

White Paper On Budget 2018-19



Finance Department
Government of Balochistan

Message

Budget making is a complex process which requires deep understanding of financial issues but essentially it is a political process and calls for a humane approach. Our focus, therefore, has been on human development and poverty eradication.

Our first priority in this year's budget is education as around one million children are still out of school and it is our constitutional obligation to provide schooling to our children. A special reform strategy for secondary and higher education has been approved which will result in creation of new educational institutions from primary schools to strengthening of medical colleges and universities. Similarly, we have to prepare our youth for future challenges and therefore we have to invest heavily in human resource development. It was this motivation that inspired us to enhance budget of the Labour and Manpower Department more than thirty percent.

Another priority area for us has been gender mainstreaming and women empowerment. We have to focus on our women if we expect this province to prosper. Without producing able women leaders, we cannot make any progress. Women empowerment was therefore assigned priority in all areas.

I earnestly hope that these measures and initiatives will translate into good policy outcomes for this province.

Mir Abdul Qudoos Bizenjo
Chief Minister

Foreword

Balochistan is blessed with abundant resources but it is beset with problems of poverty and inadequate infrastructure. The problem is further compounded by the province's reliance on federal receipts and poor revenue base. In the absence of a thriving private sector it is up to the government to fill the void and provide jobs to the growing number of young men and women of Balochistan. Such a situation calls for immaculate planning therefore budget making becomes all the more important if viewed as a tool of decision making.

The present budget has been made keeping in mind the said problems with focus on equity. Furthermore, this year an effort was made to take data driven decisions on budgetary allocations. White Paper is an essential part of the budget as on the one hand it critiques government's performance and on the other it prescribes certain corrective measures. It analyses trends in allocations and spending based on sound data.

This year's White paper is different in that we have analyzed trends of the past five years in different sectors. This analysis is not limited to the development sector alone as we have also analyzed trend of spending on the non-development side too.

I would like to extend my gratitude to Mr. Shahzeb Khan Additional Secretary (Budget), Mr. Riaz Baloch Additional Secretary (Resource), Mr. Nadeem Sumalani Additional Secretary (Development), Mr. Hafeezullah Deputy Secretary (Budget), Dr. Abdul Sattar Deputy Secretary (Budget) and all members of the Finance Department for their untiring efforts in preparing this budget. I also owe gratitude to the able team of Governance & Policy Project Balochistan for helping us in preparing this White Paper.

Qamar Masood
Finance Secretary

Acronyms

BC	Balochistan Constabulary
BRA	Balochistan Revenue Authority
CPEC	China Pakistan Economic Corridor
CVT	Capital Value Tax
EAD	Economic Affairs Division
FATA	Federally Administered Tribal Areas
GDS	Gas Development Surcharge
GoB	Government of Balochistan
GPP	Governance & Policy Project
MCC	Metallurgical Corporation of China
MDGs	Millennium Development Goals
MMR	Maternal Mortality Rate
NFC	National Finance Commission
NMR	Neonatal Mortality Ratio
NNS	National Nutritional Survey
OBOR	One Belt One Road
OGDC	Oil & Gas Development Corporation
P&D	Planning & Development
PEFA	Public Expenditure Financial Assessment
PFM	Public Finance Management
PHE	Public Health Engineering
PP&H	Physical Planning & Housing
PPL	Pakistan Petroleum Limited
PSDP	Public Sector Development Programme
PSLM	Pakistan Social & Living Standard Measurement
SBP	State Bank of Pakistan

Preface

Budget is an estimate of income and expenditure for a particular period of time. On the expenditure side budget is divided into two categories:

1. **Development Budget:** government undertakes new developmental activities in order to keep pace with emerging requirements of the society. Technically it is new outlay of the government which includes the construction of new buildings, roads and other public goods.
2. **Current Budget:** On the current side, the operational activities are reflected in the current budget like pay and allowances and other operational costs. The Government always tries to generate enough resources to meet both developmental and current expenditure through its own resources. Where there is a gap between income and expenditure, the government resorts to internal and external borrowings. Under The Fiscal Responsibility and Debt Limitation Act, 2005 all governments are bound to meet current expenditure from within their own revenues and they are allowed to go for borrowing only for capital/developmental expenditure.

Since provincial governments have limited taxable income, therefore they always find it difficult to balance income and expenditure. Moreover, unlike Federal Government, the Provincial governments do not have easy access to foreign borrowing, nor are they allowed internal borrowing without seeking approval of EAD and Finance Ministry, although under 7th NFC all provincial governments have been authorized to borrow directly from the bilateral and multilateral foreign sources.

In this white paper attempt has been made to analyze both income and expenditure sides and also depict various trends in income and expenditure. Efforts have also been made to do sector wise analysis of both development as well as current budget, focus has been on highlighting areas of concern like abnormal growth in various sectors and other liabilities.

In terms of receipts the Government of Balochistan relies heavily on Federal Government transfers through; NFC and straight transfers. In the background of long neglect before 1970, Balochistan

lacked social and economic infrastructure, warranting big investment in order to keep pace with other regions of the country. Before 7th NFC, resources were distributed on the basis of population and Balochistan was only getting 5% of the Divisible Pool, which was hardly sufficient to meet developmental needs of the Province. Things changed after 7th NFC and Balochistan's share was increased to 9.09 % and gas issues were also settled, and Balochistan got PKR 140 billion arrears of gas which increased the availability of resources. Moreover, Balochistan was guaranteed Divisible Pool Transfers on the basis of yearly revenue targets instead of transfers on actual receipt basis.

The Public Expenditure & Financial Accountability (PEFA) Assessment Report Balochistan 2017 highlights certain gaps in PFM. The Report criticizes the GoB for not having a fiscal strategy. The report further states that Balochistan is the only province preparing a deficit budget without identifying sources to finance that deficit. The Government does not have an approved strategic plan or development strategy to be used as a policy document to prepare budgets. Spending of the province is predominately focused on the recurrent side that accounts for three-quarters of the total budget. It would merit mentioning that the provincial government is still using the Budget Manual of 1987 which surely is an outdated document as far as the current PFM challenges and practices are concerned.

There is no denying the fact that the critique of PEFA is based on facts and the Government has responded positively to this critique by launching a process of reforms aimed at revamping the Finance and Planning and Development Departments with the help of the World Bank and the European Union.

Government of Balochistan had projected PKR 52 billion as budget deficit for the year 2017-18. It works out to be 16% of the total budget which is not a healthy indicator. There is no plan for financing this deficit, which ultimately will result in overdraft of SBP. The government of Balochistan's compounded debt servicing will be around PKR 1 billion per month, which will leave smaller piece of cake available for next year for development and non-development expenditure. Generally, when the deficit is over 5% of the budget it is viewed negatively by financial experts, nationally and internationally.

The government of Balochistan gets a substantial amount as gas revenues, which includes royalty on gas, GDS and excise duty on gas. In 2016-17 an amount of PKR 8 billion was received less than the projected figures in GDS and in current year this amount is around 6 billion less than the projected estimates. There is at source deduction of PKR 1.2 billion by the Federal Adjuster against service charges from the revenues of Excise and Taxation Departments which is almost equivalent to the total earnings of Excise and Taxation Department.

The Federal Government is reportedly planning to apply 7% cut from Divisible Pool transfers to the provinces for financing FATA/ Kashmir and possible expenditure on CPEC route security. This is going to aggravate currently available meager financial resources of government of Balochistan. The government of Balochistan will be facing daunting task of balancing its budget for the year 2018-19 with smaller kitty available to it.

An overview of Socio Economic Background of Balochistan:

Balochistan in 1970 was given provincial status by the Federal Government. Being the largest province of the country, it accounts for 44% of Pakistan's total landmass and is spread over 347,190 square kilometers. Out of the metallic and non-metallic minerals found in Pakistan, 41 including gold and other precious metals, are being traced and extracted from Balochistan. Frequent droughts, due to climate changes, and the high rate of poverty most districts in Balochistan fall under highly insecure food areas. According to the National Nutritional Survey (NNS) 2011, 43 percent of all the children in Balochistan are facing severe nutrition problems and are underweight resulting in stunted growth which appears to be alarming when compared to the rest of the country. The province's literacy rate in 2011-12 was only 45 percent, lagging behind the national average by 12 percent. The 2013-14 Pakistan Social and Living Standards Measurement (PSLM) Survey shows that Balochistan could not maintain its previous literacy levels to meet the United Nations Millennium Development Goals (MDGs). According to the Social Policy and Development Centre report, around 46% of people of Balochistan were living below the poverty line in 2013. Balochistan's multidimensional poverty has increased to 52% as reported by the Sustainable Development Policy Institute under the Clustered Deprivation-district profile of poverty in Pakistan.

Balochistan inherited underdeveloped infrastructure hence the rural population has been primarily dependent on the primary economic sectors such as agriculture, livestock and fisheries. The

snowball effect of an underperforming economy has resulted in a steady and significant increase in poverty. The poor education system is another major contributor to the province's widespread poverty as most of the graduates from local educational institutions lack the skills set to qualify for jobs thus resulting in mass unemployment, at best quasi employment in Balochistan. Balochistan has tremendous potential for economic growth through available natural resources and revenue generation activities, provided the government develops a potent strategy for reaping the benefits of its economic potential.

Balochistan historically has had the lowest literacy rates in the country. Currently Baluchistan's literacy rate stands at 41% whereas the literacy rate in Punjab, Sindh and Khyber Pakhtoonkhwa are 62%, 55% and 53% respectively. Female literacy rate is at 27% which is alarming especially when compared with national and other provinces (National Level (48%), Punjab (53%), Sindh (42%) and Khyber Pakhtoonkhwa (27%). Major hindering factors for improving literacy rates in Balochistan are inflation, poverty, illiteracy, lack of political will, low allocations to education development projects in the PSDP specifically when looked at the point of view of low population density, lack of management of developmental resources and basic facilities and single teacher and single classroom based schools etc.

Every year, since 2013, around 85% of the annual education budget is allocated to current expenses comprising of salary and non-salary expenditures while a small portion of only 9% is spent on educational reforms; the development budget for education needs to be increased significantly in order to benefit from public and foreign investments being funneled into the sector. Though the Department of Education devised a sector plan that resulted in a substantial increase in allocations for the sector by the government, however, Alif Ailaan revealed that "the children of Balochistan remain the most abandoned of all Pakistani children". According to Alif Ailaan's report titled "Five Years of Education Reforms in Balochistan. Wins, losses and challenges for 2018-23" around 1.89 million children remain out of school.

Other than low budgetary allocations for the health sector in PSDP, investment is done without any proper situation analysis and requirements for preventive and curative services in the region. The outreach of primary and secondary medical services is low in rural area except in Quetta where centralized tertiary health infrastructures are established and are operational. The coverage of the health sector particularly in maternal & child healthcare services, including antenatal, neonatal and vaccination, is significantly poor in the rest of the province. According to the

departmental reports the Maternal Mortality Rate (MMR) in Balochistan is 785 per 100,000 lives whereas the Neonatal Mortality Ratio (NMR) has reached 68 & Child Mortality Rate (children up to five years of age) has significantly increased to 158 per 1000 live births in Balochistan.

Currently the private sector is non-existent, at best, operating in limited and informal ways in the province. Private businesses require significant amounts of capital investment to bear high operational costs and need a conducive environment that requires external sources of financing such as those offered by banks. Although the banking sector is able to attract lucrative deposits from both public and private sectors of the province but the lending policies of the banking sector's players don't have the province on its priority thus depriving the province of an important source of financing. The Government, by far, is the province's biggest employer. There is a vacuum, with no role of the private sector, in terms of job creation and economic growth. The impact of this dearth of employment opportunities is forcing the province's human resources to migrate to other parts of the country or immigrate abroad; Balochistan is facing a brain drain. The private sector, like everywhere, is the only sustainable solution to this crisis. The population of Balochistan is growing rapidly, with most of the population being youths, and the government cannot hire everyone; policies such as *the Balochistan Youth Policy 2015, developed by the Environment, Supports and Youth Affairs Department* need to be implemented for creating economic activity generating interventions through public and private platforms of the system.

In the growth sector, entrepreneurs need to travel for exposure for broadening their vision and developing market connections. They also require language competency and communication, Information Technology and business planning skills for being able to conduct business globally. The government of Balochistan needs to introduce initiatives like youth business loans for young entrepreneurs to boost the overall economy of province through private enterprises development. Balochistan has been a major supplier of natural gas. For over half a century it has provided most of the country with natural gas for both consumer and industrial purposes, however, most of the districts of the province still don't have access to this resource forcing the locals to rely on firewood, agricultural and animal waste for cooking and heating purposes. Around 40% of the province receives direct solar radiation, which through employment of solar energy systems can generate huge electricity. According to the Meteorological Department Wind Measuring report Balochistan's wind resource potential was estimated to be more than 20,000 MWs. Both locations Nokundi and Chaghi have been declared 'wind-corridor by a study financed by USAID.

The proposed economic corridor based on One Belt One Road (OBOR) will create huge economic opportunities for the youth of Balochistan who will only be able to capitalize only if they have the necessary skills needed to be players in advanced markets. In the first phase of the CPEC, because of delayed initiatives, Balochistan lost the benefit of early harvest projects. CPEC requires a proactive approach in order to capitalize on the potential it offers to the people of the province.

The Government of Balochistan for the resource rich province, yet to be explored, needs to take extra ordinary efforts for mobilizing resources to ease the life of the people and build their trust in state.

Roughly 74¹% of the population in Balochistan inhabit the rural and mountainous areas & their main economic generation activities are dependent on traditional ways of agriculture, irrigation, fisheries, mining and minerals and livestock. Historically majority of the rural population has been dependent on agriculture and livestock based economy, but for the past two decades, due to lower water tables and rapid climate changes, these traditional economic sectors are facing existential threats. The current public system offers poor infrastructure, centralized services and prolonged processes of engagement, resulting in an increase in poverty, unemployment & more vulnerability including sectarian terrorism and other antisocial activities. Government of Balochistan, from the development budgets, should prioritize agriculture, mining, fisheries, irrigation, and livestock sectors to bring economic stability and advancement to most of the rural citizens of Balochistan.

According to the Labour and Manpower Departmental Statistics on the distribution of funds at the federal level, for several years, such distribution has only been 7% for Balochistan overlooking the bulging youth force as compared to the Punjab 43%, Sindh 42% and KP 8%. The lack of better professional, technical and entrepreneurial skills institutions and no business opportunities in remote areas of the province result in high unemployment ratio that continues to increase every day. Lack of institutional infrastructure for technical skills escalates the ratio of unemployed technical human resources in the province. Institutions based in Quetta with conventional training patterns, decades' old equipment are not sufficient for the population's needs nor are easily accessible. Currently seven technical training centers in Quetta, Khuzdar, Loralai, Sibi, Hub, Turbat, Sui and three vocational centers in Killa Abdullah, Gawadar & Dera Murad Jamali

¹ Projected calculation from 1998 census

districts are run through conventional training methodologies. Only one vocational training center is established in Quetta for females.

The coastline of Balochistan is 740 kilometers long and offers huge potential for international trade through bigger landing sites on the coast that are Jiwani, Pishukan, Gawadar, Surbandar, Pasni, Ormara, Damb and Gaddani. Besides providing means of livelihood to the local population there is enormous potential to export. A significant proportion of the catch, estimated to be more than 30%, is wasted due to non-availability of adequate processing facilities in the coastal areas of Balochistan. Currently, a major portion of the catch is transported to Karachi for processing for both local consumption and export markets.

According to the past years' Public Sector Development Programme's trend, coastal development, particularly the fisheries sector has failed to get the government's attention and not been on priority budgetary allocations. In spite of claims and commitments by successive governments, both provincial and federal, no tangible progress can be seen in the fisheries sector; the government must have strategies on how to bring economic stability through establishing fish processing facilities, providing advanced skills and introducing quality motorized boats and fishing equipment to the fisherman.

There is a general lack of knowledge on available resources, systems and research at the public sectors which further impediments the ability of the government as well as the masses to best utilize the available resources.

**ANALYSIS OF FIVE YEARS PSDP OF THE
GOVERNMENT OF BALOCHISTAN**

Allocation of projects and percentage releases from Federal PSDP to Balochistan

Year	No. of projects	% share in total	%Release	Net share out of 9.09%
2014-15	147	5.29%	45.00%	2.38%
2015-16	139	5.26%	75.00%	3.95%
2016-17	156	5.79%	65.00%	3.76%
2017-18	195	8.89%	58.00%	5.16%

As depicted in the table above Balochistan has been allocated less than its NFC share of 9.09% in the Federal PSDP over the past 5 years. Moreover, the actual releases have never reached a 100% mark. The column titled as "Net share out of 9.09%" shows the actual share allocated to Balochistan out of Federal PSDP against its NFC share of 9.09% which has been as low as 2.38%, which shows the attitude of the Federal Government towards development of Balochistan which is almost 44% of the total landmass of the country. This is going to result in ever widening gap compared to other provinces of the country. The research has established a direct linkage between negative impact of law and order with the level of development. Wherever there is sense of deprivation, the agitation is witnessed which in turn requires additional cost on law and order.

PSDP Abstract Sector wise for 2017-18

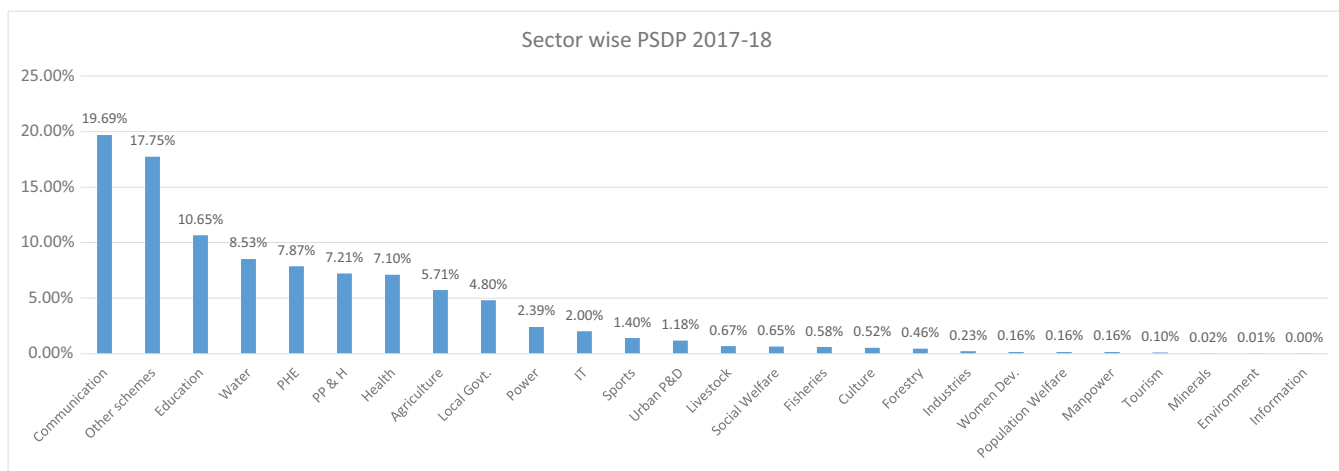
S. No.	Chapter/Sector	Ongoing Schemes				No.	Allocation (PKR)	
		No.	Allocation (PKR)				No.	GoB
			GoB	FPA	Total			
1	Agriculture	44	1,228,559,000	-	1,228,559,000	186	3,681,266,000	
2	Livestock	24	182,882,000	-	182,882,000	16	393,200,000	
3	Forestry	11	243,029,000	-	243,029,000	9	151,500,000	
4	Fisheries	20	334,732,000	-	334,732,000	6	165,000,000	
5	Population Welfare	-	-	-	-	1	135,300,000	
6	Industries	6	100,200,000	-	100,200,000	5	95,000,000	
7	Minerals	4	15,200,000	-	15,200,000	-	-	
8	Manpower	8	79,729,000	-	79,729,000	3	55,000,000	
9	Sports	38	690,184,000	-	690,184,000	23	514,200,000	
10	Culture	15	147,059,000	-	147,059,000	17	297,500,000	
11	Tourism	1	25,000,000	-	25,000,000	3	65,000,000	
12	Information	1	100,000	-	100,000	-	-	
13	PP &H	142	3,703,950,000	-	3,703,950,000	112	2,496,636,000	
14	Communication	286	9,106,140,000	-	9,106,140,000	276	7,827,682,000	
15	Water	77	1,995,882,000	2,094,000,000	4,089,882,000	145	3,250,386,000	
16	IT	11	1,472,448,000	-	1,472,448,000	4	250,400,000	
17	Education	190	5,112,253,000	1,524,000,000	6,636,253,000	141	2,527,880,000	
18	Health	79	3,336,405,000	389,000,000	3,725,405,000	68	1,541,635,000	
19	PHE	66	2,969,519,000	-	2,969,519,000	204	3,802,873,000	
20	Social Welfare	27	160,293,000	-	160,293,000	15	397,400,000	
21	Environment	1	5,500,000	-	5,500,000	1	-	
22	Local Govt.	23	327,454,000	-	327,454,000	193	3,802,980,000	
23	Women Dev.	1	10,965,000	-	10,965,000	3	125,000,000	
24	Urban P&D	21	654,644,000	-	654,644,000	11	359,580,000	
25	Power	92	770,741,000	-	770,741,000	87	1,287,492,000	
26	Other Schemes	23	7,540,092,000	1,164,000,000	8,704,092,000	20	6,564,300,000	

1,211 40,212,960,000 5,171,000,000 45,383,960,000 1,549 39,787,210,000

It is evident from the above tabulated sector wise allocation of PSDP that majority of the sectors are on the least priority. There are 13 sectors which allocation each is less than 1% of the total PSDP. On the other hand, there is "Other Schemes" chapter which alone is having an allocation of 17.75% being the second highest allocated sector. Below is the percentage wise descending sector allocation of PSDP. Investment in "Others Schemes" consists of fragmented schemes and such high allocation of resources is not prudent.

Communication	19.69%	Livestock	0.67%
Other Schemes	17.75%	Social Welfare	0.65%
Education	10.65%	Fisheries	0.58%
Water	8.53%	Culture	0.52%
PHE	7.87%	Forestry	0.46%
PP &H	7.21%	Industries	0.23%
Health	7.10%	Women Dev.	0.16%
Agriculture	5.71%	Population Welfare	0.16%
Local Govt.	4.80%	Manpower	0.16%
Power	2.39%	Tourism	0.10%
IT	2.00%	Minerals	0.02%
Sports	1.40%	Environment	0.01%
Urban P&D	1.18%	Information	0.00%

New Schemes Allocation (PKR)		No.	Total Allocation (PKR)			
FPA	Total		GoB	FPA	Total	%
-	3,681,266,000	230	4,909,825,000	-	4,909,825,000	5.71
-	393,200,000	40	576,082,000	-	576,082,000	0.67
-	151,500,000	20	394,529,000	-	394,529,000	0.46
-	165,000,000	26	499,732,000	-	499,732,000	0.58
-	135,300,000	1	135,300,000	-	135,300,000	0.16
-	95,000,000	11	195,200,000	-	195,200,000	0.23
-	-	4	15,200,000	-	15,200,000	0.02
-	55,000,000	11	134,729,000	-	134,729,000	0.16
-	514,200,000	61	1,204,384,000	-	1,204,384,000	1.40
-	297,500,000	32	444,559,000	-	444,559,000	0.52
-	65,000,000	4	90,000,000	-	90,000,000	0.10
-	-	1	100,000	-	100,000	0.00
-	2,496,636,000	254	6,200,586,000	-	6,200,586,000	7.21
-	7,827,682,000	562	16,933,822,000	-	16,933,822,000	19.69
-	3,250,386,000	222	5,246,268,000	2,094,000,000	7,340,268,000	8.53
-	250,400,000	15	1,722,848,000	-	1,722,848,000	2.00
-	2,527,880,000	331	7,640,133,000	1,524,000,000	9,164,133,000	10.65
840,000,000	2,381,635,000	147	4,878,040,000	1,229,000,000	6,107,040,000	7.10
-	3,802,873,000	270	6,772,392,000	-	6,772,392,000	7.87
-	397,400,000	42	557,693,000	-	557,693,000	0.65
-	-	2	5,500,000	-	5,500,000	0.01
-	3,802,980,000	216	4,130,434,000	-	4,130,434,000	4.80
-	125,000,000	4	135,965,000	-	135,965,000	0.16
-	359,580,000	32	1,014,224,000	-	1,014,224,000	1.18
-	1,287,492,000	179	2,058,233,000	-	2,058,233,000	2.39
-	6,564,300,000	43	14,104,392,000	1,164,000,000	15,268,392,000	17.75
840,000,000	40,627,210,000	2,760	80,000,170,000	6,011,000,000	86,011,170,000	100



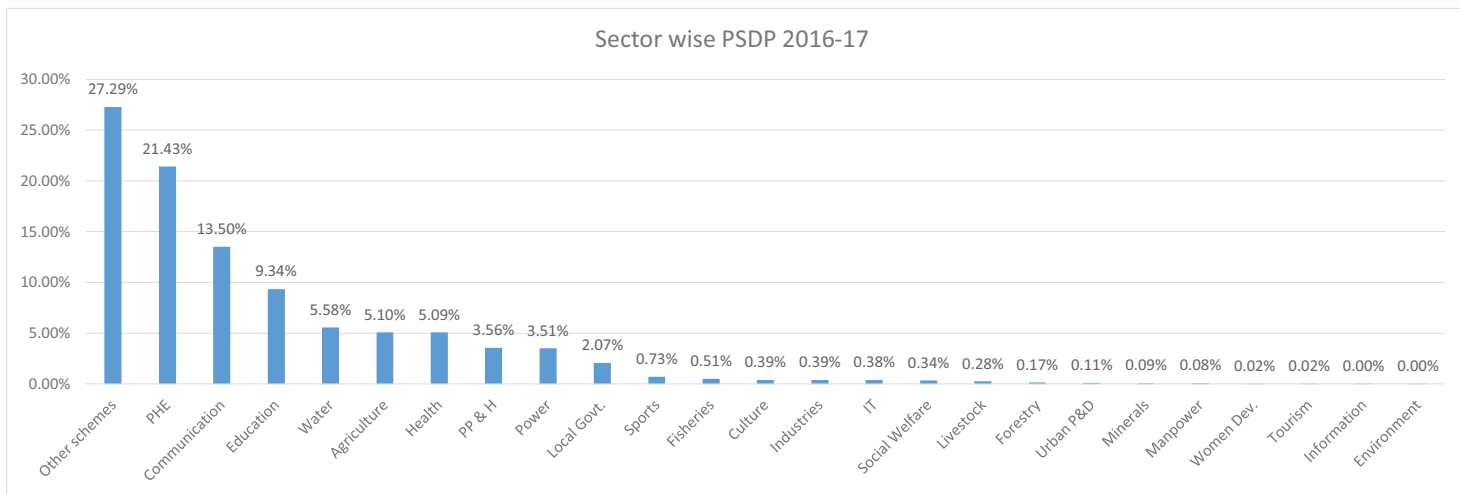
S. No.	Chapter/Sector	Ongoing Schemes				New Schemes		
		No.	Allocation (PKR)			No.	GoB	
			GoB	FPA	Total		GoB	
1	Agriculture	53	676,601,000	-	676,601,000	121	2,847,350,000	
2	Livestock	13	42,000,000	-	42,000,000	17	157,000,000	
3	Forestry	15	20,924,000	-	20,924,000	1	100,000,000	
4	Fisheries	22	317,290,000	-	317,290,000	3	45,000,000	
5	Industries	7	255,100,000	-	255,100,000	2	23,500,000	
6	Minerals	4	66,500,000	-	66,500,000	-	-	
7	Manpower	3	55,050,000	-	55,050,000	1	4,929,000	
8	Sports	36	209,973,000	-	209,973,000	32	312,700,000	
9	Culture	16	146,150,000	-	146,150,000	17	135,000,000	
10	Tourism	1	5,000,000	-	5,000,000	1	10,000,000	
11	Information	1	2,000,000	-	2,000,000	-	-	
12	PP &H	131	1,844,410,000	-	1,844,410,000	50	690,490,000	
13	Communication	329	4,143,743,000	605,000,000	4,748,743,000	166	4,858,050,000	
14	Water	98	741,589,000	-	741,589,000	83	3,121,960,000	
15	IT	9	262,000,000	-	262,000,000	2	10,500,000	
16	Education	201	2,202,207,000	-	2,202,207,000	110	4,149,050,000	
17	Health	72	977,266,000	1,850,000,000	2,827,266,000	52	528,646,000	
18	PHE	96	2,044,457,000	445,400,000	2,489,857,000	152	12,765,664,000	
19	Social Welfare	15	33,302,000	20,000,000	53,302,000	27	186,800,000	
20	Environment	1	1,500,000	-	1,500,000	-	-	
21	Local Govt.	22	64,847,000	-	64,847,000	75	1,410,800,000	
22	Women Dev.	1	1,500,000	-	1,500,000	1	15,000,000	
23	Urban P&D	19	31,000,000	-	31,000,000	3	50,000,000	
24	Power	84	733,405,000	-	733,405,000	104	1,762,750,000	
25	Other Schemes	9	256,500,000	372,420,000	628,920,000	15	16,681,000,000	

1,258 15,134,314,000 3,292,820,000 18,427,134,000 1,035 49,866,189,000

It is evident from the above tabulated sector wise allocation of PSDP that majority of the sectors are on the least priority. There are 15 sectors which allocation each is less than 1% of the total PSDP. On the other hand, there is "Other Schemes" chapter which alone is having an allocation of 27.29% being the highest allocated sector. "Other Schemes" mostly consist of unapproved schemes. Below is the percentage wise descending sectoral allocation of PSDP.

