



# WHITE PAPER BUDGET FY 2023-24

**Finance Department  
Government of Balochistan**



## Message from the **CHIEF MINISTER**

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Balochistan is blessed with abundant natural resources, a rich cultural heritage, and a resilient population. However, we also face unique challenges. The recent floods have inflicted immense suffering upon countless individuals, leading to loss of homes, infrastructure damages, and disruption of vital services. In response, the government is tirelessly engaged in the reconstruction and rehabilitation of the affected areas. This budget is designed to directly confront these challenges and pave the way for a brighter future.

Our foremost priority lies in the well-being and welfare of our people. This budget enhances investments in healthcare, education, and social welfare programs, ensuring equitable access to high-quality services for all. Moreover, we fully acknowledge the importance of transparency and accountability. This budget underscores our commitment to efficient and effective governance, guaranteeing prudent utilization of public resources for the collective benefit.

I extend my gratitude to the dedicated team of Finance Department and Other related civil servants, experts, and the team of European Union-funded Public Financial Management Support Programme-II who have worked diligently to prepare this budget. Their commitment and expertise have been instrumental in formulating a comprehensive roadmap for Balochistan's progress.

**Mir Abdul Quddus Bizenjo**



Message from the  
**FINANCE MINISTER**

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While formulating the budget, we exerted every possible effort to ensure the efficient allocation of resources, minimize non-development expenses, and allocate more funds towards development projects that would have a significant positive impact on a large portion of the population. We are implementing institutional reforms aimed at strengthening our own revenue sources, particularly through the improvement of tax collection mechanisms. These initiatives are anticipated to enhance the management of public finances, enhance service delivery, and contribute to the reduction of the budget deficit.

In the fiscal year 2022-23, the government achieved noteworthy growth in revenue, and we anticipate even better performance in the forthcoming fiscal year of 2023-24. To assist our citizens in effectively dealing with the adversities caused by floods, we are focusing on fortifying social protection measures, establishing robust safety nets, and implementing tax and non-tax reforms to achieve economic stability.

Exercising control over operational expenses is of utmost importance to us. We are mobilizing our finest talent, devoting substantial time, and putting in diligent efforts to effectively manage the increase in salary and pension expenditures. We have identified viable opportunities to generate savings in these areas and are actively working towards their realization.

I extend my sincere appreciation to the Secretary of Finance and their team, as well as the entire team of the Public Financial Management Support Programme-II, for their unwavering dedication in the preparation of this budget and White Paper.

**Engr: Zamaruk Khan Achakzai**



## Message from the **FINANCE SECRETARY**

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The White Paper provides a comprehensive analysis of the government's revenue and expenditure estimates for the fiscal year 2023-24. Our aim is to improve the well-being of our people, especially the most vulnerable, through careful fiscal management.

The budget reflects a tailored approach, considering the specific needs of each department and sector alongside optimizing expenditures. While federal government contributes significantly to our revenues, we are dedicated to expanding our own revenue sources through both tax and non-tax measures.

To address the growing expenses relative to revenue, we have implemented extensive measures. In the fiscal year 2023-24, our aim is to achieve higher Provincial Own Revenues by strengthening revenue-generating entities. This pursuit of financial independence and sustainability is a significant milestone for our province.

Furthermore, we have prioritized strategic investments in healthcare and education, ensuring equitable access to essential services. Due to limited resources at our disposal, we maintain a commitment to using public funds with the utmost prudence, efficiency and economy for the benefit of our people.

**Kambar Dashti**

# BUDGET

## Highlights FY 2023-24

	DESCRIPTION:	PKR in Million
<b>A.</b>	<b>REVENUE RECEIPTS:</b>	
<b>(a)</b>	<b>RECEIPTS FROM FEDERAL</b>	<b>520,816.185</b>
	Divisible Pool	464,705.027
	Straight Transfers	20,063.549
	Grants (GDS Arrears)	27.000
	Development Grants	36,020.609
<b>(b)</b>	<b>PROVINCIAL OWN RECEIPTS</b>	<b>111,940.700</b>
	Provincial Tax Receipts	37,568.697
	Provincial Non Tax Receipts	19,372.003
	Provincial Non Tax Receipts (Lease Extension Bonus)	55,000.000
<b>(c)</b>	<b>FOREIGN PROJECT ASSISTANCE (FPA) - GRANTS</b>	<b>12,434.500</b>
<b>B.</b>	<b>CAPITAL RECEIPTS</b>	<b>34,733.570</b>
	Recoveries of Loans, Advances/Investments	9,609.470
	Foreign Project Assistance - Loan	25,124.100
<b>C.</b>	<b>STATE TRADING</b>	<b>11,040.000</b>
<b>D.</b>	<b>CASH – CARRIED FORWARD</b>	<b>10,455.369</b>
<b>E.</b>	<b>TOTAL RECEIPTS (A+B+C+D)</b>	<b>701,420.324</b>
<b>F.</b>	<b>CURRENT REVENUE EXPENDITURE</b>	<b>400,047.951</b>
	General Public Service	115,556.256
	Public Order and Safety Affairs	61,823.244
	Economic Affairs	53,656.575
	Environment Protection	492.840
	Housing and Community Amenities	27,554.879
	Health	42,812.968
	Recreational, Culture and Religion	3,632.570
	Education Affairs and Services	88,495.038
	Social Protection	6,023.581
<b>G.</b>	<b>CAPITAL EXPENDITURE - NON FOOD</b>	<b>37,094.715</b>
	<b>Loans and Advances:</b>	7,964.489
	<b>Investments</b>	11,150.000
<b>H.</b>	<b>STATE TRADING - FOOD</b>	<b>18,130.225</b>
<b>I.</b>	<b>TOTAL NON-DEVELOPMENT EXPENDITURE (F+G+H)</b>	<b>437,142.666</b>
<b>J.</b>	<b>DEVELOPMENT EXPENDITURE</b>	<b>313,336.299</b>
	Public Sector Development Program	229,301.721
	Foreign Project Assistance	39,343.600
	Federal Funded Projects (outside PSDP)	44,690.978
<b>K.</b>	<b>TOTAL BUDGET OUTLAY (I+J)</b>	<b>750,478.965</b>
<b>L.</b>	<b>SURPLUS / DEFICIT:</b>	<b>-49,058.641</b>

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# Chapter-I

## National Macroeconomic Outlook

### **Provincial Snapshot:**

The biggest province of Pakistan, Balochistan, is 347,190 square kilometres in size and makes up 43.6% of Pakistan's total area. However, it is also Pakistan's least populous province, with a total of 12.34 million 5 people, or about 5% of the country's population. These salient features present several opportunities for growth in the province that ultimately contribute to the national economy.

**Mining and Natural Resources:** Balochistan is known for its rich reserves of natural resources, including minerals, gas, and oil. The province is home to substantial reserves of coal, chromites, copper, gold, and natural gas, making a significant contribution to Pakistan's mining and energy industries. The exploitation and processing of these resources attract domestic and foreign investment, create job opportunities, and contribute to export earnings, thereby strengthening the national economy. The recent agreement with the Barrick Gold Corporation and the government of Balochistan is a step forward to explore and utilize the gold and copper reserves in Reko diq.

**Agriculture and Livestock:** Balochistan's vast agricultural potential is an important pillar of the provincial and national economy. The province benefits from a diverse agro-climate that allows a wide variety of crops to be grown, including wheat, rice, barley, fruits, and vegetables. Balochistan is also famous for its livestock industry, which provides meat, milk, and dairy products. The agriculture and livestock sectors provide jobs for a significant portion of the population as the rural population largely depends on them. Furthermore, these sectors contribute to food security, and support export-oriented industries, thereby promoting economic growth.

**Fishing and Maritime Activities:** Balochistan's long coastline (Around 750 KMs) along-with the Arabian Sea offers rich marine resources and a thriving fishing industry. The coastal belt is home to many fish species, making fishing an important industry in the province. The catch from the waters of Balochistan contributes to the supply of national fishery products, both for domestic consumption and for export. In addition, coastal areas provide opportunities for maritime activities, including shipbuilding, port infrastructure, and ancillary services related to fishing, creating economic opportunities and increasing regional trade power.

**Power Generation and Renewable Energy:** The province of Balochistan has considerable potential for energy production, both from conventional and renewable sources. Its natural gas reserves and wind corridors offer opportunities for power generation projects. The use of these resources contributes to the national energy grid, reduces energy deficit, and supports industrial growth. Balochistan's renewable energy potential, especially solar and wind power, is being harnessed to promote clean energy solutions, further enhancing the sustainability of the provincial and national electricity sector.

**Infrastructure and Development:** Balochistan's strategic location, linking Pakistan to its neighboring countries, positions it as a trade and transit hub. The province serves as the gateway to the China-Pakistan Economic Corridor (CPEC), facilitating regional connectivity and trade. Infrastructure development projects, including road and rail networks and the development of Gwadar Sea Port, promote regional economic integration, attract investment, and create job opportunities, thereby contributing to the national economy.

Hence, Balochistan's contributions to the national economy in various fields are substantial and multifaceted. The province's rich natural resources, agricultural potential, maritime activities, power generation capabilities, and strategic location make the province a key player in shaping Pakistan's economic landscape. Balochistan's continued development and efficient use of resources are essential to promoting sustainable economic growth, creating job opportunities, and ensuring the province's successful integration into the international economy.

Owing to these opportunities, the government of Balochistan has remained committed to taking steps to uplift provincial economic status. Through public spending in all sectors with a particular emphasis on essential services such as Health, education, social protection etc. This is supported by looking at the increasing trend in the overall spending of the government. Balochistan is generously bestowed with natural and locational resources. It possesses the largest land area of any province of Pakistan i.e. 44% of the land of the country, proving vast rangeland for goats, sheep, buffaloes, cattle, camels and other livestock. Its southern border makes up about two thirds of the national coastline, giving access to a large pool of fishery resources. As a frontier province, it is ideally situated for trade with Iran, Afghanistan, Central Asia and the Persian Gulf countries.

### **Post Flood Impact:**

In Balochistan, 34 districts and at least 360,000 people have been affected, including 238 people killed and 106 people injured as of 27 August 2022, according to the National Disaster Management Authority (NDMA). More than 700,000 livestock



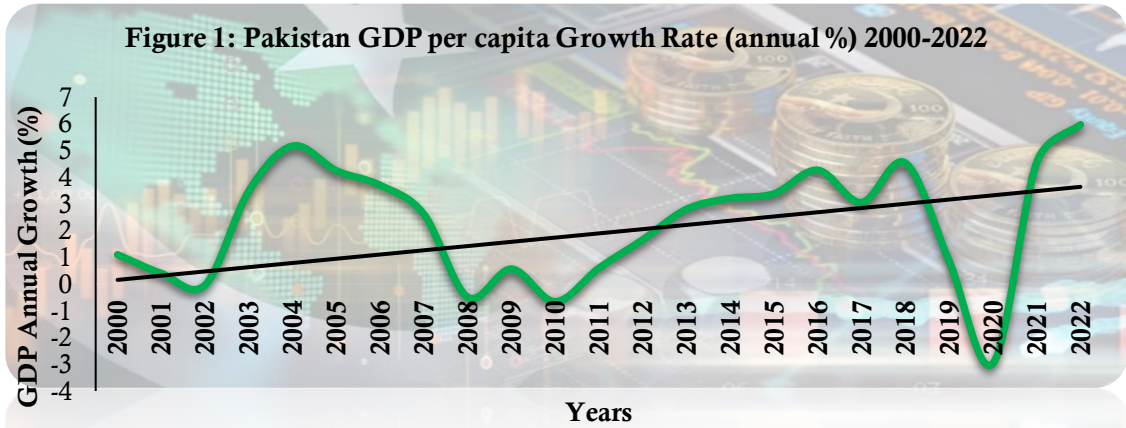
have died across Pakistan, of which some 500,000 are reported in Balochistan province, where livestock are a critical source of sustenance and livelihoods for many families. At least 17,500 houses have been destroyed and another 43,900 houses partially damaged. In addition to houses and croplands, 1,000 km of roads and 18 bridges have also been damaged and impede access across flood-affected areas. Internet outages have also been reported, with the Pakistan Telecommunications Authority attributing widespread internet cuts in central and northern Pakistan on 19 August to technical faults in the fiber optic network resulting from the heavy rains and floods.

According to the Asian Development Outlook (ADO) April 2023, ADB's flagship economic report, Pakistan's gross domestic product (GDP) growth is projected to slow to 0.6% in FY 2023 from 6% last fiscal year as the economy struggles to recover. Growth is forecast to rise to 2% in FY 2024, assuming the resumption of macroeconomic stability, implementation of reforms, post-flood recovery, and improving external conditions. ADO 2023 notes that climate change poses a grave challenge to Pakistan's economic, social, and environmental development. According to the Global Climate Risk Index, the country has ranked among the 10 most vulnerable nations worldwide in the past 2 decades. Climate-induced extreme weather has led to thousands of fatalities and colossal losses in agriculture, infrastructure, and the economy.

### **National Economic Overview:**

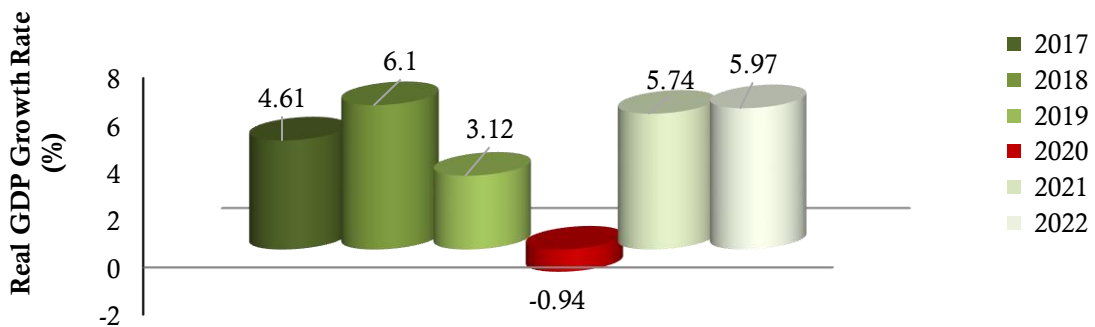
The economy of Pakistan has faced multiple challenges in last few years. The global COVID-19 pandemic in 2020-2021 deepened the economic stress. Furthermore, the catastrophic floods in 2022 that hit Sindh and Balochistan the hardest further pushed the economy to deteriorate. The real growth pattern in the country has suffered due to many reasons, including policy tightening, lower livelihood opportunities, import limitations due to rupee-dollar rift, high domestic and foreign borrowings, soaring fuel costs, and political uncertainty. These have been some of the most significant factors adversely affecting economic activities in the country.

Damages and disruptions caused by the floods, high inflationary pressure, and low exports as the global demand has shrunk around the world because of the global recessionary trends. The growth of per capita Gross Domestic Product (GDP) has remained low, averaging to only around 2.1 percent annually over 2000-2022. However, the provisional GDP growth rate for FY 2023 is estimated at 0.293 in comparison to the growth rate of 6.10 percent for FY 2022 and 5.74 percent for FY 2021.



