

PUBLIC FINANCING IN EDUCATION SECTOR

FY 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19

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ACRONYMS

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

EXECUTIVE SUMMARY

The “Public Financing in Education Sector 2018-19” is fourth in series of publications by AEPAM focusing on financing in education by public and private sectors. The present report was designed to collect and analyze information about public financing in education sector in Pakistan for the financial year 2018-19. Data was collected from all concerned stakeholders including Federal, Provincial, and Area governments by the research team of the Academy of Educational Planning and Management (AEPAM). Moreover, budget books, white papers and annual budget statements of all the relevant departments were also reviewed for cross verification of financial data provided by the concerned departments. According to Pakistan Education Statistics 2017-18, there are total 305,546 educational institutions functioning in public and private sectors including Universities, Technical and Vocational Institutions, Teachers Trainings institutions, Deeni Madaris and non-formal schools. Out of the total educational institutions, 202,106 (66%) educational institutions are functioning in public sector, and 103,440 (34%) educational institutions are managed by the private sector including 31,115 Deeni Madaris in the country. The public sector is accommodating 32.615 million students from pre-primary to tertiary education.

The total public expenditure in education sector of Federal and Provincial/Area governments was Rs. 664.299 billion in 2014-15 which was increased to Rs.826.275 billion in 2017-18 showing an increase of 24%. The expenditure of Federal was Rs.99.389 billion in 2014-15, which increased to Rs.118.255 billion in 2017-18 which shows an increase of 19%. Provincial governments’ expenditure has increased from Rs.533.530 billion in 2014-15 to Rs.657.941 billion in 2017-18 showing an increase of 23%, whereas, expenditure of area governments was Rs.31.380 billion, which increased to Rs.50.079 billion in 2017-2018, which shows an increase of 58%. According to Pakistan Economic Survey (2016-17), Pakistan public spending on education as percentage of GDP was 2.2% in 2014-15 which increased to 2.4% in 2017-18 (figures of 2017-18 are provisional according to Economic Survey 2018-19). Federal Government has allocated a major chunk i.e. 82% of its budget for tertiary education and a meager amount i.e. 18% has been allocated for other sub-sectors i.e. primary, secondary, technical and vocational education and non-formal education in 2018-19.

Federal Government allocation (recurring and development) for education sector has increased from Rs.93.407 billion in 2014-15 to Rs.131.150 billion in 2018-19 which shows an increase of 41% over a period of five years. An increasing trend was observed in federal and area governments' education budget allocation over period of five years.

Provincial budgetary allocation for education sector was Rs.558.418 billion in 2014-15 that was enhanced to Rs.820.369 billion in 2018-19 showing an increase of 47% and expenditure increased from Rs.533.530 billion in 2014-15 to Rs.657.941 billion in 2017-18 indicating an increase of 23%. Financing on education as proportion of total budgetary expenditure indicates that Federal Government's share of education was 2.2% in 2014-15 which increased to 2.4 % in 2017-18.

It is noted that federal government has allocated Rs.131.150 billion out of total budget estimates i.e. Rs.5932.500 billion 2.2% for education sector in 2018-19 whereas most of the provinces have allocated about one-fifth of their budget for education in 2018-19. It was observed that Punjab has allocated Rs.383.254 billion 19% for education sector, out of its total provincial budget of Rs.2026.510 billion in 2018-19. Similarly, Sindh has allocated Rs.205.655 billion 18% for education sector, out of its total provincial budget of Rs.1144.500 billion. Khyber Pakhtunkhwa Government has allocated Rs.168.199 billion 26% for education sector, out of its total budget i.e. Rs.648.000 billion for education sector and Balochistan government has allocated Rs.63.261 billion 18% for education sector out of its total provincial budget i.e. Rs.352.300 billion in 2018-19. It was observed that total budgetary allocation for education by federal and all provinces was Rs.951.519 billion 9% out of total budget allocation Rs.10103.810 billion in 2018-19.

Main Findings

It was noticed that federal and provincial governments have enhanced their education budget for last five years i.e. 2014-15 to 2018-19. Federal Government allocation for education sector has increased from Rs.93.407 billion in 2014-15 to Rs.131.150 billion in 2018-19 which shows an increase of 41% over a period of five years. Similarly a substantial increase i.e. 47% in education budgets of all provinces has been noted over a period of last five years (2014-15 to 2018-19). Punjab province has enhanced allocation for

education from Rs.259.628 billion in 2014-15 to Rs.383.254 billion in 2018-19 showing an increase of 48%. Similarly, Sindh has allocated Rs.146.262 in 2014-15 for education sector that was increased to Rs.205.655 in 2018-19 showing an increase of 41%. Government of Khyber Pakhtunkhwa has increased its budgetary allocation for education from Rs.106.835 billion 2014-15 to Rs. 168.199 billion in 2018-19 indicating an increase of 57%. Balochistan has increased its budgetary allocation for education from Rs.45.765 billion in 2014-15 to Rs.63.261 billion in 2018-19 showing a significant increase of 38%.

However, a declining trends in percentage share of education against total budget of most of the provinces has been noted during 2014-15 to 2018-19. The percentage share of education against the total budget of Punjab reduced from 24% in 2014-15 to 19% in 2018-19, in Sindh from 21% to 18% and the percentage share of education budget against total budget in Khyber Pakhtunkhwa has not changed and it remained same in 2018-19 i.e. 26%, whereas the percentage share of education budget against total budget of Balochistan decreased from 21% to 18%.

Analysis of sub-sectors wise allocation of education budget within the province revealed that all provinces have allocated their major share of education budget for primary to higher secondary education during 2018-19. Punjab has allocated a major share i.e. 86.33% of its education budget for primary to higher secondary education followed by Balochistan that was allocated 81.94%, Khyber Pakhtunkhwa has allocated 80.94% and Sindh has allocated 77.42%. Among all the provinces, Balochistan has allocated the highest share of it education budget i.e. 15.97% for higher education followed by Sindh that allocated 14.11%, Khyber Pakhtunkhwa has allocated 11.18% and Punjab has allocated only 9.67%. The Federal Government has allocated its major share of education budget for higher education i.e. 82% of total budget. Punjab and Sindh have allocated 2% of its education budget for technical and vocational education, whereas Khyber Pakhtunkhwa and Balochistan allocated one percent of its education budget for technical and vocational education. A meagre amount less than two percent has been allocated by the provinces for other sub-sectors such as teacher education, special education and literacy and non-formal education.

It was observed that a major portion of provincial education budgets have been earmarked for recurring expenses in 2018-19. Amongst the provinces, the highest percentage share of the recurring budget had been noted in Punjab which has allocated 91% of its total education budget for recurring expenses for the financial year 2018-19. Sindh has allocated 88% of its total budget for recurring expenses followed by Khyber Pakhtunkhwa which has allocated 87% of its total education budget for recurring expenses. Similarly, Balochistan has earmarked 83% of its total education budget for recurring expenses in 2018-19. Federal government has earmarked 66% of its total education budget for recurring expenses in 2018-19. Overall ratio of development versus recurring budget allocation of the provinces during the year 2018-19 is 1:8, for Punjab ratio is 1:10, Sindh 1:7, Khyber Pakhtunkhwa 1:7 and Balochistan 1:5.

It was noted that all provinces were unable to fully utilize the allocated amount for education sector during financial year 2017-18. Sindh province has the highest rate of under-utilization i.e. 29% among all the provinces. In financial year 2017-18, Punjab has utilized Rs.334.256 billion against the allocation of Rs.356.500 billion i.e. 94%, Khyber Pakhtunkhwa has utilized Rs.130.252 billion against the allocation of Rs.155.977 billion i.e. 83% Sindh has utilized Rs.145.863 billion against the allocation of Rs. 204.775 billion i.e. 71% and Balochistan utilized Rs.47.570 billion against the allocation of Rs.53.925 billion i.e. 88%. It was noted that Punjab has the highest rate of utilization i.e. 94% during 2017-18.

It was observed that per student cost at national level was Rs.20,145 in 2017-18. The highest per student cost was noted in AJK i.e. Rs.38,293/- in 2017-18 followed by Balochistan Rs.37,957, Gilgit Baltistan Rs.30,207, ICT 27,498/-, Sindh Rs.23,760/- Khyber Pakhtunkhwa, Rs.22,333/-, FATA Rs.20,903 and Punjab Rs.16,069/-. The highest per student cost was noted in AJK i.e. Rs.38,293/- in 2017-18 and the lowest per student cost was noted in Punjab i.e. Rs.16,069/-. Average per student cost at national level increased from Rs.18,885/- to 20,145/- during last four years i.e. 2014-15 to 2017-18.

Way forward

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

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

The gap between allocation and expenditure requires due attention of relevant authorities at Federal and Provincial levels and may involve all stakeholders in the process of timely release of funds as well as capacity building of the education managers, institutions, organizations and departments for its optimum utilization. The regular, smooth, and fair utilization of budget requires interaction and coordination between various departments of regions and provinces. It is important to figure out what are the causes of

poor utilization of budget. The present and previous data indicate that there is a dire need to develop a robust financial management system for education sector.

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

Major portion of education budget has been earmarked for recurring expenditure over all ratio of development budget versus current budget of provinces is 1:8. In view of poor infrastructure of education, the federal and provincial governments should allocate a higher percentage of their education budgets for development purposes.

