.232 | 0.749 | 0.263 | 1.009 | 793 | 87 |
| | Total | 4.250 | 4.072 | 7.402 | 6.725 | 8.127 | 7.643 | 9.351 | 120 | 88 |
| Total | Current | 27.378 | 27.900 | 35.555 | 33.820 | 37.911 | 38.034 | 41.982 | 53 | 36 |
| | Dev. | 1.064 | 0.654 | 0.431 | 2.038 | 1.885 | 1.341 | 3.466 | 226 | 105 |
| | Total | 28.442 | 28.554 | 35.986 | 35.858 | 39.796 | 39.375 | 45.448 | 60 | 38 |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Regional Education Departments*

Table 12**Per Student Expenditure on Education**

| Federal/ Provinces | 2012-2013 | | | 2013-2014 | | |
|------------------------|-----------------|---------------------------------|--------------------------------|-----------------|---------------------------------|--------------------------------|
| | Enrollment | Expenditure (Rs. in Billion) | Per Student Cost/Year (Rs.) | Enrollment | Expenditure (Rs. in Billion) | Per Student Cost/Year (Rs.) |
| Punjab | 11109679 | 196.086 | 17650 | 10679496 | 211.107 | 19768 |
| Sindh | 4628940 | 98.425 | 21263 | 4399850 | 103.709 | 23571 |
| Khyber Pakhtunkhwa | 4564602 | 84.458 | 18503 | 4721815 | 80.675 | 17086 |
| Balochistan | 1103982 | 29.171 | 26423 | 1115477 | 33.95 | 30435 |
| AJK | 563359 | 13.15 | 23342 | 560040 | 16.7 | 29819 |
| Gilgit Baltistan | 145468 | 4.14 | 28460 | 148224 | 4.45 | 30022 |
| FATA | 599126 | 7.192 | 12004 | 604559 | 7.983 | 13205 |
| ICT | 200322 | 4.072 | 20327 | 207519 | 6.725 | 32407 |
| Total | 22915478 | 436.694 | 167973 | 22436980 | 465.299 | 196312 |
| National (mean) | | | | | | 24539 |

Source: i) Pakistan Education Statistics 2012-2013 & 2013-2014
ii) Provincial/Regional Education Departments.

Per student cost is visible increasing in all provinces areas. However, there is a need to study the impact of this increase on overall quality of student's achievement.

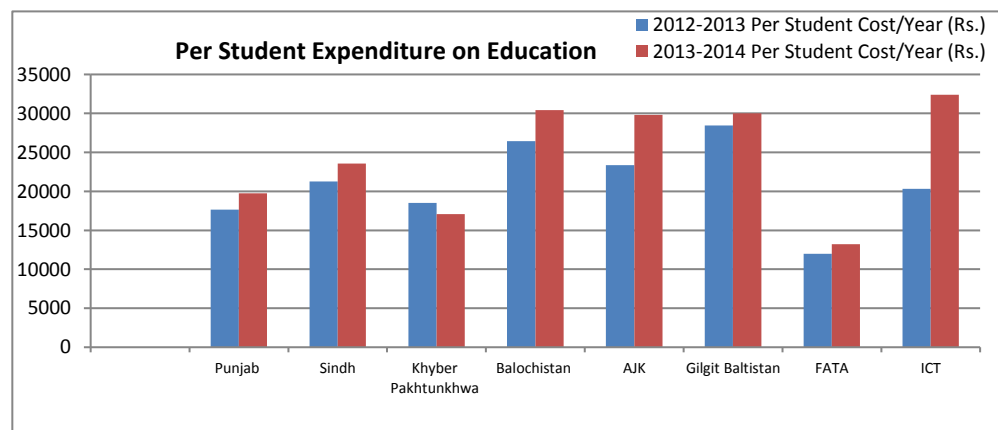


Table 13**Utilization of Education Budget**

Rs. in Billion

| Provinces | 2012-13 | | 2013-14 | | 2014-15 | | Percentage of Budget utilization | | |
|--------------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------------------------|-----------|-----------|
| | Allocation | Utilization | Allocation | Utilization | Allocation | Utilization | 2012-13 | 2013-14 | 2014-15 |
| Federal | 65.250 | 70.142 | 80.398 | 86.716 | 84.328 | 94.070 | 107 | 108 | 112 |
| Punjab | 220.575 | 196.086 | 232.566 | 211.107 | 259.629 | 283.380 | 89 | 91 | 109 |
| Sindh | 109.297 | 98.425 | 135.546 | 103.709 | 146.270 | 115.581 | 90 | 77 | 79 |
| Khyber Pakhtunkhwa | 78.145 | 84.458 | 96.407 | 80.675 | 106.835 | 102.462 | 108 | 84 | 96 |
| Balochistan | 24.519 | 29.171 | 34.898 | 33.950 | 35.766 | 32.107 | 119 | 97 | 90 |
| Total: | 497.786 | 478.282 | 579.815 | 516.157 | 632.828 | 627.6 | 96 | 89 | 99 |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
 ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
 iii) *Concerned Provincial Education Departments*