Other schemes	27.29%	Industries	0.39
PHE	21.43%	IT	0.38
Communication	13.50%	Social Welfare	0.34
Education	9.34%	Livestock	0.28
Water	5.58%	Forestry	0.17
Agriculture	5.10%	Urban P&D	0.11
Health	5.09%	Minerals	0.09
PP &H	3.56%	Manpower	0.08
Power	3.51%	Women Dev.	0.02
Local Govt.	2.07%	Tourism	0.02
Sports	0.73%	Information	0.00
Fisheries	0.51%	Environment	0.00
Culture	0.39%		

Allocation PKR		No.	Total Allocation (PKR)				%
FPA	Total		GoB	FPA	Total		
105,000,000	2,952,350,000	174	3,523,951,000	105,000,000	3,628,951,000	5.10	
-	157,000,000	30	199,000,000	-	199,000,000	0.28	
-	100,000,000	16	120,924,000	-	120,924,000	0.17	
-	45,000,000	25	362,290,000	-	362,290,000	0.51	
-	23,500,000	9	278,600,000	-	278,600,000	0.39	
-	-	4	66,500,000	-	66,500,000	0.09	
-	4,929,000	4	59,979,000	-	59,979,000	0.08	
-	312,700,000	68	522,673,000	-	522,673,000	0.73	
-	135,000,000	33	281,150,000	-	281,150,000	0.39	
-	10,000,000	2	15,000,000	-	15,000,000	0.02	
-	-	1	2,000,000	-	2,000,000	0.00	
-	690,490,000	181	2,534,900,000	-	2,534,900,000	3.56	
-	4,858,050,000	495	9,001,793,000	605,000,000	9,606,793,000	13.50	
105,000,000	3,226,960,000	181	3,863,549,000	105,000,000	3,968,549,000	5.58	
-	10,500,000	11	272,500,000	-	272,500,000	0.38	
300,000,000	4,449,050,000	311	6,351,257,000	300,000,000	6,651,257,000	9.34	
265,000,000	793,646,000	124	1,505,912,000	2,115,000,000	3,620,912,000	5.09	
-	12,765,664,000	248	14,810,121,000	445,400,000	15,255,521,000	21.43	
-	186,800,000	42	220,102,000	20,000,000	240,102,000	0.34	
-	-	1	1,500,000	-	1,500,000	0.00	
-	1,410,800,000	97	1,475,647,000	-	1,475,647,000	2.07	
-	15,000,000	2	16,500,000	-	16,500,000	0.02	
-	50,000,000	22	81,000,000	-	81,000,000	0.11	
-	1,762,750,000	188	2,496,155,000	-	2,496,155,000	3.51	
2,114,090,000	18,795,090,000	24	16,937,500,000	2,486,510,000	19,424,010,000	27.29	
2,889,090,000	52,755,279,000	2,293	65,000,503,000	6,181,910,000	71,182,413,000	100	

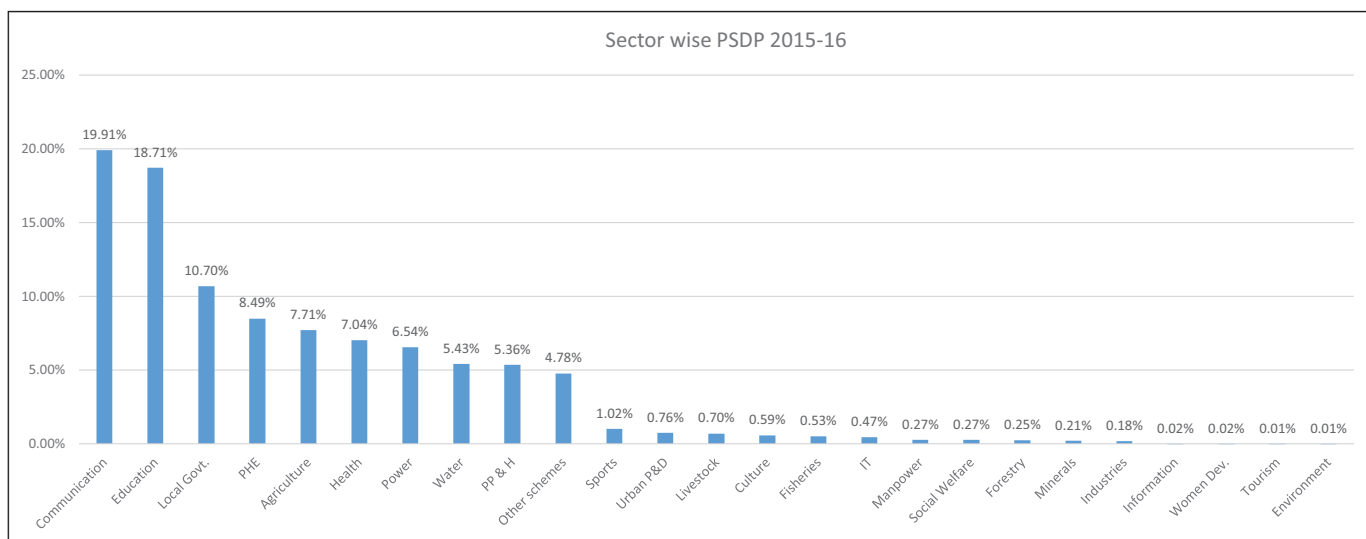


S.No.	Chapter/Sector	Ongoing Schemes				New Schemes		
		No.	Allocation(PKR)			No.	Allocation(PKR)	
			GoB	FPA	Total		GoB	
1	Agriculture	21	1,583,902,000	-	1,583,902,000	167	2,620,866,000	
2	Livestock	6	153,679,000	-	153,679,000	21	226,600,000	
3	Forestry	10	91,638,000	-	91,638,000	4	46,620,000	
4	Fisheries	15	203,454,000	-	203,454,000	8	85,855,000	
5	Industries	7	67,500,000	-	67,500,000	4	32,500,000	
6	Minerals	5	90,900,000	-	90,900,000	2	25,000,000	
7	Manpower	5	139,950,000	-	139,950,000	1	8,100,000	
8	Sports	24	198,034,000	-	198,034,000	22	359,240,000	
9	Culture	8	224,000,000	-	224,000,000	12	96,000,000	
10	Tourism	1	4,500,000	-	4,500,000	-	-	
11	Information	-	-	-	-	1	10,000,000	
12	PP &H	133	1,652,729,000	-	1,652,729,000	71	1,270,050,000	
13	Communication	289	4,634,477,000	739,670,000	5,374,147,000	211	5,480,465,000	
14	Water	64	674,717,000	-	674,717,000	135	2,286,814,000	
15	IT	7	182,659,000	-	182,659,000	4	75,700,000	
16	Education	127	4,436,380,000	-	4,436,380,000	169	5,760,499,000	
17	Health	66	1,592,057,000	643,803,000	2,235,860,000	65	1,603,980,000	
18	PHE	58	887,721,000	620,000,000	1,507,721,000	187	3,119,815,000	
19	Social Welfare	11	58,790,000	-	58,790,000	17	86,950,000	
20	Environment	1	4,500,000	-	4,500,000	-	-	
21	Local Govt.	8	173,202,000	-	173,202,000	64	5,658,149,000	
22	Women Dev.	1	8,689,000	-	8,689,000	-	-	
23	Urban P&D	17	365,921,000	-	365,921,000	2	48,917,000	
24	Power	43	807,640,000	100,000,000	907,640,000	140	2,658,184,000	
25	Other Schemes	13	1,263,300,000	1,315,250,000	2,578,550,000	3	16,000,000	
		940	19,500,339,000	3,418,723,000	22,919,062,000	1,310	31,576,304,000	

It is evident from the above tabulated sector wise allocation of PSDP that majority of the sectors are on the least priority. There are 14 sectors which allocation each is less than 1% of the total PSDP. Below is the percentage wise descending sectoral allocation of PSDP.

Communication	19.91%	Culture	0.59%
Education	18.71%	Fisheries	0.53%
Local Govt.	10.70%	IT	0.47%
PHE	8.49%	Manpower	0.27%
Agriculture	7.71%	Social Welfare	0.27%
Health	7.04%	Forestry	0.25%
Power	6.54%	Minerals	0.21%
Water	5.43%	Industries	0.18%
PP &H	5.36%	Information	0.02%
Other Schemes	4.78%	Women Dev.	0.02%
Sports	1.02%	Tourism	0.01%
Urban P&D	0.76%	Environment	0.01%
Livestock	0.70%		

		Total				
		No.	Allocation(PKR)			
FPA	Total		GoB	FPA	Total	%
-	2,620,866,000	188	4,204,768,000	-	4,204,768,000	7.71
-	226,600,000	27	380,279,000	-	380,279,000	0.70
-	46,620,000	14	138,258,000	-	138,258,000	0.25
-	85,855,000	23	289,309,000	-	289,309,000	0.53
-	32,500,000	11	100,000,000	-	100,000,000	0.18
-	25,000,000	7	115,900,000	-	115,900,000	0.21
-	8,100,000	6	148,050,000	-	148,050,000	0.27
-	359,240,000	46	557,274,000	-	557,274,000	1.02
-	96,000,000	20	320,000,000	-	320,000,000	0.59
-	-	1	4,500,000	-	4,500,000	0.01
-	10,000,000	1	10,000,000	-	10,000,000	0.02
-	1,270,050,000	204	2,922,779,000	-	2,922,779,000	5.36
-	5,480,465,000	500	10,114,942,000	739,670,000	10,854,612,000	19.91
-	2,286,814,000	199	2,961,531,000	-	2,961,531,000	5.43
-	75,700,000	11	258,359,000	-	258,359,000	0.47
-	5,760,499,000	296	10,196,879,000	-	10,196,879,000	18.71
-	1,603,980,000	131	3,196,037,000	643,803,000	3,839,840,000	7.04
-	3,119,815,000	245	4,007,536,000	620,000,000	4,627,536,000	8.49
-	86,950,000	28	145,740,000	-	145,740,000	0.27
-	-	1	4,500,000	-	4,500,000	0.01
-	5,658,149,000	72	5,831,351,000	-	5,831,351,000	10.70
-	-	1	8,689,000	-	8,689,000	0.02
-	48,917,000	19	414,838,000	-	414,838,000	0.76
-	2,658,184,000	183	3,465,824,000	100,000,000	3,565,824,000	6.54
10,000,000	26,000,000	16	1,279,300,000	1,325,250,000	2,604,550,000	4.78
10,000,000	31,586,304,000	2,250	51,076,643,000	3,428,723,000	54,505,366,000	100

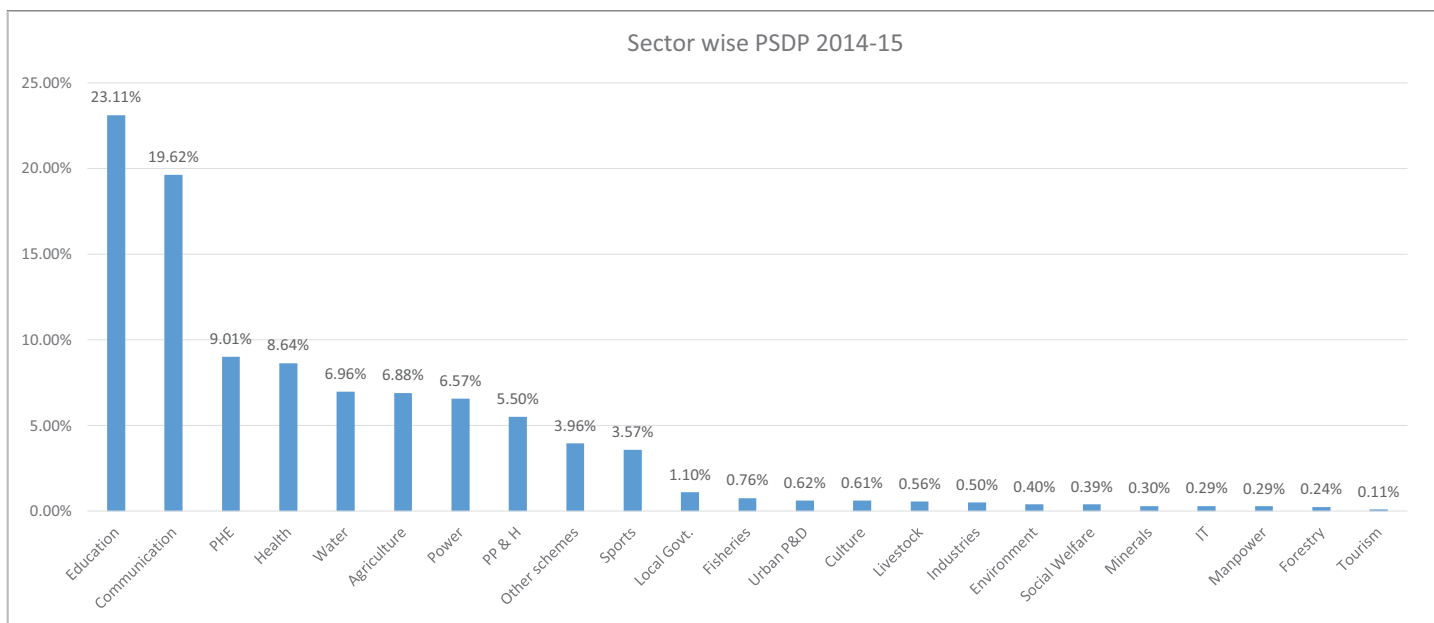


S. No.	Chapter/Sector	Ongoing Schemes				New Schemes		
		No.	Allocation(PKR)			No.	Allocation(PKR)	
			GoB	FPA	Total		GoB	
1	Agriculture	12	1,248,198,000	-	1,248,198,000	81	2,245,113,000	
2	Livestock	3	184,804,000	-	184,804,000	16	98,200,000	
3	Forestry	5	54,000,000	-	54,000,000	5	68,000,000	
4	Fisheries	11	290,000,000	-	290,000,000	6	95,000,000	
5	Industries	4	60,000,000	-	60,000,000	3	195,000,000	
6	Minerals	3	115,000,000	-	115,000,000	2	38,184,000	
7	Manpower	4	135,000,000	-	135,000,000	1	10,000,000	
8	Sports	14	140,013,000	-	140,013,000	20	1,674,000,000	
9	Culture	3	37,320,000	-	37,320,000	6	273,000,000	
10	Tourism	1	50,000,000	-	50,000,000	1	5,000,000	
11	PP &H	48	980,868,000	-	980,868,000	137	1,807,418,000	
12	Communication	239	5,069,391,000	230,000,000	5,299,391,000	152	4,657,510,000	
13	Water	52	1,046,532,000	130,130,000	1,176,662,000	116	2,355,800,000	
14	IT	5	137,000,000	-	137,000,000	3	11,800,000	
15	Education	61	3,028,864,000	327,000,000	3,355,864,000	162	8,369,371,000	
16	Health	43	2,444,303,000	217,323,000	2,661,626,000	59	1,720,810,000	
17	PHE	48	785,045,000	620,000,000	1,405,045,000	136	3,168,205,000	
18	Social Welfare	8	58,697,000	-	58,697,000	14	140,104,000	
19	Environment	2	10,000,000	191,390,000	201,390,000	-	-	
20	Local Govt.	3	54,836,000	-	54,836,000	50	503,747,000	
21	Urban P&D	15	212,418,000	-	212,418,000	1	100,000,000	
22	Power	26	1,255,655,000	100,000,000	1,355,655,000	97	1,980,120,000	
23	Other Schemes	6	29,430,000	907,082,000	936,512,000	9	1,075,000,000	
		616	17,427,374,000	2,722,925,000	20,150,299,000	1,077	30,591,382,000	

It is evident from the above tabulated sector wise allocation of PSDP that majority of the sectors are on the least priority. There are 14 sectors which allocation each is less than 1% of the total PSDP. Below is the percentage wise descending sectoral allocation of PSDP.

Education	23.11%	Urban P&D	0.62%
Communication	19.62%	Culture	0.61%
PHE	9.01%	Livestock	0.56%
Health	8.64%	Industries	0.50%
Water	6.96%	Environment	0.40%
Agriculture	6.88%	Social Welfare	0.39%
Power	6.57%	Minerals	0.30%
PP &H	5.50%	IT	0.29%
Other Schemes	3.96%	Manpower	0.29%
Sports	3.57%	Forestry	0.24%
Local Govt.	1.10%	Tourism	0.11%
Fisheries	0.76%		

Total FPA	No.	Total Allocation(PKR)				
		GoB	FPA	Total	%	
-	2,245,113,000	93	3,493,311,000	-	3,493,311,000	6.88
-	98,200,000	19	283,004,000	-	283,004,000	0.56
-	68,000,000	10	122,000,000	-	122,000,000	0.24
-	95,000,000	17	385,000,000	-	385,000,000	0.76
-	195,000,000	7	255,000,000	-	255,000,000	0.50
-	38,184,000	5	153,184,000	-	153,184,000	0.30
-	10,000,000	5	145,000,000	-	145,000,000	0.29
-	1,674,000,000	34	1,814,013,000	-	1,814,013,000	3.57
-	273,000,000	9	310,320,000	-	310,320,000	0.61
-	5,000,000	2	55,000,000	-	55,000,000	0.11
-	1,807,418,000	185	2,788,286,000	-	2,788,286,000	5.50
-	4,657,510,000	391	9,726,901,000	230,000,000	9,956,901,000	19.62
-	2,355,800,000	168	3,402,332,000	130,130,000	3,532,462,000	6.96
-	11,800,000	8	148,800,000	-	148,800,000	0.29
-	8,369,371,000	223	11,398,235,000	327,000,000	11,725,235,000	23.11
-	1,720,810,000	102	4,165,113,000	217,323,000	4,382,436,000	8.64
-	3,168,205,000	184	3,953,250,000	620,000,000	4,573,250,000	9.01
-	140,104,000	22	198,801,000	-	198,801,000	0.39
-	-	2	10,000,000	191,390,000	201,390,000	0.40
-	503,747,000	53	558,583,000	-	558,583,000	1.10
-	100,000,000	16	312,418,000	-	312,418,000	0.62
-	1,980,120,000	123	3,235,775,000	100,000,000	3,335,775,000	6.57
-	1,075,000,000	15	1,104,430,000	907,082,000	2,011,512,000	3.96
-	30,591,382,000	1,693	48,018,756,000	2,722,925,000	50,741,681,000	100

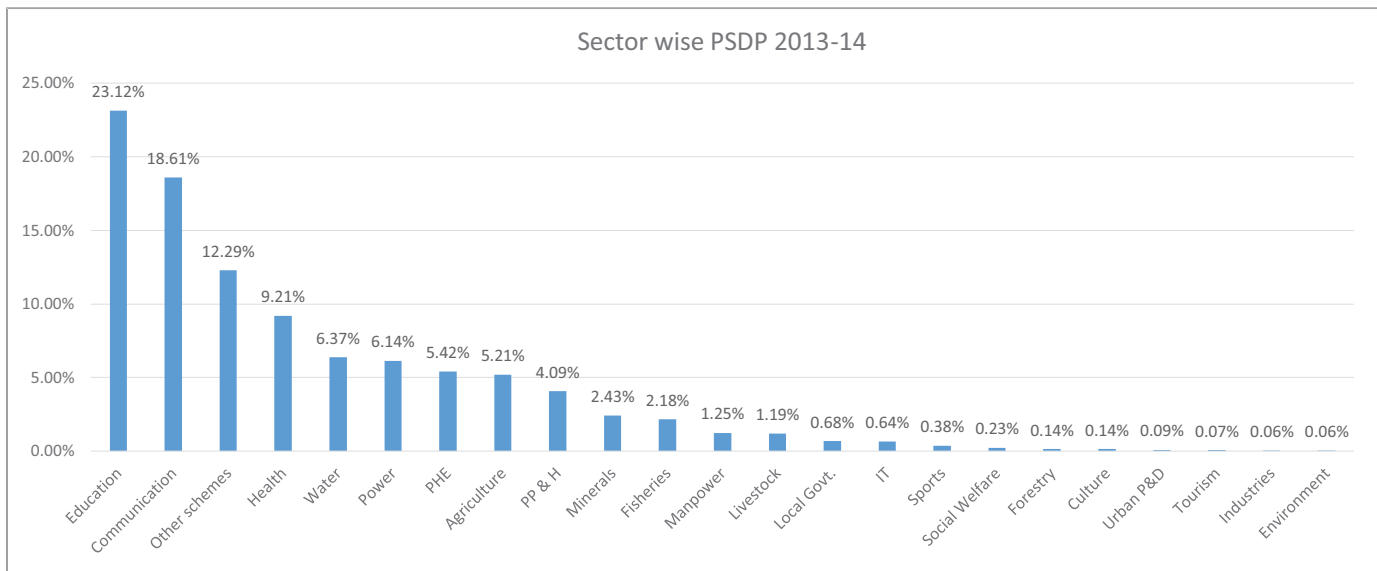


S. No.	Chapter/Sector	Ongoing Schemes				New Schemes		
		No.	Allocation (PKR)			No.	Allocation (PKR)	
			GoB	FPA	Total		GoB	FPA
1	Agriculture	7	56,981,000	-	56,981,000	6	2,232,000,000	-
2	Livestock	4	21,000,000	-	21,000,000	1	500,000,000	-
3	Forestry	3	33,173,000	-	33,173,000	2	30,000,000	-
4	Fisheries	7	195,842,000	-	195,842,000	3	760,000,000	-
5	Industries	4	26,000,000	-	26,000,000	-	-	-
6	Minerals	4	1,065,000,000	-	1,065,000,000	-	-	-
7	Manpower	3	47,000,000	-	47,000,000	2	500,000,000	-
8	Sports	11	118,949,000	-	118,949,000	3	50,000,000	-
9	Culture	3	12,460,000	-	12,460,000	1	50,000,000	-
10	Tourism	-	-	-	-	1	30,000,000	-
11	PP &H	35	655,650,000	-	655,650,000	26	1,139,418,000	-
12	Communication	260	4,703,016,000	300,000,000	5,003,016,000	7	3,167,736,000	-
13	Water	60	612,595,000	675,930,000	1,288,525,000	3	1,509,000,000	-
14	IT	4	225,000,000	-	225,000,000	3	55,000,000	-
15	Education	79	1,148,523,000	492,650,000	1,641,173,000	16	8,513,556,000	-
16	Health	41	485,892,000	100,000,000	585,892,000	9	3,460,000,000	-
17	PHE	44	302,312,000	100,000,000	402,312,000	8	1,979,000,000	-
18	Social Welfare	8	25,355,000	-	25,355,000	2	75,000,000	-
19	Environment	2	5,900,000	20,000,000	25,900,000	-	-	-
20	Local Govt.	5	100,000,000	-	100,000,000	1	200,000,000	-
21	Urban P&D	13	39,098,000	-	39,098,000	-	-	-
22	Power	27	401,495,000	100,000,000	501,495,000	5	2,195,000,000	-
23	Other Schemes	13	354,680,000	2,192,814,000	2,547,494,000	3	2,850,000,000	-
		637	10,635,921,000	3,981,394,000	14,617,315,000	102	29,295,710,000	-

It is evident from the above tabulated sector wise allocation of PSDP that majority of the sectors are on the least priority. There are 10 sectors which allocation each is less than 1% of the total PSDP. On the other hand, there is "Other schemes" chapter which alone is having an allocation of 12%. Below is the percentage wise descending sectoral allocation of PSDP. Urban P&D is supposed to be an executing agency. The total amount of works being executed are much lesser than the expenditure on establishment charges.