INTRODUCTION

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

The availability of financial data is prerequisite for sound planning and decision making at various administrative tiers of government. Usually financial data is not collected by provincial EMISs, it was decided to collect and consolidate financial data from all the relevant government departments. Moreover, budget books, white papers and annual budget statements were also reviewed for cross verification of financial data provided by the concerned departments. However, there are certain limitations about the availability and consistency of financial data which hinder the in-depth analysis of data. AEPAM has been reporting and comparing financial data of federal and provinces/regions since 2014-15. The report presents the current state of financing of education by Federal and Provincial/Area Governments. It has also been tried to highlight allocations and expenditures by sub-sectors of education,

recurring and development expenditure, expenditure on education by other federal ministries, share of education in total budget allocation, and per student cost incurred by federal, provincial/regional governments.

It is encouraging to observe that all provinces have earmarked a substantial portion of their budget for education. Most of the provinces have allocated about one-fifth of their budget for education in 2018-19, however, a major portion of their budget has been earmarked to meet recurring expenditure. Despite enhancement in budgetary allocation for education by all provinces, the situation of the education sector in the country is not very encouraging. The major challenges of education sector include high illiteracy rate, insufficient infrastructure, low enrolment rate, high dropout rate and inequality in provision education across regions.

Public spending on education in Pakistan remained fluctuating from 2.2% to 2.4% of GDP for the last five years. This figure is critically low as compared to other South Asian countries and insufficient to meet set national targets as well as targets set under different international conventions. Pakistan is also compelled by its constitutional and international commitments to ensure a minimum level of funding and to undertake policy reforms at various levels of education. Sub-sectors wise allocation of education budget and expenditure of federal, provinces and regions, for the year 2018-2019 is analyzed and reported in different tables with a comparison of years 2014-2015 to 2018-2019.

Table 1**OVERVIEW OF EDUCATIONAL INSTITUTIONS, 2017-18**

Institutions		Provinces/Regions								
		Punjab	Sindh	KP	Balochistan	AJK	GB	FATA	ICT	Pakistan
Public	Male	26,517	33,164	16,915	10,174	3,357	883	3,512	213	94,735
	Female	27,769	9,958	10,999	4,284	2,741	466	2,451	241	58,909
	Mixed	28,495	10,862	3,978	1,857	382	1479	1026	383	48,462
	Sub Total	82,781	53,984	31,892	16,315	6,480	2,828	6,989	837	202,106
Private	Male	2,498	440	766	157	100	77	308	77	4,423
	Female	3,361	494	339	63	125	124	10	47	4,563
	Mixed	40,866	10,904	5,124	890	3,288	678	145	1,444	63,339
	Sub Total	46,725	11,838	6,229	1,110	3,513	879	463	1,568	72,325
Deeni Madaris	Male	0	0	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0	0	0
	Mixed	15,407	5,397	6828	1,882	1,063	151	47	340	31,115
	Sub Total	15,407	5,397	6,828	1,882	1,063	151	47	340	31,115
Grand Total		144,913	71,219	44,949	19,307	11,056	3,858	7,499	2,745	305,546

Source: Pakistan Education Statistics, 2017-18, AEPAM

Table 1 shows that there are total 305,546 educational institutions, out of these 202,106 in public sector, 72,325 in private sector and 31,115 Deeni Madaris are functioning in Pakistan. Gender wise comparison shows that there are more public schools and Deeni Madaris for male than female in the country. On the contrary in private sector mixed schools are more than male and female institutions in all provinces/regions except FATA. It is observed that 66% institutions are functioning in public sector and 34% functioning in private sector including 10% Deeni Madaris.

Table 2**TOTAL PUBLIC SECTOR EXPENDITURE ON EDUCATION 2014-15 TO 2017-18**

Public sector expenditures was Rs.826.275 billion on education in 2017-2018 by Federal, Provincial and Area Governments. Federal Government spent Rs.118.255 billion (14%) and Provincial Governments spent Rs.657.941billion (80%) while Area Governments spent Rs.50.079.000 billion (6%).

Federal, Provinces/Regions		Budget (Expenditure)				Rs. In Billion
		2014-15	2015-16	2016-17	2017-18	%age increased from 2014-15 to 2017-18
A)	Federal Government	99.389 (15%)	106.248 (16%)	107.392 (13%)	118.255 (14%)	19%
B)	Provincial Governments	533.530 (80%)	533.954 (79%)	687.662 (81%)	657.941 (80%)	23%
C)	Area Governments (GB,FATA&AJK)	31.380 (5%)	34.272 (5%)	48.00 (6%)	50.079 (6%)	58%
Total (A+B+C)		664.299	674.474	843.054	826.275	24%

Source: i) *Financing in Education Sector Report 2017-18, AEPAM, Islamabad*
 ii) *Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
 iii) *All Federal Ministries and Provincial/Area government Departments*

While comparing budget expenditures on education from 2014-15 to 2017-18 it is noted that total public expenditures on education has increased from Rs.664.299 billion in 2014-15 to Rs.826.275 billion in 2017-18 which shows an increase of 24%. Federal government expenditure has increased from Rs.99.389 billion in 2014-15 to Rs.118.255 billion in 2017-18 showing an increase of 19%. Provincial expenditure on education has increased from Rs.533.530 billion in 2014-15 to Rs.657.941 billion in 2017-18 indicating an increase of 23%. The Area governments' expenditure on education has increased from Rs.31.380 billion in 2014-15 to Rs.50.079 billion in 2017-18 indicating an increase of 58%. It is observed that Federal and Area Governments share of expenditure on education sector is 20% and share of Provincial Government is 80% during 2017-18.

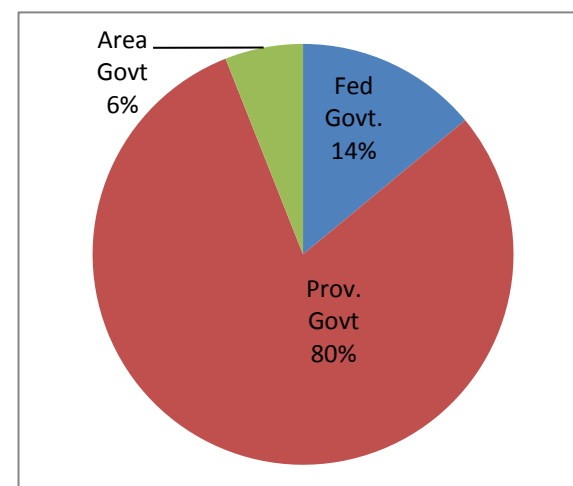
**Federal & Prov. Exp. on Education 2017-18**

Table 3**EDUCATION EXPENDITURE AS PERCENTAGE OF GDP 2014-15 to 2017-18**

Pakistan's education expenditure as percentage of GDP increased from 2.2% to 2.4% during 2014-15 to 2017-18. The following table indicates education expenditure as percentage of GDP in Pakistan.

2014-15	2015-16	2016-17	2017-18
2.2	2.3	2.2	2.4*

*Provisional as given in Economic Survey of Pakistan 2018-19

Source: i) *Pakistan Education for All Review Report 2015*

ii) *Pakistan Economic Survey, 2018-19*

It is observed from the above table that Pakistan public spending on education as percentage of GDP increased from 2.2% to 2.4% during 2014-15 to 2017-18.