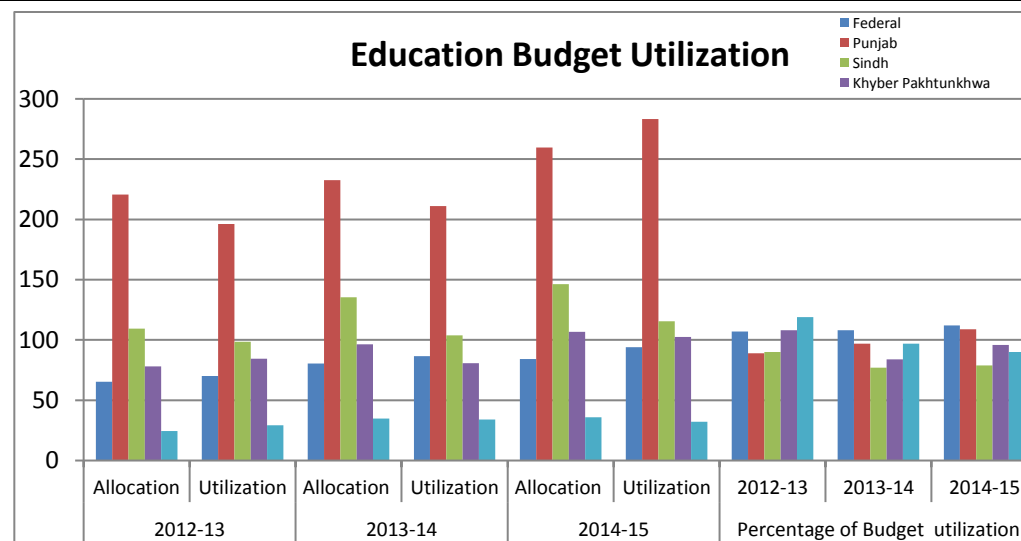


Table 14**Increase in Budget Allocations from 2012-13 to 2015-16****Rs. In billion**

| Budget | Total Budget | | | | | Education Budget | | | | |
|--------------------|----------------|-----------------|-----------------|----------------|---|------------------|---------------|---------------|----------------|---|
| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Percentage (%) Increase in Total Budget from 2012-13 to 2015-16 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Percentage (%) Increase in Education Budget from 2012-13 to 2015-16 |
| Federal | 3441.01 | 3,985.00 | 4,301.75 | 4,451.30 | 29 | 65.250 | 80.39 | 84.33 | 98.980 | 52 |
| Punjab | 690.88 | 897.56 | 1,095.12 | 1,447.24 | 109 | 220.515 | 232.56 | 259.62 | 310.200 | 41 |
| Sindh | 404.25 | 585.91 | 686.18 | 739.00 | 83 | 109.297 | 135.54 | 149.48 | 154.784 | 42 |
| Khyber Pakhtunkhwa | 248.08 | 329.00 | 404.80 | 487.00 | 96 | 78.145 | 96.41 | 106.84 | 119.720 | 53 |
| Balochistan | 183.35 | 198.40 | 215.72 | 243.00 | 33 | 24.519 | 34.89 | 40.67 | 52.959 | 116 |
| Total | 4816.30 | 5,995.87 | 6,703.57 | 7367.54 | 53 | 497.78 | 579.80 | 640.94 | 735.542 | 48 |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial Education Departments*

Quite handsome increase has been shown in this table in education which is gradually growing which is positive. This needs to be seen in the context of students learning achievement.

Table 15**Financing on Education as Proportion of Total Budget Allocation**

Rs. in Billion

| Budget | Total Budget | | | | Education Budget | | | | Share of Education (%) | | | |
|--------------------|----------------|-----------------|-----------------|----------------|------------------|---------------|---------------|----------------|------------------------|-----------|-----------|-----------|
| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| Federal | 3441.01 | 3,985.00 | 4,301.75 | 4,451.30 | 65.250 | 80.39 | 84.33 | 98.980 | 2 | 2 | 2 | 2 |
| Punjab | 690.88 | 897.56 | 1,095.12 | 1,447.24 | 220.515 | 232.56 | 259.62 | 310.200 | 32 | 26 | 24 | 22 |
| Sindh | 404.25 | 585.91 | 686.18 | 739.00 | 109.297 | 135.54 | 149.48 | 154.783 | 27 | 23 | 22 | 21 |
| Khyber Pakhtunkhwa | 248.08 | 329.00 | 404.80 | 487.00 | 78.145 | 96.41 | 106.84 | 119.720 | 31 | 29 | 26 | 25 |
| Balochistan | 183.35 | 198.40 | 215.72 | 243.00 | 24.519 | 34.89 | 40.67 | 52.959 | 13 | 18 | 19 | 22 |
| Total | 4816.30 | 5,995.87 | 6,703.57 | 7367.54 | 497.78 | 579.80 | 640.94 | 735.542 | 10 | 10 | 10 | 10 |