The decline in the real GDP and the GDP per capita can be associated with many factors. The growing population (census 2017, 207.77 million), declining trends in the real sectors of the economy (agriculture, manufacturing), lower rate of Foreign Direct Investment (FDI), dropping worker’s remittances, global fuel prices, political instability, an increasing number of poor in the country, food insecurity (GHI ranking 26.1, serious), global recessionary pressure etc. are core issues that the country needs immediate solutions to save the economy from worsening further. The overall slow growth in the economy has negatively impacted income of the people. The GDP per capita between 2017-18 and 2021-22 witnessed a downfall and a slight increase in later period and is expected to remain as low as 0.29% in 2023. This indicates that the overall economic performance remained slow and owing to several reasons the GDP per capita further deteriorated, thereby increasing challenges for the economy by pushing more people to fall in the poverty net.

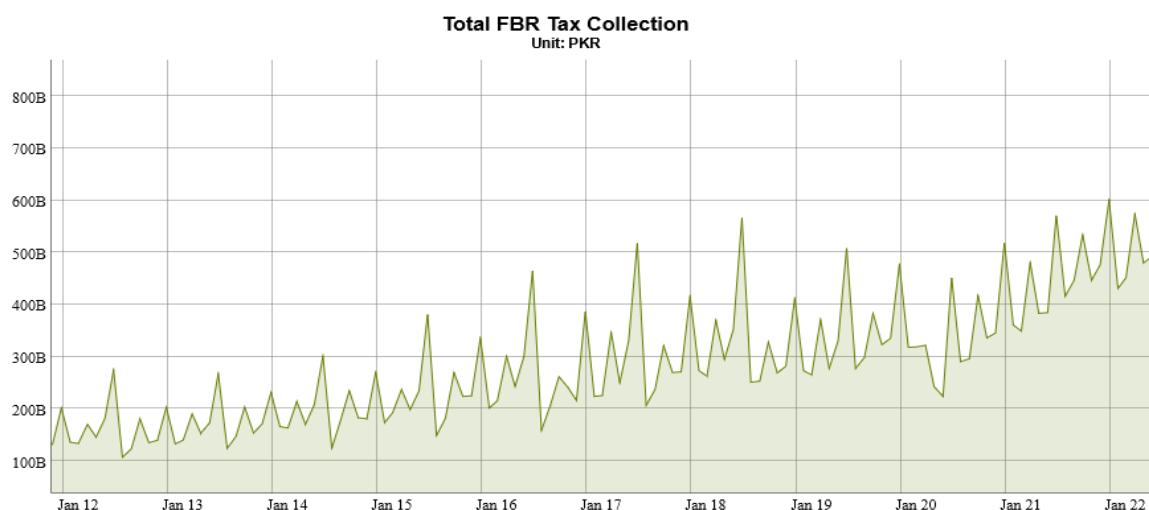
**Fig-2: Pakistan GDP Growth Rate (%) 2017-2022**



The LSM witnessed contraction during the three quarters of the FY 2023 by 8.1%. The reasons for such contraction were supply chain disruptions within the country and abroad, inflationary pressures, higher manufacturing input prices, and contractionary policy in country. Though, during the same period, four (4) sectors grew positive e.g., Wearing apparel, Leather Products, Furniture, and others (such as Football). The higher prices for industrial input affected the performance of the auto industry too. The cement industry witnessed decline as well further increasing

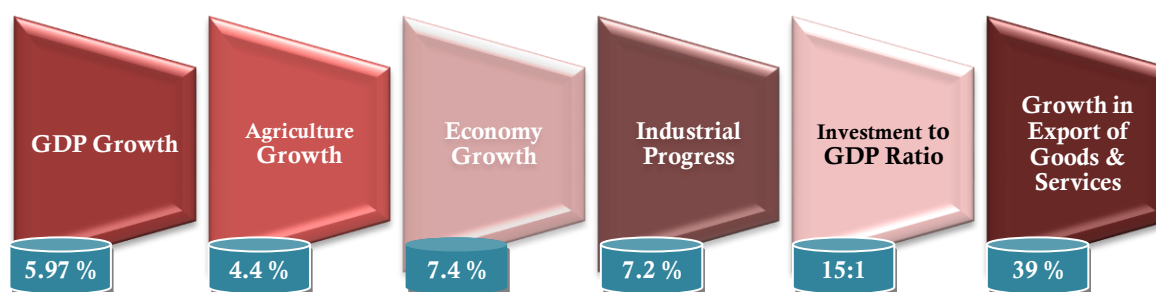
construction costs. The decline in local cement dispatches dropped by 25.1 percent between in April 2022 to April 2023.

The Federal Board of Revenue (FBR) is the tax collecting body in Pakistan. FBR tax collection grew by 16.1 percent during July-April of FY2022-23 in comparison to the same period last year. However, the target set by FBR for the FY 2022-23 have not been achieved. The overall tax collection has positively grown in last decade (2012-2022) but still has remained low to the targets set for each year.



Economic survey reveals that, country’s economy has weakened in FY 2023 (July 2022–June 2023). Exports and remittances fell 10% year on year in July–March, and the Purchasing Managers’ Index has been bogged down in contractionary territory. Floods from June to October caused an estimated USD 40 billion in damage and, by destroying crops, have inflamed inflation and pushed up import costs. In turn, this has drained international reserves, leading several rating agencies to downgrade Pakistan’s credit rating in recent months.

**Growth indicators:**



# Chapter-II

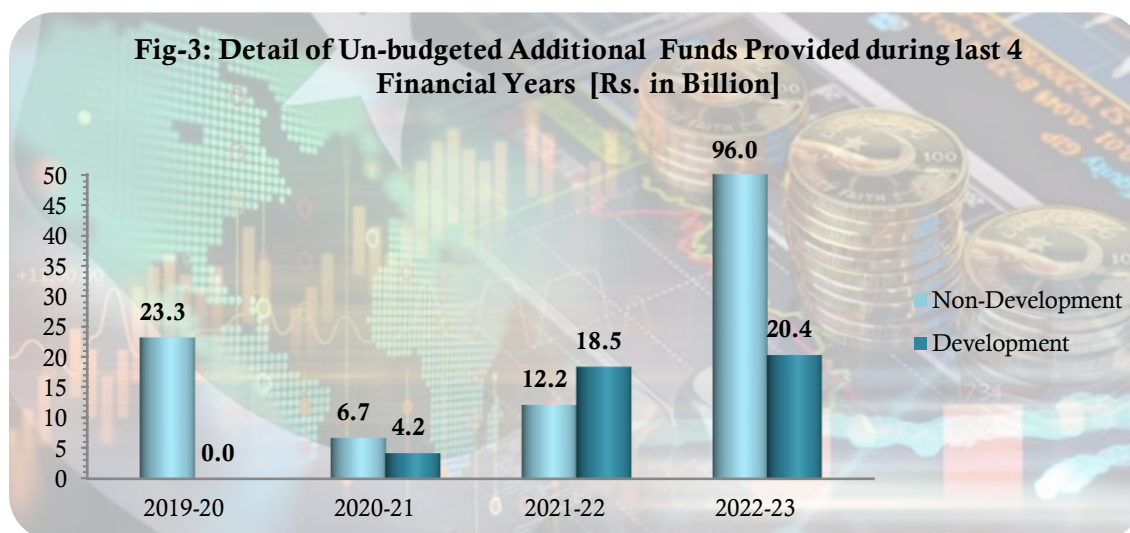
## Fiscal Review FY 2022-23

**G**overnment of Balochistan presented budget outlay of Rs. 613.645 Billion for the FY 2022-23 allocating Rs. 246.928 Billion for Development side, which is ever highest allocation for development budget in any year. Financial Year 2022-23 started with anticipated deficit of Rs. 73.7 Billion against total receipt of Rs. 539.944 Billion. The receipts collected from all sources is Rs. 398.94 Billion from Federal Transfer, Rs. 103.397 Billion from Provincial Own Source Revenue and Rs. 15.253 Billion in terms of Capital from loans, grants, investment returns and other recoveries. Similarly expenditure side budget includes allocation for Non-Development amounting to Rs. 366.717 Billion and for Development expenditure amounting to Rs. 246.928.

There had been certain events during the financial year 2022-23, where additional / supplementary funds were required to meet certain needs and to execute certain tasks which could not be made part of the budget estimates at the time of budget preparation FY 2022-23. Accordingly, an event of natural disaster occurred in the month of August, 2022 when the sufficient funds to cope with the emergency were not allocated in advance. Devastation of flood was on peak and caused huge damages to human life, public & private properties, infrastructure and all sort of communication i.e. road, rail and telecommunication in Balochistan, KPK and Sindh province.

In order to mitigate flooding effect and to provide instant relief to the affectees of flood, Government of Balochistan provided a support of Rs. 10.108 Billion in terms of rescue, relief, rehabilitation and reconstruction for the flood affectees. Beside this, there had been several events where un-allocated / un-budgeted funds were provided through special intent related to emergencies and other miscellaneous activities, with the approval of the government.

An overall amount of Rs. 116.370 Billion was additionally provided for Development and Non-Development side of expenditure from the beginning of financial year till the finalization of Revised Estimates FY 2022-23. Trend of last 4 years in term of additional funds is provided as under:-



### Revised Budget FY 2022-23:

During the financial year 2022-23, there had been certain addition and revision in the estimates of development and non-development expenditure in all major accounting objects. The overall estimate on expenditure side for financial year 2022-23 revised at Rs. 378,571 Billion. On other hand, Revenue targets / collection from all sources (i.e. federal assignments and provincial own receipts) stood revised at Rs. 503,515 Billion against Budget Estimate of Rs. 539,944 Billion during the financial year 2022-23. Accordingly, the revision in Development & Non-Development Budget reduced the budget deficit to zero. A detail of the Revised Estimates FY 2022-23 is presented as under:-

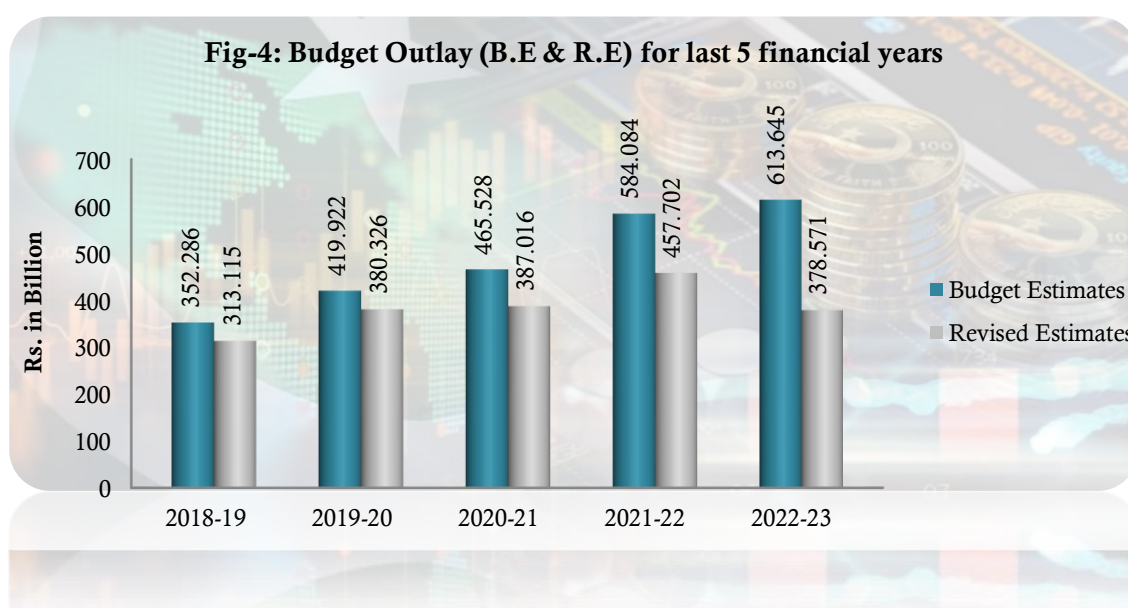
**Table-1: Revised Budget Outlay of Financial Year 2022-23**

DESCRIPTION:		PKR in Million	
		B.E 2022-23	R.E 2022-23
<b>A.</b>	<b>REVENUE RECEIPTS:</b>		
<b>(a)</b>	<b>RECEIPTS FROM FEDERAL</b>	<b>398,608.447</b>	<b>428,792.845</b>
	Divisible Pool	354,940.323	390,034.005
	Straight Transfers	15,293.555	18,370.0263
	GDS Grants (Arrears)	100.000	0.00
	Development Grants	28,274.569	20,388.814
<b>(b)</b>	<b>PROVINCIAL OWN RECEIPTS</b>	<b>103,397.003</b>	<b>45,101.000</b>
	Provincial Tax Receipts	34,758.907	29,957.000
	Provincial Non Tax Receipts	13,638.096	15,144.000
	Provincial Non Tax Receipts (Lease Extension Bonus)	55,000.000	0.00
<b>(c)</b>	<b>FOREIGN PROJECT ASSISTANCE (FPA) - GRANTS</b>	<b>1,764.040</b>	<b>8,500.000</b>
<b>B.</b>	<b>CAPITAL RECEIPTS</b>	<b>15,253.115</b>	<b>9,703.37</b>
	Recoveries of Loans, Advances/Investments	2,652.455	1,979.37
	Foreign Project Assistance – Loan	12,600.660	7,723.002
<b>C.</b>	<b>STATE TRADING</b>	<b>9,556.000</b>	<b>11,417.000</b>



<b>D.</b>	<b>CASH – CARRIED FORWARD</b>	<b>11,365.896</b>	
<b>E.</b>	<b>TOTAL RECEIPTS (A+B+C+D)</b>	<b>539,944.501</b>	<b>503,513.210</b>
<b>F.</b>	<b>CURRENT REVENUE EXPENDITURE</b>	<b>342,816.354</b>	<b>351,209.889</b>
	General Public Service	67,308.655	72,443.309
	Public Order and Safety Affairs	56,021.828	59,739.403
	Economic Affairs	56,226.192	58,679.735
	Environment Protection	490.420	373.656
	Housing and Community Amenities	27,074.443	30,097.541
	Health	43,813.856	32,565.734
	Recreational, Culture and Religion	3,660.217	4,531.460
	Education Affairs and Services	83,211.476	78,826.594
	Social Protection	5,009.267	13,952.457
<b>G.</b>	<b>CAPITAL EXPENDITURE - NON FOOD</b>	<b>13,406.002</b>	<b>13,535.069</b>
	Loans and Advances:	5,256.002	7,885.069
	Investments:	8,150.000	5,650.000
<b>H.</b>	<b>STATE TRADING – FOOD</b>	<b>10,495.250</b>	<b>13,826.675</b>
<b>I.</b>	<b>TOTAL NON-DEVELOPMENT EXPENDITURE (F+G+H)</b>	<b>366,717.606</b>	<b>378,571.633</b>
<b>J.</b>	<b>DEVELOPMENT EXPENDITURE</b>	<b>246,928.291</b>	<b>162,466.781</b>
	Public Sector Development Program	192,369.205	127,641.00
	Foreign Project Assistance	14,918.621	14,437.00
	Federal Funded Projects (outside PSDP)	39,640.465	20,388.814
<b>K.</b>	<b>TOTAL BUDGET OUTLAY (I+J)</b>	<b>613,645.897</b>	<b>541,038.414</b>
<b>L.</b>	<b>SURPLUS / DEFICIT:</b>	<b>-73,701.396</b>	<b>-37,525.204</b>

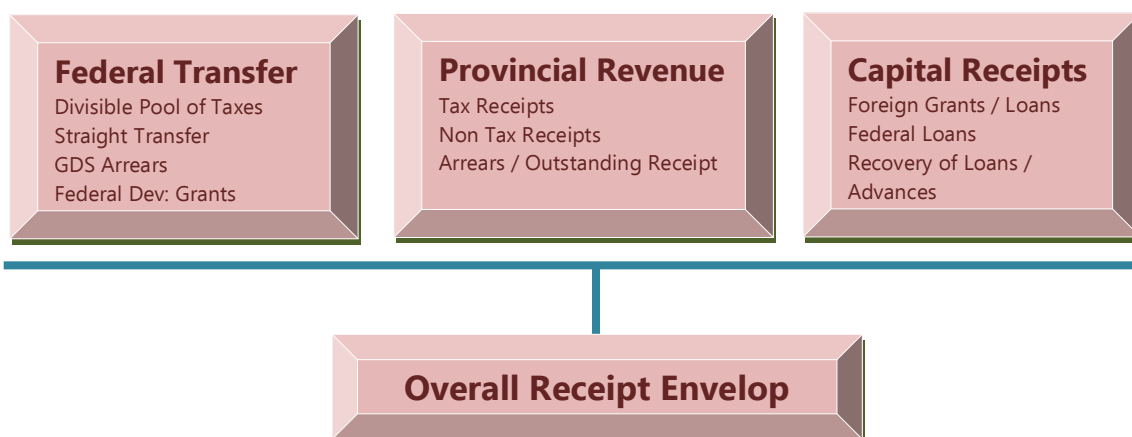
There had been several changes in the Budget Estimates during the past financial years, a glimpse of comparison for the last (05) years is shown as under:-



# Chapter-III

## Receipt Envelop FY 2023-24

It is evident that government of Balochistan mainly depends on the revenues / funds transferred from Federal government in terms of NFC award and other assignments, however province is trying best to broaden its receipt net through generating own source revenue and revising the receipt collection modalities. In response, the expenditure side is managed in accordance with the available funds. Government's Receipt envelop of the province is composed with three major sources i.e. federal transfers, provincial own source revenue and capital receipts.