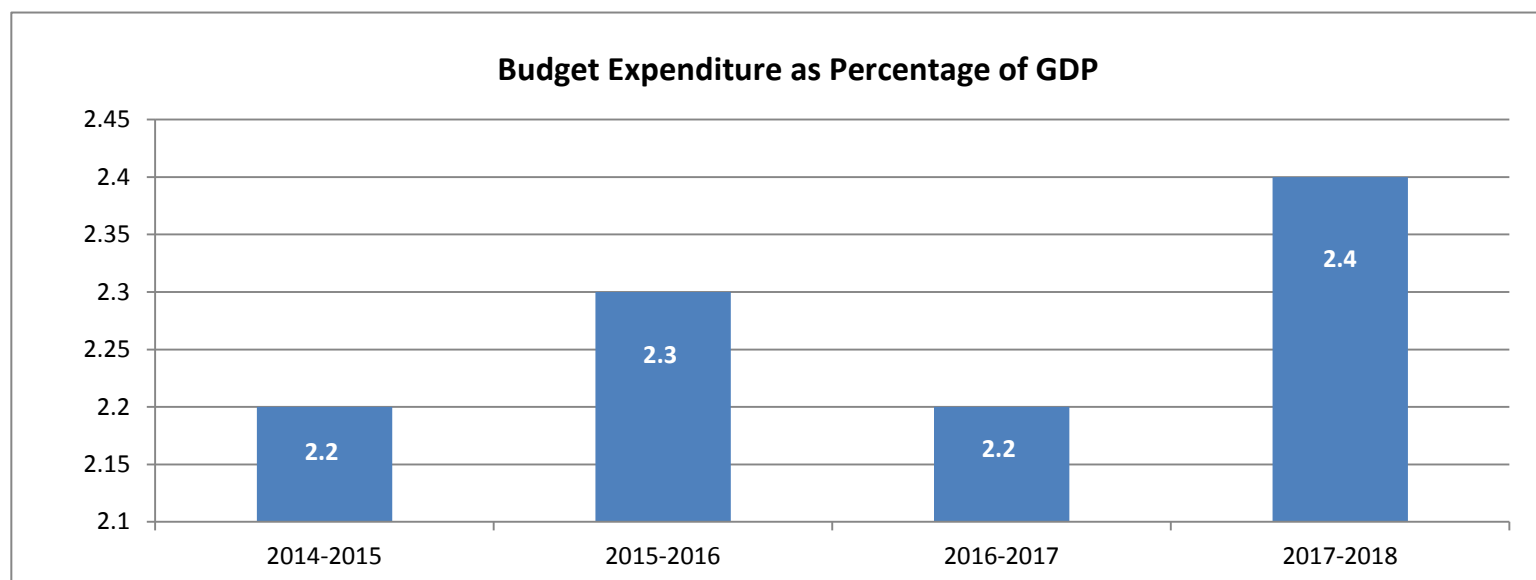


Table 4

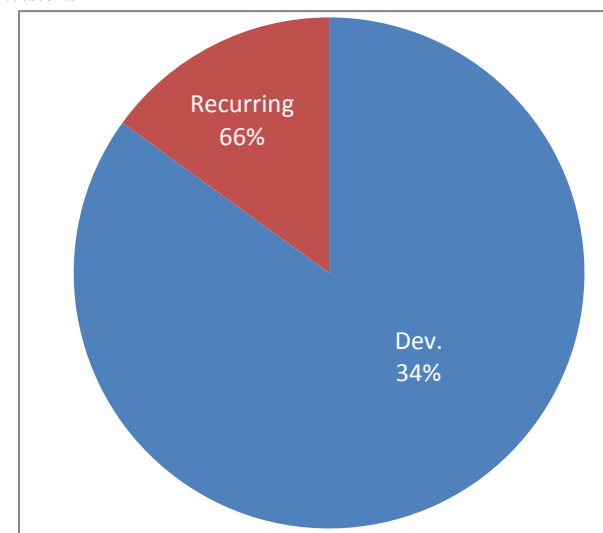
FEDERAL EDUCATION BUDGET (Recurring and Development)

Rs. in Billion

Budget		2014-15		2015-16		2016-17		2017-18		2018-19	%age increase/decrease	
		Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Allocation (2014-15 to 2018-19)	Exp. (2014-15 to 2017-18)
A	HEC (Recurring)	43.000	43.050	51.000	51.000	58.000	58.000	62.183	65.520	65.000	51	52
	Other Fed. Min. (Recurring)	20.527	21.469	24.580	24.568	26.195	19.880	20.248	22.875	21.806	6	7
	Total Fed. Recurring	63.527	64.519	75.580	75.568	84.195	77.880	82.431	88.395	86.806 (66%)	37	37
B	Development	29.880	34.870	30.053	30.680	29.085	29.512	44.704	29.860	44.344 (34%)	48	-14
Total (A+B)		93.407	99.389	105.633	106.248	113.928	107.392	127.135	118.255	131.150	40	19

Source: i) *Financing in Education Sector Report 2017-18, AEPAM, Islamabad*
 ii) *Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
 iii) *Federal Education Ministry and other concerned Ministries/Divisions*
 iv) *Federal Budget includes Ministry of Federal Education and all other Federal Ministries and Divisions*

The above table indicates the commulative figures of federal budget consists of allocation and expenditure either directly made by Federal Ministries like Ministry of Federal Education and Professional Training, Capital Administration and Development Division or other Federal Ministries. It is observed that total federal budget allocation was Rs.93.407 billion in 2014-15 which increased to Rs.131.150 billion in 2018-19. This shows an increase of 40% in allocation . It is also noted that actual expnediture was Rs.99.389 billion 2014-15 and it has been increased to Rs.118.255 billion in 2017-18. This indicates an increase of 19% in expenditure from 2014-15 to 2017-18 which is a significant increase in the federal education budget over a period of four years.



**Federal Education Budget 2018-19
(Recurring and Development)**

Table 5**FEDERAL FINANCING ON EDUCATION INCLUDING AREA GOVERNMENT'S**

Rs. in Billion

Budget	2014-15		2015-16		2016-17		2017-18		2018-19	%age increase/decrease	
	Alloc	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Allocation (2014-15 to 2018-19)	Exp. (2014-15 to 2017-18)
M/o Federal Education and Professional Training including Higher Education Commission and NAVTTC	68.331	75.172	75.892	76.124	85.414	88.465	105.553	95.302	107.018	57	27
Other Federal Ministries Financing on Education	25.076	24.610	29.741	30.124	28.898	18.927	21.582	22.953	24.142	-3	-5
Area Governments (Gilgit Baltistan, AJK and FATA)	31.669	31.380	35.097	34.272	42.751	48.00	49.312	50.079	53.909	70	58
Total Federal Financing on Education	125.076	131.162	140.73	140.52	157.063	155.392	176.447	168.334	185.069	48	28

Source: i) *Financing in Education Sector Report 2017-18, AEPAM, Islamabad*
ii) *Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Federal Education and other Departments*

The Federal budget includes budget of Ministry of Federal Education and Professional Training, Higher Education Commission and other Federal Ministries spending on education whereas Area Governments include FATA, Gilgit Baltistan and AJK. There is an increase of 48% in allocations from 2014-15 to 2018-19 and 28% increase in expenditure between 2014-15 and 2017-18 which indicates a substantial increase in federal education budget over a period of four years.

Table 6

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

Rs. in Billion

Budget	2014-15		2015-16		2016-17		2017-18		2018-19	% -age increase/decrease	
	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Exp.	Allo.	Allocation (2014-15 to 2018-19)	Exp. (2014-15 to 2017-18)
Ministry of Federal Education and Professional Training											
Recurring	0.910	1.344	1.178	1.180	1.214	1.215	1.263	2.250	1.476	62	67
Development	3.290	1.845	2.207	2.207	2.221	1.666	2.962	1.781	2.337	-29	-3
Total	4.200	3.189	3.385	3.387	3.435	2.881	4.225	4.031	3.813	-9	26
Higher Education Commission											
Recurring	43.000	43.050	51.000	51.000	58.000	58.000	62.183	65.520	65.000	51	52
Development	20.000	27.809	20.000	20.207	21.486	25.110	35.663	22.280	35.829	79	-20
Total:	63.000	70.859	71.000	71.207	79.486	83.11	97.846	87.800	100.829	60	24
NAVTTC											
Recurring	0.259	0.258	0.258	0.281	0.334	0.315	0.348	0.338	0.376	45	31
Development	0.872	0.866	1.249	1.249	2.159	2.159	3.134	3.133	2.000	129	262
Total	1.131	1.124	1.507	1.530	2.493	2.474	3.482	3.471	2.376	110	209
Grand Total	68.331	75.172	75.892	76.124	85.414	88.465	105.553	95.302	107.018	57	27

Source: i) Financing in Education Sector Report 2017-18, AEPAM, Islamabad
ii) Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure
iii) Concerned Federal Education and other Departments

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

Name of Ministry	2014-15		2015-16		2016-17		2017-18		2018-19	% -age increase/decrease	
	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Allocation (2014-15 to 2018-19)	Exp. (2014-15 to 2017-18)
CAD Division	8.127	7.643	9.351	9.351	9.440	10.293	12.474	12.829	13.007	60	68
Ministry of Religious Affairs											
Grants of Model Deeni Madaris	0.050	0.050	0.053	0.053	0.053	0.053	0.055	0.055	0.059	18	10
Madaris Reforms (Teaching of formal subjects in Deeni Madaris)	0.040	0.040	0.040	0.038	0.038	0.038	0.041	0.041	0.042	5	3
Ministry of Science & Technology											
NUST, Islamabad	1.703	1.703	2.146	2.146	2.214	2.335	2.275	2.275	2.335	37	34
COMSATS, Islamabad	0.100	0.100	0.100	0.052	0.042	0.042	0.042	0.140	0	-	40
M/o Defence FGEI (Cantt & Garrison.)	4.136	4.136	4.874	5.337	5.093	5.093	5.272	5.358	5.727	38	30
Cabinet Division	0.786	0.787	0.857	0.991	0.374	0.372	0.373	0.361	0.387	-51	-54
M/o Economic Affairs and Statistics	-	-	-	-	-	0.019	0.009	0.009	0.010	-	-

Note: i) Moreover budget of national institute of electronics is also missing.
ii) Data of Ministry of States and Frontier Regions, Establishment Division and M/o Water and Power is missing in Table 7.

Table 7 Continue

M/o Information, Broadcasting and National Heritage	0.022	0.022	0.129	0.129	0.375	0.022	0.223	0.064	0.518	2255	191
M/o Inter Provincial Coordination	0.105	0.217	0.109	0.109	0.102	0.096	0.140	0.213	0.245	133	-2
M/o States and Frontier Regions	8.484	8.484	10.209	10.209	4.045	-	-	0	-	-	-
Establishment Division	0.142	-	-	-	-	-	-	0	-	-	-
M/o Foreign Affairs	0.432	0.519	0.562	0.453	1.104	0.467	0.586	0.597	0.677	57	15
Ministry of Overseas	0.879	0.757	1.151	1.151	5.553	0.097	0.092	0.912	1.032	17	20
M/o Water and Power	0.051	0.050	0.058	-	-	-	-	0	-	-	-
M/o Railways	0.019	0.102	0.102	0.105	0.123	0.00	0.00	0.099	0.103	442	-3
Grand Total	25.076	24.610	29.741	30.124	28.898	18.927	21.582	22.953	24.142	-3	-5

Source: i) *Financing in Education Sector Report 2017-18, AEPAM, Islamabad*
ii) *Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Federal Education and other Departments*

An increasing trend is observed in allocations as well as in expenditures on education by federal ministries. An analysis of allocated budget and expenditure indicates that allocations have been decreased up to 3% from 2014-15 to 2018-19, and expenditure has been also decreased up to 5% from 2014-15 to 2017-18.