- Source:** i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial Education Departments*

Distribution of Pakistan's Education Finance 2014-15

All provinces have earmarked significant portion of their total provincial budget for education. The highest proportion of provincial outlay has been recorded for KPK (26%), Punjab (24%), Sindh (22%) and Balochistan (19%). During 2013-14 the lowest utilization of education budget was recorded i.e. Sindh (77%), KPK (84%), Punjab (91%) and Balochistan (97%).

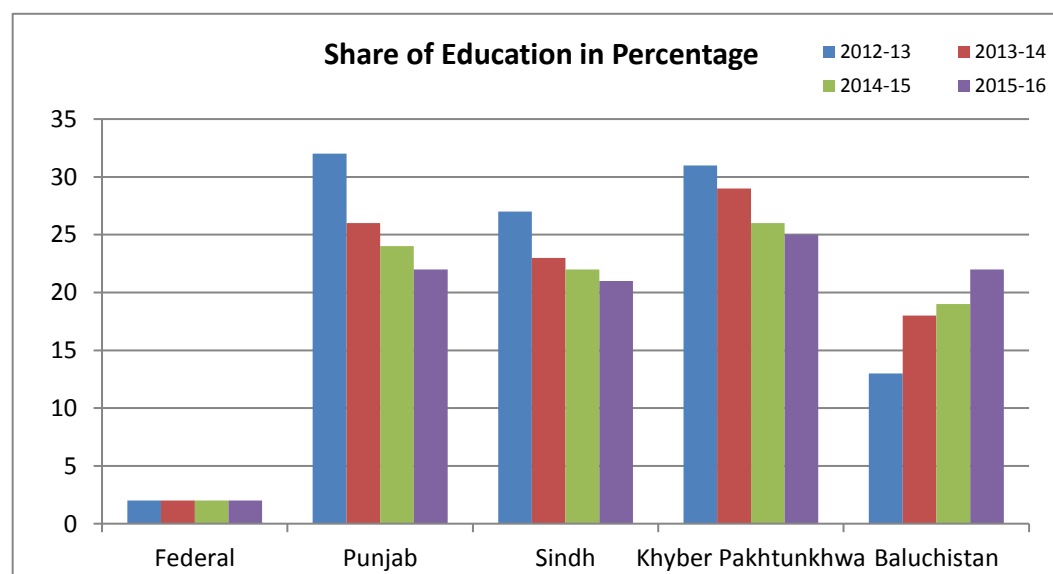


Table 16**Sub-Sector wise share of the total education Budgets****Rs. in Billion**

| Federal/ Provinces | Share of Primary Education out of Total Education Budget | | | | | | |
|-----------------------|--|------------------|--------------------|------------------|--------------------|------------------|------------------|
| | 2012-13 | | 2013-2014 | | 2014-15 | | 2015-16 |
| | Allocation | Expenditure | Allocation | Expenditure | Allocation | Expenditure | Allocation |
| Federal | 4.700 (7%) | 6.377 (9%) | 5.832 (7.25%) | 7.189 (6%) | 6.334 (7.51%) | 6.035 (6.45%) | 7.240 (7%) |
| Punjab | 94.995 (43%) | 90.272 (46%) | 98.962 (42%) | 92.188 (43%) | 108.579 (41%) | 112 (39%) | 116 (37%) |
| Sindh | 44.223 (40%) | 45.744 (46%) | 52.810 (38.96%) | 48.995 (47%) | 57.637 (38.55%) | 47.380 (41%) | 55.720 (36%) |
| Khyber Pakhtunkhwa | 22.569 (29%) | 30.379 (36%) | 45.136 (46.81%) | 36.154 (44%) | 35.974 (33.67%) | 32.060 (33%) | 48 (40%) |
| Balochistan | 5.313 (22%) | 8.87 (30%) | 7.809 (22.37%) | 9.425 (27%) | 9.851 (24.22%) | 9.630 (30%) | 17.470 (33%) |
| Total | 171.8 (40%) | 181.643 (44%) | 210.549 (36%) | 193.951 (37%) | 218.375 (34%) | 210.105 (33%) | 246.300 (33%) |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial Education Departments*