For the financial year 2023-24, Government of Balochistan has estimated receipt collection to the toll of Rs. 701.420 Billion, to be collected from all sources described above. Provincial Own Source Revenue from Tax and Non-Tax estimated to be Rs. 37.568 Billion and Rs. 19.372 Billion respectively. During the previous Financial Year 2022-23, the provincial tax revenue was revised at Rs. 29.957 Billion against Budget Estimate of Rs. 34.758 Billion and Non-Tax revised at Rs. 15.144 Billion against target of Rs. 13.638 Billion. The overall collection of provincial revenue for FY 2022-23 remained (93%) of the target receipts. Following table provides classification & comparison of estimated receipts of FY 2022-23 and 2023-24:

DESCRIPTION:		PKR in Million		
		B.E 2022-23	R.E 2022-23	B.E 2023-24
<b>A.</b>	<b>REVENUE RECEIPTS:</b>			
<b>(a)</b>	<b>RECEIPTS FROM FEDERAL</b>	<b>398,608.447</b>	<b>428,792.845</b>	<b>521,789.180</b>
	Divisible Pool	354,940.323	390,034.005	464,705.027
	Straight Transfers	15,293.555	18,370.0263	20,063.549
	Non-Dev Grants / GDS Arrears	100.000	0.00	27.000
	Development Grants	28,274.569	20,388.814	36,020.609

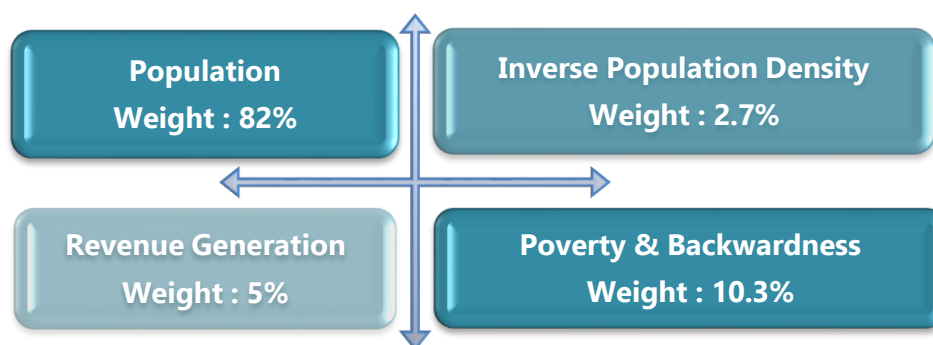
<b>(b) PROVINCIAL OWN RECEIPTS</b>	<b>103,397.003</b>	<b>45,101.000</b>	<b>111,940.697</b>
Provincial Tax Receipts	34,758.907	29,957.000	<b>37,568.697</b>
Provincial Non Tax Receipts	13,638.096	15,144.000	<b>19,372.003</b>
PPL receipts (Lease Extension Bonus)	55,000.000	0.00	55,000.00
<b>(c) FOREIGN PROJECT ASSISTANCE - GRANTS</b>	<b>1,764.040</b>	<b>8,500.000</b>	<b>12,434.590</b>
<b>B. CAPITAL RECEIPTS</b>	<b>15,253.115</b>	<b>9,703.37</b>	<b>34,733.570</b>
Recoveries of Loans, Advances/Investments	2,652.455	1,979.37	9,609.470
Foreign Project Assistance – Loan	12,600.660	7,723.002	25,124.100
<b>C. STATE TRADING (A/C-II)</b>	<b>9,556.000</b>	<b>11,417.000</b>	<b>11,040.000</b>
<b>D. CASH – CARRIED FORWARD</b>	<b>11,365.896</b>		<b>10,455.369</b>
<b>E. TOTAL RECEIPTS (A+B+C+D)</b>	<b>539,944.501</b>	<b>541,038.414</b>	<b>701,420.324</b>

### Federal Revenue Receipts 2023-24:

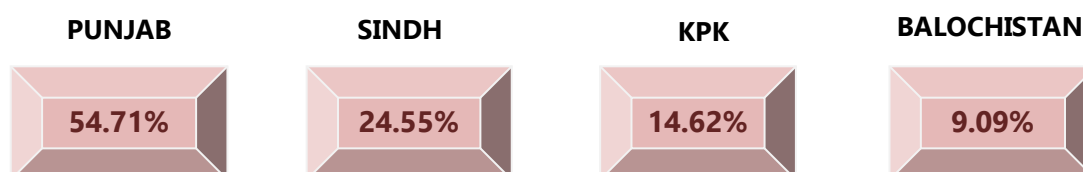
Revenue Assignments received from Federal government comes from the following two sources:

#### a. Divisible Pool of Taxes (NFC Share), b. Straight Transfers

The 7<sup>th</sup> NFC award determined the share of the provinces on the basis of 4 criterion:

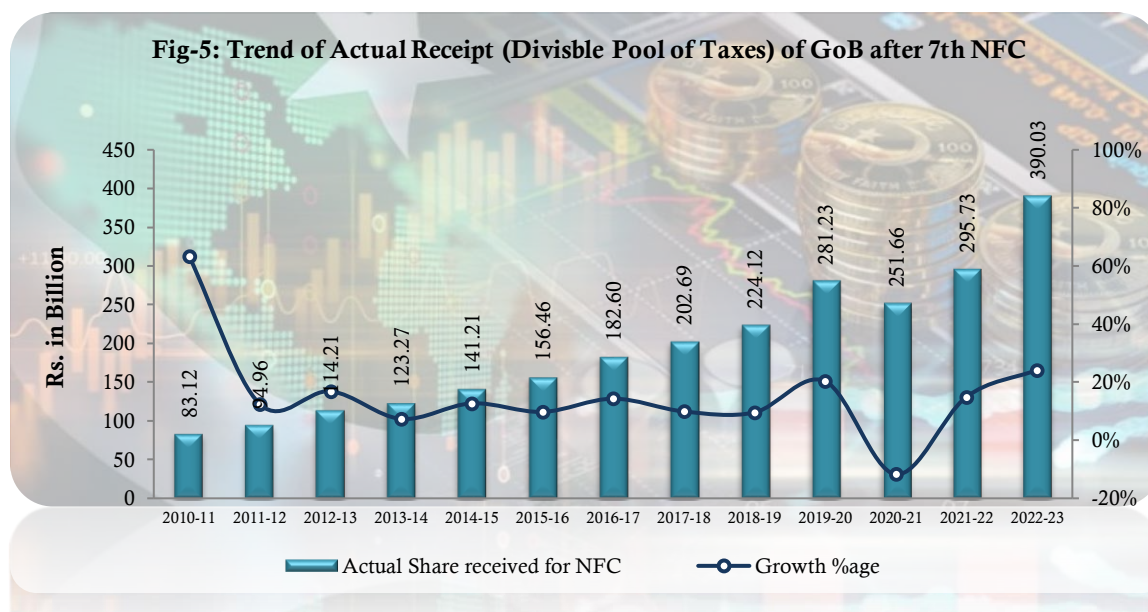


Using the above criteria of 7<sup>th</sup> NFC award, the updated share of the provinces and the federal government is declared to be:



Having 7<sup>th</sup> NFC award in place, it is significant to mention that share of Balochistan province is protected as to what has been projected in the beginning of the year irrespective of the collection made by Federal Board of Revenue during that year. Any loss in the projected share of Balochistan province is met from of the share of Federal as per the provisions contained in NFC Presidential Order 2010. A historical trend of share received after 7<sup>th</sup> NFC award is shown as under:-





## Straight Transfers:

The second source of receipts received from Federal government is from Straight Transfers. Federal government collects royalty on natural gas and crude oil, gas development surcharge and federal excise duty on natural gas on behalf of the provinces and after deduction of collection charges transfers the same straight to the provincial government. The following components make part of Straight Transfers:

### **(i) Federal Excise Duty (FED) on Natural Gas and Oil:**

Excise Duty on Natural Gas is levied by Federal Board of Revenue (FBR) / Federal Government, which is transferred to the provinces as straight transfer based on the respective share of production. Such levy is fixed at the specific rate of Rs.10 / MMBTU (Million Metric British Thermal Unit) in 2010. This stated fixed rate, after inflationary effect, revised downwards to Rs.6.53 / MMBTU.

### **(ii) Royalty on Natural Gas and oil:**

Royalty is calculated @ of 12.5% of the well head production. It forms major chunk of gas revenue of Balochistan. Currently there are five gas fields e.g. Sui, Pir Koh, Lotti, Uch and Zarghoon South. Sui is operated by Pakistan Petroleum Limited (PPL) whereas Pir Koh, Lotti, Uch are operated by Oil and Gas Development Company Limited (OGDCL) and Zarghoon South is operated by Mari Gas Company.

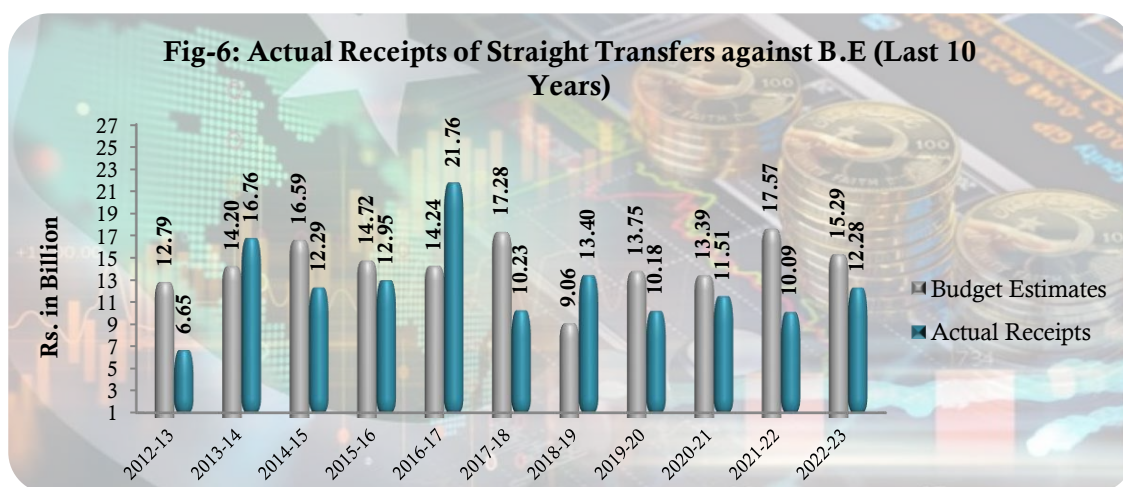
### **(iii) Gas Development Surcharge (GDS):**

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 tariff rates. GDS is being collected by gas companies under Natural Gas (Development Surcharge) Rules, 1996. As per the provisions of NFC Presidential award 2010, 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% at source collection charges.

### Trend of Straight Transfers after 7<sup>th</sup> NFC Award:

The estimates of Straight Transfers are budgeted on the basis of previous production & sales trend of Oil and Gas. Continuing the experience from past years, Federal Government provides budget estimates of Straight Transfers every year to Government of Balochistan which may vary at the time of finalization of Revised Estimates of that particular year. A trend of Straight Transfer actual against budget estimates is provided as under:



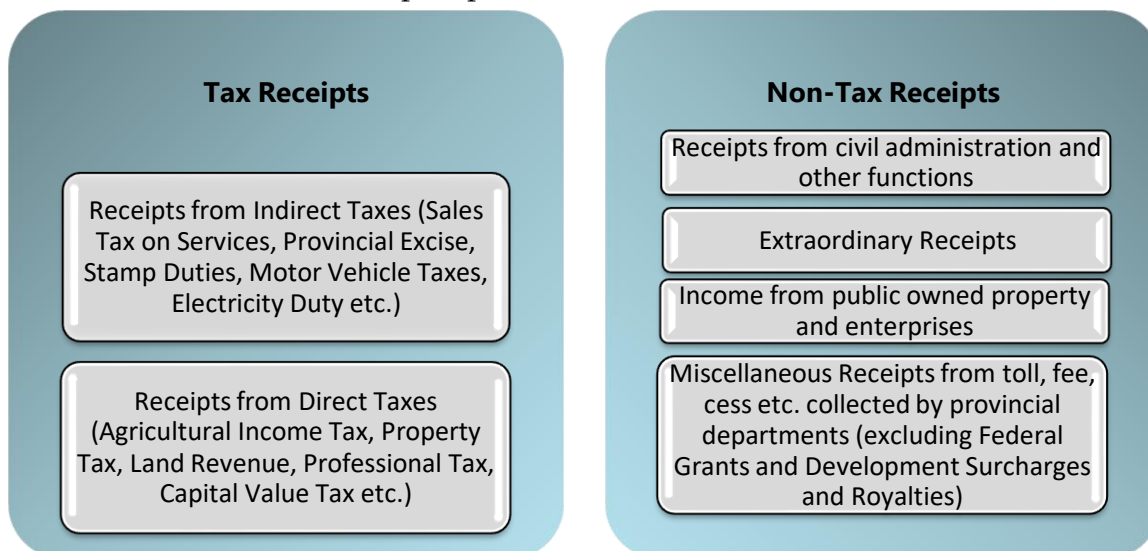
### Budget Estimates FY 2023-24

For the financial year 2023-24, Rs. 484.768 Billion estimated as Federal Transfers in terms of Divisible Pool of Taxes (NFC share) Rs. 464.705 Billion and Straight Transfers Rs. 20.063 Billion. Following table describes a picture of Revised Estimates FY 2022-23 and the Budget Estimate for coming financial year 2023-24:-