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

Sub-Sectors	2014-15		2015-16		2016-17		2017-18		2018-19
	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation
Primary Education	6.33 (6.78%)	6.03 (6%)	7.24 (7%)	16.644 (16%)	19.299 (17%)	8.007 (7%)	10.136 (8%)	10.087 (9%)	11.003 (8%)
Secondary Education	8.13 (8.70%)	8.00 (8%)	9.28 (9%)						
Tertiary Education	67.76 (72.54%)	75.78 (76%)	77.40 (73%)	71.500 (67%)	79.486 (70%)	87.704 (82%)	101.523 (80%)	94.947 (80%)	107.630 (82%)
Federal (NAVTTC & PM Special Initiative for Human and Pakistan Program)	0.671 (0.72%)	0.75 (1%)	1.02 (1%)	1.53 (1%)	2.493 (2%)	2.474 (2%)	3.482 (3%)	3.471 (3%)	2.376 (2%)
Others	10.516 (11.26%)	8.829 (9%)	10.693 (10%)	16.574 (16%)	12.65 (11%)	9.207 (9%)	11.994 (9%)	9.750 (8%)	10.141 (8%)
Total	93.407	99.389	105.633	106.248	113.928	107.392	127.135	118.255	131.150

Source: i) *Financing in Education Sector Report 2017-18, AEPAM, Islamabad*

ii) *Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure*

iii) *Concerned Federal Education and other Departments*

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

The above table shows the federal budget allocation for the financial years 2014-15 to 2018-19 to sub-sectors of education. It is observed that allocated amount for primary and secondary education remained approximately 8% of education budget from FY 2014-15 to 2018-19, except in FY 2016-17. During 2016-17, 17% of education budget was allocated for primary and secondary education. A major chunk of federal education budget i.e. 82% has been allocated for tertiary education whereas a meagre portion of its total education budget i.e. 8% allocated for primary and secondary education and 2% for other sub-sectors during 2018-19.

Table 9

**FEDERAL, PROVINCIAL AND AREA GOVERNMENTS EDUCATION BUDGET
ALLOCATION & EXPENDITURE DURING 2014-15 TO 2018-19**

Rs. in Billion

Province/ Region	2014-15		2015-16		2016-17		2017-18		2018-19	% -age increase	
	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Allocation (2014-15 to 2018-19)	Exp. (2014-15 to 2017-18)
Federal Budget	93.407	99.389	105.633	106.248	113.928	107.392	127.135	118.255	131.150	41	19
Provincial Budgets	558.418	533.530	557.794	533.954	751.939	687.662	766.830	657.941	820.369	47	23
Area Governments (Gilgit Baltistan, FATA&AJK)	31.669	31.380	35.097	34.272	42.751	48.00	49.312	50.079	53.909	70	58
Total	683.494	664.299	698.524	674.474	908.618	843.054	943.277	826.275	1005.428	47	24

Source: i) *Financing in Education Sector Report 2017-18, AEPAM, Islamabad*

ii) *Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure*

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

It is found that Federal, Provincial/Area Governments budget allocation was Rs.683.494 billion in 2014-15 that increased to Rs.1005.428 billion in 2018-19 showing an overall increase of 47%. Similarly total expenditure increased from Rs.664.651 billion in 2014-15 to Rs.826.275 billion in 2017-18 indicating an increase of 24%. During FY 2017-18, total allocation of education budget was Rs.943.277 billion and expenditure was Rs.826.275 billion indicating 88% expenditure. Capacity of education departments needs to be enhanced to utilize allocated amount within financial year according to prescribed financial controls, procedures and rules set by the provincial and regional governments.

Table 10

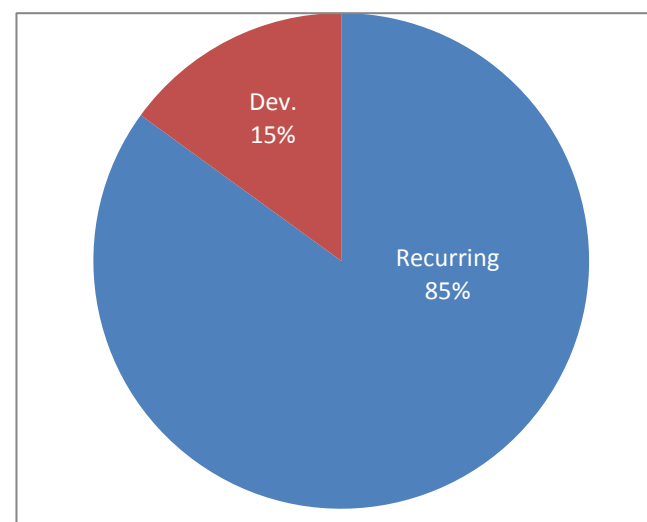
**SUMMARY OF AREA GOVERNMENTS RECURRING AND DEVELOPMENT
EDUCATION BUDGET ALLOCATION AND EXPENDITURE**

Rs. In Billion

Budget	2014-15		2015-16		2016-17		2017-18		2018-19		%age increase	
	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Allocation (2014-15 to 2018-19)	Expenditure (2014-15 to 2017-18)	
Recurring	30.533	30.302	33.640	33.764	36.779	41.685	41.371 (84%)	43.861	45.654 (85%)	50	45	
Development	1.136	1.078	1.457	0.508	5.972	6.315	7.941 (16%)	6.218	8.255 (15%)	627	477	
Total	31.669	31.380	35.097	34.272	42.751	48.00	49.312	50.079	53.909	70	60	

Source: i) *Financing in Education Sector Report 2017-18, AEPAM, Islamabad*
 ii) *Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
 iii) *Concerned Provincial and Regional Education and other Departments*

It is indicated in above table that budgetary allocation of Area Governments have been increased from Rs. 31.669 billion in 2014-15 to Rs.53.909 billion in 2018-19 showing an increase of 70%. The expenditure on education has also increased from Rs. 31.380 billion in 2014-15 to Rs. 50.079 billion in 2017-18 indicating an increase of 60%. An analysis of allocated amount for development versus recurring budget indicates that there was a ratio of 1:27 in allocation of development versus recurring budget of 2014-15 which decreased to 1:5 in 2018-19. Similarly the ratio decreased in expenditure of development versus recurring from 1:28 in 2014-15 to 1:7 in 2017-18.



Share of Development and Recurring Budget 2018-19

Table 11

**AREA GOVERNMENTS RECURRING AND DEVELOPMENT EDUCATION
BUDGET ALLOCATION AND EXPENDITURE**

Rs. in Billion

Regions		2014-15		2015-16		2016-17		2017-18		2018-19		%age increase		Ratio of Development: Recurring Allocation 2018-19
		Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc.	Exp.	Alloc. (2014-15 to 2018-19)	Exp. (2014-15 to 2017-18)	
Gilgit Baltistan	Recurring	5.007	5.011	5.234	5.213	5.688	5.898	6.268	6.619	5.797	16	32	1:3	
	Dev.	0.326	0.323	1.352	0.345	1.068	0.962	1.606	1.243	2.074	536	285		
	Total	5.333	5.334	6.586	5.558	6.756	6.860	7.874	7.862	7.871	48	47		
AJK	Recurring	17.042	17.159	18.197	18.342	19.898	21.749	22.887	21.591	25.327	49	26	1:12	
	Dev.	0.810	0.755	0.105	0.163	1.270	1.048	1.850	1.600	2.101	159	112		
	Total	17.852	17.914	18.302	18.505	21.168	22.797	24.737	23.191	27.428	54	29		
FATA	Recurring	8.484	8.132	10.209	10.209	11.193	14.038	12.216	15.651	14.530	71	89	1:4	
	Dev.	-	-	-	-	3.634	4.305	4.485	3.375	4.080	-	-		
	Total	8.484	8.132	10.209	10.209	14.827	18.343	16.701	19.026	18.610	119	134		
Total	Recurring	30.533	30.302	33.640	33.764	36.779	41.685	41.371	43.861	45.654	50	45	1:6	
	Dev.	1.136	1.078	1.457	0.508	5.972	6.315	7.941	6.218	8.255	627	477		
	Total	31.669	31.380	35.097	34.272	42.751	48.00	49.312	50.079	53.909	70	60		

Source: i) *Financing in Education Sector Report 2017-18, AEPAM, Islamabad*
ii) *Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial and Regional Education and other Departments*

It is noted from the above table that there is an overall increase of 70% in allocation in the Area Governments budget from 2014-15 to 2018-19. An increase of 60% is observed in expenditure of area governments budget from 2014-15 to 2017-18. A comparison of allocated amount for development versus recurring budget of 2018-19 indicates that overall recurring budget of area government is greater than development budget.