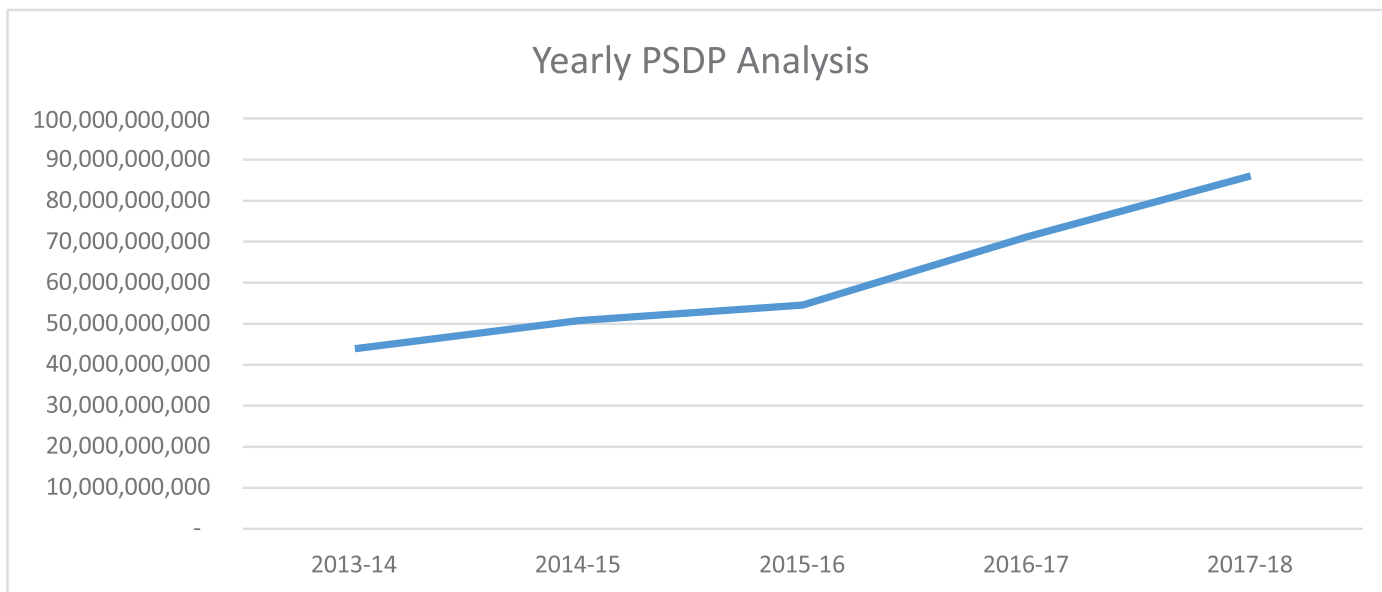
Education	23.12%	Livestock	1.19%
Communication	18.61%	Local Govt.	0.68%
Other Schemes	12.29%	IT	0.64%
Health	9.21%	Sports	0.38%
Water	6.37%	Social Welfare	0.23%
Power	6.14%	Forestry	0.14%
PHE	5.42%	Culture	0.14%
Agriculture	5.21%	Urban P&D	0.09%
PP &H	4.09%	Tourism	0.07%
Minerals	2.43%	Industries	0.06%
Fisheries	2.18%	Environment	0.06%
Manpower	1.25%		

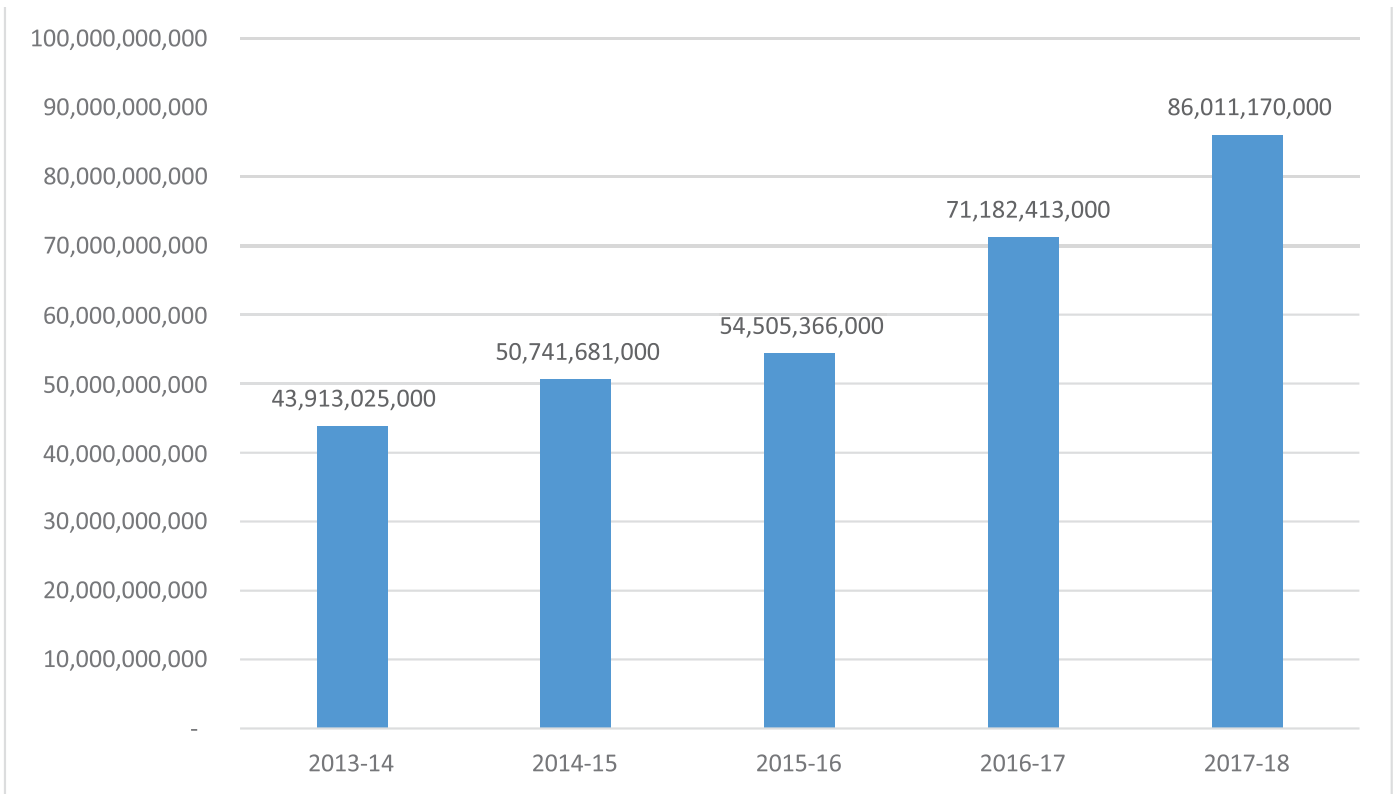
	Total	No.	Total Allocation (PKR)			
			GoB	FPA	Total	%
			2,232,000,000	13	2,288,981,000	-
500,000,000	5	521,000,000	-	521,000,000	1.19	
30,000,000	5	63,173,000	-	63,173,000	0.14	
760,000,000	10	955,842,000	-	955,842,000	2.18	
-	4	26,000,000	-	26,000,000	0.06	
-	4	1,065,000,000	-	1,065,000,000	2.43	
500,000,000	5	547,000,000	-	547,000,000	1.25	
50,000,000	14	168,949,000	-	168,949,000	0.38	
50,000,000	4	62,460,000	-	62,460,000	0.14	
30,000,000	1	30,000,000	-	30,000,000	0.07	
1,139,418,000	61	1,795,068,000	-	1,795,068,000	4.09	
3,167,736,000	267	7,870,752,000	300,000,000	8,170,752,000	18.61	
1,509,000,000	63	2,121,595,000	675,930,000	2,797,525,000	6.37	
55,000,000	7	280,000,000	-	280,000,000	0.64	
8,513,556,000	95	9,662,079,000	492,650,000	10,154,729,000	23.12	
3,460,000,000	50	3,945,892,000	100,000,000	4,045,892,000	9.21	
1,979,000,000	52	2,281,312,000	100,000,000	2,381,312,000	5.42	
75,000,000	10	100,355,000	-	100,355,000	0.23	
-	2	5,900,000	20,000,000	25,900,000	0.06	
200,000,000	6	300,000,000	-	300,000,000	0.68	
-	13	39,098,000	-	39,098,000	0.09	
2,195,000,000	32	2,596,495,000	100,000,000	2,696,495,000	6.14	
2,850,000,000	16	3,204,680,000	2,192,814,000	5,397,494,000	12.29	
29,295,710,000	739	39,931,631,000	3,981,394,000	43,913,025,000	100	



Yearly variance in Balochistan's PSDP in terms of amount and number of schemes

Year	Total PSDP Schemes		Variance from previous year			
	PKR	No.	PKR	%(PKR)	No.	%(No.)
2013-14	43,913,025,00	739	-	-	-	-
2014-15	50,741,681,00	1,693	6,828,656,000	16	954	129
2015-16	54,505,366,00	2,250	3,763,685,000	7	557	33
2016-17	71,182,413,00	2,293	16,677,047,000	31	43	2
2017-18	86,011,170,00	2,760	14,828,757,000	21	467	20





The above data depicts the growth in PSDP over the past 5 years. Two very prominent findings are that the growth rate each year though on a positive side is not consistent and secondly the growth rate in monetary terms and number of schemes is not in harmony and vary widely.

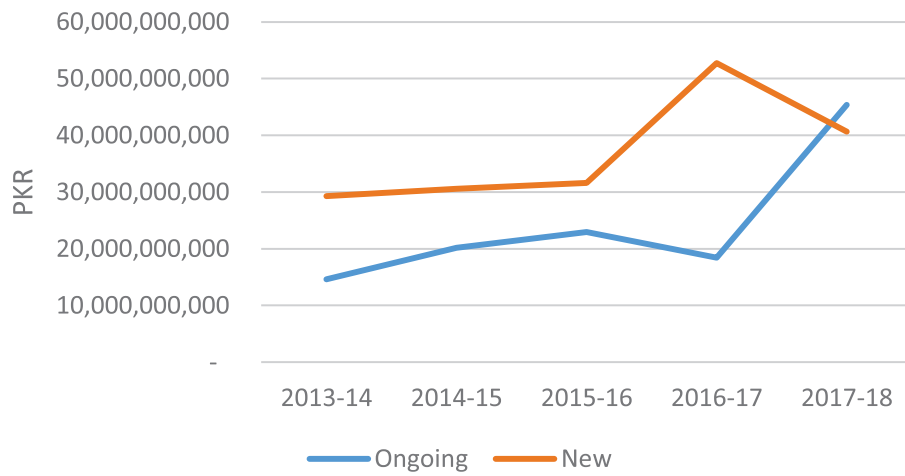
Comparative analysis of new and ongoing schemes in Balochistan's PSDP

Year	Total PSDP Schemes		Ongoing Schemes				New Schemes			
			% share in PKR		% share in No.		% share in PKR		% share in No.	
	PKR	No.	PKR	% share	No.	% share	PKR	% share	No.	% share
2013-14	43,913,025,000	739	14,617,315,000	33	637	86	29,295,710,000	67	102	14
2014-15	50,741,681,000	1,693	20,150,299,000	40	616	36	30,591,382,000	60	1,077	64
2015-16	54,505,366,000	2,250	22,919,062,000	42	940	42	31,586,304,000	58	1,310	58
2016-17	71,182,413,000	2,293	18,427,134,000	26	1,258	55	52,755,279,000	74	1,035	45
2017-18	86,011,170,000	2,760	45,383,960,000	53	1,211	44	40,627,210,000	47	1,549	56

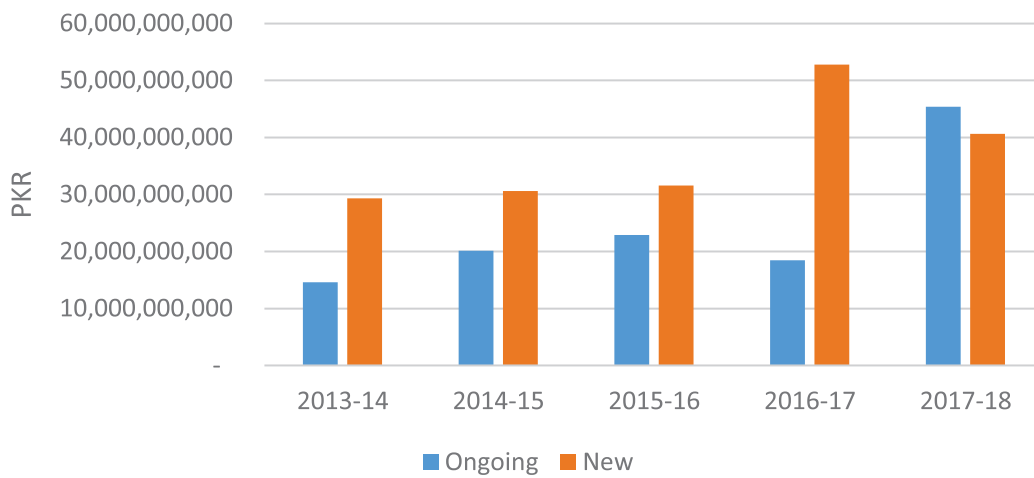
An analysis of the above tabulated data shows that over the last 5 years of Balochistan's PSDP there has been more allocation of resources to the new schemes as compared to the ongoing ones in monetary terms except for the year 2017-18 where 53% resources were allocated to the ongoing schemes. Moreover, the comparative share between the new and ongoing schemes in terms of monetary resources and number of schemes shows a disparity each year except for the year 2015-16 wherein the comparative share is exactly the same both in terms of monetary resources and number of schemes (that is to say 58% for the new schemes and 42% for the ongoing schemes).

The above analysis is indicative of the fact that policy makers give priority to new schemes and put old/ongoing on back burner. This tendency is counterproductive with negative fallout. Certain old schemes drag on for more than decades causing time over run and cost overrun besides social opportunity costs, which result in loss of scarce resources. The ideal ratio should be 80:20 for new to old schemes respectively. By doing so government can reduce the gestation period and complete more schemes.

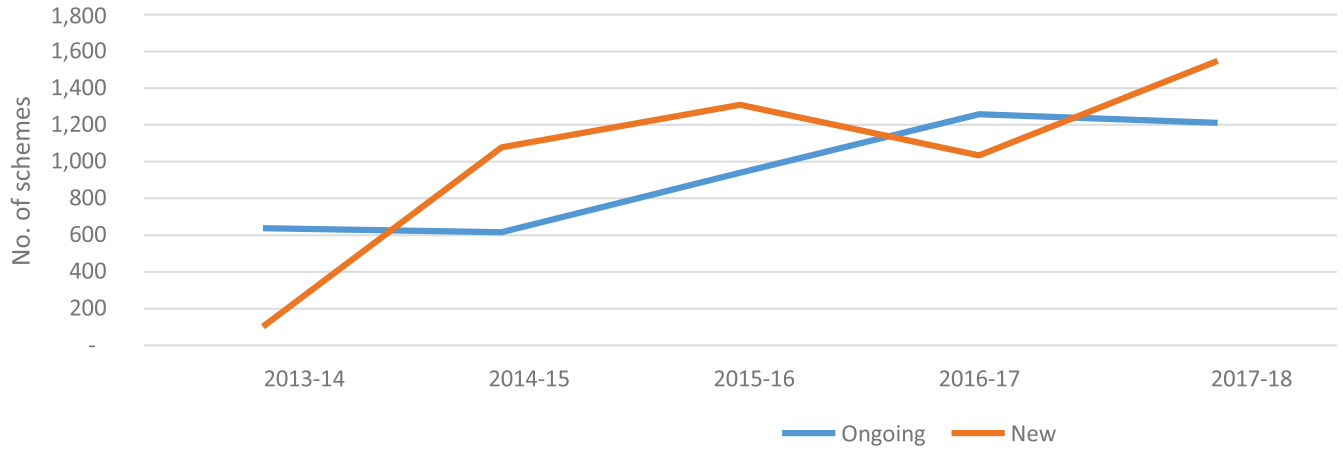
Comparison between new and ongoing PSDP schemes



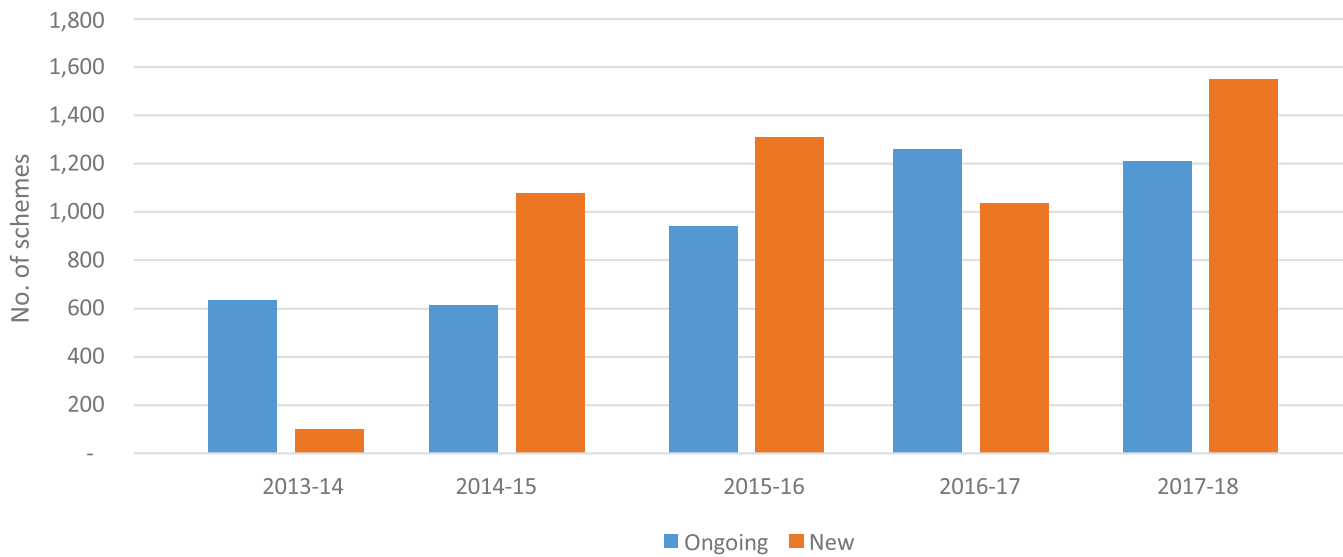
Comparison between new and ongoing PSDP schemes



Comparison between new and ongoing PSDP schemes



Comparison between new and ongoing PSDP schemes

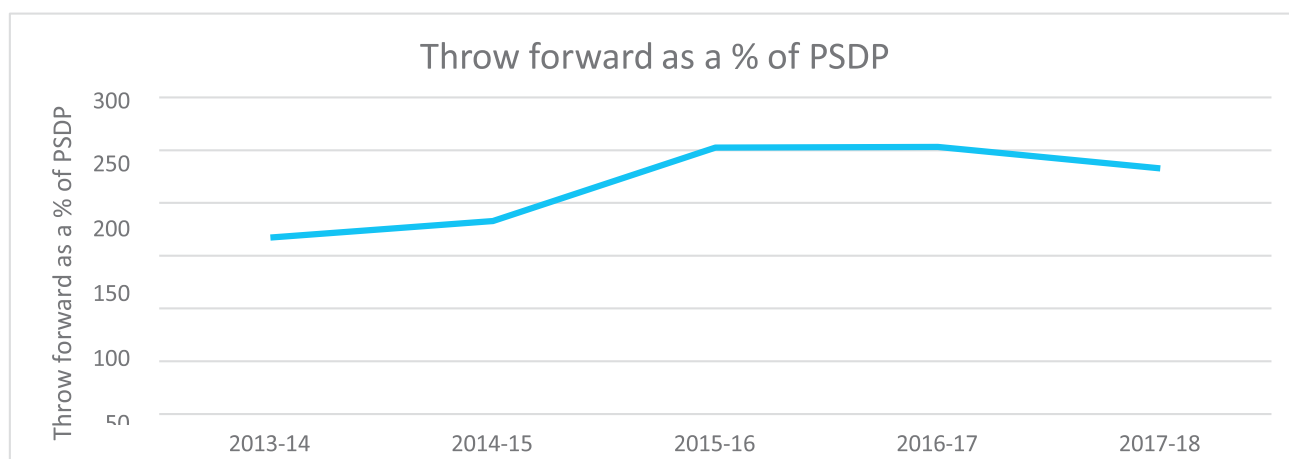


Analysis of Throw forward of Balochistan's PSDP

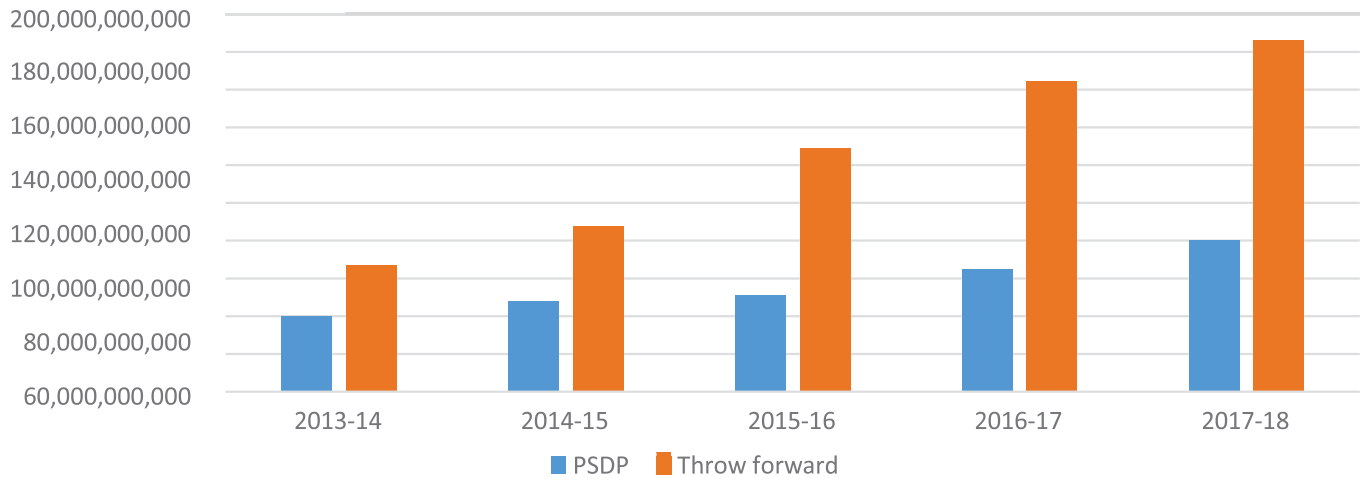
Year	PKR		Throw forward as a % of PSDP
	PSDP (GoB)	Throw forward (GoB)	
2013-14	39,931,631,000	66,770,011,000	167%
2014-15	48,018,756,000	87,793,067,000	183%
2015-16	51,076,643,000	128,990,104,000	253%
2016-17	65,000,503,000	164,492,566,000	253%
2017-18	80,000,170,000	186,241,130,000	233%

As is evident from the above table, in the last 5 years consistently the Throw forward has been much higher than the total PSDP allocation ranging from 167% to 253%.

This analysis of throw forward is indicative that there is a tendency of creating future liabilities. Above figures show that our liabilities have gone up more than double of current PSDP size. This becomes more pronounced in the last year of a government tenure and the first year of take over. This trend needs to be arrested. This throw forward results in multiple revisions, as token amounts are allocated each year to old schemes and in certain cases there is a 400-500 percent increase in the cost of schemes which drag on for years.



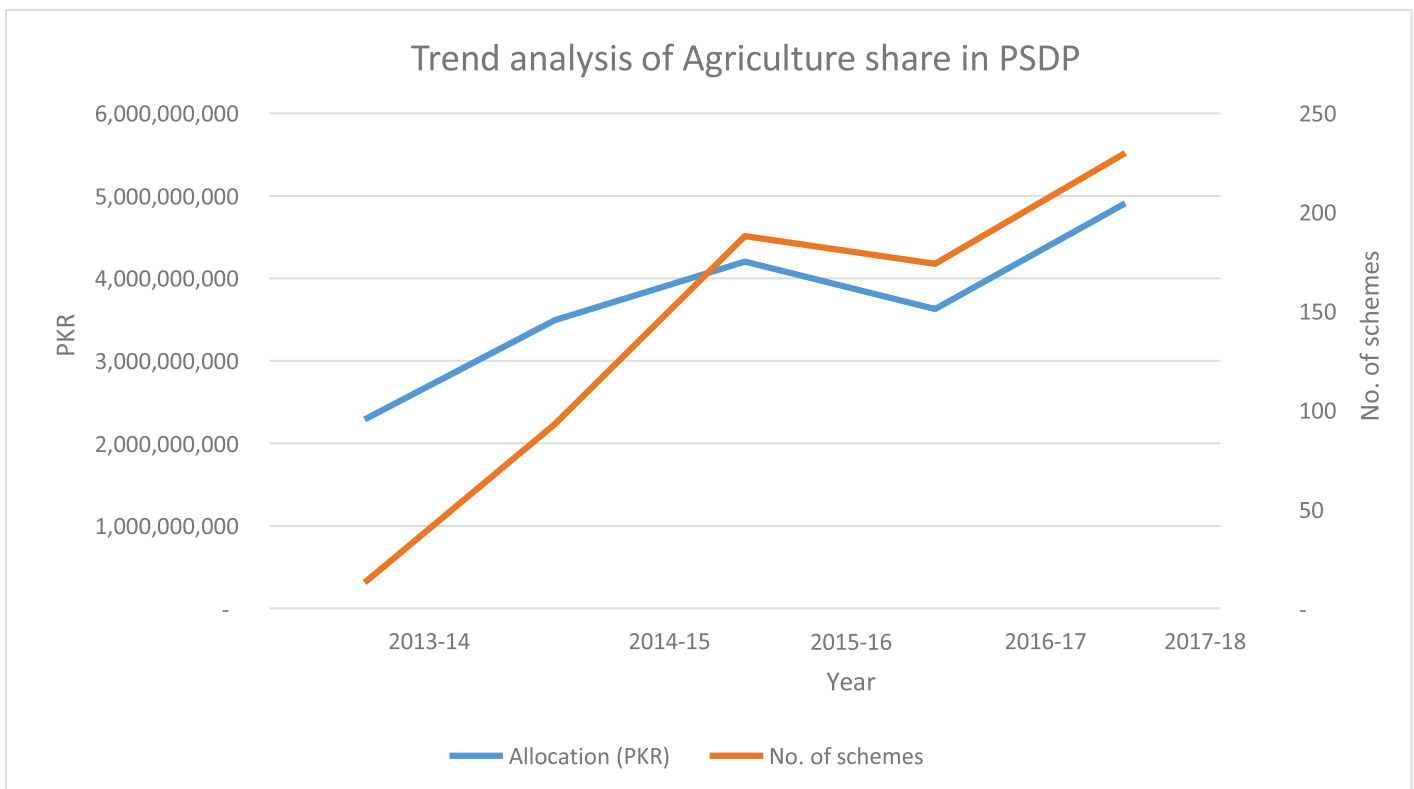
Comparison of Throw forward and PSDP



Yearly growth and variance analysis of Agriculture sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	2,288,981,000	13	176,075,462	-	-	-	-
2014-15	3,493,311,000	93	37,562,484	1,204,330,000	52.61	80	615.38
2015-16	4,204,768,000	188	22,365,787	711,457,000	20.37	95	102.15
2016-17	3,628,951,000	174	20,856,040	(575,817,000)	(13.69)	(14)	(7.45)
2017-18	4,909,825,000	230	21,347,065	1,280,874,000	35.30	56	32.18

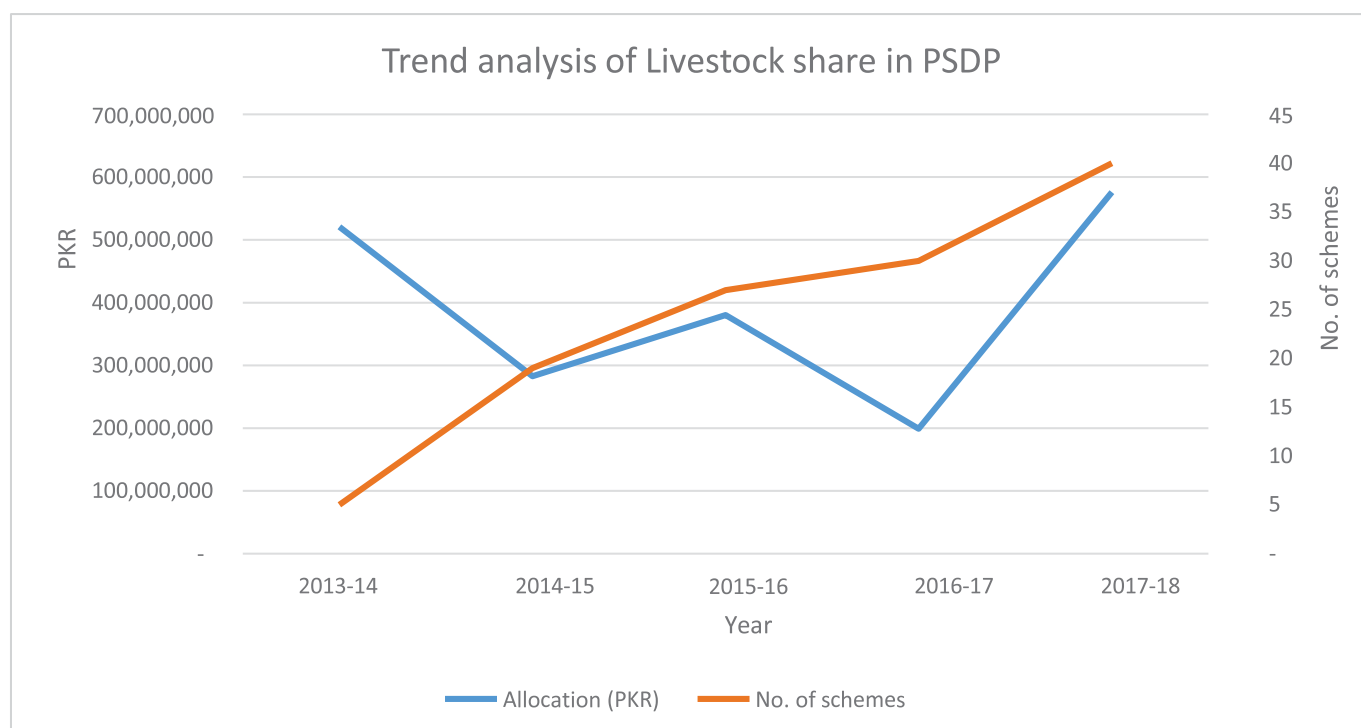
Over the past 5 years the trend evidenced in the PSPD allocation for Agriculture sector is that as a whole both the allocation of monetary resources and the number of schemes have increased, however, the average size of the schemes has thereby decreased from PKR 176 million in 2013-14 to PKR 21 million in 2017-18.