<b>Table-3: Estimate of Federal Transfers Projected for FY 2023-24</b>				
<b>Federal Transfers:</b>		<b>PKR in Billion</b>		
		<b>B.E 2022-23</b>	<b>R.E 2022-23</b>	<b>B.E 2023-24</b>
<b>A.</b>	<b>Divisible Pool of Taxes (NFC share)</b>	<b>354.940</b>	<b>378.882</b>	<b>464.705</b>
	Taxes on Income	130.575	153.678	188.312
	Capital Value Tax	0.027	0.026	41.852
	Sales Tax (Excluding GST on Services)	150.379	157.346	180.594
	Federal Excise (Excl: Excise Duty on N/Gas)	20.871	19.977	36.153
	Custom Duty (Excl: Export Dev Surcharge)	53.086	48.182	59.603
<b>B.</b>	<b>Straight Transfers</b>	<b>15.293</b>	<b>18.370</b>	<b>20.063</b>
	Gas Development Surcharge	0.834	0.353	-
	Royalty on Natural Gas	11.948	15.724	16.510
	Excise Duty on Natural Gas	2.235	2.135	3.387
	Royalty on Crude Oil	0.275	0.157	0.165
<b>C.</b>	<b>Total Federal Transfers (A+B):</b>	<b>370.233</b>	<b>397.253</b>	<b>484.768</b>

## Provincial Revenue:

The second major source of receipt collection is through own source which includes receipts from tax and non-tax sources / provincial own departments. A difference between tax and non-tax receipt is provided as follows:-



The government collects different types of Direct and Indirect Taxes through its own departments / Authorities. The pool of Provincial Tax Revenues, largely comprises of Sales Tax on Services, Balochistan Infrastructure Cess, Motor Vehicle Tax and Property Tax while the regulatory functions performed by the Provincial Government and rates and fees charged for the provision of certain social and economic services constitute the Non-Tax Revenue. Major chunk of the Provincial Own Receipts comes from Balochistan Revenue Authority, Excise & Taxation Deptt, Board of Revenue, Energy Department and Transport Department. A brief introduction of the receipt collecting departments with regard to specification of taxes/non-taxes is provided as under:

### Balochistan Revenue Authority:

Following the 7th NFC Award, all the provinces have been delegated to collect their own tax on services. Balochistan Revenue Authority was established in 2014, since then it has been collecting Tax on Services. BRA is currently collecting the major part of the overall provincial taxes from different service providers. Currently BRA is collecting the following taxes:

- (a) Balochistan Sales Tax on Services
- (b) Balochistan Infrastructure & Development Cess

### Board of Revenue:

BOR collects Agriculture Income Tax, Property Tax, Land Revenue, Capital Value Tax on Immoveable Property and Stamp Duty. Majority of the revenue of Board of Revenue (BOR) comes from sale of Stamp Duty, Land Revenue (Mutation fee / Charges etc.), Capital Value Tax and Property Tax. The Agricultural Income Tax continues to pose challenges due to undocumented nature of agrarian economy and practical difficulties of implementing assessment-based taxation regime.

### Excise & Taxation Department:

The Excise and Taxation Department collects levies and taxes such as Professional Tax, Motor Vehicle Tax, Provincial Excise, and other indirect taxes. The E&T Department's collection has always remained lesser than the estimated targets; however, there has been some variation recorded in the department's collection trends over the years.

### Transport and Energy Department:

The Energy and Transport departments are assigned with responsibility to collect indirect taxes, on account of electricity duty and motor vehicle tax. Though the volume of collected taxes is meager, both collectively making less than one percent of the total provincial receipts. The provincial government is committed to introduce reforms and apply checks in the collection process.

### Non-Tax Revenue:

Apart from collecting revenue from the taxation, Government of Balochistan also sets target to those department which are responsible for generating revenue through other means & sources. It broadly includes receipts from fee, fines, penalties, rent etc. Non-Tax revenue is collected against the following functions / services:

Economic Affairs	General Public Service	Public Order and Safety Affairs	Health Function	Education, Sports, Environment
<ul style="list-style-type: none"> <li>• Labor Deptt</li> <li>• Higher Education</li> <li>• Livestock</li> <li>• Food</li> <li>• Agriculture</li> <li>• Land Revenue</li> <li>• Fisheries</li> <li>• Forestry</li> <li>• Industries</li> <li>• Transport</li> <li>• Energy</li> <li>• Irrigation</li> </ul>	<ul style="list-style-type: none"> <li>• General Administration</li> <li>• Provincial Excise</li> <li>• Stamps</li> <li>• Pension</li> <li>• CM Secretariat</li> <li>• CMIT</li> <li>• Board of Revenue</li> <li>• Finance Deptt</li> <li>• Provincial Assembly</li> <li>• Urban P&amp;D Deptt</li> </ul>	<ul style="list-style-type: none"> <li>• General Administration</li> <li>• Law &amp; Justice</li> <li>• Police</li> <li>• Levies</li> <li>• Civil Defense</li> <li>• Prosecution Deptt</li> <li>• Legal Services</li> <li>• Provincial Ombudsman</li> <li>• Home Deptt</li> <li>• Women Dev Deptt</li> </ul>	<ul style="list-style-type: none"> <li>• Health</li> </ul>	<ul style="list-style-type: none"> <li>• Education Deptt</li> <li>• Social Welfare</li> <li>• Local Govt</li> <li>• Environment Control Deptt</li> <li>• Religious Affairs</li> <li>• Information Tech:</li> <li>• Population Welfare</li> <li>• Women Dev Deptt</li> <li>• Public Health Engineering</li> </ul>

A glimpse of the Revised Target of FY 2022-23 and the Estimated Target for ensuing year 2023-24 against the major revenue generating department is shown as under:

<b>BALUCHISTAN REVENUE AUTHORITY</b>	<b>B.E 2022-23</b>	<b>R.E 2022-23</b>	<b>B.E 2023-24</b>
	Rs. 29.300 Billion	Rs. 24.168 Billion	Rs. 31.644 Billion
<b>BOARD OF REVENUE DEPARTMENT</b>	<b>B.E 2022-23</b>	<b>R.E 2022-23</b>	<b>B.E 2023-24</b>
	Rs. 2.998 Billion	Rs. 3.047 Billion	Rs. 3.310 Billion
<b>PROVINCIAL EXCISE &amp; TAXATION DEPTT</b>	<b>B.E 2022-23</b>	<b>R.E 2022-23</b>	<b>B.E 2023-24</b>
	Rs. 2.395 Billion	Rs. 2.140 Billion	Rs. 1.698 Billion

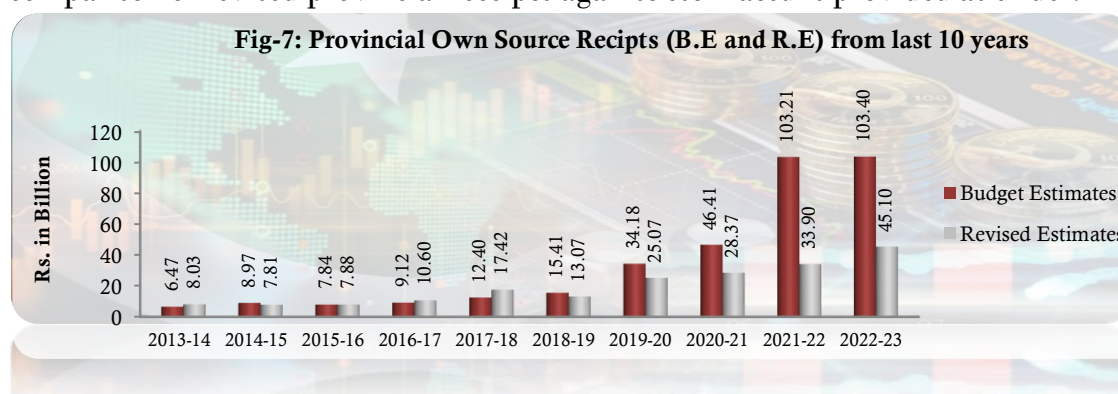
## Revenue Targets for FY 2023-24:

For the Financial Year 2023-24, Finance Department after holding series of meetings with the revenue generating departments, has set target for Provincial revenue amounting to Rs. 111.940 Billion, bifurcated into Tax Receipts Rs. 37.568 Billion and Non-Tax Receipts Rs. 19.372 Billion. Govt of Balochistan, on pattern of previous financial year, has allocated a sum of Rs. 55.00 Billion for PPL Lease Extension Bonus a comparison of year by year revenue target is shown in Table below:-

Tax Type	Target (Rs. in Million)	
	FY 2022-23	FY 2023-24
Provincial Tax Receipts:	34,210.407	37,568.697
Provincial Non-Tax Receipts:	14,001.503	19,372.003
PPL Lease Extension Bonus:	55,000.000	55,000.000
<b>TOTAL:</b>	<b>103,397.003</b>	<b>111,940.700</b>

## Trend of Provincial Own Source Revenue:

With the passage of time, Government of Balochistan like other provinces has made huge efforts in strengthening own source revenue and generating more than that of past years. In this regard, Non-Tax Mobilization Strategy developed by the Earnest & Young Consultants, is under observation of Finance Department for identifying the potential areas / departments to emphasize in order to collect more revenues. A comparison of revised provincial receipts against estimated is provided as under:-





## Capital Receipts:

The Capital Receipts of the government of Balochistan include all those receipts credited into Account-I received from all loans borrowed or raised by the provincial government, Recoveries of loans granted to provincial entities / authorities / financial institutions / or provincial employees and receipts received from withdrawal of an investment. The major chunk of the capital receipts is in term of Foreign Assistance.

The aim and objective of seeking foreign or external financial assistance may be stated as "promoting economic and social development in the developing countries". It can also be defined as "Administered transfer of resources from a donor country or international agency to the developing countries with a view to encourage economic growth". Foreign Aid can be in the form of money, goods or technical assistance and can be between two (bilateral) or many (multilateral) countries/ institutions. Project loans and grants are received from specialized International Financial Institutions and friendly countries with specific purposes falling under the following broad categories.

Detail of the Capital Receipts received by Balochistan government on account of Foreign Loans is provided as below:

S.No	Description	B.E 2022-23	R.E 2022-23	B.E FY 2023-24
1.	Balochistan Water Resources Development Sector Project (BWRDS) – ADB 3700 Pak	3,720.000	3,984.00	7,250.00
2.	Balochistan Integrated Water Resource Management & Development – IDA 5885 Pak	5,220.000	2,801.00	3,000.00
3.	Balochistan Human Capital & Investment Project (BHCIP)	2,000.620	1,633.440	1,740.00
4.	Gwadar Lasbela Livelihood Support Project – II IDA 2000003417 Pak	1,764.402	747.00	2,862.30
5.	Balochistan Flood Emergency Assistance	0.00	1,245.00	4,350.00
6.	Balochistan Livelihood and Entrepreneurship Project	0.00	0.00	5,291.00
<b>Total Receipts (FPA Loan):</b>		<b>12,705.022</b>	<b>10,410.441</b>	<b>25,124.100</b>

There is also another type of Capital Receipt, collected by government of Balochistan that relates to state trading in food commodities by the Food Department which are credited into Account-II (Food Account). Finance Department, GoB had previously initiated a loan of Rs. 3.2 Billion to Food Department for purchase of wheat during the FY 2021-22. Later on during the FY 2022-23, Food department availed one more

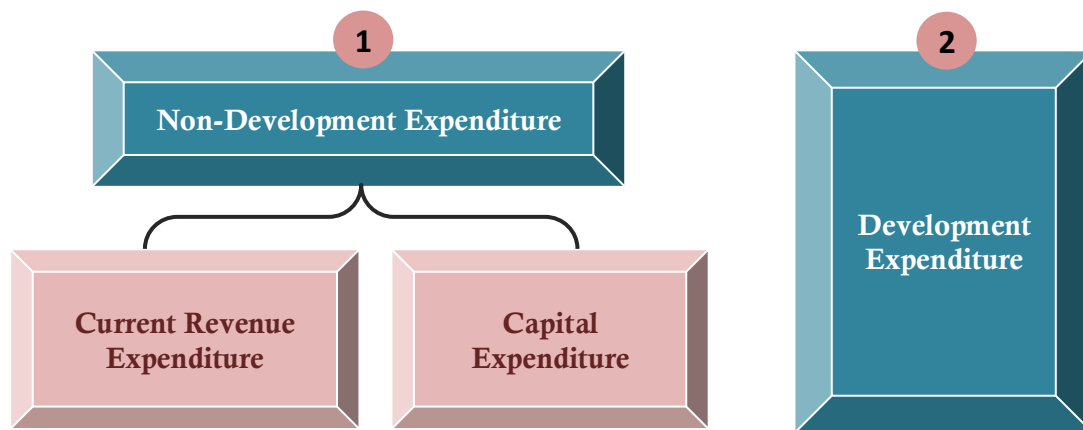
interest free loan from Finance Department amounting to Rs. 6.073 Billion for local purchase of wheat from the local growers under Procurement Plan 2023, approved by the Provincial Cabinet. A glimpse of the Total Capital Receipts of A/C-I and A/C-II estimated for FY 2023-24 and their comparison with FY 2022-23 is provided in the following table:

<b>S.No</b>	<b>Description</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
<b>1.</b>	<b>Capital Receipts (A/C-I):</b>	<b>15,253.115</b>	<b>34,733.570</b>
	Recoveries of Loan & Advances / Investments	2,652.455	9,609.470
	Foreign Project Assistance (Loan)	12,600.660	25,124.100
<b>2.</b>	<b>Capital Receipts (A/C-II):</b>	<b>9,556.00</b>	<b>11,040.000</b>
	State Trading – Sale of wheat	9,556.00	11,040.000
<b>3.</b>	<b>Total Capital Receipts:</b>	<b>24,809.115</b>	<b>45,773.570</b>

# Chapter-IV

## Estimate of Expenditure

Provincial Consolidated Fund is utilized against major two types of expenditures, the classification of expenditure is defined as under:-



### **Non-Development Expenditure:**

- Expenditure related to day-to-day public service is called Non-Development Expenditure which is met out of the resources generated through Current and Capital Receipts. This expenditure is further classified into 2 categories:
  - (i) Current Expenditure
  - (ii) Capital Expenditure

### **Current Revenue Expenditure:**

- Expenditure incurring to meet day to day transactions to run a business is called current expenditure, where administration of business is met through short-term expenses used in the current period or within one year.

### **Capital Expenditure:**

- Expenditures which results in acquisition of permanent assets for the purpose of generating revenues is termed as Capital Expenditures.