Table 12

**PROVINCIAL EDUCATION BUDGET ALLOCATION AND EXPENDITURE
(RECURRING AND DEVELOPMENT)**

Rs. in Billion

Provinces		2014-15		2015-16		2016-17		2017-18		2018-19	% -age increase/decrease		Ratio of development recurring allocation 2018-19
		Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allo.	Alloc. (2014-15 to 2018-19)	Exp. (2014-15 to 2017-18)	
Punjab	Recurring	221.039	241.260	212.035	212.035	314.072	279.651	280.686	280.724	349.906 (91%)	58	16	1:10
	Dev.	38.589	42.120	37.921	37.921	65.390	65.315	75.814	53.532	33.348 (9%)	-14	27	
	Total	259.628	283.380	249.956	249.956	379.462	344.966	356.500	334.256 (94%)	383.254	48	18	
Sindh	Recurring	134.462	109.054	145.893	145.893	174.794	146.424	187.175	135.631	181.106 (88%)	35	24	1:7
	Dev.	11.800	6.526	10.000	7.386	14.298	9.298	17.600	9.394	24.549 (12%)	108	44	
	Total	146.262	115.580	155.893	153.279	189.092	155.722	204.775	145.025 (71%)	205.655	41	26	
Khyber Pakhtun-Khawa	Recurring	80.729	77.088	99.297	87.779	111.354	102.215	128.241	115.882	146.982 (87%)	82	50	1:7
	Dev.	26.106	25.373	23.487	17.957	22.580	24.295	27.736	14.370	21.217 (13%)	-19	-43	
	Total	106.835	102.461	122.784	105.736	133.934	126.510	155.977	130.252 (84%)	168.199	57	27	
Balochistan	Recurring	39.773	27.835	27.869	23.823	43.101	40.476	43.351	42.816	52.415 (83%)	32	54	1:5
	Dev.	5.992	4.299	1.292	1.160	6.351	19.988	10.574	4.754	10.846 (17%)	81	11	
	Total	45.765	32.134	29.161	24.983	49.452	60.464	53.925	47.570 (88%)	63.261	38	48	
Total	Recurring	476.003	455.237	485.094	469.530	643.321	568.766	635.106	575.053	730.409	53	26	1:8
	Dev.	82.415	78.318	72.700	64.424	108.619	118.896	131.724	82.050	89.960	9	6	
	Total	558.418	533.555	557.794	533.954	751.940	687.662	771.177	657.103 (86%)	820.369	47	23	

Source: i) Financing in Education Sector Report 2017-18, AEPAM, Islamabad (ii) Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure (iii) Concerned Provincial Education and other Departments.

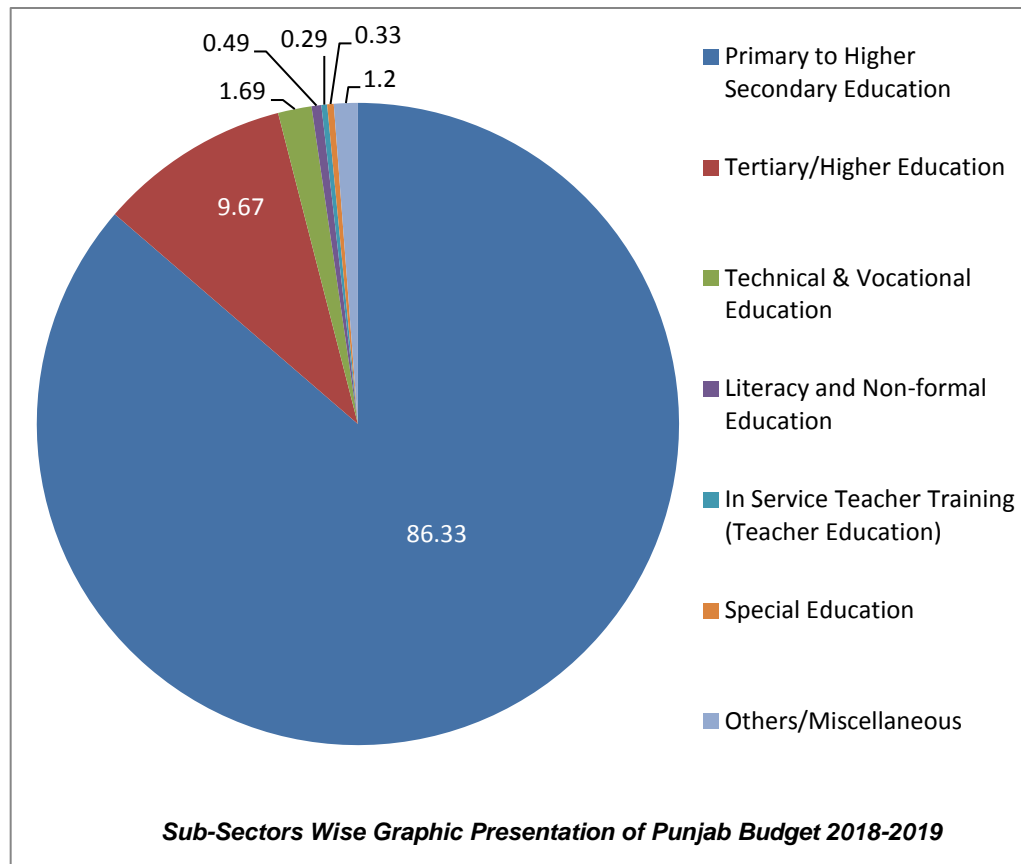
The above Table-12 shows budgetary allocations of provincial governments. It is observed that total provincial budgetary allocation for education sector has increased from Rs.558.418 billion in 2014-15 to Rs. 820.369 billion in 2018-19 showing an increase of 47% which is a significant increase in education budget over a period of five years. Punjab province has allocated Rs.259.628 billion for education sector in 2014-2015 which increased to Rs.383.254 billion in 2018-19 showing an increase of 48%. Similarly, Sindh has allocated Rs.146.262 billion in 2014-15 for education sector that is increased to Rs. 205.655 billion in 2018-19 showing an increase of 41%. Government of Khyber Pakhtunkhwa has increased its budgetary allocation for education from Rs.106.835 billion 2014-15 to Rs. 168.199 billion in 2018-19 indicating an increase of 57%. Balochistan has increased its budgetary allocation for education from Rs.45.765 billion in 2014-15 to Rs.63.261 billion in 2018-19 showing a significant increase of 38%. Similarly, expenditures are increased on the same pattern by all provinces. However on expenditure side there is a need to pay more attention for its utilization because some of the provinces were unable to utilize all the allocated amount. During the year 2017-18, Punjab has utilized maximum of its budget i.e. 95% Balochistan and Khyber Pakhtunkhwa have utilized 88% and 84% of budget respectively. The lowest budget utilization in Sindh i.e. 71%.

Table 13

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

S#	Sub-Sectors	2016-17		2017-18		2018-19	Share in Provincial Education Budget 2018-19 in % age
		Allocation	Exp. (% of allocation)	Allocation	Exp. (% of allocation)	Allocation	
1.	Primary to Higher Secondary Education	323.559 (85.26%)	291.691 (90%)	292.969 (82.18%)	284.363 (97%)	330.891	86.33
2.	Tertiary/Higher Education	41.724 (11%)	40.922 (98%)	44.613 (12.51%)	37.009 (82%)	37.063	9.67
3.	Technical & Vocational Education	7.897 (2.08%)	8.586 (109%)	6.755 (1.89%)	6.229 (92%)	6.455	1.69
4.	Literacy and Non-formal Education	1.944 (0.51%)	1.067 (55%)	1.733 (0.49%)	1.588 (92%)	1.885	0.49
5.	In Service Teacher Training (Teacher Education)	3.473 (0.92%)	2.321 (67%)	4.790 (1.35%)	0.890 (19%)	1.111	0.29
6.	Special Education	0.865(0.23%)	0.379 (44%)	1.293 (0.36%)	0.692 (54%)	1.258	0.33
7.	Others/Miscellaneous	-	-	4.347 (1.22%)	3.485 (80%)	4.591	1.20
	Total	379.462	344.966 (91%)	356.500	334.256 (94%)	383.254	100%

Sub-sectors wise comparison of allocated amounts by the government of the Punjab for the year 2017-18 and 2018-19 revealed that there is an increase in percentage share of total budget during 2018-19 for primary to higher secondary education i.e. 86.33% as compare to percentage share of total budget during 2017-18 that was 82.18%. There is a decrease in allocated amount for tertiary education by 2.84% during 2018-19, when compared to previous year i.e. 2017-18. The Government of the Punjab has allocated Rs.383.254 billion for education sector in 2018-19 to bring quantitative expansion and qualitative improvement in education sector. Province of the Punjab has earmarked a major portion of its education budget amounting Rs.330.891 billion i.e. 86.33% for primary to higher secondary education in 2018-19. An amount of Rs.37.063 billion 9.67% has been allocated for higher education in 2018-19. A meagre portion of 1.69% of the



Punjab education budget is allocated for technical and vocational education, and only one percent of its education budget for teacher education, special education and literacy and non- formal education. It is noted that government of the Punjab utilized 94% of its total allocated budget for education during last financial year i.e. 2017-18 which shows that Punjab has improved its budget utilization capacity as compared to previous year i.e. 2016-17 which was 91%.

Table 14**SUB-SECTORS WISE ALLOCATION AND EXPENDITURE ON EDUCATION BY SINDH**

S#	Sub-Sectors	2016-17		2017-18		2018-19	Share in Provincial Education Budget 2018-19 in % age
		Allocation	Exp. (% of allocation)	Allocation	Exp. (% of allocation)	Allocation	
1	Primary to Higher Secondary Education	115.646 (61.16%)	97.424 (84%)	123.549 (60.33%)	114.486 (93%)	159.235	77.42
2	College Education/ Higher Education	26.058 (13.78%)	25.331 (97%)	28.732 (14.03%)	20.184 (70%)	29.017	14.11
3	Technical and Vocational Education	5.970 (3.16%)	3.976 (67%)	6.131 (3%)	4.743 (77%)	5.960	2.90
4	Literacy and Non-formal Education	0.051 (0.03%)	0.037 (73%)	0.103 (0.05%)	0.019 (18%)	0.034	0.02
5	Teacher Education	0.347 (0.18%)	0.203 (58%)	0.441 (0.22%)	0.971 (220%)	1.512	0.74
6	Special Education	1.046 (0.55%)	0.172 (16%)	1.117 (0.54%)	0.737 (66%)	1.441	0.70
7.	Others/Miscellaneous	39.974 (21.14%)	28.579 (71%)	44.702 (21.83%)	3.885 (9%)	8.455	4.11
Total		189.092	155.722 (82%)	204.775	145.025 (71%)	205.654	100%

It is observed from the above table that Sindh Province has utilized Rs.145.025 billion 71% against Rs.204.775 billion earmarked for education sector in 2017-18. During 2018-19, the government of Sindh has allocated Rs.205.654 billion for education sector and the major share i.e. 77.42% of its education budget has been earmarked for primary to higher secondary education. About 14% of Sindh education budget has been earmarked for higher education, 2.90% for technical and vocational education. A comparison of sub-sectors wise allocation for the years 2017-18 and 2018-19 shows that during the year 2018-19, Rs.159.235 billions 77.42% are allocated for primary to higher secondary education as compared to Rs.123.549 billion 60.33% in 2017-18. The allocation for college and higher education during the year 2018-19, like previous year 2017-18 is about 14% of total education budget. During the year 2018-19 budget for technical and vocational education was 2.90% of total education budget. Sindh government has allocated only one percent of its total education budget for teacher education and special education. For others/miscellaneous expenditure 4.11% of total education budget was allocated in 2018-19 i.e. Rs.8.455 billion whereas in 2017-18 it was Rs.44.702 billion, 21.83% of total education budget.