Yearly growth and variance analysis of Livestock sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	521,000,000	5	104,200,000	-	-	-	-
2014-15	283,004,000	19	14,894,947	(237,996,000)	(45.68)	14	280.00
2015-16	380,279,000	27	14,084,407	97,275,000	34.37	8	42.11
2016-17	199,000,000	30	6,633,333	(181,279,000)	(47.67)	3	11.11
2017-18	576,082,000	40	14,402,050	377,082,000	189.49	10	33.33

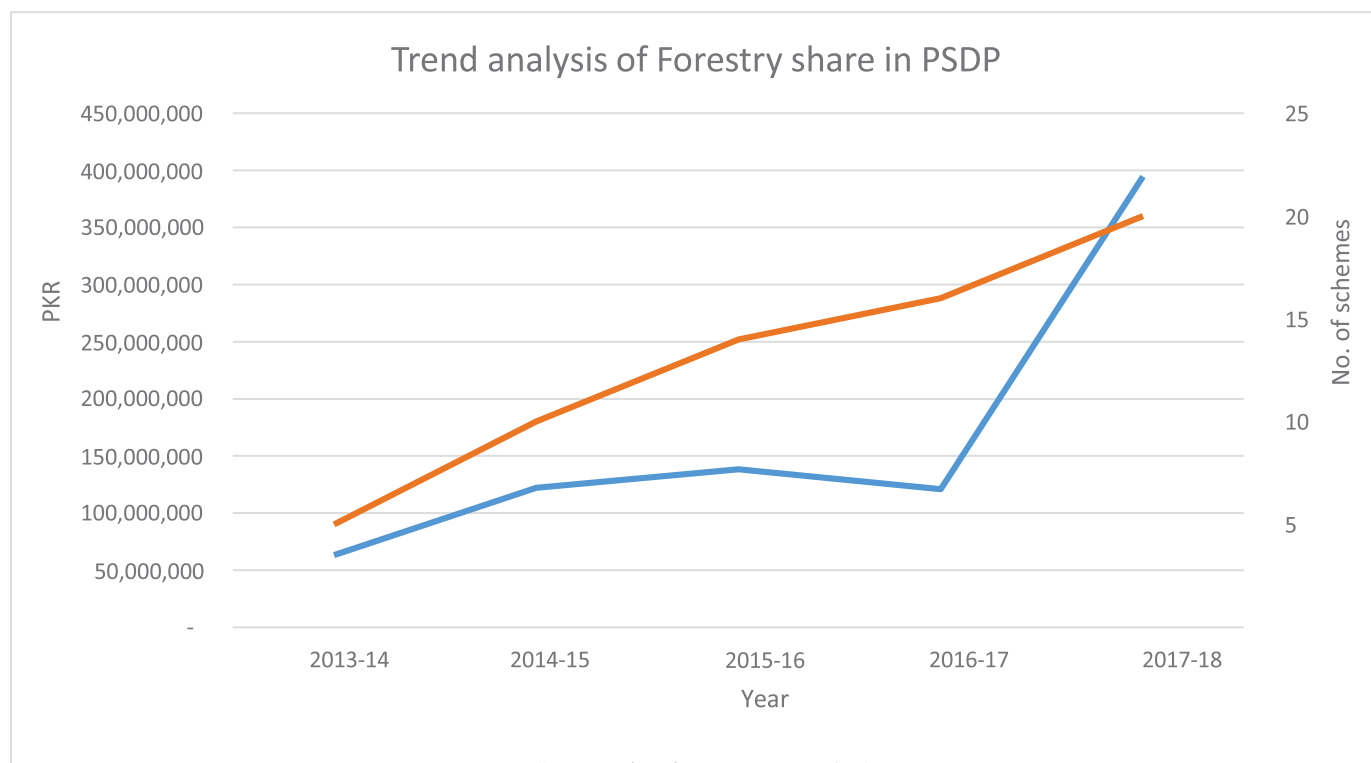
In the Livestock sector there has been a sharp decline in the average size of scheme from PKR 104 million in 2013-14 to PKR 14 million in 2014-15 & 2015-16, then PKR 6 million in 2016-17. The increase in the number of schemes is at a much higher rate than the increase in the allocation of monetary resources. It is not out of place to mention here that this sector has got a huge potential and if properly planned investment is done in this sector, it may generate not only income for the breeders but also for the government. Certain districts like Musa Khel are known throughout the country for the number and quality of small ruminants which are mostly smuggled to neighboring countries and the Government needs to invest in establishing meat processing units in breeding areas. Few years back government had introduced restocking policy for the breeders in order to separate production by providing them sheep and goats free of cost but later on this practice was discontinued.



Yearly growth and variance analysis of Forestry sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	63,173,000	5	12,634,600	-	-	-	-
2014-15	122,000,000	10	12,200,000	58,827,000	93.12	5	100.00
2015-16	138,258,000	14	9,875,571	16,258,000	13.33	4	40.00
2016-17	120,924,000	16	7,557,750	(17,334,000)	(12.54)	2	14.29
2017-18	394,529,000	20	19,726,450	273,605,000	226.26	4	25.00

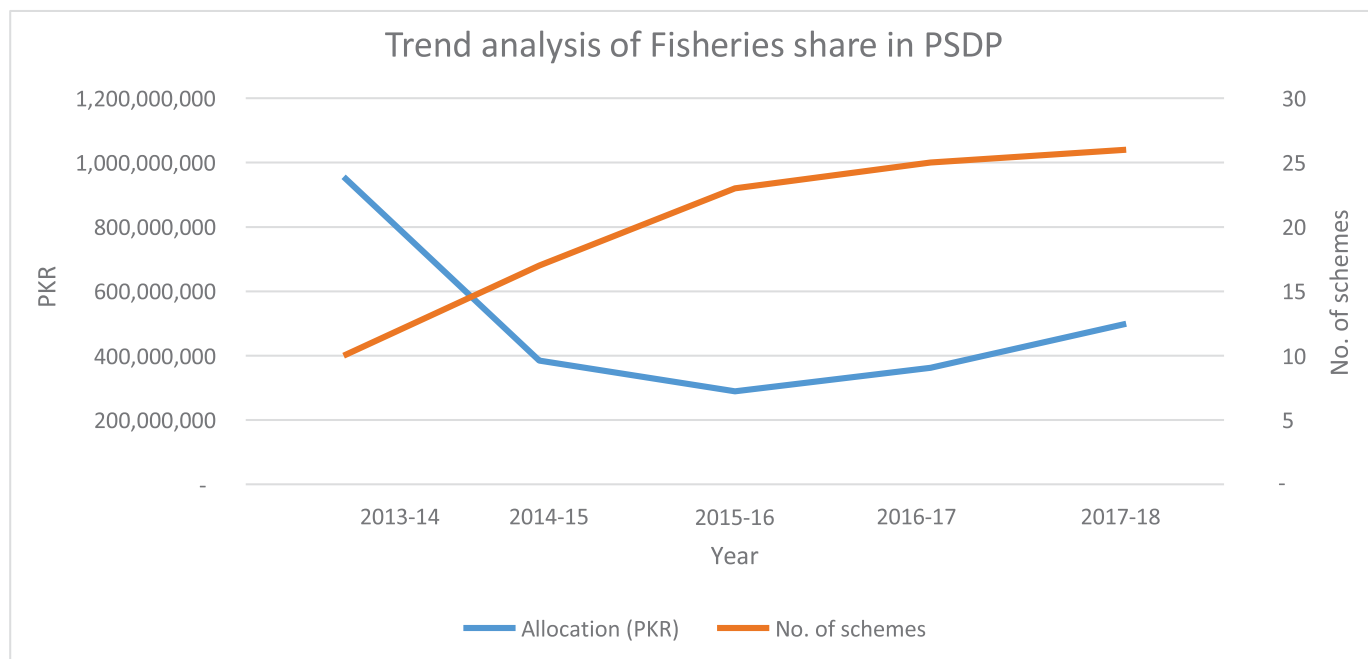
In case of Forestry the allocation in PSDP over the past 5 years as a whole has increased both in terms of monetary allocation as well as in terms of number of schemes. The only drop in the monetary allocation is evidenced in the year 2016-17. The average scheme size has increased from PKR 12 million in 2013-14 to PKR 19 million in 2017-18. After 1979, due to influx of Afghan refugees our range lands have been destroyed and our hill tracks were denuded from vegetation which is causing climatic and environmental hazards. The government should give priority to this sector for reforestation and developing the range lands.



Yearly growth and variance analysis of Fisheries sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	955,842,000	10	95,584,200	-	-	-	-
2014-15	385,000,000	17	22,647,059	(570,842,000)	(59.72)	7	70.00
2015-16	289,309,000	23	12,578,652	(95,691,000)	(24.85)	6	35.29
2016-17	362,290,000	25	14,491,600	72,981,000	25.23	2	8.70
2017-18	499,732,000	26	19,220,462	137,442,000	37.94	1	4.00

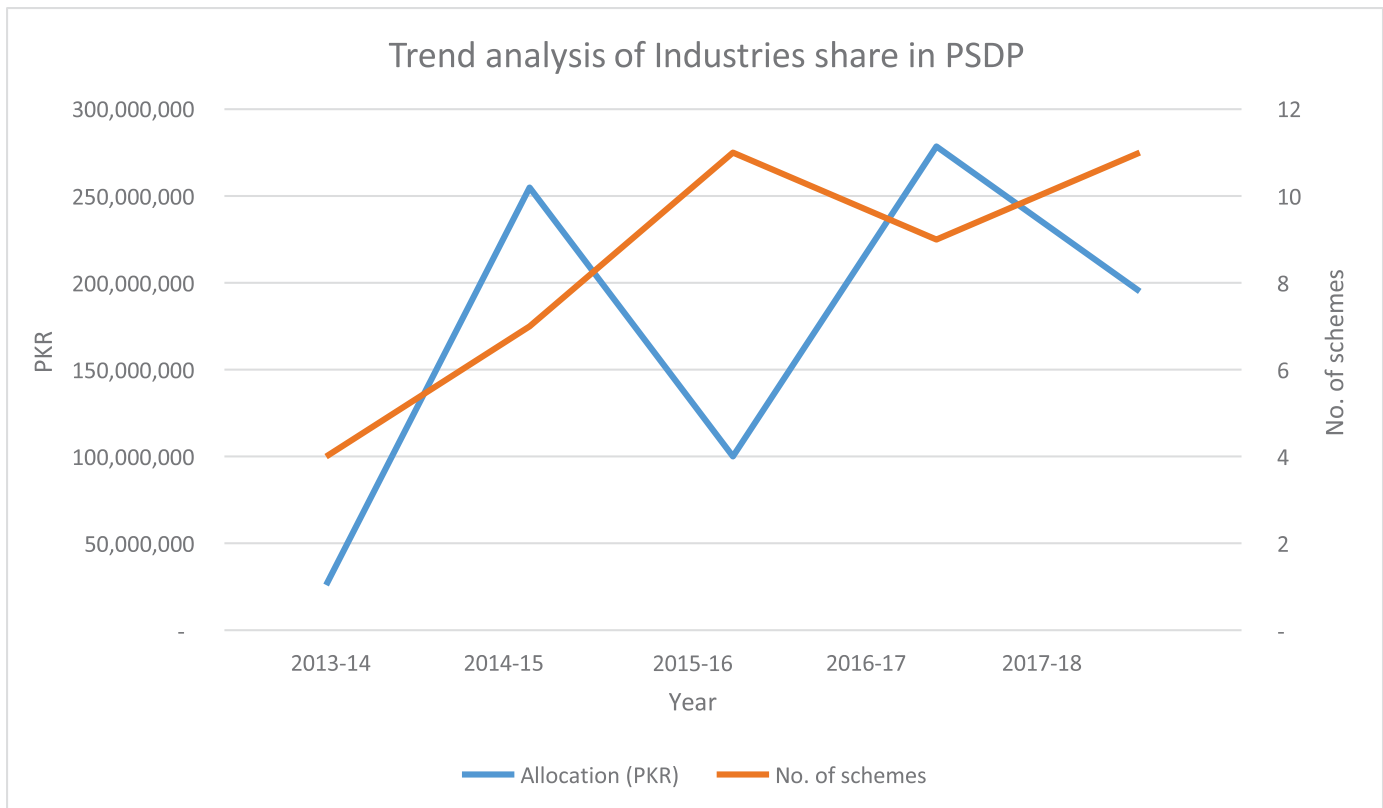
The average size of PSDP schemes in Fisheries sector has decreased over the past 5 years from PKR 95 million in 2013-14 to PKR 19 million in 2017-18. All the regions and countries economically develop on the basis of their comparative advantage. The huge coastal line along with fisheries is a potential area for upgrading the living standard pulls generating the revenues for the government of Balochistan. This area has never been given its due importance. The national and international trollers do the poaching in our exclusive economic zone which not only destroy the marine life but also deprive the fishermen in the coastal areas whose livelihood is almost solely dependent upon it. In the neighboring Iranian coastal area, they have done a huge investment in fisheries sector by establishing shrimp farms which has changed the economic scenario of their costal area.



Yearly growth and variance analysis of Industries sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	26,000,000	4	6,500,000	-	-	-	-
2014-15	255,000,000	7	36,428,571	229,000,000	880.77	3	75.00
2015-16	100,000,000	11	9,090,909	(155,000,000)	(60.78)	4	57.14
2016-17	278,600,000	9	30,955,556	178,600,000	178.60	(2)	(18.18)
2017-18	195,200,000	11	17,745,455	(83,400,000)	(29.94)	2	22.22

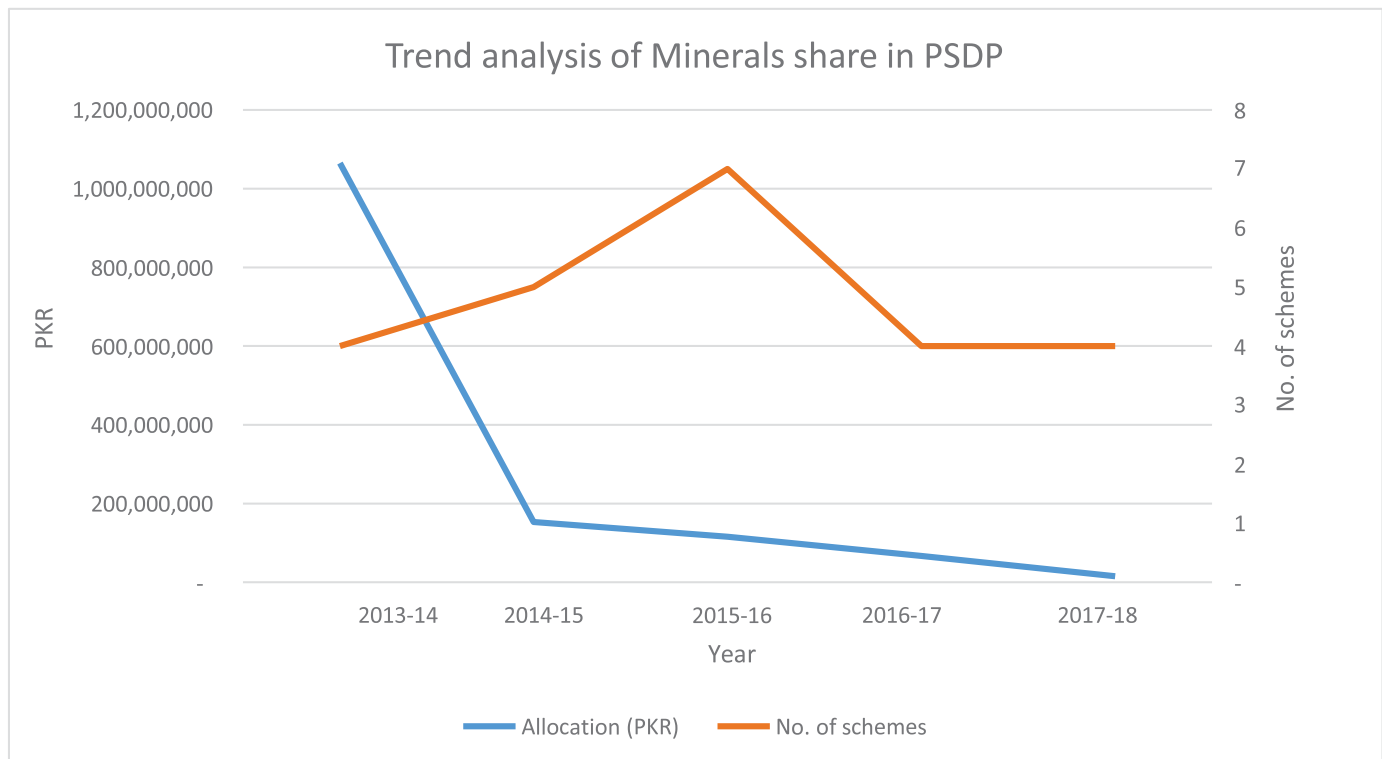
The trend of PSDP allocation in Industries sector over the past 5 years has been increase in one year and decrease in the next. The trend is very uneven. Balochistan is rich in minerals as well as in building stones but the stones are exported to Karachi without value addition, thereby losing potential resource. The government should have a well thought out policy of putting up small units for processing the marble, granite and other stones of value through PPP.



Yearly growth and variance analysis of Minerals sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	1,065,000,000	4	266,250,000	-	-	-	-
2014-15	153,184,000	5	30,636,800	(911,816,000)	(85.62)	1	25.00
2015-16	115,900,000	7	16,557,143	(37,284,000)	(24.34)	2	40.00
2016-17	66,500,000	4	16,625,000	(49,400,000)	(42.62)	(3)	(42.86)
2017-18	15,200,000	4	3,800,000	(51,300,000)	(77.14)	-	0.00

Despite being a mineral rich province, the allocation in Balochistan's PSDP on Minerals sector shows a very different picture. As is evidenced from the PSDP, the allocation to Minerals sector has gone down from Rs. 1 billion in 2013-14 to merely Rs. 15 million in 2017-18. The investment in this sector by the government has the potential of substantially generating/ increasing provincial revenues as it is an area of competitive advantage for Balochistan.

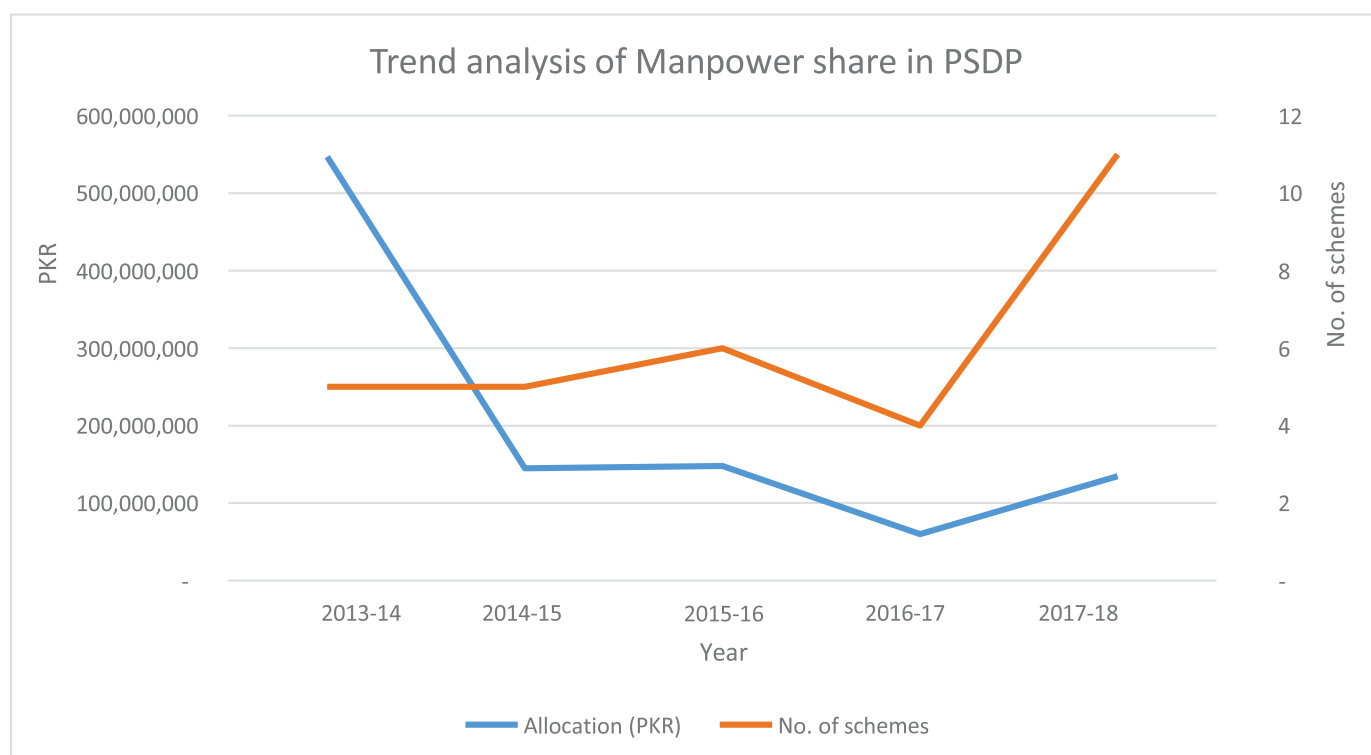


Yearly growth and variance analysis of Manpower sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	547,000,000	5	109,400,000	-	-	-	-
2014-15	145,000,000	5	29,000,000	(402,000,000)	(73.49)	-	0.00
2015-16	148,050,000	6	24,675,000	3,050,000	2.10	1	20.00
2016-17	59,979,000	4	14,994,750	(88,071,000)	(59.49)	(2)	(33.33)
2017-18	134,729,000	11	12,248,091	74,750,000	124.63	7	175.00

Manpower's share in PSDP over the last 5 years has witnessed ups and downs. The average size of PSDP has gradually decreased from PKR 109 million in 2013-14 to PKR 12 million in 2017-18.

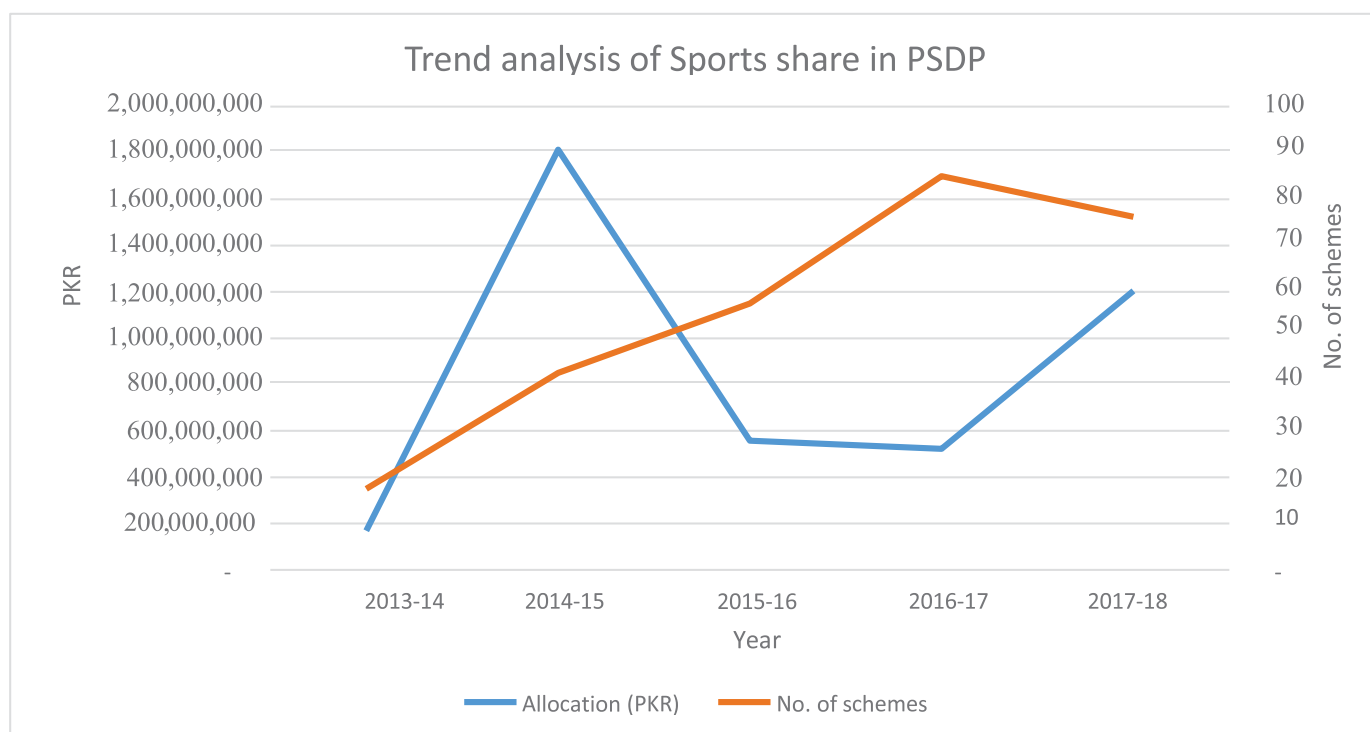
No country can ever develop economically unless it invests in human capital. The world over 56% of the GDP is generated through services sector but unfortunately due to neglect of this sector, there is dangerous trend of brain drain as we have been unable to provide enabling environment to the educated and technical youth of the province. Moreover, we have not launched any viable project for upgradation of the skills of the labor force in the province. The bulging youth is a ticking bomb and unless we invest in youth they may cause disruption in the society.