The increase in primary budget by provinces is quite high and is a step in right direction. This will help in achieving the targets of UPE, EFA and MDGs. This however for 2014-15 (34%) is less than 2012-13 (40%)

Share of Primary Education out of Total Education Budget

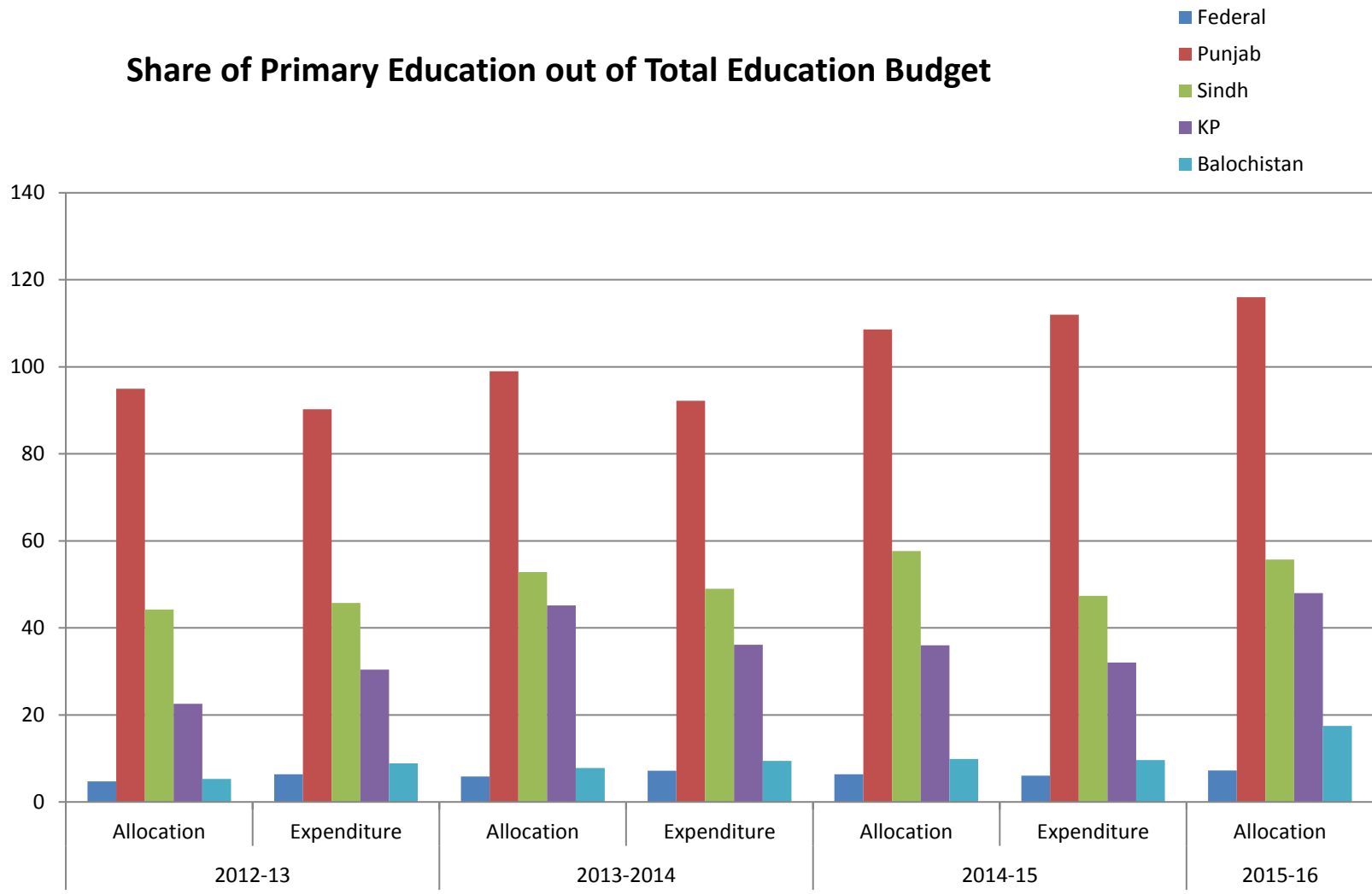


Table 17**Share of Secondary Education out of Total Education Budget****Rs. in Billion**