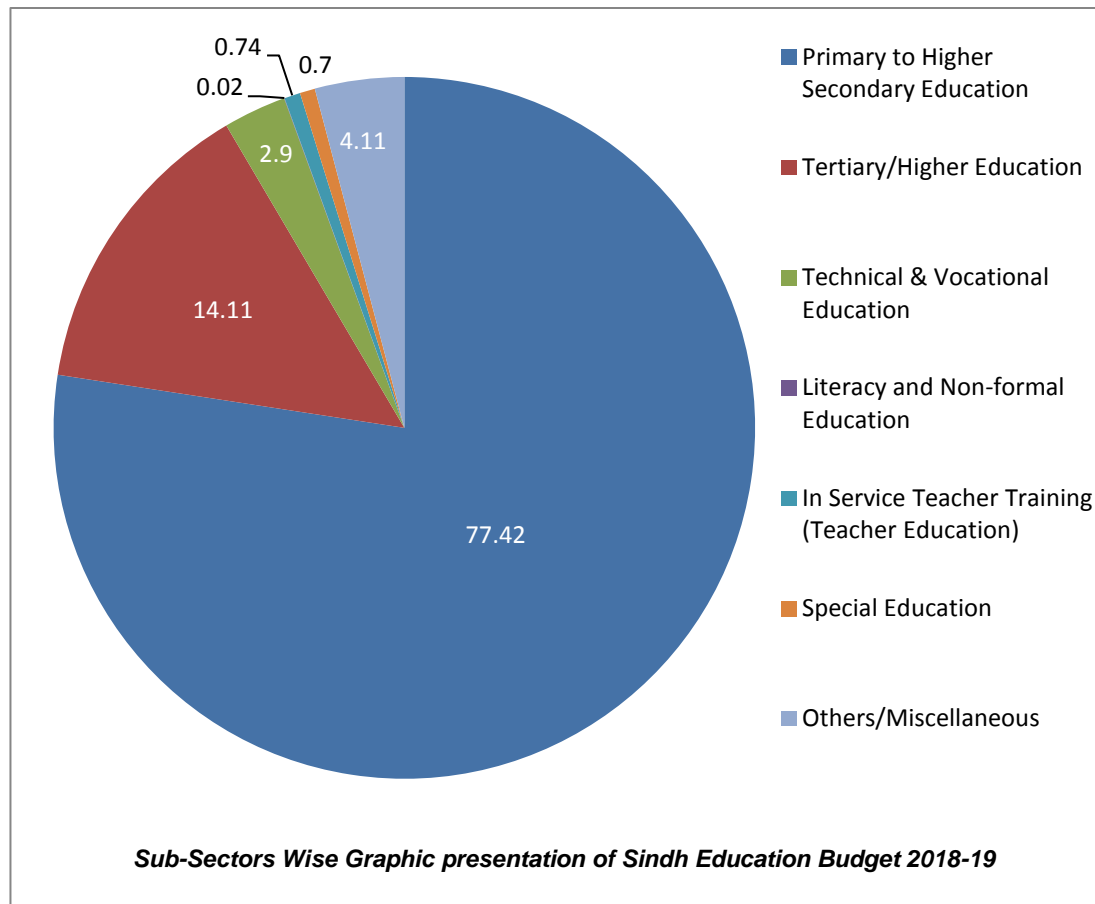


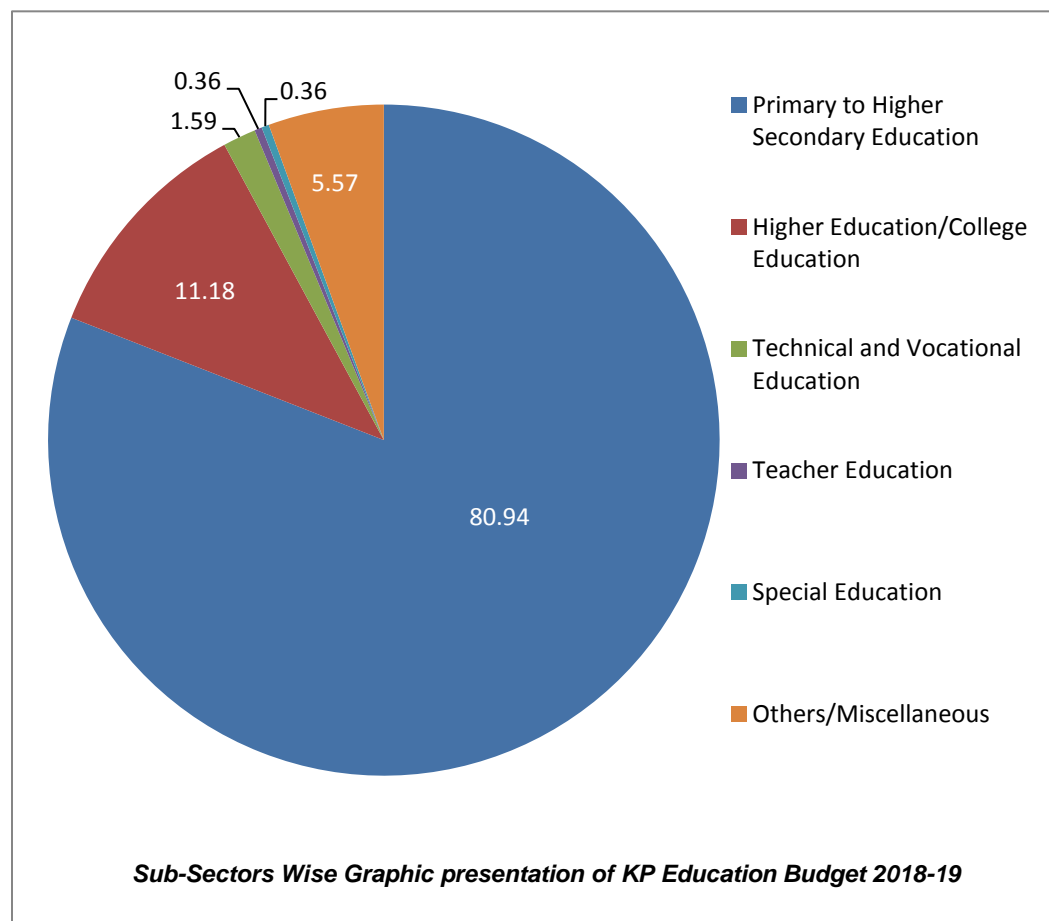
Table 15

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

Rs. In Billion

S#	Sub-Sectors	2016-17		2017-18		2018-19	Share in Provincial Education Budget 2018-19 in % age
		Allocation	Exp. (% of allocation)	Allocation	Exp. (% of allocation)	Allocation	
1	Primary to Higher Secondary Education	115.745 (86.42%)	108.816 (94%)	133.204 (85.40%)	112.882 (75%)	136.147	80.94
2	Higher Education/ College Education	14.281(10.66%)	14.327 (100%)	18.733 (12.01%)	12.146 (65%)	18.798	11.18
3	Technical and Vocational Education	2.847 (2.13%)	2.366 (83%)	2.954 (1.90%)	1.904 (64%)	2.677	1.59
4	Teacher Education	0.467 (0.35%)	0.475 (102%)	0.487 (0.31%)	1.385 (284%)	0.599	0.36
5	Special Education	0.494 (0.37%)	0.426 (86%)	0.499 (0.32%)	0.465 (93%)	0.615	0.36
6	Others/Miscellaneous	0.100 (0.07%)	0.100 (100%)	0.100 (0.06%)	1.471 (1471%)	9.363	5.57
Total		133.934	126.510 (94%)	155.977	130.253 (84%)	168.199	100%

It is observed from the above table that government of Khyber Pakhtunkhwa has utilized Rs.130.253 billion i.e. 84% out of its total allocation for education sector Rs.155.977 billion in 2017-18. Khyber Pakhtunkhwa government has allocated Rs. 168.199 billion for education sector during the financial year 2018-19. The major share i.e. 80.94% of Khyber Pakhtunkhwa education budget has been earmarked for primary to higher education, during the year 2018-19, whereas, 11.18% of its education budget has been allocated for higher education during financial year 2018-19. The province has allocated only 1.59% of its total education budget for technical & vocational education and about less than half percent for each teacher education & special education. A comparison of allocated amount for