Yearly growth and variance analysis of Sports sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	168,949,000	14	12,067,786	-	-	-	-
2014-15	1,814,013,000	34	53,353,324	1,645,064,000	973.70	20	142.86
2015-16	557,274,000	46	12,114,652	(1,256,739,000)	(69.28)	12	35.29
2016-17	522,673,000	68	7,686,368	(34,601,000)	(6.21)	22	47.83
2017-18	1,204,384,000	61	19,744,000	681,711,000	130.43	(7)	(10.29)

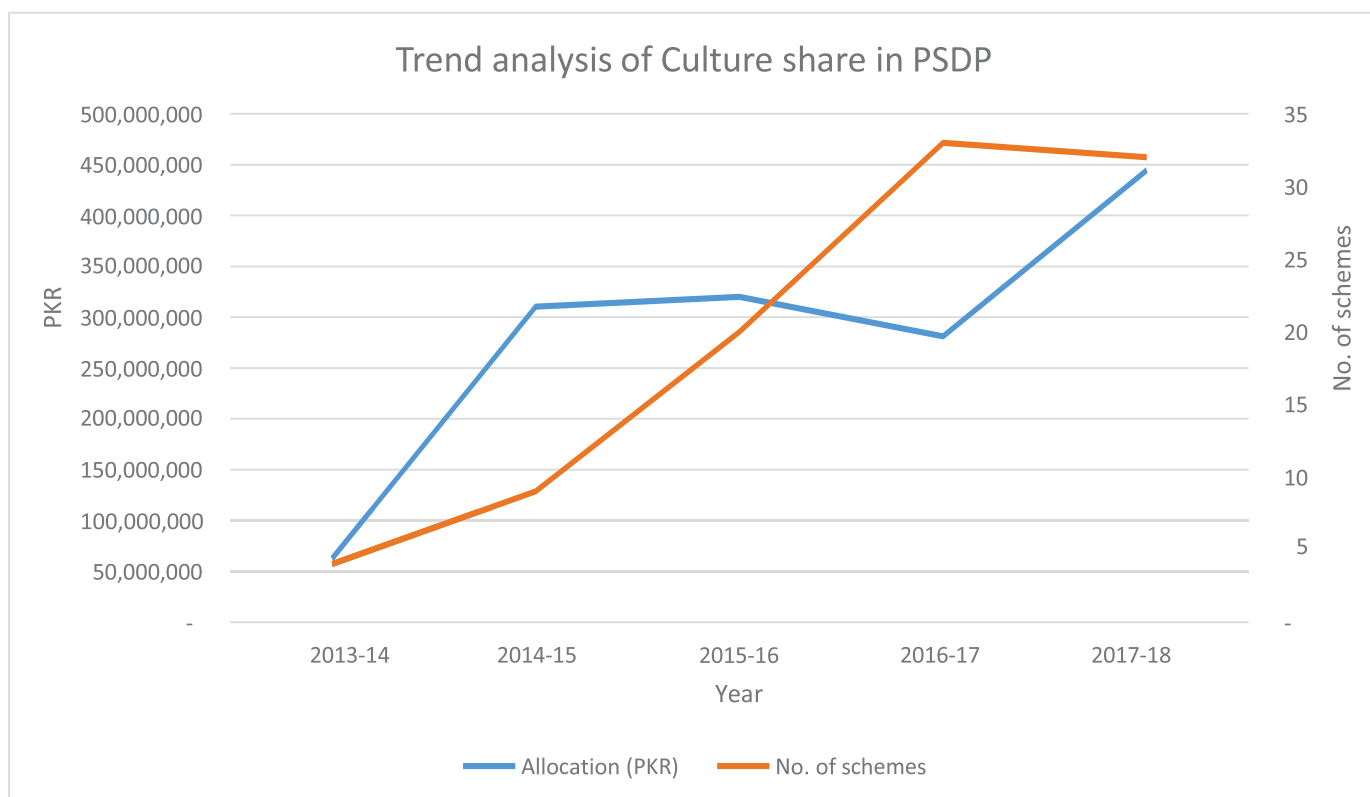
The allocation of Sports' sector in the last 5 years PSDP has risen from PKR 168 million in 2013-14 to PKR 1.2 billion in 2017-18. This sector has enjoyed allocations of PKR 1.8 billion and PKR 1.2 billion respectively in the years 2015-16 and 2017-18. Keeping in view the total size of population this investment is still far below the desired level. It is a known fact that healthy body has a healthy mind.



Yearly growth and variance analysis of Culture sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	62,460,000	4	15,615,000	-	-	-	-
2014-15	310,320,000	9	34,480,000	247,860,000	396.83	5	125.00
2015-16	320,000,000	20	16,000,000	9,680,000	3.12	11	122.22
2016-17	281,150,000	33	8,519,697	(38,850,000)	(12.14)	13	65.00
2017-18	444,559,000	32	13,892,469	163,409,000	58.12	(1)	(3.03)

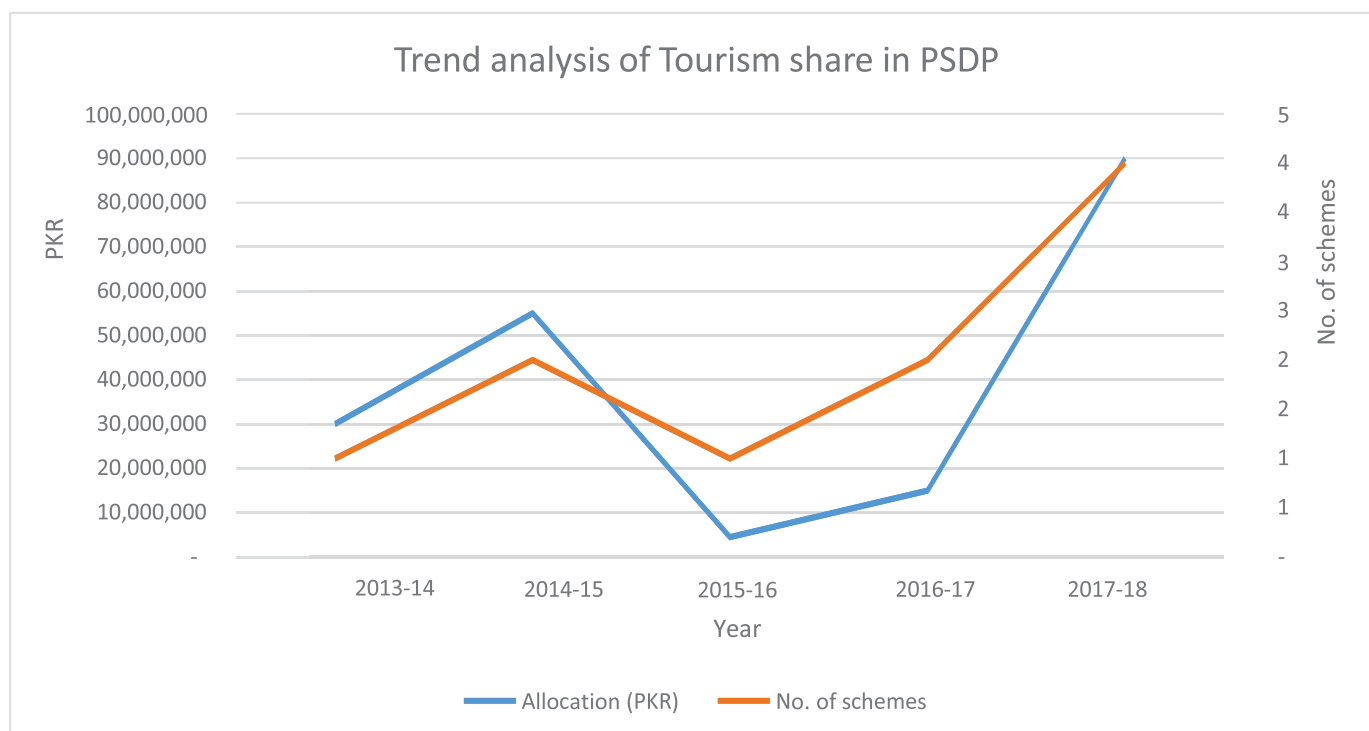
Except for the year 2016-17 wherein the allocation of Culture sector has decreased as compared to the previous year, this sector has had a gradual increase in the allocation from PKR 62 million in 2013-14 to PKR 444 million in 2017-18. Culture is the identity of any nation or community. Unless we invest in this sector our rich culture will be lost in oblivion.



Yearly growth and variance analysis of Tourism sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	30,000,000	1	30,000,000	-	-	-	-
2014-15	55,000,000	2	27,500,000	25,000,000	83.33	1	100.00
2015-16	4,500,000	1	4,500,000	(50,500,000)	(91.82)	(1)	(50.00)
2016-17	15,000,000	2	7,500,000	10,500,000	233.33	1	100.00
2017-18	90,000,000	4	22,500,000	75,000,000	500.00	2	100.00

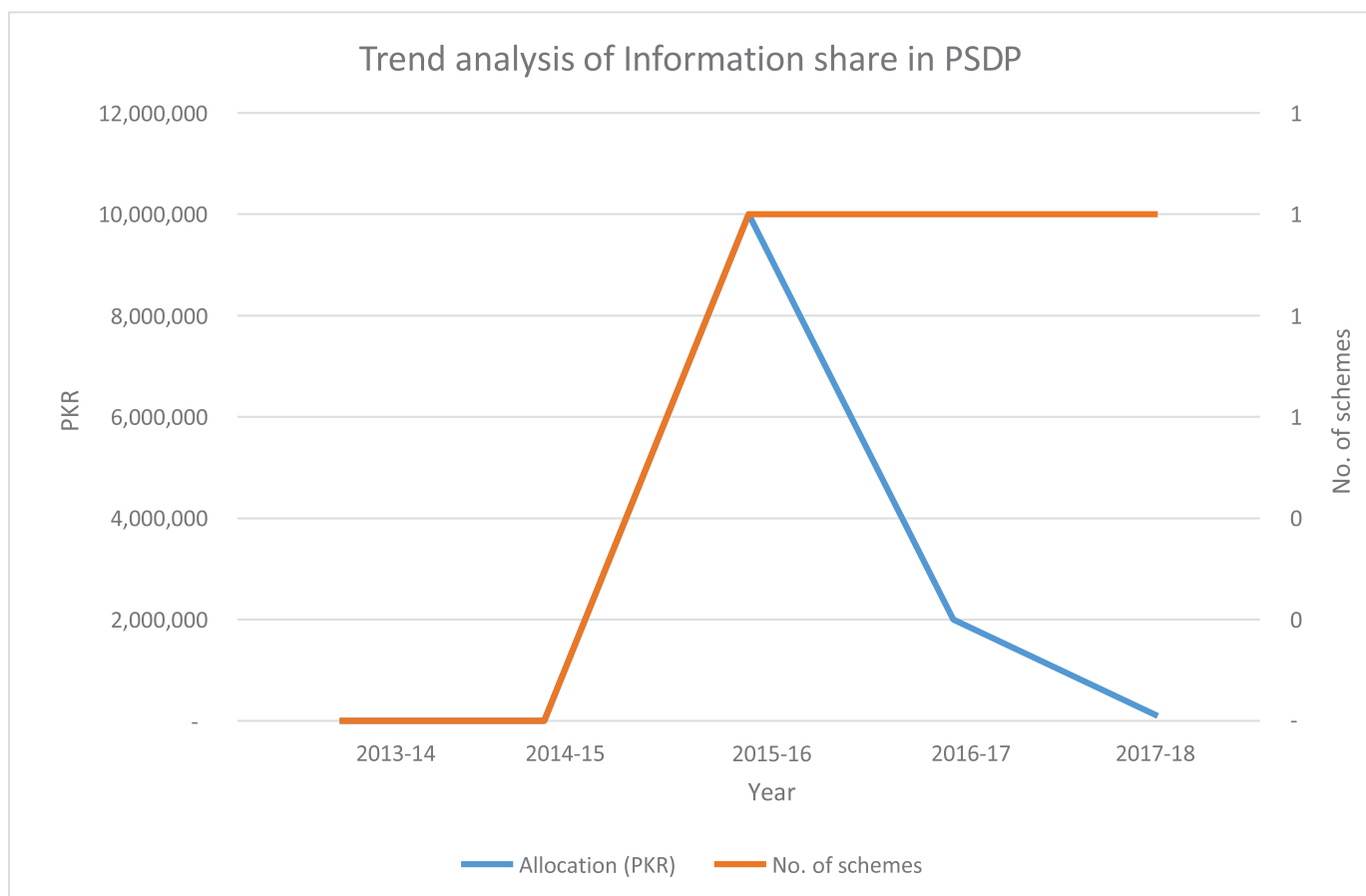
Despite increase in the overall allocation in Tourism from PKR 30 million in 2013-14 to PKR 90 million in 2017-18, the average size of the projects has decreased from PKR 30 million in 2013-14 to PKR 22 million in 2017-18. Let alone the overall allocation and average size of the projects, this is not even in line with the inflationary trend of the past 5 years. Balochistan has got beautiful coast line which if developed can not only create a soft image of Balochistan but also generate huge income. Balochistan has got diversified topography from high mountains to plain areas which if developed for tourism can attract large number of visitors from not only within the country but from abroad as well. Ziarat is considered to be having the largest juniper forest and attractive valleys but these have not yet been developed for the potential visitors. Such developments and investments will also have positive effects on the livelihood of the relevant communities as well.



Yearly growth and variance analysis of Information sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-
2015-16	10,000,000	1	10,000,000	10,000,000	-	1	-
2016-17	2,000,000	1	2,000,000	(8,000,000)	(80.00)	-	0.00
2017-18	100,000	1	100,000	(1,900,000)	(95.00)	-	0.00

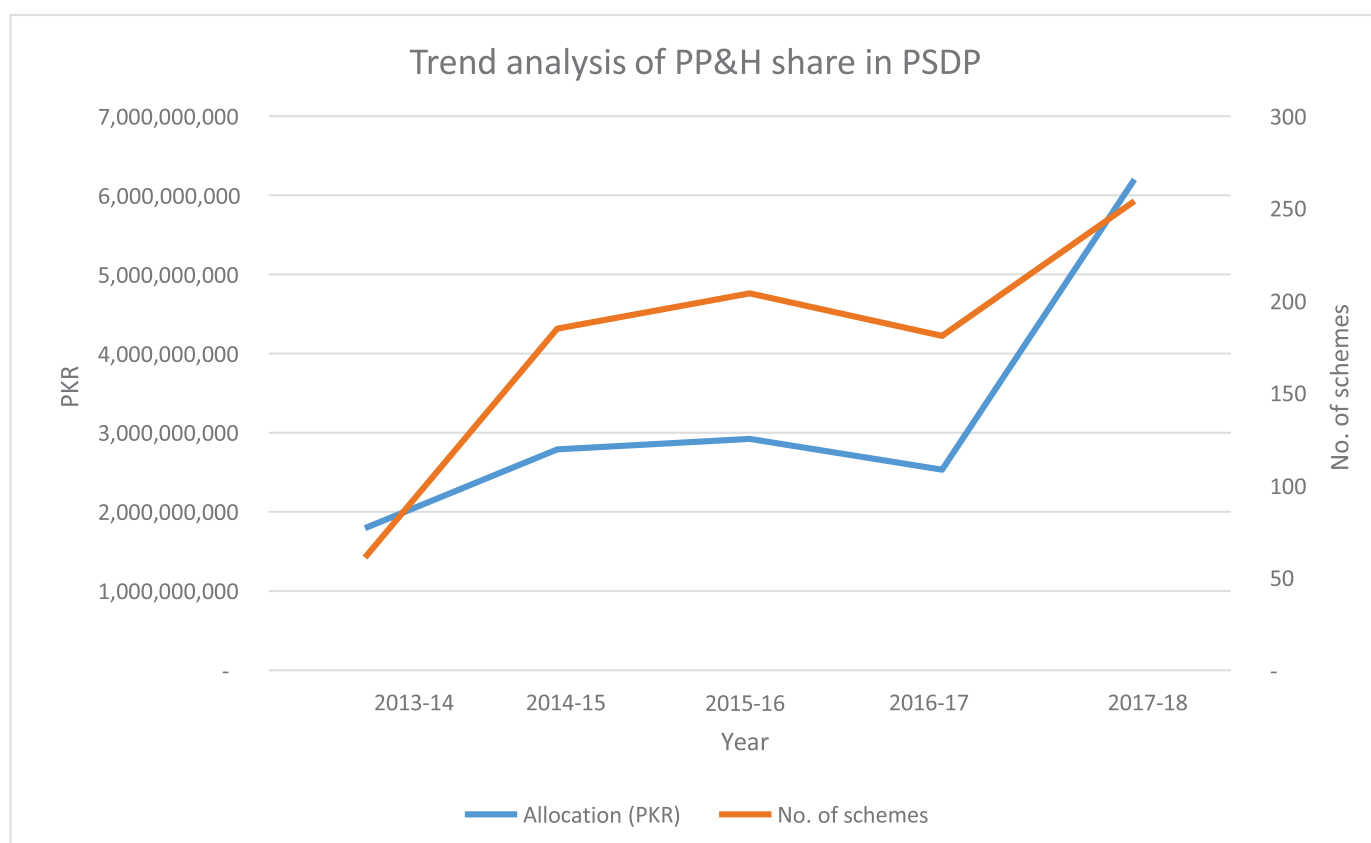
The allocation of last 5 years' PSDP to Information sector is literally non-existent. The allocation for 2017-18 is only PKR 100,000.



Yearly growth and variance analysis of PP&H sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	1,795,068,000	61	29,427,344	-	-	-	-
2014-15	2,788,286,000	185	15,071,816	993,218,000	55.33	124	203.28
2015-16	2,922,779,000	204	14,327,348	134,493,000	4.82	19	10.27
2016-17	2,534,900,000	181	14,004,972	(387,879,000)	(13.27)	(23)	(11.27)
2017-18	6,200,586,000	254	24,411,756	3,665,686,000	144.61	73	40.33

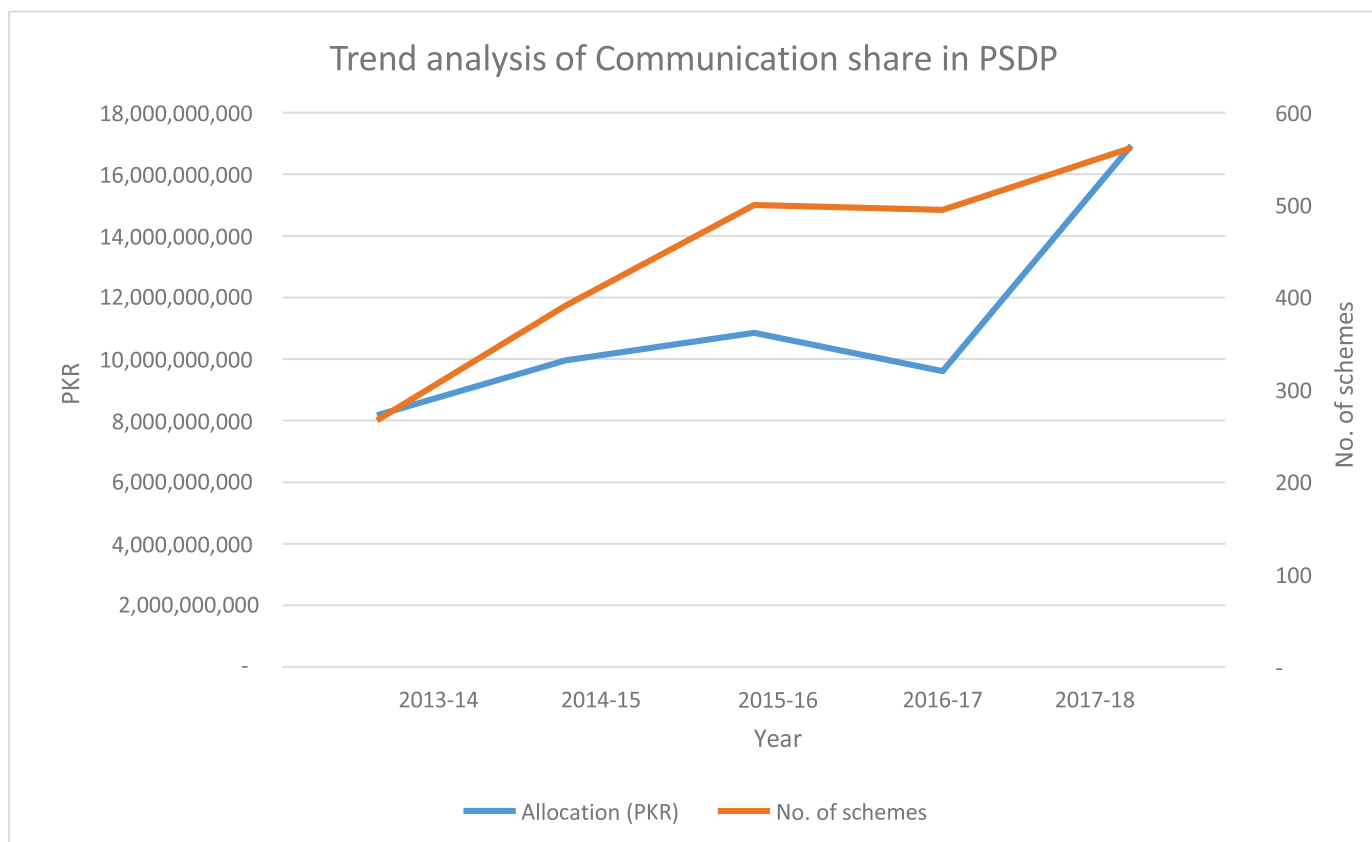
The monetary allocation in last 5 years PSDP to PP&H sector shows a rising trend from PKR 1.8 billion in 2013-14 to PKR 6.2 billion in 2017-18 whereas over the same period the average size has decreased from PKR 29 million to PKR 24 million.



Yearly growth and variance analysis of Communication sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	8,170,752,000	267	30,602,067	-	-	-	-
2014-15	9,956,901,000	391	25,465,220	1,786,149,000	21.86	124	46.44
2015-16	10,854,612,000	500	21,709,224	897,711,000	9.02	109	27.88
2016-17	9,606,793,000	495	19,407,663	(1,247,819,000)	(11.50)	(5)	(1.00)
2017-18	16,933,822,000	562	30,131,356	7,327,029,000	76.27	67	13.54

The allocation of PSDP to Communication sector over the past 5 years has not changed too much and the average size of the projects has remained at PKR 30 million both in 2013-14 and in 2017-18.

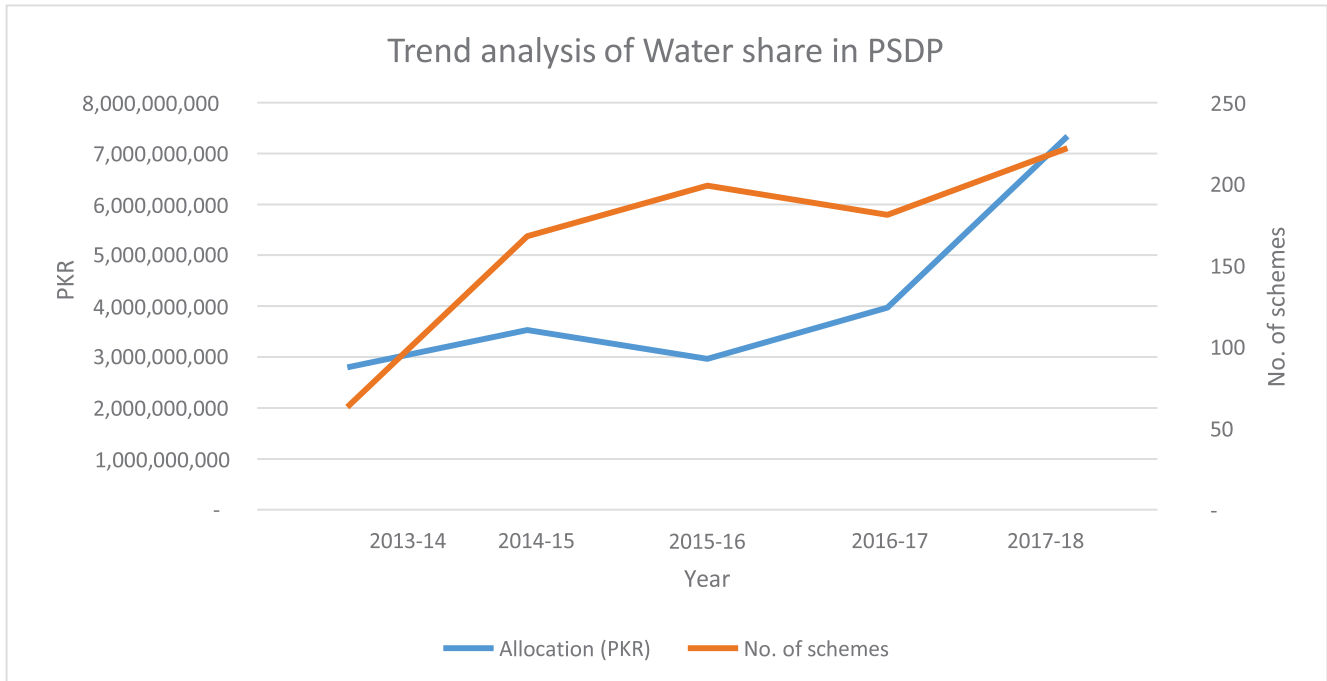


Yearly growth and variance analysis of Water sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	2,797,525,000	63	44,405,159	-	-	-	-
2014-15	3,532,462,000	168	21,026,560	734,937,000	26.27	105	166.67
2015-16	2,961,531,000	199	14,882,065	(570,931,000)	(16.16)	31	18.45
2016-17	3,968,549,000	181	21,925,685	1,007,018,000	34.00	(18)	(9.05)
2017-18	7,340,268,000	222	33,064,270	3,371,719,000	84.96	41	22.65

The allocation of PSDP in Water sector has increased over the past 5 years both in monetary terms and in terms of number of schemes, whereas the average size of the projects has decreased from 44 million in 2013-14 to PKR 33 million in 2017-18.