### **Budget Estimates of Expenditure FY 2023-24:**

This chapter provides an overview of Balochistan's expenditures for the financial year 2022-23 and also predicts expenditures for the financial year 2023-24. During the previous financial year 2022-23, overall budget outlay revised at Rs. 541.03 Billion against the total allocation of Rs. 613.645 Billion. Further breakup reveals

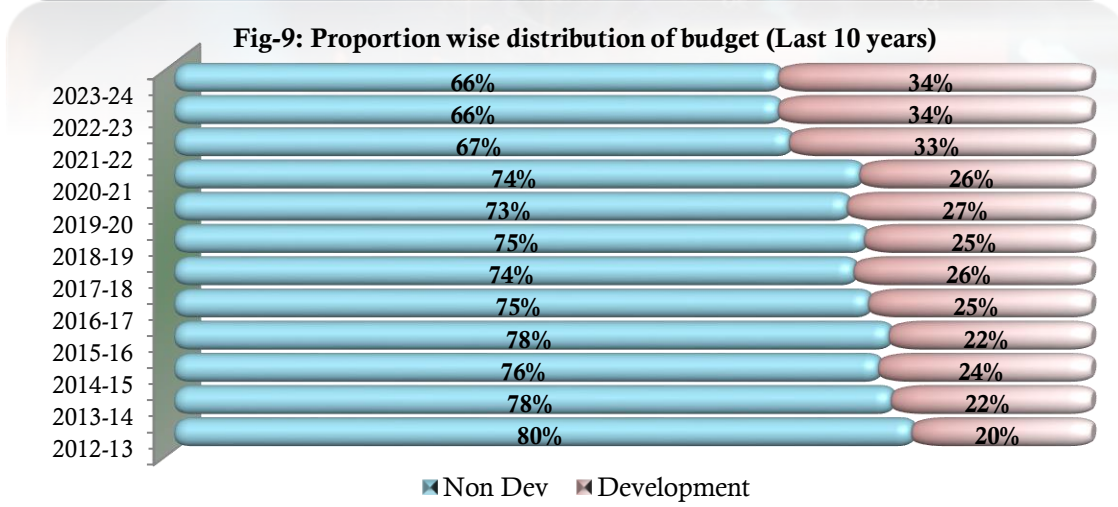
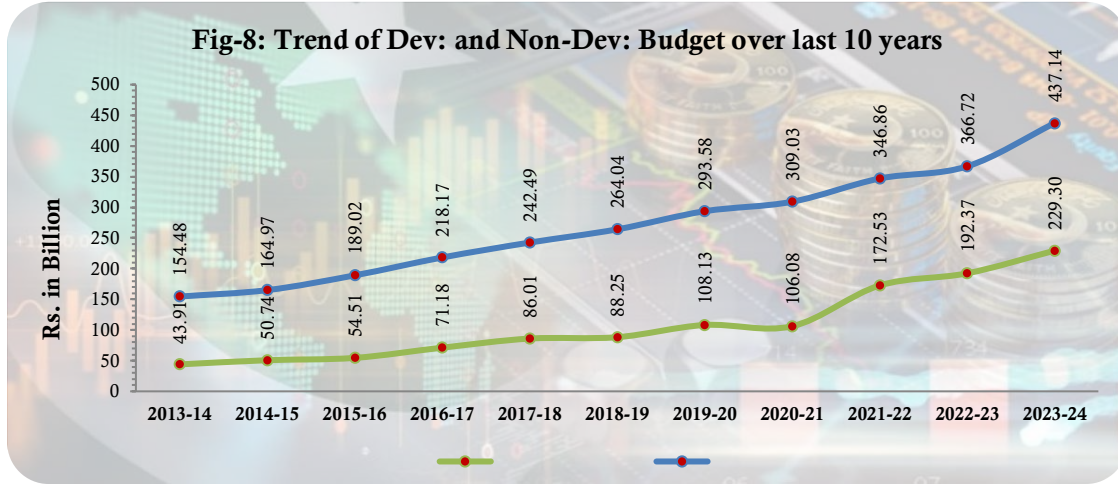


that overall non-development budget revised at Rs. 378.571 Billion with an excess revision of Rs. 11.854 Billion against allocation of Rs. 366.717 Billion; whereas Development Budget revised at Rs. 162.467 Billion against B.E Rs. 246.928 Billion. The estimated allocations under non-development budget demand for the FY 2023-24 are pitched at Rs. 378.571 Billion which constitutes Rs. 351.209 Billion for current revenue expenditure and Rs. 27.361 billion for capital expenses of the provincial government including operations of food account. Moreover, the development budget for the FY 2023-24 is set at Rs. 313.336 Billion with the break-up of Rs. 229.301 billion provincial PSDP, Rs. 44.690 Billion, and Rs. 39.343 Billion for projects reflected in Federal PSDP and for foreign aided projects respectively. The details of budget of Balochistan for FY 2022-23, revised a, and budget for upcoming FY 2023-24 are illustrated in the table below:

**Table-7: Classification of Budget FY 2022-23 and FY 2023-24**

DESCRIPTION:		PKR Million		
		B.E 2022-23	R.E 2022-23	B.E 2023-24
<b>A.</b>	<b>Current Expenditure</b>	<b>342,816.354</b>	<b>351,209.889</b>	<b>376,919.950</b>
	General Public Service	67,308.655	72,443.431	115,556.256
	Public Order and Safety Affairs	56,021.828	59,739.402	61,823.244
	Economic Affairs	56,226.192	58,679.734	53,657.574
	Environment Protection	490.420	373,656.261	492,840.00
	Housing and Community Amenities	27,074.443	30,097.541	27,554.878
	Health	43,813.856	32,565.734	42,812.967
	Recreational, Culture and Religion	3,660.217	4,531.460	3,632.570
	Education Affairs and Services	83,211.476	78,826.593	88,495.037
	Social Protection	5,009.267	13,952.456	6,023.580
<b>B.</b>	<b>Capital Expenditure - Non Food</b>	<b>13,406.002</b>	<b>13,535.069</b>	<b>19,114.489</b>
	Loans and Advances:	5,256.002	7,885.069	7,964.489
	Investments	8,150.000	5,650.000	11,000.000
<b>C.</b>	<b>State Trading - Food</b>	<b>10,495.250</b>	<b>13,826.675</b>	<b>18,130.225</b>
<b>D.</b>	<b>Total Non-Development Expenditure</b>	<b>366,717.606</b>	<b>378,571.634</b>	<b>437,142.666</b>
<b>E.</b>	<b>Development Expenditure</b>	<b>246,928.291</b>	162,467.000	313,336.600
	Public Sector Development Program	192,369.205	127,641.000	229,301.721
	Foreign Project Assistance	14,918.621	14,437.000	39,343.600
	Federal Funded Projects (outside PSDP)	39,640.465	20,388.815	44,690.978
<b>F.</b>	<b>TOTAL BUDGET OUTLAY</b>	<b>613,645.897</b>	<b>541,038.63</b>	<b>750,478.965</b>

It has been observed that Development Budget is rising at fast pace and is increasing significantly parallel with Non-development budget. Following trend graph depicts rise in budget distribution between development and non-development budget (Fig-8) as well as describes the gradual change in the proportion of Development and Non-Development Budget with the passage of time (Fig-9).



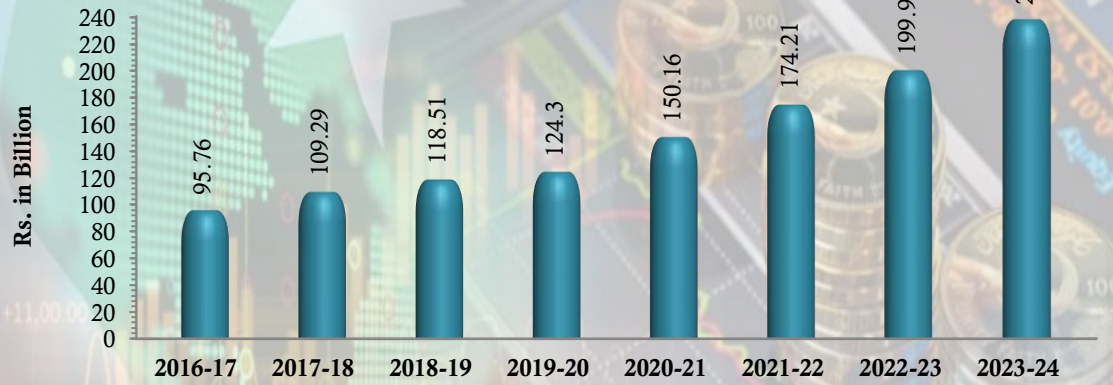
### Major Object wise Distribution of Budget:

The overall budget has been broadly divided into following major objects which makes it easy to understand the proportion of a particular object in the total budget. Following is brief explanation of major object wise budgeting and its future forecast.

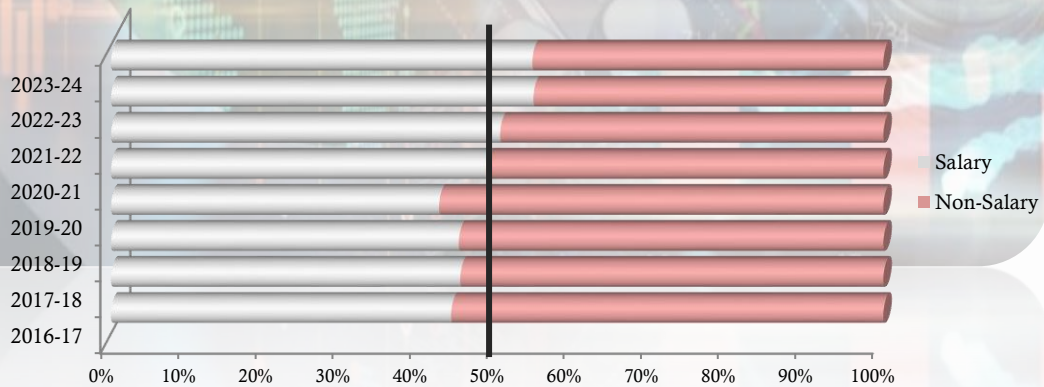
**(a) Employees related expenditure:**

This includes overall expenditure related to sanctioned and working strength of the province in terms of pay & allowances. This accounts for the largest chunk of any object in the non-development budget. For previous financial year 2022-23, funds allocated for employees related expenditure were revised at Rs. 187.340 Billion which accounts for (94 %) of its primary allocation. For coming FY 2023-24 Rs.237.725 Billion has been allocated for this object. A steady & continuous rise in the salaries budget and its proportion with respect to Non-Salary Budget is shown in figure-10 & 11 respectively:-

**Fig-10: Trend of Salary Expenditure till FY 2023-24**



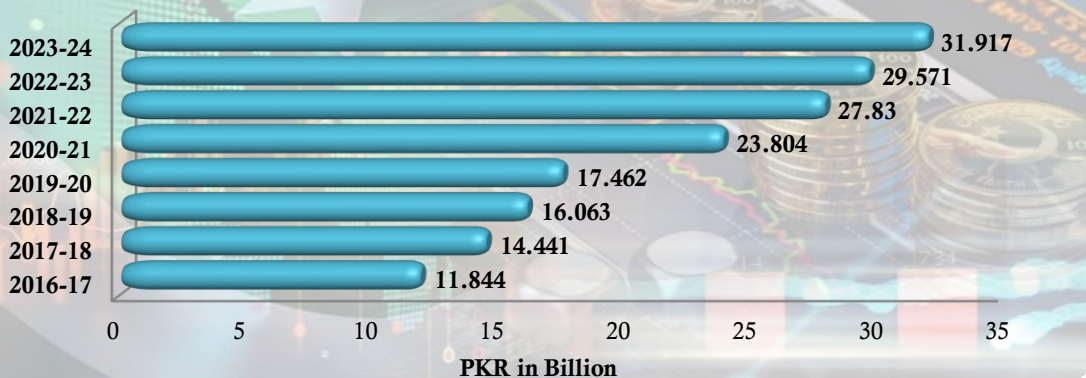
**Fig-11: Comparison of Salary & Non-Salary Budget**



**(b) Operating expenditure:**

Operating Expenditures refers to all routine recurring & non-recurring expenditures required to run an office. It broadly includes expenditure for building rent, stationary, utilities (PoL, Gas, electricity and telephone charges) and other relevant heads. The operating expenditure for FY 2023-24 accounts for (8.4%) of the total non-development budget with an allocation of Rs. 31.917 Billion, whereas it was revised at Rs. 31.115 Billion (105%) of its budgetary allocation of FY 2022-23. A comparative growth analysis of the funds allocated for Operating Expenditure from the last (08) Years is shown as under:

**12: Trend of Operating Expenditure till FY 2023-24**

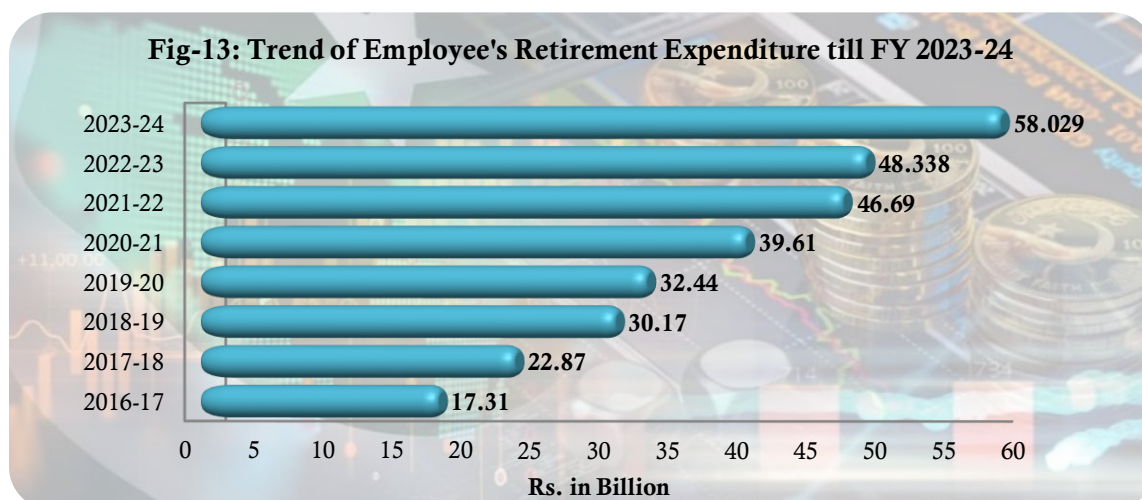




### **(C) Employee's Retirement Expenditure:**

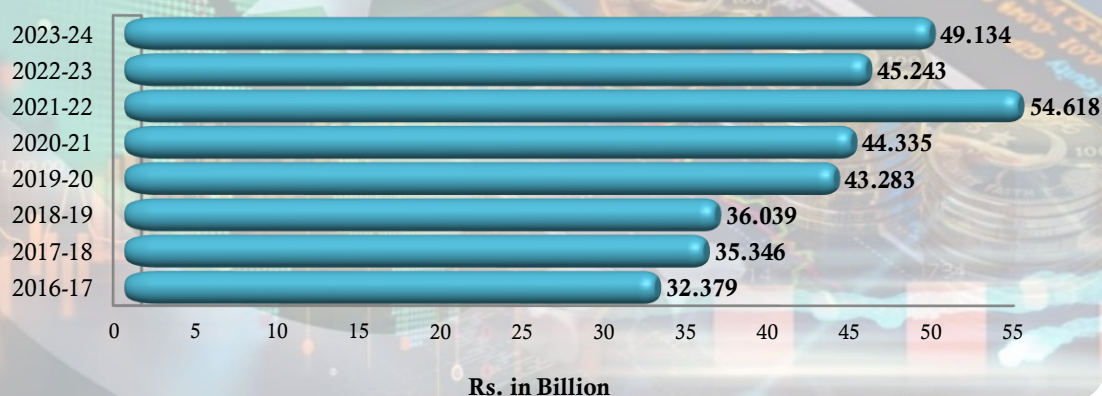
This term refers to expenditures related to employee's pension, and post retirement payments (i.e. gratuity, commutation, monthly pension and medical allowance). There has been observed a rapid increase in the expenditure related to pension, hence to rid the burden over the Provincial consolidated fund, the government has established pension fund wherein a lumpsum amount is invested on annual basis.