| Federal/ Provinces | 2012-2013 | | 2013-2014 | | 2014-15 | | 2015-16 |
|-----------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | Allocation | Expenditure | Allocation | Expenditure | Allocation | Expenditure | Allocation |
| Federal | 5.632 (9%) | 7.637 (11%) | 7.434 (9%) | 8.613 (10%) | 8.130 (10%) | 8.000 (8%) | 9.280 (9%) |
| Punjab | 92.029 (42%) | 71.724 (37%) | 99.594 (42%) | 84.14 (39%) | 111.321 (42%) | 118.000 (41%) | 139.590 (45%) |
| Sindh | 28.654 (26%) | 26.605 (27%) | 39.561 (29.18%) | 29.070 (28%) | 42.857 (28.66%) | 41.60 (36%) | 65.000 (42%) |
| Khyber Pakhtunkhwa | 28.986 (37%) | 34.120 (40%) | 35.899 (37.23%) | 33.042 (40%) | 55.648 (52.08%) | 51.325 (50%) | 52.000 (43%) |
| Balochistan | 7.094 (29%) | 11.670 (40%) | 14.113 (40.44%) | 17.092 (50%) | 14.627 (35.96%) | 13.160 (41%) | 21.180 (40%) |
| Total | 162.395 (38%) | 151.756 (37%) | 196.601 (33%) | 171.957 (33%) | 232.582 (36%) | 232.085 (37%) | 287.050 (38%) |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
 ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II*
Current Expenditure and Vol-III Development Expenditure
 iii) *Concerned Provincial Education Departments*

Except Balochistan provinces have remarked made increased allocations of secondary education. This seems to be a right step in meeting the constitutional objections under Article 25 A. However, in 2014-15 (36%) is less than 2012-13 (38%).

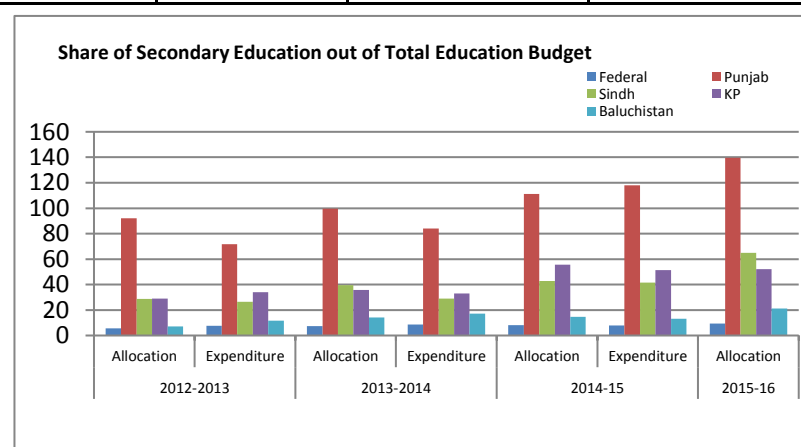


Table 18**Share of Higher Education out of Total Education Budget**

Rs. in Billion

| Federal/ Provinces | 2012-2013 | | 2013-2014 | | 2014-15 | | 2015-16 |
|-----------------------|------------------|------------------|--------------------|-----------------|--------------------|------------------|------------------|
| | Allocation | Expenditure | Allocation | Expenditure | Allocation | Expenditure | Allocation |
| Federal | 51.62 (79%) | 52.71 (75%) | 61.88 (77%) | 65.973 (76%) | 67.761 (80%) | 75.78 (80%) | 77.400 (78%) |
| Punjab | 25.612 (12%) | 22.582 (12%) | 26.189 (11%) | 26.590 (12%) | 31.605 (12%) | 41 (14%) | 40.320 (13%) |
| Sindh | 20.327 (19%) | 14.353 (15%) | 21.203 (15.64%) | 15.572 (15%) | 20.343 (13.60%) | 16.180 (14%) | 21.660 (14%) |
| Khyber Pakhtunkhwa | 10.103 (13%) | 10.674 (13%) | 11.777 (12.21%) | 10.578 (13%) | 13.224 (12.37%) | 12.615 (12%) | 15 (13%) |
| Balochistan | 4.503 (18%) | 4.120 (14%) | 6.985 (20.01%) | 4.517 (13%) | 7.768 (19.10%) | 6.420 (20%) | 12.190 (23%) |
| Total | 112.165 (26%) | 104.435 (26%) | 128.037 (22%) | 123.23 (23%) | 140.701 (22%) | 149.215 (23%) | 166.570 (22%) |

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial Education Departments*

Federal allocation is meant for universities located in provinces. As a whole 22% increase in budget for higher education is encouraging.