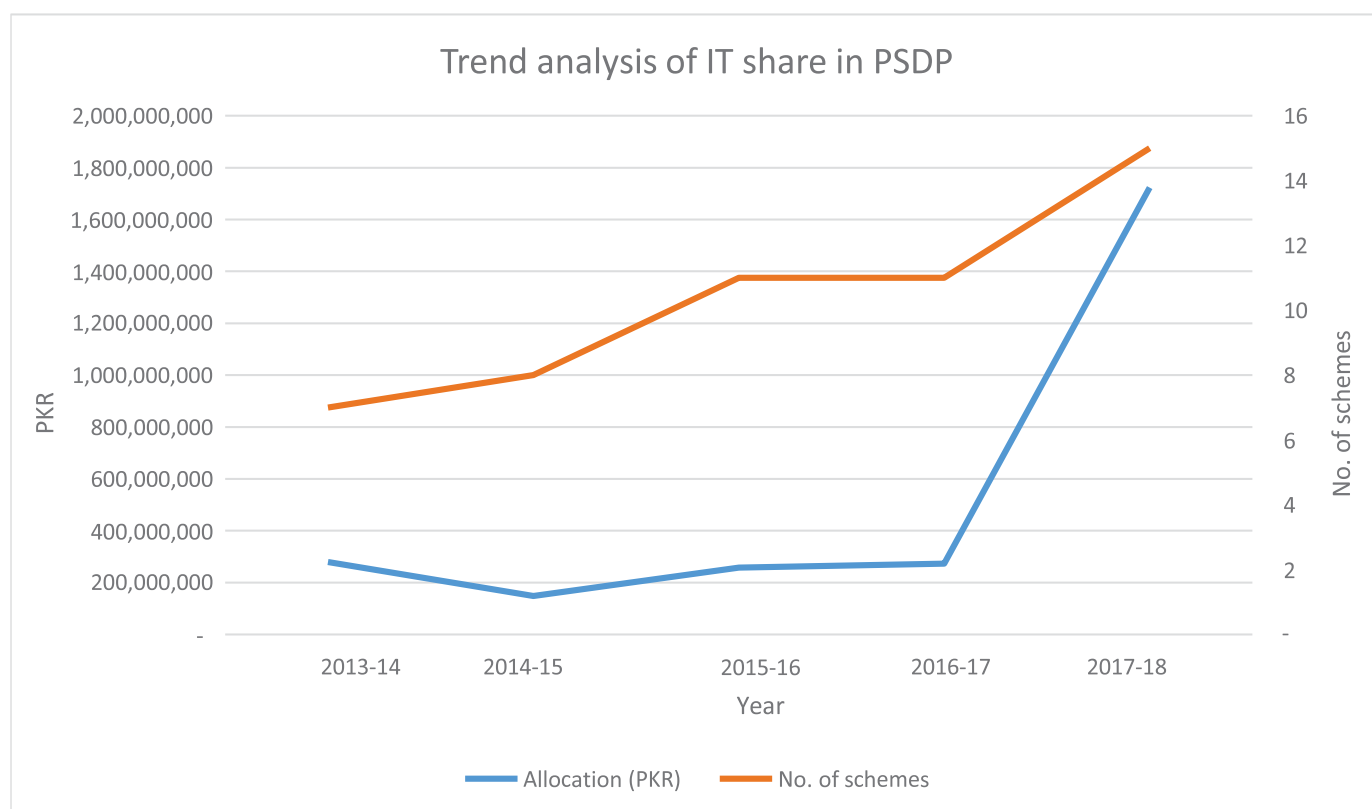
Balochistan is facing drought like conditions for many years. The catchment areas are getting scanty rains and people are forced to puncture the crust of earth for sub soil water which is resulting in drying of aquifers. During the rainy season the flash rain takes away water and also damages the fertile land and no substantial work has been done to construct small and medium dams to conserve rain water. Similarly, new techniques of water conservation in irrigation have not been adopted and it is posing a huge threat to flora and fauna of the province. This may even result migration from the cities as ground water level has gone down to a dangerous level.



Yearly growth and variance analysis of IT sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	280,000,000	7	40,000,000	-	-	-	-
2014-15	148,800,000	8	18,600,000	(131,200,000)	(46.86)	1	14.29
2015-16	258,359,000	11	23,487,182	109,559,000	73.63	3	37.50
2016-17	272,500,000	11	24,772,727	14,141,000	5.47	-	0.00
2017-18	1,722,848,000	15	114,856,533	1,450,348,000	532.24	4	36.36

The allocation of IT sector in PSDP has increased from PKR 280 million in 2013-14 to PKR 1.7 billion in 2017-18. Similarly, the average size of the projects has also increased from PKR 40 million in 2013-14 to PKR 114 million in 2017-18.

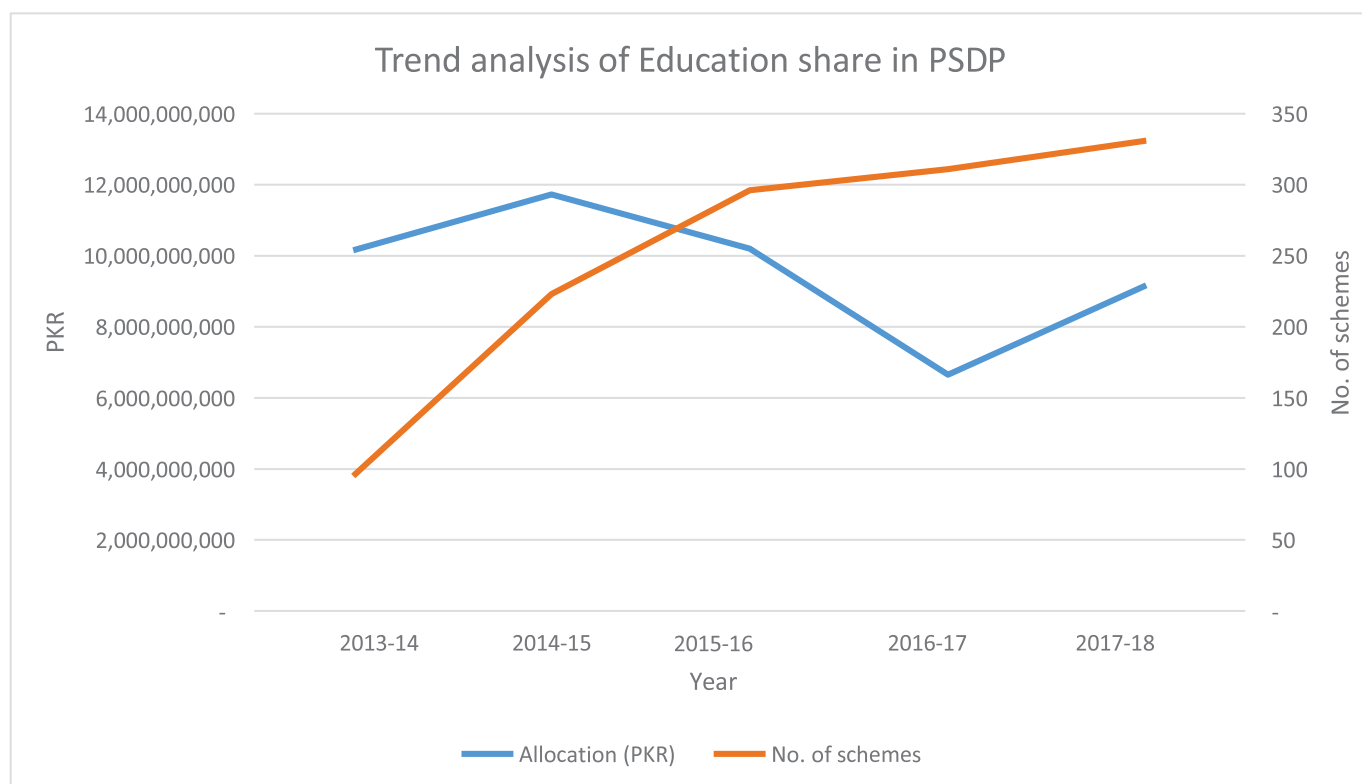


Yearly growth and variance analysis of Education sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	10,154,729,000	95	106,891,884	-	-	-	-
2014-15	11,725,235,000	223	52,579,529	1,570,506,000	15.47	128	134.74
2015-16	10,196,879,000	296	34,448,916	(1,528,356,000)	(13.03)	73	32.74
2016-17	6,651,257,000	311	21,386,678	(3,545,622,000)	(34.77)	15	5.07
2017-18	9,164,133,000	331	27,686,202	2,512,876,000	37.78	20	6.43

The monetary allocation in Education sector and the average project size have respectively decreased from PKR 10 billion and PKR 106 million in 2013-14 to PKR 9 billion and PKR 27 million in 2017-18.

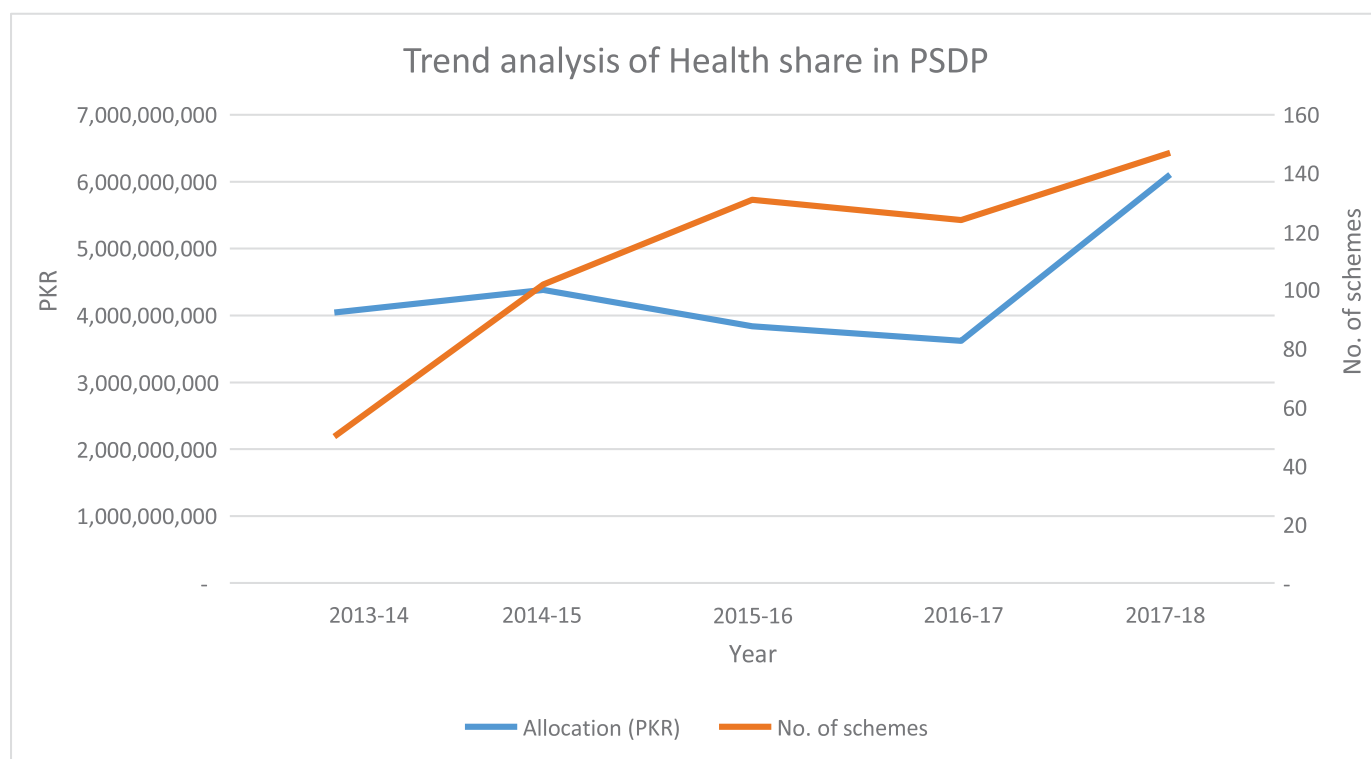
The decreasing trend in the Education sector can be attributed to increased investment by various donor agencies. Moreover, this sector gets the highest budgetary allocation in the current budget. The development outlay is only meant for construction of new buildings and upgradation of existing structures. What is needed in this sector is increased expenditure on operational side particularly training as capacity building as enough buildings have been constructed with less than desired physical facilities.



Yearly growth and variance analysis of Health sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	4,045,892,000	50	80,917,840	-	-	-	-
2014-15	4,382,436,000	102	42,965,059	336,544,000	8.32	52	104.00
2015-16	3,839,840,000	131	29,311,756	(542,596,000)	(12.38)	29	28.43
2016-17	3,620,912,000	124	29,200,903	(218,928,000)	(5.70)	(7)	(5.34)
2017-18	6,107,040,000	147	41,544,490	2,486,128,000	68.66	23	18.55

The average project size under Health sector has decreased from PKR 80 million in 2013-14 to PKR 41 million in 2017-18. The health sector is very important in any society but unfortunately this sector is not getting the attention it deserves. The existing structures lack physical facilities. Districts and tertiary hospitals are not well equipped therefore there is growing tendency of treatment in other cities. On the current budget large amounts are being paid to different hospitals in Karachi and Lahore. That amount can easily be saved by equipping the existing hospitals and health facilities at district level. Infant and mother mortality rates are highest in Balochistan. Similarly, hepatitis is also rampant in various districts like Dera Bugti, etc.

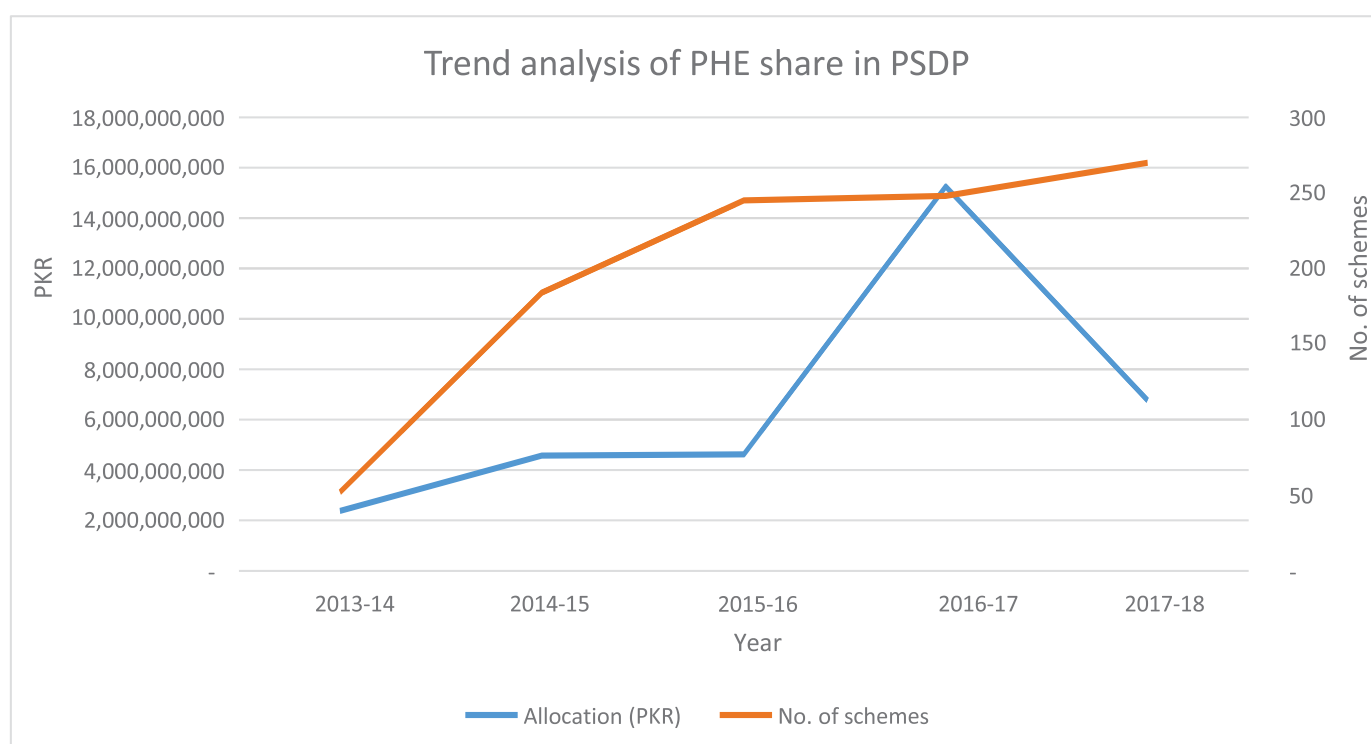


Yearly growth and variance analysis of PHE sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	2,381,312,000	52	45,794,462	-	-	-	-
2014-15	4,573,250,000	184	24,854,620	2,191,938,000	92.05	132	253.85
2015-16	4,627,536,000	245	18,887,902	54,286,000	1.19	61	33.15
2016-17	15,255,521,000	248	61,514,198	10,627,985,000	229.67	3	1.22
2017-18	6,772,392,000	270	25,082,933	(8,483,129,000)	(55.61)	22	8.87

The allocation for PHE has increased from PKR 2.3 billion in 2013-14 to PKR 6.7 billion in 2017-18 whereas the average project size for the same period has decreased from PKR 45 million to PKR 25 million as the number of schemes during the same period have increased from 52 to 270. Another important and worth mentioning fact is that in 2016-17 the total allocation was PKR 15 billion with an average project size of PKR 61 million.

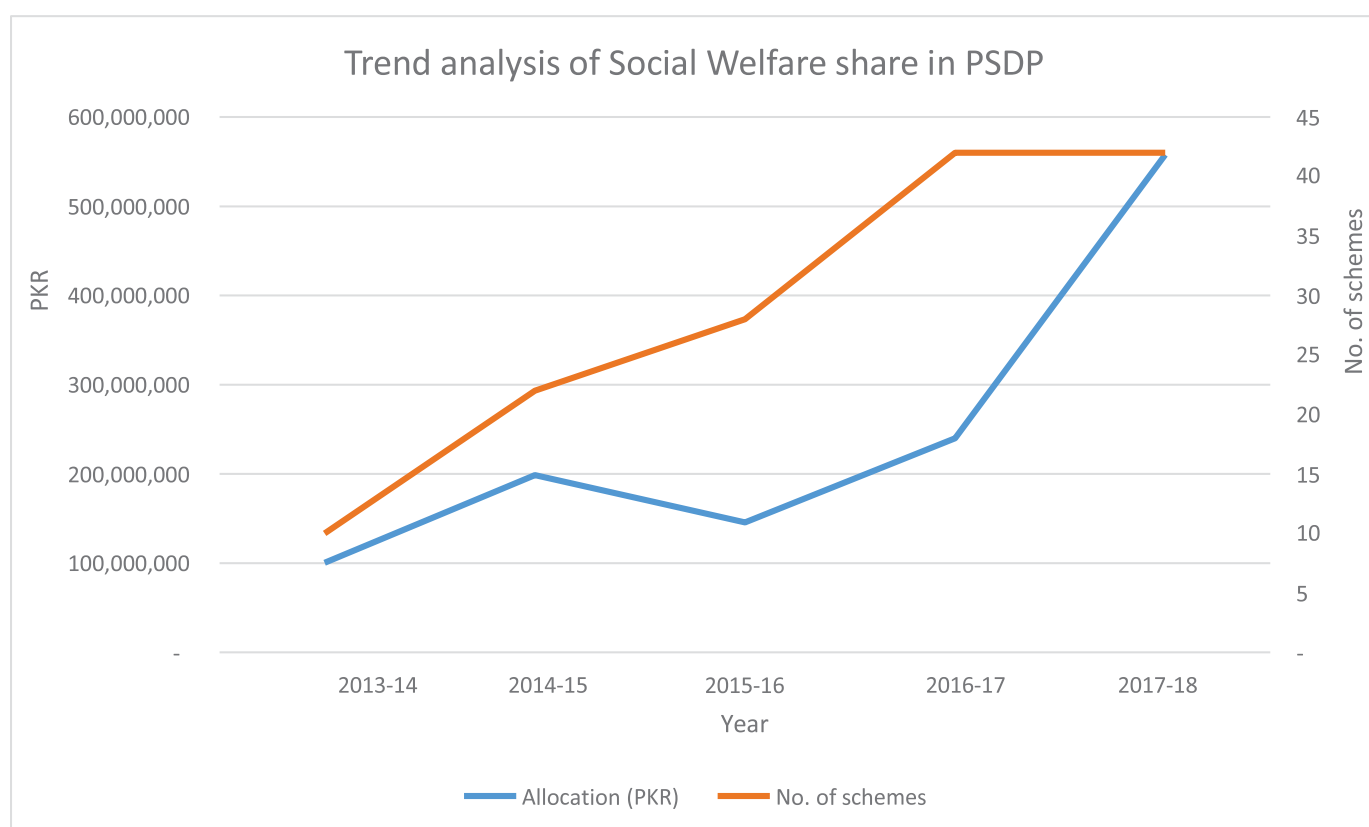
The decrease in allocation can be attributed to Pat Feeder water supply scheme. In 2016-17 there was PKR 40 billion allocation for this project alone which was dropped in 2017-18.



Yearly growth and variance analysis of Social Welfare sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	100,355,000	10	10,035,500	-	-	-	-
2014-15	198,801,000	22	9,036,409	98,446,000	98.10	12	120.00
2015-16	145,740,000	28	5,205,000	(53,061,000)	(26.69)	6	27.27
2016-17	240,102,000	42	5,716,714	94,362,000	64.75	14	50.00
2017-18	557,693,000	42	13,278,405	317,591,000	132.27	-	0.00

The allocation for Social Welfare has increased from PKR 100 million in 2013-14 to PKR 557 million in 2017-18. There is hardly any activity in this sector and this is one of the least important sector so far as the development outlay is concerned.

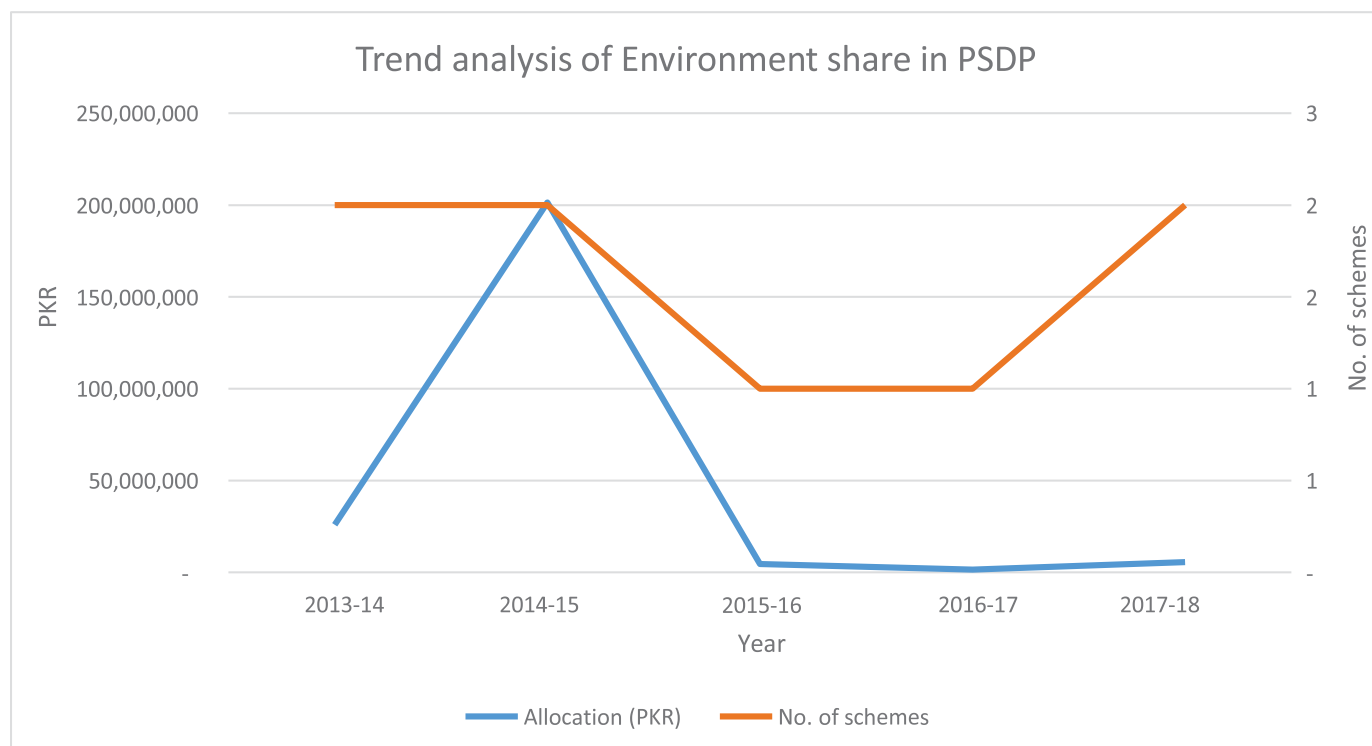


Yearly growth and variance analysis of Environment sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	25,900,000	2	12,950,000	-	-	-	-
2014-15	201,390,000	2	100,695,000	175,490,000	677.57	-	0.00
2015-16	4,500,000	1	4,500,000	(196,890,000)	(97.77)	(1)	(50.00)
2016-17	1,500,000	1	1,500,000	(3,000,000)	(66.67)	-	0.00
2017-18	5,500,000	2	2,750,000	4,000,000	266.67	1	100.00

Except for 2014-15 and 2017-18 the Environment sector has shown a declining trend with an average project size of PKR 2 million for 2017-18.

Due to crushing plants and felling of trees the environment has been damaged badly. There is hardly any project of recycling and treating of sewage waste which is causing water borne diseases in the province. Around Quetta vegetables are grown by using drain water which is not only causing environmental hazards but also impacting the health of the population. No efforts have ever been made to control smoke emitting vehicles which are causing air pollution. In short environment is not given its needed share of resources. The world over all development projects have inbuilt component of environment protection measures.

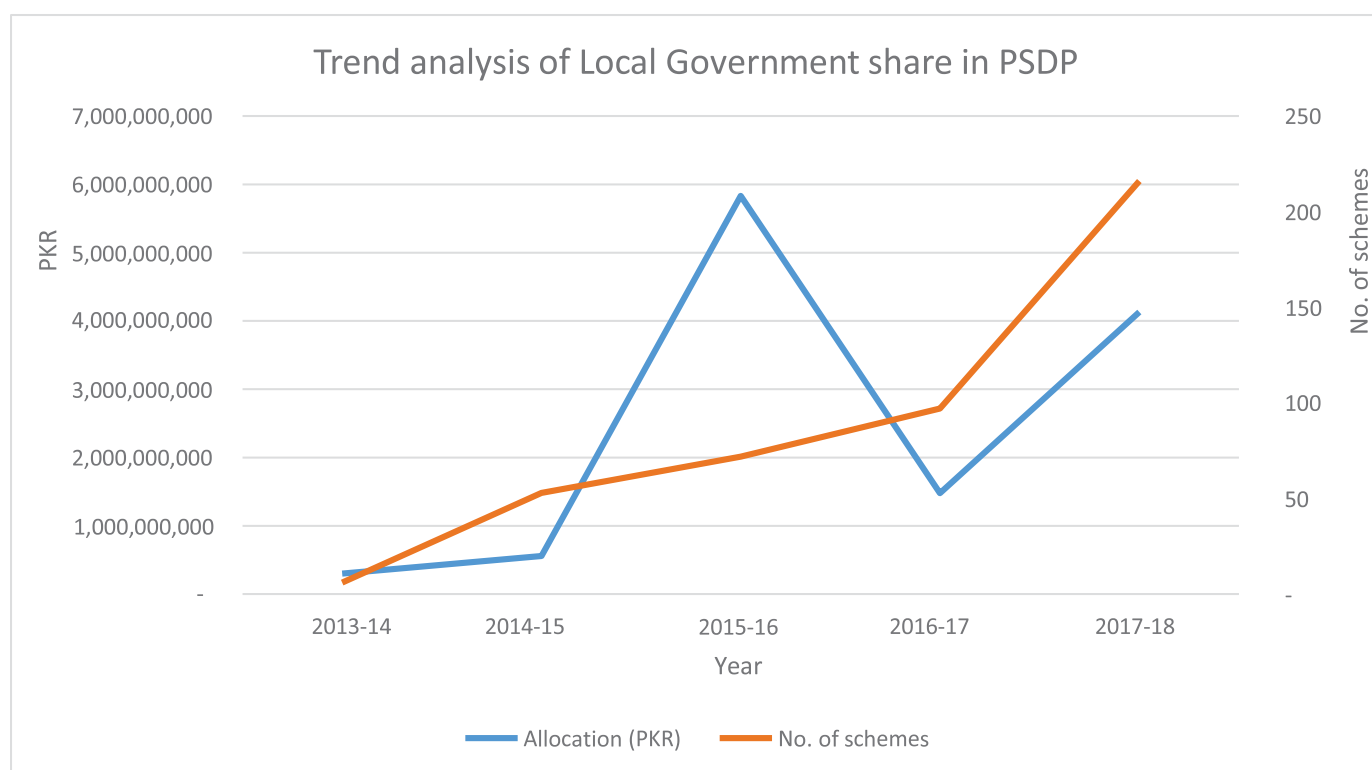


Yearly growth and variance analysis of Local Government sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	300,000,000	6	50,000,000	-	-	-	-
2014-15	558,583,000	53	10,539,302	258,583,000	86.19	47	783.33
2015-16	5,831,351,000	72	80,990,986	5,272,768,000	943.95	19	35.85
2016-17	1,475,647,000	97	15,212,856	(4,355,704,000)	(74.69)	25	34.72
2017-18	4,130,434,000	216	19,122,380	2,654,787,000	179.91	119	122.68

The monetary allocation for Local Government has increased from PKR 300 million in 2013-14 to PKR 4 billion in 2017-18 whereas the average size of the project has decreased from PKR 50 million to PKR 19 million as the number of schemes during the same time period has increased from 6 to 216.