During the previous financial year 2022-23, allocation for Pension was revised at Rs. 51.030 Billion against the original allocation of Rs. 48.338 Billion with availing some excess of Rs. 2.692 Billion by the end of FY 2022-23. Considering the steady rise in the number of pensioners every year, Rs. 58.029 Billion has been allocated to meet the post-retirement expenditure which accounts to (15.4%) of the total current allocation. The figure below shows the pension expenditure trend for the past few years showing exorbitant increase of financial year 2023-24:

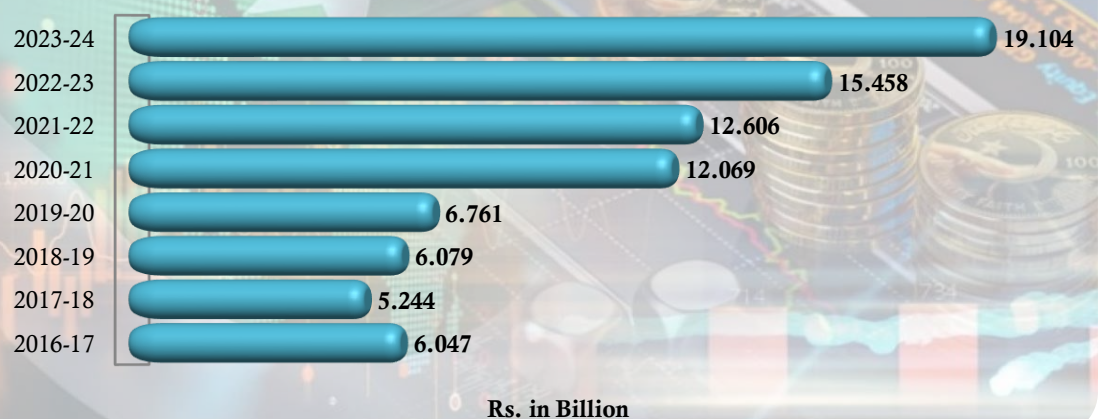


### **(D) Grants, Subsidies, Write-off Loans:**

This term refers to grants provided to Autonomous bodies, Authorities, Local Government, PDMA, BRA, BPPRA and other departments with a view to provide service delivery and simultaneously earn its own revenue for future sustainability. But unfortunately majority of the organizations/ authorities are depending on Government with rolling-on approach and seek assistance from the provincial consolidated fund to run their routine work. For previous year, there had been detailed scrutiny of the grants and the allocation was minimized to Rs. 45.243 billion, however in wake of the flood damages and need to run miscellaneous activities through grants, this allocation was revised to Rs. 56.207 Billion. For the financial year 2023-24, an amount of Rs. 49.134 Billion has been allocated for grants, trend of few past years is provided in Fig-14.

**Fig-14: Trend of funds allocated for Grants till FY 2023-24****(E) Purchase of Physical Assets:**

Every department purchases / acquires certain type of assets for which lump sum amount is always allocated in every financial year. It relates to the purchase of Building, Vehicle, heavy machinery, I.T Equipments etc. a significant portion of this fund is allocated to purchase of wheat (State Trading) for which billion of rupees are provided during wheat procuring period. For FY 2022-23, Rs. 15.458 Billion were allocated for purchase of assets which revised to Rs. 19.203 Billion due to additional funds raised for procurement of wheat during the previous financial year. For coming financial year 2023-24, Rs. 19.104 Billion (5%) of the current budget has been allocated, a glimpse of trend of few past years is given as under:-

**Fig-15: Trend of funds allocated for Purchase of Assets till FY 2023-24****Demand for Grant-wise Budget Allocation:**

Article 122 of the Constitution of Islamic Republic of Pakistan 1973 makes it mandatory for the Provincial Government to get the budget estimates approved by the provincial legislation. Each demand for grants falls under various major functions depending on departmental workings and nature of expenditure.

Economic Affairs

Housing and Community Affairs

General Public Service

Public Order and Safety

Health Affairs

Environment Protection

Education Affairs and Service

Social Protection

Recreational, Culture and Religion Affairs

The major functions are discussed in detail against which the budget estimate is prepared for FY 2023-24:

### **1. General Public Service:**

This function makes 26.93% of total current budget including the demands of Investment, Public Debt, Pension, Provincial Assemblies (Charged and voted), Finance Department and the General Administrative Deptt. For the coming financial year 2023-24, demands for Pension has been increased from Rs. 48.338 billion to Rs.58.03 Billion as continued from previous financial year. Overall Rs 92.578 Billion has been allocated for this function for FY 2023-24, further distributed among departments namely Finance Deptt Rs. 9.11 Billion, Pension Rs. 58.03 Billion, Board of Revenue Rs. 4.388 Billion, Planning & Development Department Rs.2.19 Billion and so on. A comparison of B.E and R.E of the funds allocated to General Public Service for few past years is described in below table:

**Table-8: Comparison of B.E and R.E of General Public Service Function**

Financial Year	PKR Million	
	Budget Estimates	Revised Estimates
2022-2023	80,564.66	85,828.37
2021-2022	87,281.05	78,044.18
2020-2021	72,670.33	66,532.96
2019-2020	79,351.72	72,624.39
2018-2019	81,595.08	82,390.52
2017-2018	79,996.36	85,026.21
2016-2017	68,531.78	68,931.64

## **2. Public Order and Safety:**

This function makes the 14.93 % of the total current budget estimated for FY 2023-24. Function of Public Order and Safety affairs mainly consists of department dealing with Law & Order of the Province and the Courts namely (Justice, Police, Levies, Civil Defense, Prosecution, Legal Services & Law Affairs, Balochistan Constabulary, Provincial Ombudsman and home Department). The total allocation under this function for FY 2023-24 is Rs. 61,823.244 Billion. A comparison of Budget Estimates and Revised Estimates of the Public Order and Safety for few past years is provided in Table below:

Financial Year	PKR Million	
	Budget Estimates	Revised Estimates
<b>2022-2023</b>	56,021.83	59,7939.40
<b>2021-2022</b>	52,789.28	49,777.54
<b>2020-2021</b>	48,620.24	46,323.30
<b>2019-2020</b>	44,692.02	41,443.58
<b>2018-2019</b>	38,092.51	37,306.90
<b>2017-2018</b>	34,828.49	34,438.57
<b>2016-2017</b>	30,576.37	30,174.53

## **3. Economic Affairs:-**

Economic function consists of the 18 departments/demands namely Civil Work, Labor Deptt, Food, Agriculture, Land Revenue, Livestock, Forestry, Fisheries, Cooperation, Forestry, Fisheries, Irrigation, Industries, Mines & Mineral, Transport, and Energy Deptt as well as State Trading (Procurement of Wheat). This function accounts for Rs. 115.556 Billion, (26.4%) of the non-development budget for FY 2023-24 which revised at Rs. 72.656 Billion for previous financial year. A comparison of B.E and R.E of few past years is given as under:-

Financial Year	PKR Million	
	Budget Estimates	Revised Estimates
<b>2022-2023</b>	66,871.44	72,656.41
<b>2021-2022</b>	61,180.53	57,435.22
<b>2020-2021</b>	57,888.49	49,669.20
<b>2019-2020</b>	58,448.76	51,018.78
<b>2018-2019</b>	55,705.30	50,346.25
<b>2017-2018</b>	50,956.51	54,896.48
<b>2016-2017</b>	48,376.49	47,193.70

#### **4. Environment Affairs:-**

This function consists of only one department namely Environment Control Department and accounts for Rs. 492.84 Million (0.1%) of the total non-development budget for FY 2023-24. Following table describes the comparison of B.E and R.E allocated for Environment:

Financial Year	PKR Million	
	Budget Estimates	Revised Estimates
2022-2023	490.42	373.656
2021-2022	538.47	444.01
2020-2021	450.54	334.12
2019-2020	463.73	336.86
2018-2019	374.20	274.63
2017-2018	424.74	279.27
2016-2017	260.02	197.49

#### **5. Housing and Community Affairs:-**

The overall growth in Housing and Community amenities is 2% as compared to previous financial year. For the coming FY 2023-24, Rs. 27.55 Billion has been allocated for this function which accounts for 6.8 % of the total current allocation. Departments namely Public Health Services, Works Urban B-WASA and Rural Development constitute Housing & Community Affairs, a comparison of which for the past few years is shown as under:

Financial Year	PKR Million	
	Budget Estimates	Revised Estimates
2022-2023	27,074.44	30,097.54
2021-2022	26,131.68	26,093.59
2020-2021	19,179.13	18,807.44
2019-2020	18,683.69	18,692.94
2018-2019	6,309.31	8,744.36
2017-2018	6,285.00	8,512.29
2016-2017	5,712.77	7,644.80

#### **6. Health Affairs:-**

Health department has always been a focused and important sector of GoB and takes large portion of fund out of the total provincial budget. There has been steady rise in the allocation of funds related to health department from the past some years (Table-



12). Presently, all functions of primary healthcare and specialized health are being dealt through one common department which previously had been bifurcated in two departments during the FY 2021-22. Overall this function makes Rs. 42.812 Billion 11.4 % of the total Current Expenditure for FY 2023-24.

**Table-13: Comparison of B.E and R.E of Health Affairs Function**

Financial Year	PKR Million	
	Budget Estimates	Revised Estimates
2022-2023	43,813.86	32,565.734
2021-2022	38,530.59	40,361.75
2020-2021	31,405.36	29,414.98
2019-2020	22,382.43	23,981.62
2018-2019	19,419.37	23,607.62
2017-2018	18,306.59	17,770.25
2016-2017	17,367.70	15,862.37

## **7. Recreation, Culture and Religious Affairs:**

This function consists of the departments namely Sports, Culture Services, Information Technology, Minorities Affairs and Auqaaf. For the financial year 2023-24, Rs. 3.632 billion has been allocated for recreational services. Trend of past few years for Budget Estimates and respective Revised Estimates for recreational affairs is provided in Table-14.

**Table-14: Comparison of B.E and R.E of Recreation, Culture and Religious Affairs**

Financial Year	PKR Million	
	Budget Estimates	Revised Estimates
2022-2023	3,660.22	4,531.460
2021-2022	3,718.84	3,965.58
2020-2021	3,140.08	3,173.75
2019-2020	2,844.09	3,302.78
2018-2019	2,028.32	2,715.57
2017-2018	1,946.44	2,648.66
2016-2017	1,332.13	2,090.81

## **8. Education Affairs:**

The heaviest chunk of the funds comes in this section which accounts for 22.1 % of the current budget FY 2023-24. Education sector is having highest number of working strength than in anyother department. Secondary Education Deptt, Higher Secondary & Technical Education Deptt and Archives make part of Education

Function. For the financial year 2023-24, Rs. 88.495 Billion has been allocated to this sector which is second highest allocation of any sector. Previous trend of the financial Budget Estimates and Revised Estimates is provided in table below:-

Financial Year	PKR Million	
	Budget Estimates	Revised Estimates
2022-2023	83,211.48	78,826.593
2021-2022	71,903.67	70,263.42
2020-2021	70,358.25	63,199.72
2019-2020	62,430.87	58,082.90
2018-2019	56,541.38	51,510.13
2017-2018	45,790.70	46,180.76
2016-2017	42,174.67	39,606.17

### 9. Social Protection:

(04) Four departments constitute the function of social protection namely Population Welfare deptt, Social Security & Social Welfare deptt, Natural Calamities and Women Development Deptt. This sector constitutes 1.5 % to the Current Budget of FY 2023-24. The highest amount of funds delegated to Social Welfare deptt Rs. 2.554 Billion, followed by PDMA Rs. 1.982 Billion, Population welfare Rs. 1.502 Billion, and Women Development Deptt Rs. 250.351 Million; hence the overall funds allocated to this function is Rs. 6.023 Billion of the Current Budget FY 2023-24.

### Summary of Department-wise Budget Estimates for FY 2023-24

Grant ID	Description	Rs. in Million
BC21001	General Administration (Voted)	4,110.479
BC21002	Provincial Excise	1,858.772
BC21003	Stamps	54.774
BC21006	Pensions	58,029.193
BC2400A	Debt Servicing and Other Obligations	3,678.158
BC21007	Administration of Justice (Voted)	3,493.859
BC24007	Administration of Justice (Charged)	1,790.881
BC21008	Police	24,622.871
BC21047	Balochistan Constabulary	6,171.987
BC21009	Levies	18,340.555
BC21010	Jails & Detention Places	1,725.113
BC21011	Civil Defense	190.579
BC21013	Civil Works (including Establishment Charges)	13,719.803

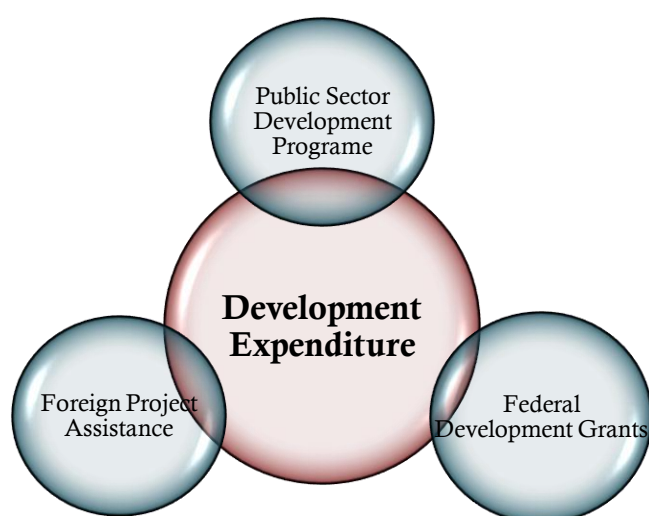
BC21014	Public Health Services	6,377.140
BC21015	Works Urban - B-WASA	2,220.000
BC21016	Higher Education	13,639.236
BC21041	Secondary Education	65,210.149
BC21017	Archives	504.484
BC21018	Primary and Secondary Health Care Department	21,882.099
BC21042	Specialized Health Care & Medical Education	29,854.483
BC21019	Population Welfare	1,502.939
BC21020	Manpower & Labour Management	2,291.929
BC21021	Administration Sports & Recreation Facilities	1,245.183
BC21022	Social Security & Social Welfare	2,554.281
BC21023	Natural Calamities & Other Disasters	1,982.075
BC21024	Religious Affairs Department	914.894
BC21025	Food	825.285
BC21026	Agriculture	11,873.185
BC21027	Land Revenue	336.038
BC21028	Animal Husbandry	5,040.745
BC21029	Forestry	1,806.918
BC21030	Fisheries	1,278.799
BC21031	Cooperatives	244.662
BC21032	Irrigation	3,630.784
BC21033	Local Government & Rural Development	18,387.109
BC21034	Industries	2,157.083
BC21035	Stationery & Printing	114.993
BC21036	Mineral Resources (Scientific Depts.)	2,825.040
BC21037	Subsidies	5,610.000
BC21038	Prosecution Department	523.496
BC21039	Transport Department	208.197
BC21043	Culture Service	502.361
BC21044	Legal Services and Law Affairs	819.856
BC21046	Women Development Department	250.351
BC21049	Energy Department	6,806.225
BC21050	Information Technology	539.926
BC21051	Environment Control Department	492.840
BC21052	Provincial Ombudsman	375.566
BC21053	Chief Minister Secretariat	818.797
BC21054	Home Department	3,361.909
BC21055	Board Of Revenue & Administration	4,388.720
BC21056	Finance Department	9,111.270
BC21057	Urban Planning & Development Department	392.446

BC21058	Planning & Development Department	2,190.692
BC21059	Information Department	716.112
BC21060	Inter Provincial Coordination Department	68.778
BC21061	Chief Minister's Inspection Team	351.088
BC21062	Governor's Secretariat (Voted)	63.576
BC21063	Provincial Assembly (Voted)	294.474
BC21064	Minorities Affairs Department	292.977
BC21065	Building, Physical Planning & Housing	292.567
BC21099	Miscellaneous	22,978.00
BC24062	Governor Secretariat (Charged)	2,111.173
BC24063	Provincial Assembly (Charged)	11,000.000
BC13048	Investment (Funds)	7,964.489
BC1600C	Public Debt (Discharged)	11,219.900
BC1300F	State Trading (Voted)	6,910.326
BC1600F	State Trading	4,110.479
<b>Total Non-Development Expenditure:</b>		<b>437,142.666</b>

# Chapter-V

## Development Expenditure

**T**his chapter is composed of all the expenditure incurring on development side of miscellaneous sectors. There are three major portions of development budget namely Public Sector Development Programme (PSDP), Federal Development Grants and Foreign Project Assistance (FPA).