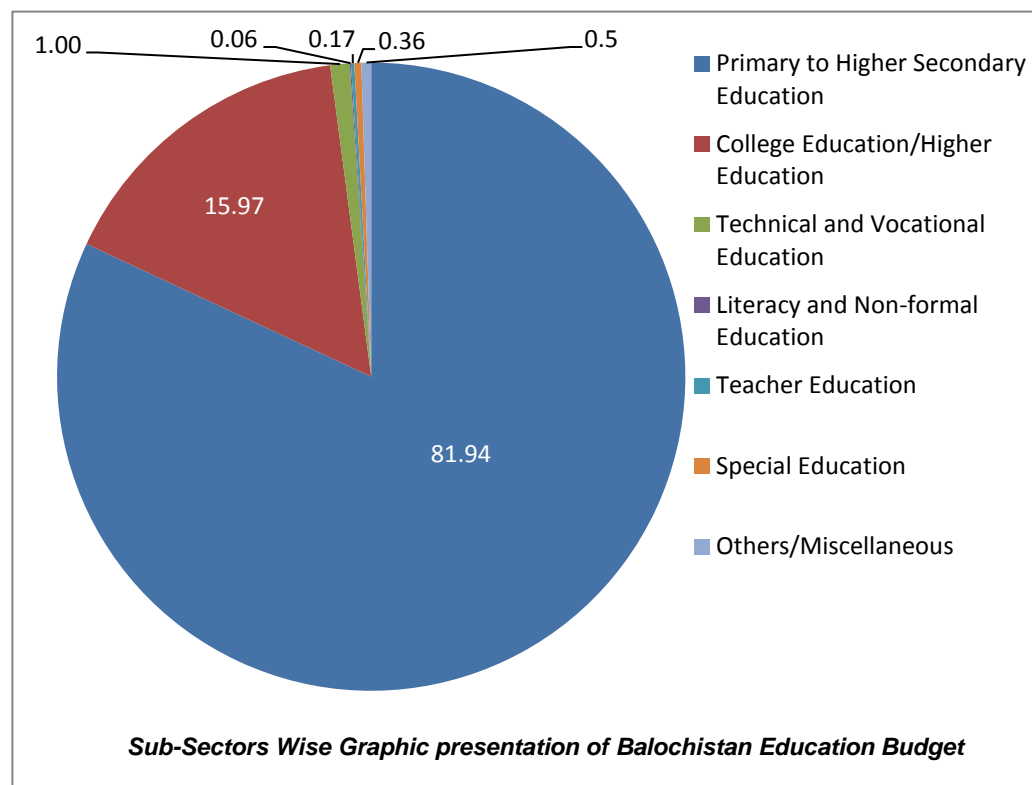


sub-sectors of education for the years 2017-18 and 2018-19, shows that there is a decrease in percentage share of total education budget by Khyber Pakhtunkhwa government for primary to higher secondary education, higher education/college education, as compared to previous year i.e. 2017-18.

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

S#	Sub-Sectors	2016-17		2017-18		2018-19	Share in Provincial Education Budget 2018-19 in % age
		Allocation	Exp. (% of allocation)	Allocation	Exp. (% of allocation)	Allocation	
1.	Primary to Higher Secondary Education	32.760 (66.25%)	41.003 (125%)	39.246 (72.77%)	38.724 (99%)	51.838	81.94
2.	College Education/ Higher Education	15.619 (31.58%)	18.118 (116%)	13.405 (24.86%)	7.744 (58%)	10.101	15.97
3.	Technical and Vocational Education	0.606 (1.23%)	0.957 (158%)	0.618 (1.15%)	0.476 (77%)	0.634	1.00
4.	Literacy and Non-formal Education	0.048 (0.09%)	0.026 (54%)	0.031 (0.06%)	0.031 (100%)	0.033	0.06
5.	Teacher Education	0.087 (0.18%)	0.068 (78%)	0.098 (0.18%)	0.098 (100%)	0.105	0.17
6.	Special Education	0.135 (0.27%)	0.120 (89%)	0.145 (0.27%)	0.340 (238%)	0.231	0.36
7.	Others/Miscellaneous	0.197 (0.40%)	0.172 (87%)	0.382 (0.71%)	0.157 (41%)	0.319	0.50
Total		49.452	60.464 (122%)	53.925	47.570 (88%)	63.261	100%

It is observed from above table that government of Balochistan has utilized Rs.47.570 billion against allocation of Rs.53.925 billion for education sector in 2017-18 which indicates that province of Balochistan has utilized 88% of its allocated amount during 2017-18. A comparison of allocated amount for sub sectors of education by government of Balochistan for the years 2017-18 and 2018-19 revealed that there is an increase in percentage share of budget i.e. 81.94% allocated for primary to higher secondary education during 2018-19, as compared to 2017-18 i.e. 72.77%. Share of education budget for higher education in 2018-19 decreased to Rs.10.101 billion i.e. 15.97% as compared to



Rs.13.407 billion i.e. 24.86% during 2017-18. Balochistan government has allocated an amount of Rs. 63.261 billion for education sector during the financial year 2018-19. The major portion of Balochistan education budget i.e. 81.94% has been earmarked for elementary and secondary education and 15.97% of its education budget has been allocated for higher education. It is noted that government of Balochistan has earmarked about two percent of its education budget for other subsectors of education which includes technical & vocational education, teacher education, special education and literacy & non-formal education

Table 17

**SUB-SECTORS WISE COMPARISON OF ALLOCATION BY PROVINCES
ON EDUCATION (2018-19)**

Rs. In Billion

S#	Sub-Sectors	Federal		Punjab		Sindh		KP		Balochistan	
		Alloc.	Sub-Sector share of Education Budget in %	Alloc.	Sub-Sector share of Education Budget in %	Alloc.	Sub-Sector share of Education Budget in %	Alloc.	Sub-Sector share of Education Budget in %	Alloc.	Sub-Sector share of Education Budget in % age
1	Primary to Higher Secondary Education	11.003	8	330.891	86.33	159.235	77.42	136.147	80.94	51.838	81.94
2	College Education/ Higher Education	107.630	82	37.063	9.67	29.017	14.11	18.798	11.18	10.101	15.97
3	Technical and Vocational Education	2.376	2	6.455	1.69	5.960	2.90	2.677	1.59	0.634	1
4	Literacy and Non-formal Education	-	-	1.885	0.49	0.034	0.02	-	0.36	0.033	0.06
5	Teacher Education	-	-	1.111	0.29	1.512	0.74	0.599	0.36	0.105	0.17
6	Special Education	-	-	1.258	0.33	1.441	0.70	0.615	5.57	0.231	0.36
7	Others/Miscellaneous	10.141	8	4.591	1.20	8.455	4.11	9.363	80.94	0.319	0.50
	Total	131.150	100	383.254	100	205.654	100	168.199	100	63.261	100

It is revealed from the above table that all provinces have allocated their major share of education budget for primary to higher secondary education, whereas federal government allocated only 8% of its education budget for primary to higher secondary education. Punjab has allocated its 86.33% of education budget for primary to higher secondary education followed by Balochistan 81.94%, Khyber Pakhtunkhwa 80.94% and Sindh 77.42%. Among all the provinces, Balochistan has allocated the highest share of its education budget i.e. 15.97% for higher education followed by Sindh 14.11%, Khyber Pakhtunkhwa 11.18% and Punjab 9.67%. The Federal Government has allocated major share of its education budget for higher education i.e. 82% of total budget.

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

Provinces/ Regions	2014-15		2015-16		2016-17		2017-18		Percentage of Budget utilization			
	Allo.	Utili.	Allo.	Utili.	Allo.	Utili.	Allo.	Utili.	2014-15	2015-16	2016-17	2017-18
Federal	93.407	99.389	105.633	106.248	113.928	107.392	127.135	118.255	106	101	94	93
Punjab	259.628	283.380	249.956	249.956	379.462	344.966	356.500	334.256	109	100	91	94
Sindh	146.262	115.580	155.893	153.279	189.092	155.722	204.775	145.863	79	100	82	71
Khyber Pakhtunkhwa	106.835	102.461	122.784	105.736	133.934	126.510	155.977	130.252	96	86	94	84
Balochistan	45.765	32.134	29.161	24.983	49.452	60.464	53.925	47.57	70	86	122	88
Area Governments GB, AJK & FATA	31.669	31.380	35.097	34.272	42.751	48.00	49.312	50.079	100	98	92	102
Total	683.566	664.324	698.524	674.474	908.619	843.054	947.624	826.275	97	97	92	87

Source: i) *Financing in Education Sector Report 2017-18, AEPAM, Islamabad*
ii) *Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial and Regional Education and other Departments*

The above table shows the utilization of education budget at federal, provincial and regional level. In financial year 2017-18, Punjab has utilized Rs.334.256 billion 94% against the allocation of Rs.356.500 billion, Khyber Pakhtunkhwa has utilized Rs.130.252 billion 84% against allocation Rs.155.977 billion, Sindh has utilized Rs.145.863 billion 71% against the allocation of Rs. 204.775 billion and Balochistan utilized Rs.47.570 billion 88% against the allocation of 53.925 billion. It is observed that all provinces i.e. Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan were unable to fully utilize the allocated amount during financial year 2017-18, Sindh province has the highest rate of under-utilization i.e. 29% among all the provinces. Moreover, Sindh, Khyber Pakhtunkhwa and Balochistan has decreased their efficiency in utilization of budget during 2017-18 as compared to previous years.