This is surprising that despite devolution program local institutions have not been strengthened and social sector development outlay has not been devolved to sub national level. Local Government institutions are only managing the bare minimum through meager self-generated funds. After 18th Constitutional Amendment all administrative and financial powers were to be devolved to Local Government which has not been done and the Local governments are still continuing with earlier arrangement which does not cater for their developmental needs.

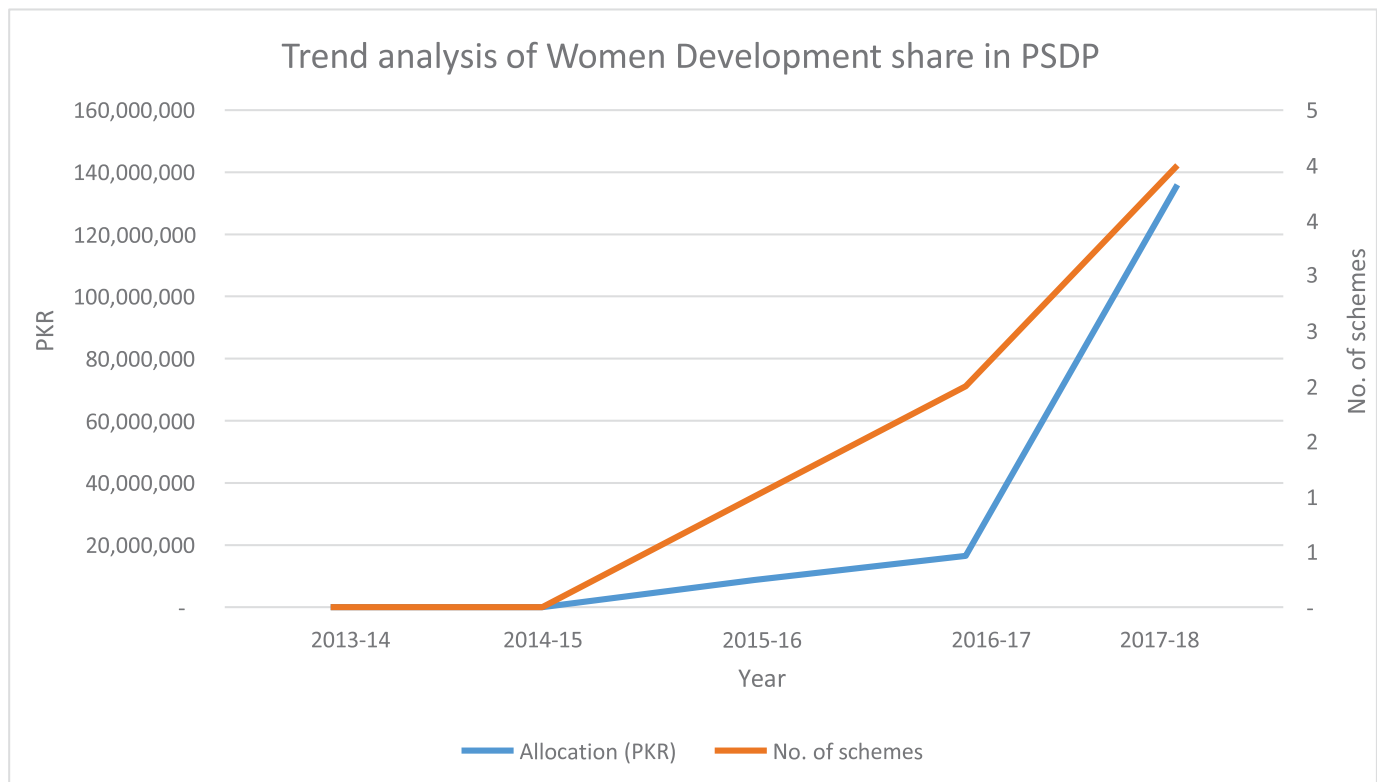


Yearly growth and variance analysis of Women Development sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	-	-	-	-	-	-	-
2014-15	-	-	-	-	-	-	-
2015-16	8,689,000	1	8,689,000	8,689,000	-	1	-
2016-17	16,500,000	2	8,250,000	7,811,000	89.90	1	100.00
2017-18	135,965,000	4	33,991,250	119,465,000	724.03	2	100.00

The allocation for Women sector were not provided for the PSDPs of 2013-14 and 2014-15 and thereafter there has been a very nominal share of resources allocated to this sector.

The successive population censuses have transpired that female population is almost equal to male population but the provincial budget both on development and current side is not at all in harmony with the ratio of population. The number of schemes reflected in PSDP depict a pathetic picture because no facilities have been provided to the female population. This is not a healthy sign in project planning at the highest level.

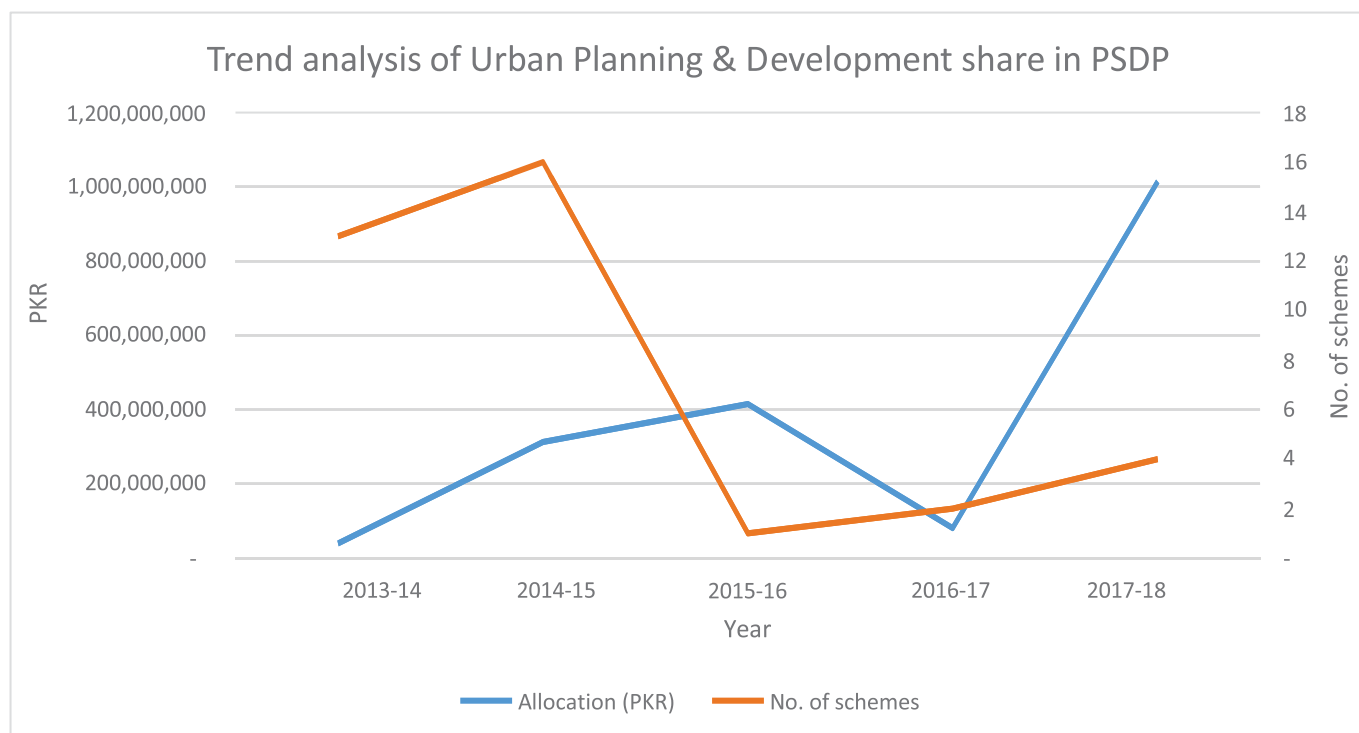


Yearly growth and variance analysis of Urban Planning & Development sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	39,098,000	13	3,007,538	-	-	-	-
2014-15	312,418,000	16	19,526,125	273,320,000	699.06	3	23.08
2015-16	414,838,000	1	414,838,000	102,420,000	32.78	(15)	(93.75)
2016-17	81,000,000	2	40,500,000	(333,838,000)	(80.47)	1	100.00
2017-18	1,014,224,000	4	253,556,000	933,224,000	1,152.13	2	100.00

In Urban P&D except for 2016-17 a rising trend has been evidenced which is huge in terms of percentage especially the allocation in 2017-18.

The allocation for 2017-18 is PKR 1 billion showing an increase of PKR 253 million (1,152%) as compared to 2016-17. Urban P&D was created to develop urban center of population but unfortunately it has not been allowed to play its designated role. No substantial amount historically has been allocated to this vital sector. The job of Urban P&D is performing by Commissioners and Deputy Commissioners in cities and towns which makes this department ineffective in its role. Paradoxically the schemes being executed by Urban P&D department are much smaller than their establishment charges.

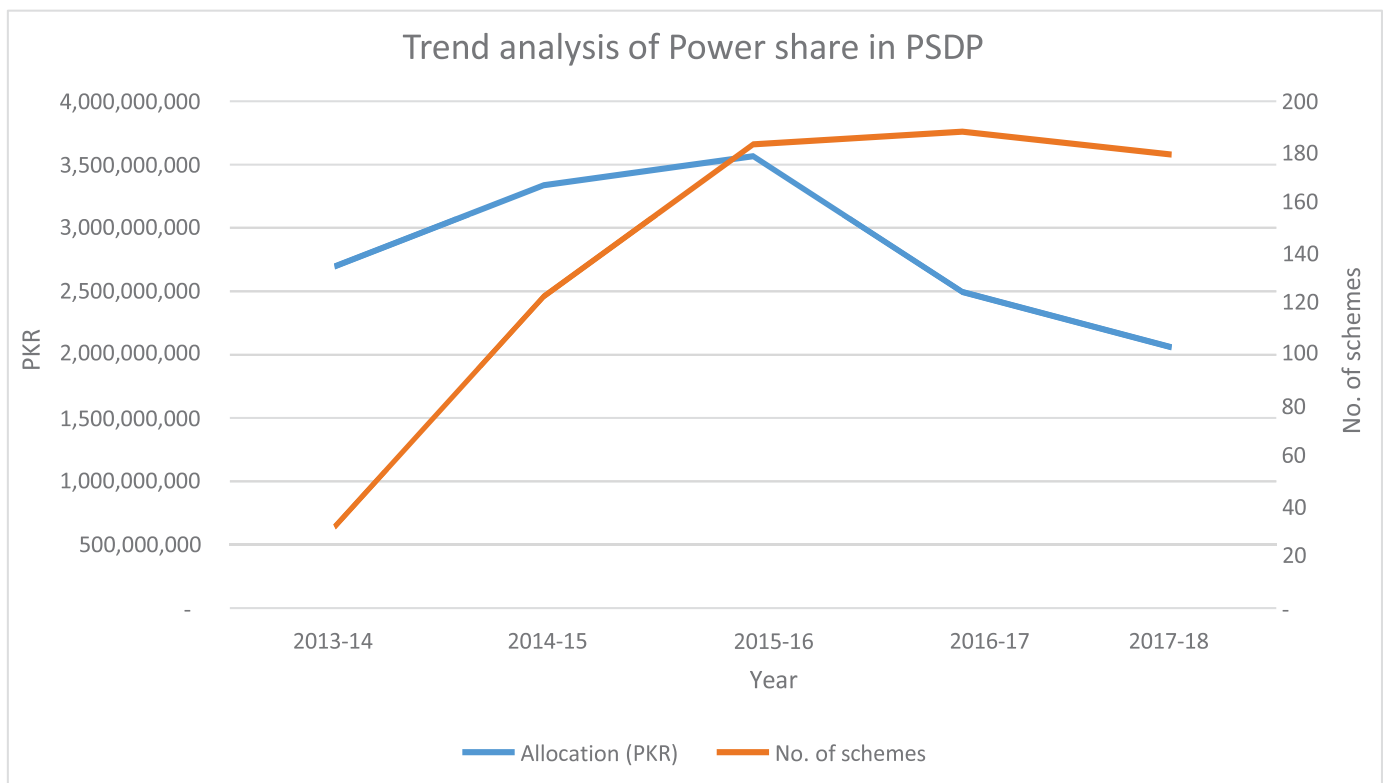


Yearly growth and variance analysis of Power sector in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	2,696,495,000	32	84,265,469	-	-	-	-
2014-15	3,335,775,000	123	27,120,122	639,280,000	23.71	91	284.38
2015-16	3,565,824,000	183	19,485,377	230,049,000	6.90	60	48.78
2016-17	2,496,155,000	188	13,277,420	(1,069,669,000)	(30.00)	5	2.73
2017-18	2,058,233,000	179	11,498,508	(437,922,000)	(17.54)	(9)	(4.79)

The average size of the project under Power sector has decreased from PKR 84 million in 2013-14 to PKR 11 million in 2017-18.

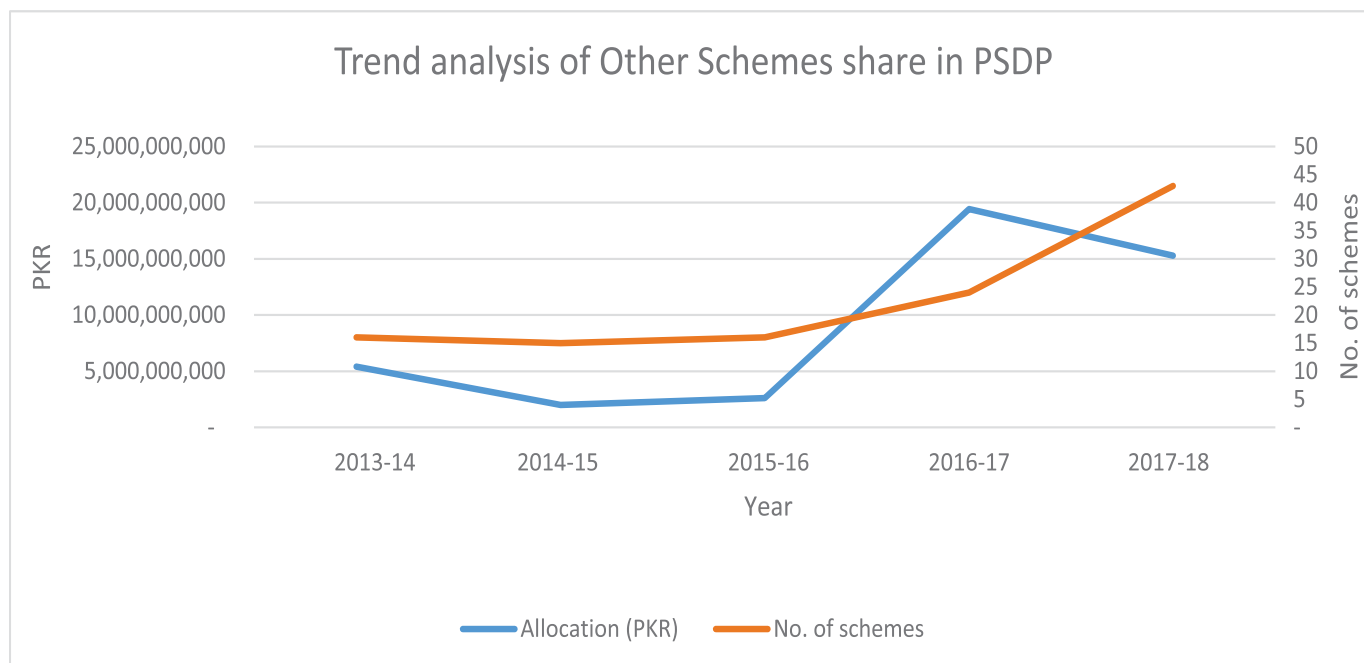
Balochistan's agriculture sector is dependent on tube wells/ sub soil water and the power supply from the national grid is hardly sufficient for household consumption. Moreover, the province is not attracting investment in industrial sector due to paucity of power in the province. Although Balochistan has got enormous potential in solar and wind energies but due to lack of proper policy these areas have not yet been exploited to their full potential. Even there are no coal fired power plants despite having huge reserves of coal in province.



Yearly growth and variance analysis of Other Schemes in PSDP

Year	Allocation of schemes		Average size (PKR)	Variance			
	PKR	No.		PKR	% PKR	No.	No. %
2013-14	5,397,494,000	16	337,343,375	-	-	-	-
2014-15	2,011,512,000	15	134,100,800	(3,385,982,000)	(62.73)	(1)	(6.25)
2015-16	2,604,550,000	16	162,784,375	593,038,000	29.48	1	6.67
2016-17	19,424,010,000	24	809,333,750	16,819,460,000	645.77	8	50.00
2017-18	15,268,392,000	43	355,078,884	(4,155,618,000)	(21.39)	19	79.17

The trend of Other schemes shows a very uneven in the past 5 years. The monetary allocation has gone as high as 645% for 2016-7 as compared to 2015-16 and on a couple of instances it has also come down whereas in terms of number of schemes it has shown an upward trend from 2014-15 onwards. The sector titled as "Others" has got jumble of diversified projects with vary small amounts. Mostly these are block allocations having little impact on overall provincial development. These can be termed as collection of individual schemes of negligible economic, social and local importance/ value.



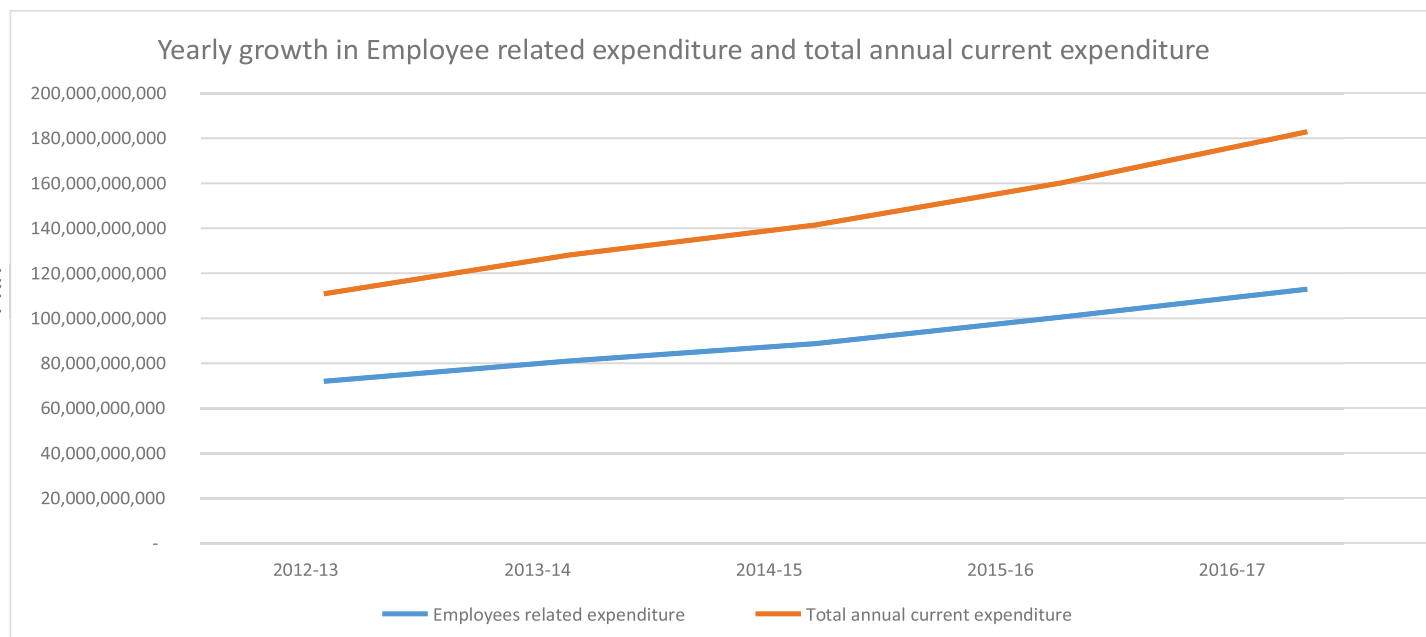
**ANALYSIS OF CURRENT
EXPENDITURE OF GOVERNMENT
OF BALUCHISTAN**

AN ANALYSIS OF EXPENDITURE INCURRED ON EMPLOYEE RELATED EXPENSES AS COMPARED TO THE TOTAL ANNUAL CURRENT EXPENDITURE

Year	ACTUAL EXPENDITURE IN PKR AND PERCENTAGE SAHRE								
	A01-Employees related		A04-Employees		Total employee related	Total annual current	Annual growth	Average growth	
2012-13	64,839,002,702	58	7,205,488,309	6	72,044,491,011	65	110,918,369,854	11.38%	
2013-14	72,277,080,870	56	8,801,953,290	7	81,079,034,160	63	128,272,503,125		13%
2014-15	78,700,558,151	56	10,148,331,420	7	88,848,889,571	63	141,544,717,708		10%
2015-16	88,010,681,739	55	12,630,308,081	8	100,640,989,820	63	160,290,350,477		13%
2016-17	95,738,235,055	52	17,282,382,080	9	113,020,617,135	62	183,001,392,471		12%

In the above table figures have been picked up from audited financial statements which show the actual expenditure instead of budgeted expenditure. The growth reflects that on an average the expenditure on Employee related expenses including Employee retirement benefits have been growing at the rate of over 11%. As is evident from above data that more than 60% of current budget goes to meet the establishment charges. Only less than 40% is left with the government for meeting debt liabilities and other operational expenditure. The government of Balochistan has around 270,000 employees and the number grows with every passing year adding to the existing burden. An obvious reason for this is the absence of private sector, government emerges to be the lone employer. This leaves very little for carrying out the much needed developmental activities in the province.

The decision makers should evolve a policy of creating private sector which could absorb the growing work force in the province because the government has reached a saturation point and generating more employment would only compromise the productivity which is already lowest in the country.

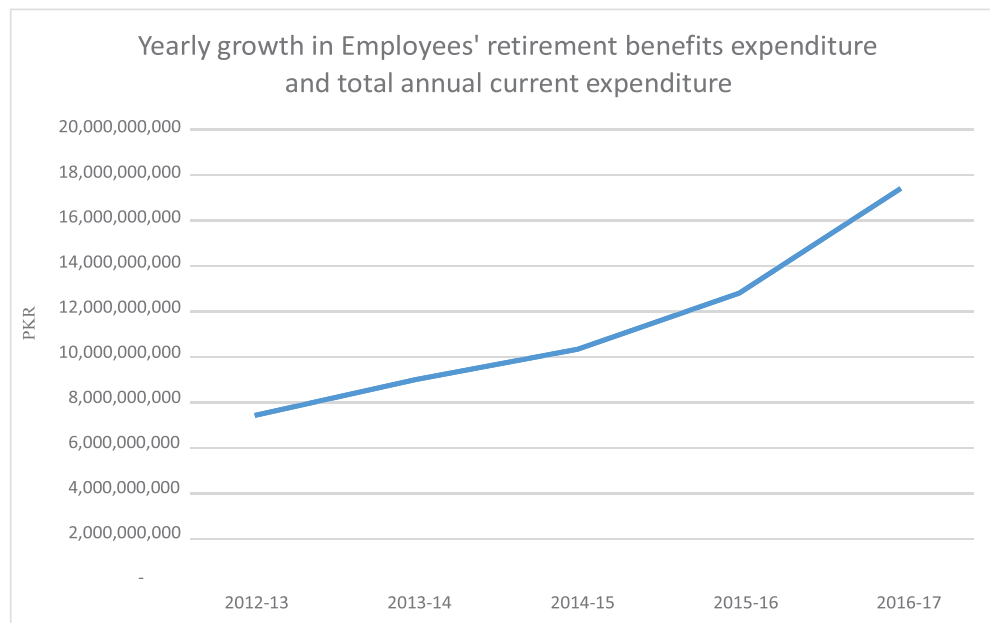


**AN ANALYSIS OF EXPENDITURE INCURRED ON EMPLOYEES' RETIREMENT
BENEFITS
AS COMPARED TO THE TOTAL ANNUAL CURRENT EXPENDITURE**

Year	ACTUAL EXPENDITURE IN PKR				
	A04-Employees retirement benefits		Total annual current expenditure	Annual growth	Average growth
2012-13	7,205,488,309	6%	110,918,369,854		27.97%
2013-14	8,801,953,290	7%	128,272,503,125	22%	
2014-15	10,148,331,420	7%	141,544,717,708	15%	
2015-16	12,630,308,081	8%	160,290,350,477	24%	
2016-17	17,282,382,080	9%	183,001,392,471	37%	

A cursory glance on the above table shows that pension payments are growing at a very fast pace and may become one of the major consumer of current budget. In next year it is projected to be in the vicinity of PKR 24 billion which means it will be more than doubled in a short period of 5 years. Government of Balochistan has not yet taken any steps to conduct a study in order to assess the quantum of increasing future liabilities, nor any arrangements are in place to manage this growing expenditure independently, thereby reducing the burden on consolidated fund. All other provinces have established pension fund management units to enable them to manage and meet their respective pension liabilities.

It is high time the government should realize the gravity of the situation and evolve a system to manage this fund and a first step would be conducting actuarial studies to assess the current and future liabilities under this head. It is suspected that large leakages are there due to fake pensioners draining the government exchequer.