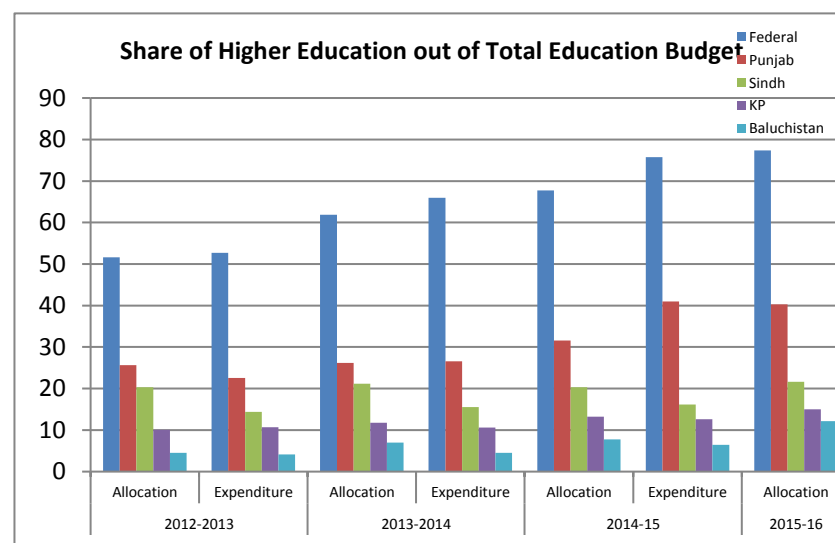


Table 19**Share of Technical & Vocational Education Budget out of Total Education Budget****Rs. in Billion**

| Federal/ Provinces | | 2012-2013 | | 2013-2014 | | 2014-15 | | 2015-16 |
|----------------------------|--|----------------|---------------|----------------|------------------|------------------|----------------|------------------|
| | | Allocation | Exp. | Allocation | Exp. | Allocation | Exp. | Allocation |
| Federal | NAV TTC | 0.223 | 0.223 | 0.362 | 0.325 | 0.325 | 0.514 | 0.673 |
| | PM Special Initiative for Hunarmand Pakistan Program | 0.300 | 0.300 | 0.350 | 0.350 | 0.350 | 0.245 | 0.349 |
| | Total | 0.523 (2%) | 0.523 (2%) | 0.71 (0.9%) | 0.67 (0.8%) | 0.67 (0.8%) | 0.75 (0.8%) | 1.02 (1%) |
| Punjab | TEVTA | 4.41 | 3.92 | 6.098 | 5.972 | 6.659 | 6.705 | 6.821 |
| | Punjab Skills Development Fund (PSDF) | 2.200 | 0.650 | 2.000 | 1.500 | 2.860 | 2.360 | 1.860 |
| | Total | 6.61 (3%) | 4.57 (2%) | 8.098 (3%) | 7.472 (4%) | 9.519 (4%) | 9.065 (3%) | 8.681 (3%) |
| Sindh (STEVTA) | | 2.18 (2%) | 1.968 (2%) | 3.895 (2%) | 2.668 (2%) | 3.587 (2%) | 2.566 (2%) | 4.289 (2%) |
| Khyber Pakhtunkhwa (TEVTA) | | 1.562 (2%) | 1.689 (2%) | 4.388 (4%) | 2.263 (2.80%) | 2.791 (2.61%) | 4.308 (4%) | 3.412 (2.84%) |
| Balochistan (TEVTA) | | 0.490 (2%) | 0.583 (2%) | 0.7 (2%) | 0.7 (2%) | 0.7 (2%) | 0.6 (2%) | 1.1 (2%) |
| Total | | 11.363 (3%) | 9.333 (2%) | 15.335 (3%) | 13.125 (3%) | 16.617 (3%) | 15.03 (3%) | 17.48 (3%) |

Source: i) Federal Budget 2012-13, 2013-14, 2014-15 and 2015-16 Vol-I & II Current Expenditure and Vol-III Development Expenditure
ii) NAVTTC, Islamabad
iii) Concerned TEVTA Authorities

This seems to be a neglected area witnessing an increase of 2% during 2014-15 as compared to 34% in primary, 36% in secondary and 22% in higher education. Steps to taken to reasonably increase budgeting allocations to this sector.