Table 19

**FINANCING ON EDUCATION AS PROPORTION OF TOTAL BUDGET ALLOCATION
2014-15 to 2018-19**

Rs. in Billion

Budget	Total Budget					Education Budget					Share of Education (%)				
	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19	2014-15	2015-16	2016-17	2017-18	2018-19
Federal	4,301.75	4,451.30	4894.090	5103.800	5932.500	93.407	105.633	113.928	127.135	131,150	2	2.3	2.3	2.5	2.2
Punjab	1,095.12	1,447.24	1681.620	1970.700	2026.510	259.620	249.956	379.462	356.500	383.254	24	22	23	18	19
Sindh	686.18	739.00	869.100	1040.000	1144.500	146.262	155.893	189.092	204.775	205.655	21	21	22	20	18
KP	404.80	487.00	505.000	603.000	648.000	106.835	122.784	133.934	155.977	168.199	26	25	27	26	26
Balochistan	215.72	243.00	289.370	328.503	352.300	45.765	29.161	49.451	53.925	63.261	21	12	17	16	18
Total	6,703.57	7,367.54	8239.180	9046.003	10103.810	651.897	663.427	865.868	898.312	951.519	9.7	9	11	10	9

Source: i) *Financing in Education Sector Report 2017-18, AEPAM, Islamabad*
ii) *Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial and Regional Education and other Departments*

The above table shows federal and provincial total budget allocations and percentage share of education against total budget over period 2014-15 to 2018-19. It is observed that most of the provinces have earmarked a significant portion of their total budget for education sector. A comparison of education budget of provinces for the year 2018-19 shows that among provinces, Khyber Pakhtunkhwa has earmarked the highest percentage share i.e. 26% of its total for education in financial year 2018-19, followed by Punjab 19%, Sindh 18% and Balochistan 18%). However, a declining trend in percentage share of education in total budget of all provinces has been observed from 2014-15 to 2018-19 except Khyber Pakhtunkhwa. The percentage share of education against the total budget of Punjab has decreased from 24% in 2014-15 to 19%, in Sindh from 21% to 18% and in Balochistan from 21% to 18% whereas the percentage share of education in the total budget of Khyber Pakhtunkhwa has remained approximately same i.e. 26% over a period of five years 2014-15 to 2018-19.

Table 20

**PER STUDENT EXPENDITURE ON EDUCATION BY GOVERNMENT SECTOR
2014-15 TO 2017-18**

Federal/ Provinces	2014-15			2015-16			2016-17			2017-18		
	Enrollment	Exp. (Rs. Billion)	Per Student Cost/Year (Rs.)	Enrollment	Exp. (Rs. Billion)	Per Student Cost/Year (Rs.)	Enrollment	Recurring Exp. (Rs. Billion)	Per Student Cost (Rs.)	Enrollment	Recurring Exp. (Rs. Billion)	Per Student Cost (Rs.)
Punjab	13,240,306	241.26	18,222	13,203,581	212.035	16,059	14,164,394	279.651	19,743	17,469,442	280.724	16,069
Sindh	5,262,123	109.054	20,724	5,203,554	145.893	28,037	5,173,764	146.424	28,301	5,708,364	135.631	23,760
Khyber Pakhtunkhwa	5,201,383	77.088	14,821	5,237,561	87.779	16,760	5,266,923	102.215	19,407	5,188,901	115.882	22,333
Balochistan	1,159,015	27.835	24,016	1,017,479	23.823	23,414	1,014,162	40.476	39,911	1,128,000	42.816	37,957
AJK	589,272	17.159	29,119	592,556	18.342	30,954	595,190	21.749	36,541	563,833	21.591	38,293
Gilgit Baltistan	232,016	5.011	21,598	233,952	5.213	22,282	240,626	5.898	24,511	219,120	6.619	30,207
FATA	688,362	8.484	12,325	733,536	10.209	13,918	739,087	14.038	18,994	748,758	15.651	20,903
ICT	493,669	21.469	43,489	502,795	24.568	48,863	855,882	19.880	23,227	831,875	22.875	27,498
Total	26,866,146	507.360	.	26,725,014	527.862	.	28,050,028	630.331	.	31,858,293	641.789	-
National Average			18,885			19,752			22,472			20,145

Source: i) Pakistan Education Statistics 2014-15, 2015-16, 2016-17 and 2017-18

ii) Provincial/Regional Education Departments.

(iii) Calculated on the basis of per students recurring cost per year by province/regions government on education sector in 2017-18.

The above table shows that per student cost is increased in Khyber Pakhtunkhwa, AJK, Gilgit Baltistan, FATA and ICT in 2017-18 as compared to per student cost during previous financial year 2016-17. However, per student cost has decreased in Punjab, Sindh and Balochistan as compared to previous year 2016-17. The highest per student cost was noted in AJK during 2017-18 i.e. Rs.38,293/- and the lowest per student cost was noted in Punjab i.e. Rs.16,069/-. Average per student cost at national level increased from Rs.18,885/- to 20,145/- during last four years i.e. 2014-15 to 2017-18.

MAIN FINDINGS

It was noticed that federal and provincial governments have enhanced their education budget for last five years i.e. 2014-15 to 2018-19. Federal Government allocation for education sector has increased from Rs.93.407 billion in 2014-2015 to Rs.131.150 billion in 2018-2019 which shows an increase of 41% over a period of five years. Similarly a substantial increase i.e. 47% in education budgets of all provinces has been noted over a period of last five years (2014-15 to 2018-19). Punjab province has enhanced allocation for education from Rs.259.628 billion in 2014-2015 to Rs.383.254 billion in 2018-2019 showing an increase of 48%. Similarly, Sindh has allocated Rs.146.262 in 2014-15 for education sector that was increased to Rs. 205.655 in 2018-19 showing an increase of 41%. Government of Khyber Pakhtunkhwa has increased its budgetary allocation for education from Rs.106.835 billion 2014-15 to Rs. 168.199 billion in 2018-19 indicating an increase of 57%. Balochistan has increased its budgetary allocation for education from Rs.45.765 billion in 2014-15 to Rs.63.261 billion in 2018-19 showing a significant increase of 38%.

However, a declining trend in percentage share of education against total budget of most of the provinces has been noted during 2014-15 to 2018-19. The percentage share of education against the total budget of Punjab reduced from 24% in 2014-15 to 19% in 2018-19, in Sindh it decreased from 21% to 18% and the percentage share of education budget against total budget in Khyber Pakhtunkhwa has not changed and it remained same in 2018-19 i.e. 26%, whereas the percentage share of education budget in Balochistan decreased from 21% to 18%.

Analysis of sub-sectors wise allocation of education budget within the province revealed that all provinces have allocated their major share of education budget for primary to higher secondary education during 2018-19. Punjab has allocated a major share i.e. 86.33% of its education budget for primary to higher secondary education followed by Balochistan that was allocated 81.94%, Khyber Pakhtunkhwa has allocated 80.94% and Sindh has allocated 77.42%. Among all the provinces, Balochistan has allocated the highest

share of its education budget i.e. 15.97% for higher education followed by Sindh that allocated 14.11%, Khyber Pakhtunkhwa has allocated 11.18% and Punjab has allocated only 9.67%. The Federal Government has allocated its major share of education budget for higher education i.e. 82% of total budget. Punjab and Sindh have allocated 2% of its education budget for technical and vocational education, whereas Khyber Pakhtunkhwa and Balochistan allocated one percent of its education budget for technical and vocational education. A meagre amount less than two percent has been allocated by the provinces for other sub-sectors such as teacher education, special education and literacy and non-formal education.

It was observed that a major portion of provincial education budgets have been earmarked for recurring expenses in 2018-19. Amongst the provinces, the highest percentage share of the recurring budget had been noted in the Punjab which has allocated 91% of its total education budget to meet recurring expenses for the financial year 2018-19. Sindh has allocated 88% for recurring expenses followed by Khyber Pakhtunkhwa which has allocated 87% of its total education budget for recurring expenses. Similarly, Balochistan has earmarked 83% of its education budget for recurring expenses in 2018-19. Federal government has earmarked 66% of its total education budget for recurring expenses in 2018-19. Overall ratio of development versus recurring budget allocation of the provinces in 2018-19 is 1:8, for Punjab ratio is 1:10, Sindh 1:7, Khyber Pakhtunkhwa 1:7 and Balochistan 1:5.

It was noted that all provinces were unable to fully utilize the allocated amount for education sector during financial year 2017-18. Sindh province has the highest rate of under-utilization i.e. 29% among all the provinces. In financial year 2017-18, Punjab has utilized Rs.334.256 billion 94% against the allocation of Rs.356.500 billion, Khyber Pakhtunkhwa has utilized Rs.130.252 billion 83% against the allocation of Rs.155.977 billion, Sindh has utilized Rs.145.863 billion 71% against the allocation of Rs. 204.775 billion and Balochistan utilized Rs.47.570 billion 88% against the allocation of Rs.53.925 billion. It was noted that Punjab has the highest rate of utilization i.e. 94% during 2017-18.

It was observed that per student cost at national level was Rs.20,145 in 2017-18. The highest per student cost was noted in AJK i.e. Rs.38,293/- in 2017-18 followed by Balochistan Rs.37,957, Gilgit Baltistan Rs.30,207, ICT 27,498/-, Sindh Rs.23,760/-, Khyber Pakhtunkhwa Rs.22,333/-, FATA Rs.20,903 and Punjab Rs.16,069/-. The highest per student cost was noted in AJK i.e. Rs.38,293/- in 2017-18 and the lowest per student cost was noted in Punjab i.e. Rs.16,069/-. Average per student cost at national level increased from Rs.18,885/- to 20,145/- during last four years i.e. 2014-15 to 2017-18.

Way forward

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

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

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

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

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

Major portion of education budget has been earmarked for recurring expenditure over all ratio of development budget versus current budget of provinces is 1:8. In view of poor infrastructure of education, the federal and provincial governments should allocate a higher percentage of their education budgets for development purposes.