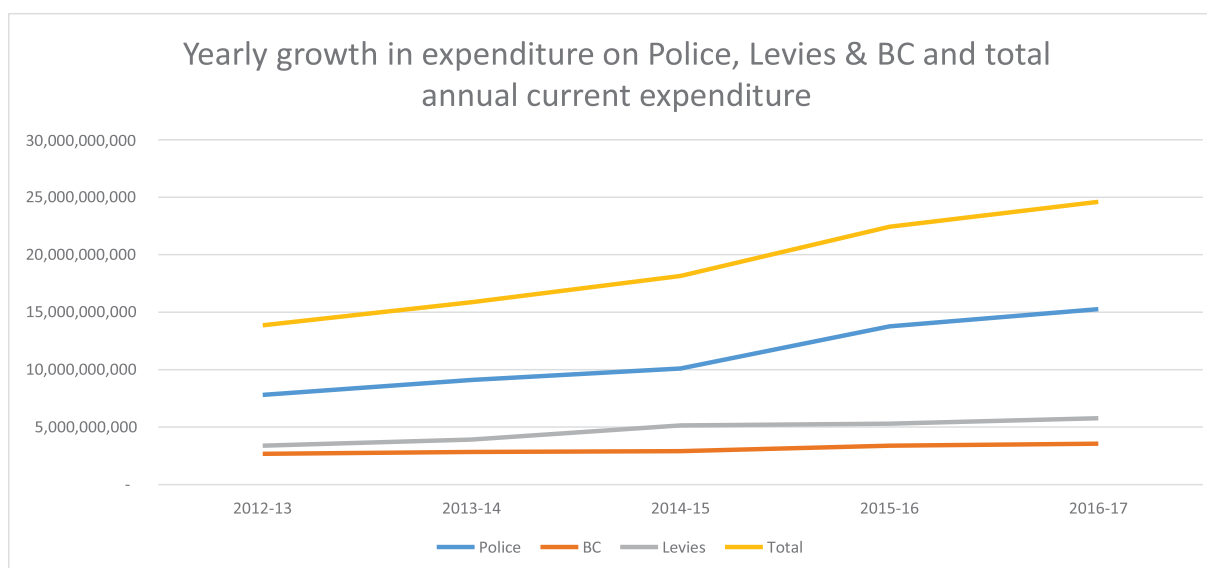


AN ANALYSIS OF EXPENDITURE INCURRED ON POLICE, LEVIES AND BC

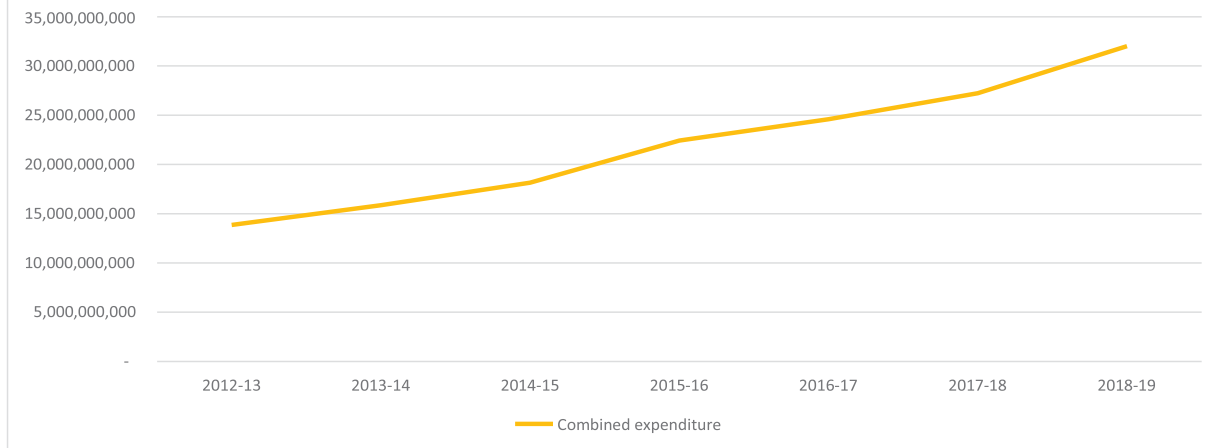
Year	ACTUAL EXPENDITURE IN PKR AND PERCENTAGE ANNUAL GROWTH								
	Police		BC		Levies		Total	Annual growth	Average growth
2012-13	7,805,121,196		2,678,967,233		3,381,748,049		13,865,836,478		15.49%
2013-14	9,105,868,031	17%	2,848,060,027	6%	3,913,875,881	16%	15,867,803,939	14%	
2014-15	10,091,702,319	11%	2,914,816,210	2%	5,145,682,056	31%	18,152,200,585	14%	
2015-16	13,762,605,304	36%	3,379,463,501	16%	5,304,441,241	3%	22,446,510,046	24%	
2016-17	15,269,594,095	11%	3,562,605,191	5%	5,771,954,107	9%	24,604,153,393	10%	

Since 1979 Balochistan is facing aggravating law and order situation due to Afghan crisis and ever increasing funds are allocated to Police and other law enforcing agencies. The trend shows a steep rise in the expenditure and the total expenditure has more than doubled in a span of 5 years. In days to come this trend is likely to continue, which will be difficult for the government to bear this huge burden. Although law and order is the provincial subject but due to unique position of Balochistan bordering Afghanistan, the Federal Government should come to the rescue of the provincial government by partly picking up the expenditure as it was done in the case of KPK, whereby KPK was given 2% of the Undivided Pool for war on terror. Balochistan is over stretching its meager resources to shoulder the additional burden. The provincial government is diverting much needed development funds to grapple with this growing menace of terrorism.

In 2018-19 the government of Balochistan is planning to induct large number of law enforcing personnel and the projected budget for the above three forces, including training cost to be paid to the Army, would be to the tune of PKR 32.02 billion which works out to be 18% (as compared to the revised estimated expenditure of PKR 27.245 billion for the year 2017-18). The reasons for large induction are attributed to CPEC related security arrangements.



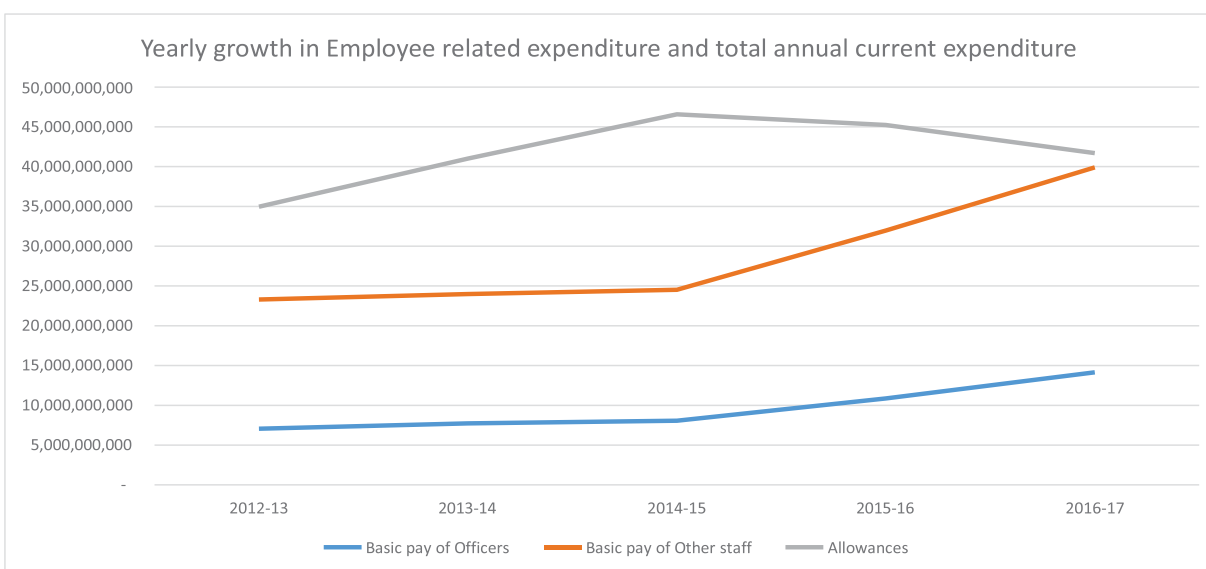
Projected growth in combined Police, BC, Levies & Allied expenditure



AN ANALYSIS OF EXPENDITURE INCURRED ON PAY AND ALLOWANCES

Year	ACTUAL EXPENDITURE IN PKR AND PERCENTAGE ANNUAL GROWTH						Annual growth	Average
	Basic pay of Officers		Basic pay of Other staff		Allowances			
2012-13	7,060,552,663		23,310,987,236		34,967,294,62		65,338,834,531	9.32%
2013-14	7,733,807,301	10%	23,994,171,118	3%	41,036,152,107	17%	72,764,130,526	
2014-15	8,074,431,931	4%	24,534,532,411	2%	46,590,939,466	14%	79,199,903,808	
2015-16	10,850,067,098	34%	31,965,086,685	30%	45,253,608,863	-3%	88,068,762,646	
2016-17	14,156,104,174	30%	39,916,776,218	25%	41,715,976,857	-8%	95,788,857,249	

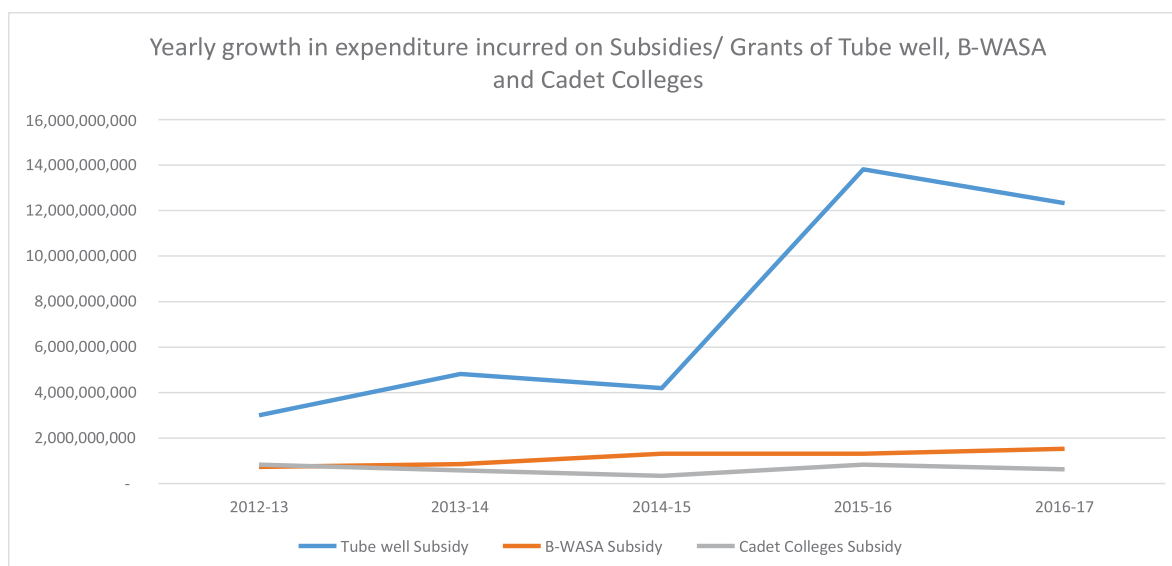
The trend in basic pay of both the officers and other staff has been on a rise over the past years especially from 2015-16 onwards. This steep increase from 2015-16 onwards is mainly attributable to the merging of Ad-hoc allowances in basic pay. Likewise, the trend in allowances is an increasing one up till 2014-15 and then decreasing due to the aforementioned reason. This table also shows that increase in the pay and allowances of B1-16 is much steeper than B 17 onwards. This is due to tendency on the part of political representatives providing jobs to tackle growing unemployment in the province. This also reflects on the overall productivity of manpower as the lower staff is mainly playing a supportive role, contributing little to the overall productivity. Enough space has not been created for the educated youth to bring them in the mainstream of public management.



AN ANALYSIS OF EXPENDITURE INCURRED ON SUBSIDIES AND GRANTS

Year	ACTUAL EXPENDITURE IN PKR AND PERCENTAGE ANNUAL GROWTH						Annual growth	Average growth
	Tube well Subsidy	B-WASA Subsidy	Cadet Colleges Subsidy	Total	Annual growth	Average growth		
2012-13	3,000,000,000	730,275,000	830,324,000	4,560,599,000			43.49%	
2013-14	4,817,999,500	849,275,000	581,100,000	6,248,374,500	61%	37%		
2014-15	4,197,361,600	1,306,910,818	338,600,000	5,842,872,418	-13%	-6%		
2015-16	13,816,000,000	1,313,909,800	832,718,000	15,962,627,800	229%	173%		
2016-17	12,322,050,000	1,529,343,800	626,900,000	14,478,293,800	-11%	-9%		

In the above chart we have picked up only 3 major subsidies which present a very alarming situation and these are proving a big drain on meagre financial resources of the province. Particularly the subsidy on tube well which is given to land owners operating tube wells due to lack perineal water sources. This has got dual negative impact, on the one hand resources are diverted to few well to do land owners and on the other hand due to flat rate of payment the land owners blindly mine the underground water reserves thereby further reducing the underground water level besides damaging the upper crust of fertile land. It is also negatively impacting the environment.



**ANALYSIS OF CURRENT
EXPENDITURE OF GOVERNMENT
OF BALUCHISTAN**

Generally, provincial government's receipts are classified into the following two main categories:

I. General Revenue Receipts

II. Capital Receipts

GENERAL REVENUE RECEIPTS

The main elements of General Revenue Receipt as per Annual Budget Statement are as under:

1. Federal Transfers:

- *Share of Federal Divisible Pool of Taxes* as per the 7th National Finance Commission (NFC) Award;
- *Straight Transfers* as per Article 161 of the Constitution and NFC Award with respect to royalties on Crude Oil and Natural Gas, and net proceeds of the Federal Excise Duty on natural gas;
- Federal Development and Non-Development Grants released to executing agencies. These are pass-through items.

A. Federal Divisible Pool Taxes

The major source of Revenue for the Provincial Government is the receipts of Federal Divisible Pool share which constitutes 83% of the provincial revenues. This is primarily because the collection of almost all buoyant taxes, other than Sales Tax on Services, is still with the Federal Government. Under the 7th NFC Award, the Divisible Pool of Taxes as collected by FBR consists of the following stream of taxes:

1. Taxes on income;
2. Wealth Tax;
3. Capital Value Tax (CVT);
4. Taxes on sales of goods & purchase of goods imported-exported, produced, manufactured and consumed;
5. Export duties on Cotton;
6. Customs duties;
7. Federal Excise Duties excluding the excise duty on gas charged at well heads.

B. Straight Transfers

Under Article 161 of the Constitution and the NFC Award, Straight Transfers to the provinces include:

- i. The net proceeds of the Federal Excise Duty on natural gas;
- ii. Net proceeds of royalty on crude oil and natural gas assigned to the provinces under the Constitution; and
- iii. Gas Development Surcharge (GDS).

Royalty on Natural Gas

Royalty is calculated @ of 12.5% of the well head production. This falls under “Straight Transfers”. It forms major chunk of gas revenue of Balochistan. Currently there five gas field e.g. Sui, Pir Koh, Lotti, Uch and Zarghoon South. Sui is operated by PPL, Pir Koh, Lotti, Uch are with OGDC and Zarghoon South is with Mari Gas Company.

Gas Development Surcharge (GDS)

Gas Development Surcharge GDS is the differential between the well head price and the consumer price. Various consumers like household, commercial and energy producing units are supplied gas at different rates.

GDS is being collected by gas companies under Natural Gas (Development Surcharge) Rules, 1996. As recommended by NFC, net proceeds of GDS are being distributed to the provinces in accordance with their percentage share in the total production of gas after deducting 2% collection charges.

C. Federal Grants

The Public Sector Development Programmes (PSDP) grants from federal government and budget support grants received from foreign development partners accumulatively form the Federal Grants. However, the federal PSDP grants are only pass-through items. These grants are released to executing agencies for implementation of Federal Development Projects.

2. Provincial Own Receipt:

The second component of the General Revenue Receipts is termed as Provincial Own Receipt including:

- Provincial Tax Receipts
- Provincial Non-Tax Receipts

a) Tax Receipts

- I. Receipts from Direct Taxes (Agricultural Income Tax, Property Tax, Land Revenue, Professional Tax, Capital Value Tax etc.);
- II. Receipts from Indirect Taxes (Sales Tax on Services, Provincial Excise, Stamp Duties, Motor Vehicle Taxes, and Electricity Duty etc.).

The responsibility for collection of the Provincial Tax Receipts has been assigned to the following departments:

- Balochistan Revenue Authority (BRA);
- Board of Revenue;
- Excise & Taxation Department;
- Energy Department;
- Transport Department.

b) Non-Tax Receipts

- I. Income from public owned property and enterprises;
- I. Receipts from civil administration and other functionaries;
- II. Miscellaneous Receipts from toll, fee, cess and levies etc. collected by provincial departments.

CAPITAL RECEIPT

Current Capital Receipts of the province include all the new loans borrowed or raised by the Provincial Government and recoveries of loans advanced to provincial entities/ authorities/ financial institutions or provincial employees. Current Capital Receipts may be credited to the Provincial Government's Account No. I (Non-Food Account). State trading proceeds from the sale of wheat and financing for procurement of wheat accrue to Account No: II.

As it has already been explained in the preface that government of Balochistan historically had a very small resource base. Its own resources were less than 10% of the total revenue. NFC transfers were based on population criteria and government of Balochistan was getting 5% of Divisible Pool. Gas income was also being diverted partly to other provinces due to flawed distribution formula of Ministry of Petroleum and Natural Resources. The rates of Balochistan gas were lowest, therefore Balochistan was getting much lesser royalty compared to other provinces. Similarly, the GDS was also partly diverted to Sindh as the distribution formula was based on cumulative production of the country. In case of Uch gas field till 7th NFC royalty amount was worked out at 8% instead of 12.5% of well head price, which was subsequently rectified thereby increasing the amount coming to Balochistan. Besides introducing multi factor distribution formula adopted in 7th NFC, Balochistan's share of Divisible Pool was increased from 5% to 9.09%. Balochistan's claim of gas arrear was also accepted and the province started getting arrears which has improved resource position in the province.

Unfortunately, Balochistan could not increase its own tax and non-tax revenues which is almost static. This is a dangerous trend because expenditure is growing at an average rate of 13% whereas revenue stream is increasing at a low rate of 8%. This will result in growing gap between income and expenditure and successive future governments will be forced to go for deficit budgeting.

In recent years' revenues generated through GDS have also witnessed a dip without any plausible reason. In 18th Constitutional Amendment it was clearly mentioned that the provinces will have 50% share in oil and gas profits but Federal Government has not yet given a single penny on that account. Balochistan is generating gas through 5 well heads and the companies are reaping huge profits from these well heads. Likewise, 35% of Saindak profits were to be shared with the province as decided under Huqooq-e-Aghaz-e-Balochistan but after paying for a year or so that has been discontinued and estimated payments on that account come to around PKR 5 billion which is yet to be paid. Had these above payments been made to the province there would have been no budgetary deficit.

In next financial year it is feared that proposed cut of 7% in the Divisible Pool for financing FATA and CPEC related expenditure will further aggravate the revenue position of Balochistan.

Analysis of GoB's Investments and Incomes thereon
All amount in millions of PKR unless otherwise stated

Description	2015-16		2016-17		2017-18		2018-19		
	Investment	%	Income	%	Investment	%	Income	%	
Investment Fund	5,000.00	4.85	242.55	6.65	5,000.00	0.41	20.34	5,000.00	6.00
Benevolent Fund	6,300.00	10.44	657.90	10.72	7,300.00	8.50	800.03	10,000.0	8.50
BEEF	5,000.00	8.43	421.45	5.75	6,000.00	5.90	472.22	8,000.00	6.25
GPF	12,359.0	10.36	1,280.10	11.65	14,636.5	5.37	846.00	16,000.0	6.25
Pension Fund	1,900.00	7.84	149.00	2.17	5,025.00	1.20	60.85	1,800.00	4.44
Group Insurance	750.00	17.15	128.62	14.59	750.00	12.65	101.69	1,000.00	11.00
	31,309.00	9.20%	2,879.62	8.74%	38,711.50	5.34%	2,301.13	41,800.00	6.79%

It is heartening to note that the government of Balochistan realized that GP Fund, Benevolent Fund and Group Insurance were eating up resources and the trend is on very higher side, therefore, it has started investing these funds in order to partly fund these deferred liabilities instead of putting all burden on Consolidated Fund. Technically all deferred liabilities are part of Public Account and these are to be managed outside the Consolidated Fund. The need of the day is that proper system should be evolved in order to manage these funds more effectively through independent fund management mechanism. It was already highlighted that GP Fund and Pension are growing at a fast pace and if these are not managed properly they will be huge burden on government exchequer to pay back these liabilities.

The government of Balochistan with the assistance of Governance & Policy Project Balochistan has initiated an intervention whereby Pension Fund Unit will be established in Finance Department to manage this growing liability more professionally as it has already been done in other three provinces of the country. In a chart on the current side of the budget the growth trend has been depicted which shows the Pension and GP Fund payments have more than doubled in a span 5 years.

AN ANALYSIS OF GOVERNMENT OF BALOCHSITAN'S RECEIPTS

	2014-15	2015-16	2016-17
Federal Receipts			
Divisible Pool	141,178,052,000	155,924,797,000	183,098,032,000
Straight Transfers	12,843,345,000	13,609,759,000	21,625,827,000
Development Grants	15,451,333,000	12,211,293,000	7,702,417,000
Non-development Grants	16,789,177,000	12,035,485,000	10,000,000,000
Foreign	595,403,553	-	1,291,878,973
	186,857,310,553	193,781,334,000	223,718,154,973
<i>Percentage contribution</i>	95.93%	92.06%	93.37%
Provincial Receipts			
Recovery of Loan to Food	-	465,310,162	-
Non-Tax	5,108,643,256	9,059,053,666	7,467,290,504
BRA	840,302,000	1,967,969,337	4,461,222,440
Others	1,749,877,928	2,319,464,271	2,292,876,344
Recovery of Investment and Loans & Advances	151,846,107	131,281,866	108,220,531
State Trading	83,720,785	2,764,389,346	1,546,529,971
	7,934,390,076	16,707,468,648	15,876,139,790
<i>Percentage contribution</i>	4.07%	7.94%	6.63%
Total	194,791,700,629	210,488,802,648	239,594,294,763

The above table is indicative of revenues of generated from Federal sources as well as Provincial own receipts. In Federal transfers receipts under NFC transfers and State transfers related to gas revenues are separately indicated. Federal transfers are above 90% of the total revenue receipts of Balochistan. The overarching dependence on Federal transfers make the government of Balochistan vulnerable as any major negative flow is likely to inflict huge damage to the provincial government. In the year 2015-16 and 2016-17 there was shortfall of GDS of PKR 8 billion and PKR 6 billion respectively. For this Federal government has not given any cogent reason and the government of Balochistan's projections could not be met.

If we look at the provincial own receipts, this also gives a mixed picture. Major income comes from the tax revenues whereas non tax revenue shows instead of increasing trend an overall negative flow. There is huge potential in increasing non tax revenues as government has not yet explored its full potential. Reportedly there are leakages in revenues collected from Mineral sector. Balochistan has huge quantity of metallic and nonmetallic minerals but the royalty and other duties collected do not match the level of production of various minerals.

All provinces have prepared rental tables for properties in different cities and commercial areas but no effort has been made in this regard in Balochistan. There is a huge pilferage in property transactions as actual value of properties are not reflected in the registration papers. This can only be checked through uniform rates based on rental tables. There are reports of circulation of fake stamp papers which also inflict losses of revenue to the government of Balochistan. Tax revenue base is also very small and it is not buoyant as it should be. Traditionally tax income is always the major source of revenues for any government but unfortunately the same does not stand true for the government of Balochistan due to its lack of seriousness in exploring potential areas for increasing the tax base.

After establishment of BRA a new window of opportunity has become available but unfortunately it could not start functioning with full capacity for about two years after its establishment for various reasons. Earlier this tax was collected by the Federal Government and very meagre amount was transferred under this head to the province. After its functioning one can witness a positive change and in a span of only two years the tax collection through BRA has reached the point where it is likely to exceed all other provincial taxes put together. It is emphasized here that the government of Balochistan should strengthen this Authority to capitalize on future possible avenues of taxes from Gawadar deep sea port. It is also important that the government should not accept the pressure for tax exemptions in services tax as it may badly damage this Authority in its nascent stage. Reportedly some tax exemptions have already been given which is not a healthy step.

Pending Payments of Saindak Profits

In Aghaz-e-Haqooq-e-Balochistan 2009-10, it was mutually decided that Government of Pakistan will pay 35% profits of Saindak to Balochistan. For a year or so such profit was given to Balochistan, but thereafter arbitrarily it was stopped. Now more than Rs. 4.5 billion arrears are pending against the Federal Government.

The Mines & Mineral Law before and after 18th Constitutional Amendment categorizes all minerals mined in any province as property of that province.

The First Agreement with Chinese Company was entered by the Federal Government whereby 50% profit each was the share of Federal Government and that of Chinese Company. Provincial Government was given only 2% royalty. The Agreement should have been between Provincial Government and the Chinese Company.

The Agreement expired in 2012, then the Federal Government again renewed the Agreement and Balochistan was only allowed 5% royalty. All these actions of the Federal Government are in contravention of provincial autonomy and 18th Constitutional Amendment.

The Federal Government takes the plea that it had paid the initial capital with the company. This plea holds no ground because they had violated the rules besides they had already earned more than what they invested.

Now two actions are needed in conformity with the provisions of 18th Constitutional Amendment. Firstly, arrears on account of 35% profit under Aghaz-e-Haqooq Balochistan be paid to the government of Balochistan forthwith and secondly the Federal Government should make way for the provincial government of Balochistan to negotiate Shareholders Agreement with Chinese Company (MCC) or any other entity for that matter.

**BUDGET ESTIMATES
FOR 2018-19**

Following are the Major Function wise budget estimates for the years 2017-18 to 2018-19 and revised estimates for 2017-18. All amounts are in PKR unless otherwise stated.

Description	Budget Estimates 2017-18	Revised Estimates 2017-18	¹ Budget Estimates 2018-19
01 General Public Service	80,061,680,392	62,049,773,920	57,363,998,258
03 Public Order and Safety Affairs	34,828,489,012	34,438,566,993	38,092,512,911
04 Economic Affairs	50,956,512,226	41,020,982,939	46,791,803,538
05 Environment Protection	424,738,200	279,270,500	374,200,000
06 Housing and community amenities	6,374,633,380	7,812,293,748	6,309,312,100
07 Health	18,306,590,400	17,770,250,000	19,419,369,000
08 Recreational, culture and religion	1,946,442,060	2,648,655,163	2,028,320,600
09 Education affairs and services	45,790,695,700	46,178,112,596	57,682,727,200
10 Social Protection	3,956,602,800	2,237,591,292	3,972,153,200
	242,646,384,170	214,435,497,151	232,034,396,807

A cursory look at the budget estimates for 2018-19 shows that efforts were made to economize on meager available financial resources. As we had already mentioned earlier the income stream is not likely to grow in line with increasing expenditure bill, therefore prudence demanded that certain expenditure should be curtailed/ contained. It is obvious that the next government may increase expenditure in creating more posts thereby increasing the estimated expenditure worked out currently. Similarly, if law and order situation continues to aggravate then expenditure in that area may witness a rise. The government plans to work on pension and retirement benefits to rationalize the growing trend that's why the allocation has been kept at current year's level. We do not find any extra ordinary rise in any major function. The new posts have also been kept at the bare minimum level.

¹ It is pertinent to point out that there are likely to have slight variations in the figures as the budget estimate figures for 2018-19 as cabinet may add or subtract certain charges particularly in Education sector.