Share of Technical & Vocational Education Budget out of Total Education Budget

- Federal
- Punjab
- Sindh
- KP
- Balochistan

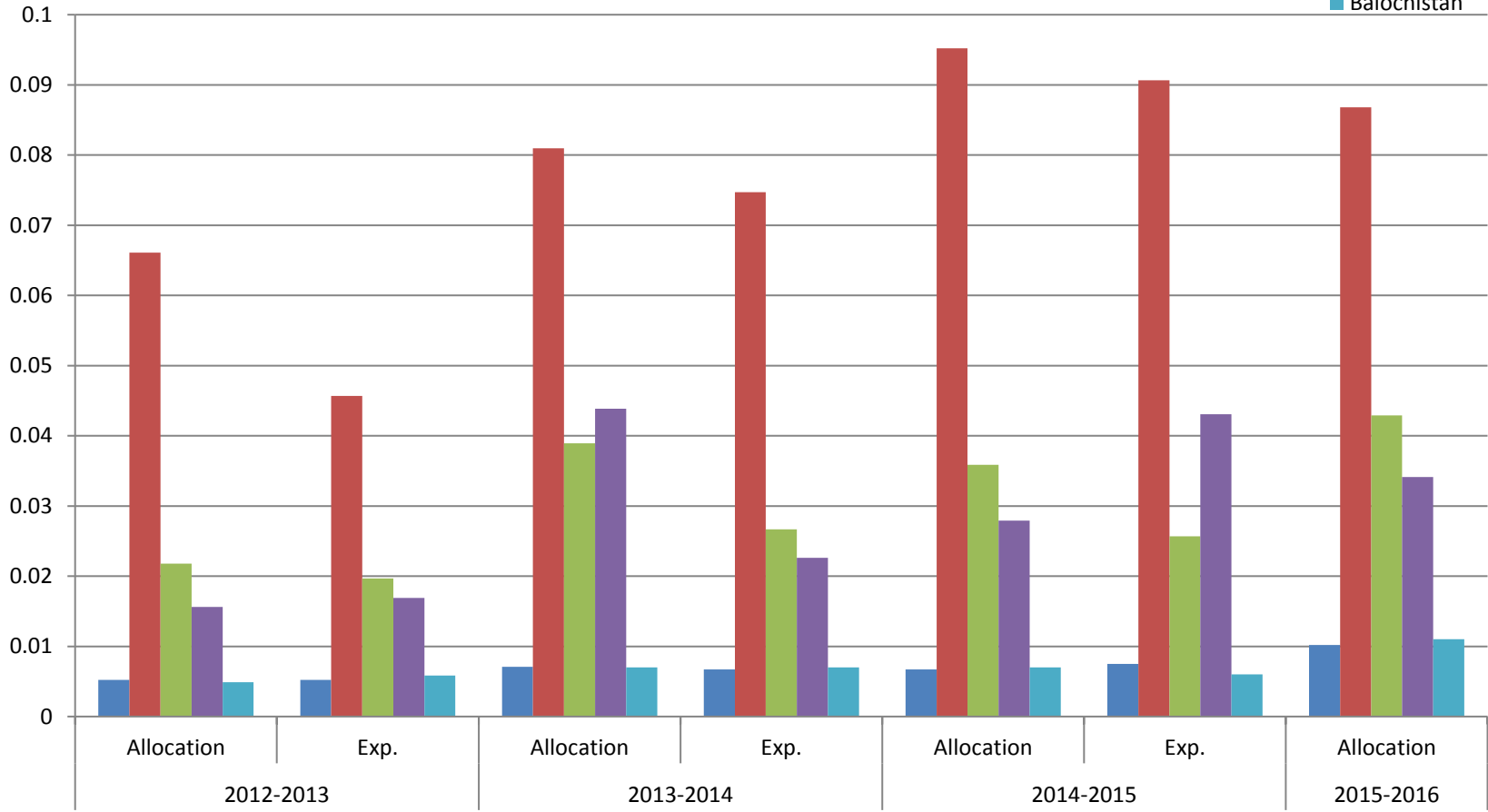


Table 20**Private Sector Expenditure in Education**

| | | | | | | Rs. in Billion |
|----|--------------|--------|--------------|-----------|-------------|----------------|
| S# | Institutions | | Category | Enrolment | Monthly Fee | Annual Fee |
| 1 | Primary* | 18,043 | 15,337 (85%) | 8,714,588 | 6.540 | 78.43 |
| | | | 2,346 (13%) | 1,332,819 | 13.330 | 159.940 |
| | | | 361 (2%) | 205,049 | 3.080 | 36.910 |
| 2 | Middle | 26,282 | 22,340 (85%) | 1,850,097 | 1.390 | 16.650 |
| | | | 3,417 (13%) | 282,956 | 2.830 | 33.950 |
| | | | 526 (2%) | 43,532 | 0.650 | 7.840 |
| 3 | Secondary | 18,237 | 15,501 (85%) | 799,840 | 0.600 | 7.200 |
| | | | 2,371 (13%) | 122,328 | 1.220 | 14.680 |
| | | | 365 (2%) | 18,820 | 0.280 | 3.390 |

Continue.....