For the financial year 2023-24, overall Rs. 313.336 billion has been allocated for the development sector with further bifurcation into Public Sector Development Programme (PSDP) Rs. 229.301 billion (73 %), Federal Development Grants (FDGs) Rs. 44.690 billion (14.26 %) and Foreign Project Assistance (FPA) Rs. 39.343 billion (12.5 %). Detail of all the entities composing development sector of the province is discussed in detail as under:

### **A. Public Sector Development Program (PSDP):**

Development spending is the expenditures dedicated to activities and programs that promote economic development, improve infrastructure, and reduce poverty in a country. The importance of public development spending helps in boosting economic growth by investing in infrastructure, innovation and the productive sectors of the economy. Investing in transport networks, energy infrastructure, telecommunications and water supply systems improves connectivity, reduces production costs and attracts private investment.

An amount of Rs. 229.301 billion is allocated for the Public Sector Development Program for the coming Financial Year 2023-24. The total number of Schemes in the

PSDP is 9,788, consisting of New Schemes 5068 and ongoing schemes 4720. For the Previous Financial Year 2022-23, Budget Estimates of the PSDP was revised at Rs. 127.641 billion with additional / supplementary budget of Rs. 20.4 billion on PSDP side. Detail of the schemes and their financial impact for the coming financial year is provided in following table:-

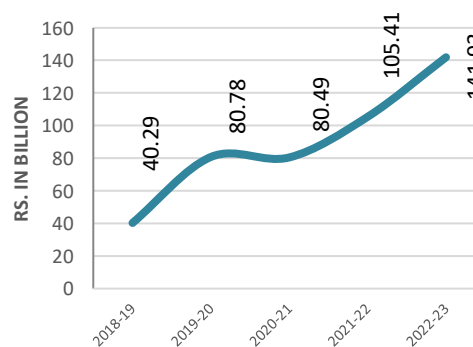
Schemes description	R.E 2022-23		B.E 2023-24	
	No. of schemes	Allocation	No. of Schemes	Allocation
New Schemes	3473	47.899 Bn	5068	58.667 Bn
Ongoing Schemes	3390	79.741 Bn	4720	170.634 Bn
<b>Total:</b>	<b>6863</b>	<b>127.641 Bn</b>	<b>9788</b>	<b>229.301 Bn</b>

The government's commitment to reducing the burden on provincial economy can be measured by looking at the number of schemes being completed in a particular year so that space for new schemes is available. Moreover, reducing throw forward in 2022-23 is yet another way of looking at government's objective to complete more ongoing schemes to deliver to the needs of common people. Following table represent government's prudent efforts to bridge the growing gap between ongoing and new schemes:

The large amount of throw forward creates fiscal pressure onto governments' performance as more and more will always be needed to complete all the projects. This shrinks the fiscal space available with the province. The PSDP to throw forward ratio has increased over the years. However, during the period between 2018-2023 the overall throw forward to PSDP ratio has reduced from 29.22% in to 26.9% indicating a more vibrant approach of the government towards planning development schemes. The government is further making efforts to reduce the number of new schemes and complete the ongoing ones on a priority basis so that the economic pressure in terms of large throw forward is reduced to minimum.

Financial Year	PSDP Allocation (Rs. in Billion)
<b>2018-19</b>	40.3
<b>2019-20</b>	80.8
<b>2020-21</b>	80.5
<b>2021-22</b>	105.4
<b>2022-23</b>	127.6

Development Budget 2018-19 to 2022-23



Note: The figures in table and graph are revised estimates for respective years.

**Revised PSDP 2022-23:**

The revised development outlay of the government has improved a lot in comparison to the previous years. The utilization of allocated funds on various sectors has marked an upward trend. This depicts that more resources are put in economy for bringing change in the lives of people and sustaining development growth. The PSDP 2022-23 has been revised around Rs.127.6 billion. The Department-wise distribution of the Revised PSDP and the upcoming PSDP is given in Table 18.

**Table-18: Department-wise Revised PSDP**

Department	B.E 2022-23	R.E 2022-23	B.E 2023-24
AGRICULTURE	10183.744	10022.003	11276.928
BALUCHISTAN DEVELOPMENT AUTHORITY	3311.829	1644.815	3726.811
BOARD OF REVENUE	595.896	285.000	1915.346
CHIEF MINISTER INSPECTION TEAM			60.000
COMMUNICATION & WORKS	49366.042	31500.484	59733.805
CULTURE, TOURISM & ARCHIVES	1496.145	447.822	1333.899
ENERGY	6301.439	3874.044	9465.866
ENVIRONMENT	295.118	40.000	224.918
EXCISE, TAXATION	24	209.600	246.989
FINANCE	0.1	0.000	300.100
FISHIRIES	1571.966	184.854	1778.648
FOOD	301.137	110.000	274.519
FOREST & WILDLIFE	1558.651	879.820	1481.221
GWADAR DEVELOPMENT AUTHORITY	581	123.800	1087.606
HEALTH	10788.418	4854.424	13760.944
HIGHER EDUCATION	9924.277	4826.521	10330.091
HOME & TRIBAL AFFAIRS	2450.9	791.985	1803.217
INDUSTRIES & COMMERCE	986.445	701.300	1041.489
INFORMATION	158.75	8.750	94.000
IRRIGATION	15739.117	13048.619	18166.726
LABOUR & MANPOWER	297.986	85.753	407.863
LIVESTOCK & DAIRY DEVELOPMENT	1677.852	883.890	1469.884
LOCAL GOVERNMENT & RURAL DEVELOPMENT	10098.134	8561.747	10987.557
MINES & MINERALS	742.722	147.387	807.236
MINORITY AFFAIRS	818.156	553.141	849.388
MULTI-DEPARTMENTAL	6851.348	8179.177	12832.000
PHYSICAL PLANNING & HOUSING	7006.352	1796.969	7388.746
PLANNING & DEVELOPMENT	640.1	463.093	815.496
POPULATION WELFARE	100	30.000	225.000
PROVINCIAL DISASTER MANAGEMENT AUTHORITY	379.909	0.000	353.611
PROVINCIAL TRANSPORT AUTHORITY	40	0.000	30.000
PUBLIC HEALTH ENGINEERING	22465.85	17477.226	23415.481
RELIGIOUS AFFAIRS & INTER FAITH HARMONY	553.306	423.597	771.079

SCHOOL EDUCATION	10786.783	5014.039	11904.681
SCIENCE & INFORMATION TECHNOLOGY	2405.024	2395.840	6755.676
SERVICES & GENERAL ADMINISTRATION DEPARTMENT	2205.252	854.406	2696.947
SOCIAL WELFARE	820.6	463.300	918.391
SPORTS	5079.982	2006.587	5123.883
URBAN PLANNING & DEVELOPMENT	3322.636	4466.656	3043.801
WOMEN DEVELOPMENT DEPARTMENT	442.239	284.356	401.878
<b>TOTAL</b>	<b>192.369.21</b>	<b>127641.005</b>	<b>229301.721</b>

## B. Federal Development Grants:

To fulfill the needs of people and preserve the pace of development in the country, the Government of Pakistan has set the National Development Plan to PKR 2,263 billion including Federal PSDP to PKR 800 billion with the provincial development outlay around PKR 146 billion for the FY 2022-23. The National Economic Council (NEC) approved National Development Outlay with the aim to resolve of the Government to achieve sustainable growth through skill development, digitization, building knowledge economy, institutional reforms in governance, maintain the momentum of development, improve livelihoods, reversing water scarcity, transforming delivery of social services, and remove regional disparities.

To preserve and sustain the growth of development in country, the Government of Pakistan has announced to keep the National Development Plan to PKR 2,709 billion with the Federal development program to PKR 1,150 billion and the provincial development outlay to PKR 1,559 billion for the FY 2023-24. The allocations for the ongoing projects have been kept with the aim to complete 80% of them by June 2024. About 28 percent (PKR 267 billion) of funds have been allocated for transport and communication sector. Furthermore, the Sustainable Development Goals (SDGs) sector have been proposed to receive Rs. 90 billion. The energy sector is set to receive Rs. 107 billion and the Education sector including Higher Education is to receive Rs. 82 billion.

The allocation of Federal Development Grants for Balochistan province has been estimated around Rs. 44.69 billion for the upcoming financial year. Some of the major Federal Development grants are listed in Table 19.

**Table-19: Federal Development Schemes for Balochistan for FY 2023-24**

Schemes / Federal Project Name:	Rs. in Million	
	Total Cost	B.E 2023-24
Construction of Basool Dam Thesil Ormara, District Gawadar	16698.204	3273.834
Construction of Awaran Dam (SB)	14869.937	3000.000
Construction of Panjgur - Gichak - Awaran Road, District	29638.350	2700.000



Panjgur / Awaran (SB)		
Construction of Panjgur Storage Dam (SB)	12870.711	2500.000
Garuk Storage Dam District Kharan	9500.000	2259.000
Construction of Winder Dam, District Lasbela	15230.760	2000.000
Construction of Gish Kaur Storage Dam, Kach (SB)	11789.592	1500.000
Construction of 06 Nos. Dams in District Zhob & Sherani	1544.741	1244.741
Const:/Up-Gradation of Durgai-Shabozai (N-70) to Tunsa Sharif Road (N-55)	5366.127	1000.000
Construction of Flyovers at Various Locations of Quetta City to Mitigate Traffic Congestion	1935.862	1000.000
Improvement / Widening & Black Topping of Spera Ragha Road from Khanozai Cross to Loralai, Killa Saif Ullah	1412.000	1000.000
Widening/Improvement and Reconstruction of 124Km long Road from Khani Cross to Ziarat (70km) and Ziarat to Sinjawi (64km)	9752.375	1000.000
Construction of 100 Small Dams in Balochistan (Package-III 20 Dams)	8867.283	1000.000
Construction of 100 Dams in District Areas/ Districts of Balochistan (Package-IV)	13512.725	1000.000
Remodeling of Pat Feeder Canal System in Balochistan	64987.800	1000.000
Necessary Facilities of fresh Water Treatment, Water Supply and Distribution, Gwadar Location: Gwadar Balochistan	11204.000	881.782
Reconstruction of Turbat-Mand Road from M-8 till Iranian Border Redeeq (115 KM) (SB)	20992.875	800.000
Construction of Mangi Dam, Quetta	5567.000	770.000
Construction of Road from Main Duk Road to Kharshang via Baghaw and Shinlaiz Sinjawi District Ziarat	1501.565	750.000
Construction of Black Top Road from Duki to Chamalong (105km) with Link Road (55km) (Modified) District Duki	5100.000	500.000
Construction of Road from Buleda to Proom 60 km District Kech (SB)	4896.272	500.000
Construction of Road from Naag to Gichak 46 km District Panjgur (SB)	2064.817	500.000
Construction of Road from Proom to Jalgai 84.4km District Kech (SB)	4507.488	500.000
Construction of Road from Sibi - Talli (25km) and Kohlu - Rakhni (91km)	3033.481	500.000
Development of Ziarat Town, District Ziarat, Balochistan	5558.540	500.000
Gwadar Development Authority (Business Plan) Location: Gwadar Balochistan	25000.000	500.000
Gwadar Safe City Project	4966.905	500.000
Rehabilitation of Old Town Gwadar (Provision of Missing Facilities) (SB)	3305.000	500.000
Construction of Mara Tangi Dam District Loralai	1969.903	500.000
Construction of Shehzanik Dam, in District (Gwadar) (SB)	2630.293	500.000
Construction of Sunni Gar Dam (SB)	4456.462	500.000
Establishment of Cadet College Kharan	1906.310	402.469
Construction of Dinar Dam Killa Abdullah	602.856	400.000
Construction of Asreli Storage Dam Sui District Dera Bugti	499.945	385.263
Construction of Pharaho Delay Action Dam Dera Bugti	364.237	364.237

Completion of Nigheng Bridge at Rodbun District Kech (Sb)	348.231	303.231
Construction of Road from Proom to Chedgi 70 km District Panjgur (SB)	3399.392	300.000
Establishment of Danish School Jia Khan, Sohbatpur (80/20)	1610.305	300.000
Construction of 05 Nos. of Dams in District Loralai	499.591	299.591
Construction of Deenari Storage / Delay Action Dam District Nushki	337.925	287.925
Construction of Dam at Roshanabad Kalat	350.000	250.000
Construction of Sari Kalah Delay Action Dam in U/C Raskoh District Kharan	510.000	243.000
Construction of Gryone Wall / Break Water and Allied Works at East Bay (Demi Zer) Gwadar	1087.914	226.616
Estb/Improvement of Technical Training Centre Nal District Khuzdar	200.000	200.000
Construction of Topak Dam (SB)	1248.877	200.000
Construction of Small Dams in Districts Ziarat	1547.412	200.000
Construction of Black Top from Pirkoh to Pathar Nala 20 km, District Dera Bugti	388.034	175.534
Construction of Black Top from Pirkoh to Peer Sohri Darbar 17 km, District Dera Bugti	379.023	166.523
Umbrella PC-II for Feasibility Study and Detailed Design of eight Dam in Balochistan (Pilar, Sukha Kaur, Kosh, Korgaz, Khud Bela, Soolar Kaur, Mula River, Kolcahi, Khawaja Manjhira Mewand, Barkhan) (SB)	821.394	150.000
Construction of Uplifting of Model School Ghulam Rasool at Jia Khan, District Sohbatpur	146.162	146.162
Construction of Black Top Roads from Killi Sardar Abdul Rahim Khilji Taftan District Chaghi	116.206	116.206
Const: of Black Top Road from Lehri to Sigsillah from Zain Loti Upto Lehri via Thoboo Phase-I (68.2km)	841.480	100.000
Const: of Black Top Road from Sui to Uch Gas Field from Sui on existing Track of RD-238 via Jani Beri	797.710	100.000
Construction Of Black Top Road from Sui to Bijo Qabristan Asreli District Dera Bugti 25 km	446.928	100.000
Establishment of Cadet College Gwadar	1883.000	100.000
Construction of 200 Dams in Killa Abd, Gulistan and Dobandi Tehsil	2937.520	100.000
Detailed Engineering Design, Preparation of Tender documents & PC-I of Hingol Dam	421.372	100.000
Feasibility Study for Metro Bus Route in Quetta	100.000	50.000
Mapping of All Water Resources in Southern Balochistan (SB)	489.953	50.000
Up- Scaling of Green Pakistan program	2000.000	40.000
Rehabilitation / Upgradation of Existing Facilities at PSB Coaching Centre, Quetta	379.311	40.000
Rehabilitation and Conservation of Karezes for Sustainable Groundwater Management and Livelihood Improvements in Balochistan	42.000	27.000
Gwadar Smart Environmental Sanitation System and Landfill Project.	2269.000	10.000
Construction of Hekanog Delay Action Dam (SB)	285.000	10.000

Construction of Maserag Delay Action Dam (SB)	390.500	10.000
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### C. Foreign Project Assistance:

Apart from provincial and national resources, the Government of Balochistan seeks Foreign Assistance for the socio-economic uplift of the provincial economy. The Foreign-funded projects play a significant role in development of the province that often faces resource constraints and limited financial capacity to undertake large-scale development projects independently. These funds can bridge investment gap, stimulate economic growth, and address critical development needs that might otherwise be unattainable due to budgetary limitations.