Rs. in Billion

| | | | | | | |
|--------------|---|--------|-------------|-------------------|---------------|----------------|
| 4 | Higher Sec/ Inter Colleges | 3,411 | 2,899 (85%) | 256,741 | 0.19 | 2.31 |
| | | | 443 (13%) | 39,266 | 0.390 | 4.710 |
| | | | 68 (2%) | 6,041 | 0.090 | 1.090 |
| 5 | Degree Colleges | 116 | - | 124,051 | 0.62 | 7.440 |
| 6 | Tertiary Education | 70 | - | 230,058 | 3.450 | 41.410 |
| 7 | Technical & Vocational Institutions | 2,326 | - | 173,937 | 0.870 | 10.440 |
| 8 | Deeni Madaris | 13,012 | - | 1,782,163 | 8.910 | 106.920 |
| Total | | | | 15,982,286 | 44.440 | 533.310 |

Source: Pakistan Education Statistics, 2013-14

* Including Pre-Primary

*Average Fee 85% Rs.750 per student per month, Average Fee 13% Rs.10,000 per student per month, Average Fee 2% Rs.15,000 per student per month

• Average Expenditure Rs.500 per student per month for Deeni Madaris & Higher Education fee is calculated at Rs. 15000 per month per student

* Degree Colleges and Technical & Vocational Institutions fee is calculated at Rs. 5000 per month per student

Analysis of Budget Allocations and Expenditures

- Federal Government has allocated Rs.98.98 billion for education sector for the year 2015-16 against the expenditure of more than Rs.65.250 billion in 2012-13 (Increase 52%)
- Although increase in education budget of all Provinces is evidenced during the preceding three years and the current 2015-16 but the overall share of education as proportion of total budget outlay has decreased except in Balochistan
- The major chunk of Federal Education budget has been allocated for Higher Education i.e. approximately 78% of total education budgetary allocation as compared to primary and secondary levels of education whereas the trend in Provincial budgets is conversely tilted towards primary and secondary education
- The budgetary allocation to education has remained static around 2.0 percent of GDP for more than a decade.
- Provinces need to gear up resource generation over and above the share received from the Federal Divisible Pool under 7th NFC award
- Technical and vocational education is neglected among all sub-sectors of education.
- Per student expenditure on Education in Sindh province is comparatively higher than KPK, FATA despite less number of enrolled students. Or conversely Sindh is spending more on per student as compared to other provinces.

Way Forward

- To fulfill longstanding commitment to enhance share of education out of GDP to at least 4%
- Federal Education spending may be increased from present 2% to 6% annually
- Share of Technical & Vocational Education may be increased to ensure socio-economic development of the country
- Redressal of inequities in distribution of allocated education funding at District level and to ensure focus on disadvantage groups and areas
- Provinces to increase generation of resources over and above NFC award allocations
- To identify issues/problems hampering achievement of national targets
- To ensure effective coordination between various stakeholders to devise strategies for implementation of NAP and Provincial Education Sector plans

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Financing on Education as Proportion of Total Budget Allocation

Rs. in Billion

| Budget | Total Budget | | | | Education Budget | | | | Share of Education (%) | | | |
|--------------------|----------------|-----------------|-----------------|----------------|------------------|---------------|---------------|----------------|------------------------|-----------|-----------|-----------|
| | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2012-13 | 2013-14 | 2014-15 | 2015-16 |
| Federal | 3441.01 | 3,985.00 | 4,301.75 | 4,451.30 | 65.250 | 80.39 | 84.33 | 98.980 | 2 | 2 | 2 | 2 |
| Punjab | 690.88 | 897.56 | 1,095.12 | 1,447.24 | 220.515 | 232.56 | 259.62 | 310.200 | 32 | 26 | 24 | 22 |
| Sindh | 404.25 | 585.91 | 686.18 | 739.00 | 109.297 | 135.54 | 149.48 | 154.783 | 27 | 23 | 22 | 21 |
| Khyber Pakhtunkhwa | 248.08 | 329.00 | 404.80 | 487.00 | 78.145 | 96.41 | 106.84 | 119.720 | 31 | 29 | 26 | 25 |
| Balochistan | 183.35 | 198.40 | 215.72 | 243.00 | 24.519 | 34.89 | 40.67 | 52.959 | 13 | 18 | 19 | 22 |
| Total | 4816.30 | 5,995.87 | 6,703.57 | 7367.54 | 497.78 | 579.80 | 640.94 | 735.542 | 10 | 10 | 10 | 10 |

| 2012-2013 | | | 2013-2014 | | | 2014-2015 | | |
|--------------------------------------|---------|----------------------|--------------------------------------|---------|---------------------|--------------------------------------|---------|---------------------|
| Education Budget | 497.78 | | Education Budget | 579.80 | | Education Budget | 640.94 | |
| <hr style="width: 50%; margin: 0;"/> | | X 100 = 10.33 | <hr style="width: 50%; margin: 0;"/> | | X 100 = 9.66 | <hr style="width: 50%; margin: 0;"/> | | X 100 = 9.56 |
| Total Budget | 4816.30 | = 10 | Total Budget | 5995.87 | = 10 | Total Budget | 6703.57 | = 10 |

| 2015-2016 | | |
|--------------------------------------|---------|---------------------|
| Education Budget | 735.542 | |
| <hr style="width: 50%; margin: 0;"/> | | X 100 = 9.98 |
| Total Budget | 7367.54 | = 10 |