The foreign funded projects in Balochistan are being implemented in various sectors such as Irrigation, Agriculture, Livestock, Forest, Watershed Management and others. Such funding is received through grants and loans from various donor agencies. In some cases, Government of Balochistan shares the cost as a counterpart funding. In 2022-23 the quantum of foreign funded projects remained at PKR 14.097 billion. The Government of Balochistan contributed an ample amount to ensure the projects move forward. For the upcoming year the quantum of Foreign Project Assistance is estimated at PKR 55.894 billion. The receipts under FPA into the GoB accounts are expected to remain at PKR. 39.343 billion and other grants will be disbursed to various projects directly through donor agencies. Following is the list of some of the foreign funded projects (loan and grant financing) for 2023-24.

	<b>Rs. in Million</b>
Balochistan Water Resource Development Sector Project (BWRDSP)	7801
Balochistan Integrated Water Resources Management and Development (BIWRMDP)	3000
Balochistan Human Capital Investment Project (BHCIP)	2900
Gwadar Lasbela Livelihood Support Project (GLLSP-II)	2862.3
Balochistan Livelihoods and Entrepreneurship Project (BLEP)	10155.8
Small Development Project in District Gwadar	3728.79
Emergency Flood Assistance Balochistan (Irrigation component)	4350
Housing Reconstruction in Awaran (HRA)	4045.5
<b>Total</b>	<b>38843.39</b>
<b>Cash Carry Over</b>	<b>500.21</b>
<b>Grand Total</b>	<b>39343.6</b>

# Chapter-VI

## PUBLIC ACCOUNT

Public Account consists of Trust, Special Deposits, Security Funds, Bid Securities, and Contributory Funds etc. This may include but not limited to Savings bank account, National Deposit Accounts, Revenue Deposits, Court Deposits and Personal Deposits. Article 118 of the Constitution of Islamic Republic of Pakistan 1973 differentiates between the provincial consolidated fund and Public Account as under:

All the Revenue received by the Provincial government; all the loan raised by the government and all the money received by it in repayment of any loan shall form part of a Consolidated Fund, to be known as **Provincial Consolidated Fund**

All other moneys received, (a) by or on behalf of the Provincial Government, or (b) received by or deposited with the high court of any other court established under the authority of the province shall be credited to **Public Account** of the province.

The Public Account's detail for major objects is provided as under:

(A) G01 – Current Liabilities:	PKR Million		
	Receipts	Payment	Balances on 30 <sup>th</sup> June
G01132-Ch. Pay. Cler. A/C SBP	163,408	163,352	142,218
G01133-Tr. Pay	0.00	170.381	0.00
G01138-Tr. Pay Cler. A/C (TMAs) SBP	0.00	0.00	- 1.271
G01147-Ch. Pay. Cler. A/C NBP	145,895	145,984	0.00
G01 191-Assignments Accounts Cheques	26,538	26,497	-1,085.68
G01194-Works Cheques	70,267	69,535	2,559
G01196-Foreign Aid Assignment Account	5,602	6,461	-52.911
G01201-Outstanding Commitments	301,151	301,229	-2,312
<b>Net of Current Liabilities G01:</b>	<b>712,861</b>	<b>713,228</b>	<b>141,325</b>

**(B) G05 – Control Accounts:**

G05105-Wages Clearing Account
G05107-Adjusting Account b/w Fed and Prov
G05110-State Bank Suspense
G05125-Inter Prov Settlement Account-Pu
G05126-Inter Prov Settlement Account-Si
G05127-Inter Prov Settlement Account-KP
G05128-Inter Prov Settlement Account-Ba
G05134-Settlement Account AGPR
<b>Net of Current Liabilities G05:</b>

PKR Million		
FY 2021-22 (Actual)		
Receipts	Payments	Bal: on 30 <sup>th</sup> June
179,246	179,240	-1,010.479
2.752	2.752	0.00
16.483	8.250	-543.475
14.580	14.580	0.00
4.587	4.581	0.00
4.279	3.882	0.00
5.467	5.467	0.00
515.069	397.293	152.104
<b>179,810</b>	<b>179,677</b>	<b>-1,401.851</b>

**(C) G06 – Trust Fund Account**

G06103-General Provident Fund (civil)
G06214-Prov Govt Employees Benevolent
G06215-Distt Govt Employees Benevolent
G06304-Workers welfare fund
G06308-Staff Welfare Fund Police
G06320-Bal: Levies Forces Welfare Fund
G06408-Prov Govt Employees Group Ins:
<b>Net of Current Liabilities G06:</b>

PKR Million		
FY 2021-22 (Actual)		
Receipts	Payments	Balance on 30 <sup>th</sup> June
6,863.11	8,483.98	20,458.26
3,259.75	3,254.99	272.550
0.00	0.00	10.369
0.00	0.00	29.252
56.953	56.302	9.944
138.583	136.269	47.282
1,939	1,935	162.521
<b>12,257.40</b>	<b>13,866.54</b>	<b>20,990.18</b>

**(D) G10 -Trust Account (Oth:)**

G10107-Deposit of Deptt of mineral Dev:
G10113-Public Works / PWD Deposits
G10116-OB advances (Pakistan PWD)
G10304-Zakat Collection Account
G10402-Forest Remittances
G10407-PWD Remittances
G10408-Remittances into treasuries
G10414-Cash remittances b/w Treasuries
G10415-SBP Remittances
G10426-Other Remittances
<b>Net of Current Liabilities G10:</b>

PKR Million		
FY 2021-22 (Actual)		
Receipts	Payments	Balance on 30 <sup>th</sup> June
21.884	6.500	598.898
974.036	446.259	2,235.763
0.00	0.00	914.243
1,482.17	1,107.004	1,344.817
0.00	0.00	2.323
0.00	0.00	290.948
0.00	0.00	0.011
0.00	0.00	1,337.348
0.00	0.00	1,344.014
0.00	0.00	181.624
<b>2,478.09</b>	<b>1,559.763</b>	<b>8,249.989</b>

**(E) G11 – Special Deposit  
(Investments)**

	PKR Million		
	Receipts	Payments	Balance on 30 <sup>th</sup> June
G11210-Deposit of Agriculture produce Cess	0.00	0.00	2.240
G11211-Deposit of cotton Cess fund	0.00	0.00	0.004
G11213-Deposit of historical mosque fund	0.00	0.00	0.298
G11214-Deposit of jamia mosque fund	0.00	0.00	5.844
G11215-Revenue Deposits	0.00	0.00	154.488
G11216-Civil and Criminal Courts Deposits	831.961	570.181	1,091.188
G11217-Personal Deposits	0.00	0.00	1,009.501
G11220-Deposit (Elections)	0.00	0.00	-0.920
G11221-Coal Deposit	0.00	0.00	1.823
G11222-Deposit on A/C of evacuee estates	0.00	0.00	0.751
G11232-Deposit of Pak. govt. loans	0.00	0.00	0.574
G11237-Deposits of Local Bodies	0.00	0.00	3.439
G11238-Security Deposit of Supply Cell	281.316	290.570	583.695
G11239-Deposits by Gov Servant	0.00	0.00	1,370.790
G11240-Security Deposit of cashiers etc	0.00	0.00	0.604
G11278-Deposits for Number Plates	0.00	0.00	0.021
G11280-Withholding Tax on Profit from investments	0.00	0.00	0.194
G11290-Securities Deposits from Contractor	8,763.054	6,922.362	12,985.418
G11291-Unclaimed Money Account	325.557	810.668	6,739.035
G11294-Deposit Account for Public Driving License.	0.00	0.00	14.359
<b>Net of Current Liabilities G11:</b>	<b>10,201.89</b>	<b>8,593.782</b>	<b>23,963.345</b>

**(F) G12 – Special Deposit (Funds)**

	PKR in Million		
	Receipts	Payments	Balance on 30 <sup>th</sup> June
G12102-PM's fund for welfare and relief	0.00	0.00	-0.078
G12134-Chief Minister's Balochistan Relief	0.00	0.00	422.659
G12135-Prime Minister Special Fund	0.00	0.00	21.154
G12141-Balochistan's Flood Relief Fund	0.00	0.00	62.988
G12150-PM's Relief Fund for IDPs	0.00	0.00	0.066
G12152-Balochistan flood relief	0.00	0.00	0.024
G12148-PM's Balochistan Earthquake Fund	0.00	0.00	417.715
G12206-Welfare and uplift of minority	0.00	0.00	5.220

Fund			
G12224-Foundation Fund Balochistan Police	5.634	5.588	0.973
G12309-Convertible currency release fund	0.00	0.00	41.858
G12417-Forestry Development Fund	0.00	0.00	0.889
G12704-Police fund	0.00	0.00	0.001
G12713-Income Tax deduction from salaries	2,291.311	2,262.660	156.723
G12714-Income Tax Ded from Contractors	5,335.757	5,257.911	665.277
G12717-District funds	0.00	0.00	0.153
G12719-Cantonment funds	0.00	0.00	2.357
G12720-Punjab market committee fund	0.00	0.00	12.957
G12722-Other miscellaneous fund	0.00	0.00	0.712
G12741-Fed Subscription to Service Book	0.00	0.00	0.012
G12777-Sales Tax	521.443	470.242	102.159
<b>Net of Current Liabilities G12:</b>	<b>8,148.512</b>	<b>7,990.814</b>	<b>940.355</b>

# Chapter-VII

## Debt Management

Total debt of Balochistan consists of long term foreign and domestic loans. The foreign loans are obtained by the federal government on concessional terms from international institutions and further re-lent to Balochistan government through Ministry of Economic Affairs, Govt of Pakistan where as domestic loan (broadly known as Cash Development Loan – CDL) was obtained from the Federal government – (WAPDA) for Irrigation Department.

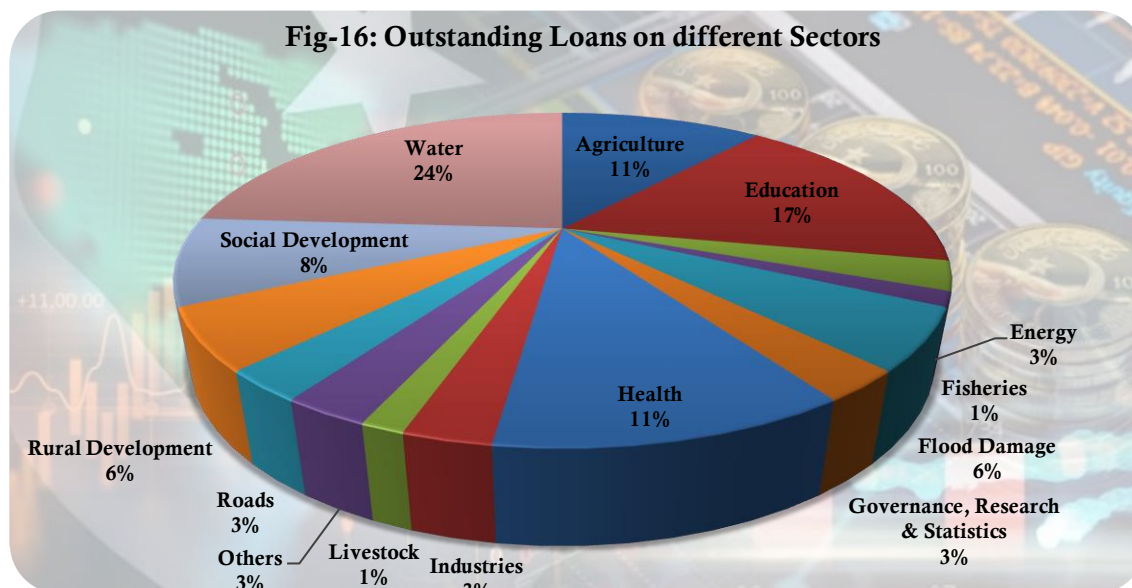
During the Financial Year 2022-23, Pakistani Rupee devalued to high extent against foreign currencies. Due to fluctuation in the foreign exchange rate, Balochistan province faced loss of total Rs. 2.836 Billion with breakup of Principal Rs. 2.629 Billion and Interest Rs. 0.207 Billion caused due to currency exchange. Since the foreign currency loans are lent from the key institutions under certain international terms & conditions, therefore, repayment of their loan is done on the officially approved exchange rates by the Economic Affairs Division, Govt of Pakistan. For coming financial year 2023-24, expenditure of the repayment of loan comprising both (Foreign and domestic) in respect of Principal & Interest estimated at Rs. 9.795 Billion as compared to payments of Rs. 5.289 Billion made during the FY 2022-23. A yearly comparison of exchange gain / loss faced by the Govt of Balochistan for the last five years is given as under:

Rs. in Million				
Financial Year	Budget Estimates	Actual Repayment	Exchange gain / loss	%age
2022-23	5,758.83	7,871.97	2,835.21	36%
2021-22	5,122.07	5,510.60	388.53	7%
2020-21	6,335.99	6,369.58	33.59	1%
2019-20	7,773.06	8,292.56	519.51	6%
2018-19	6,812.08	7,929.45	1,117.37	14%

### **Utilization of Loans:**

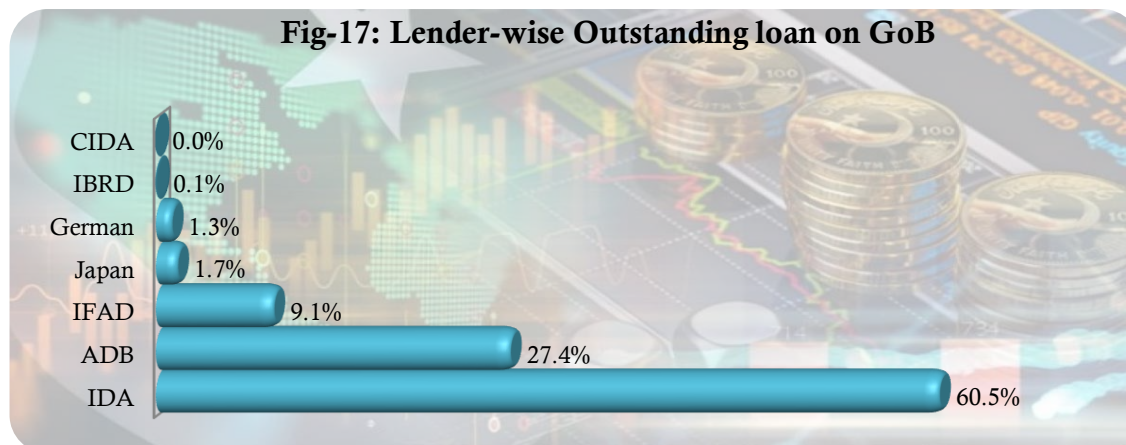
Out of the 71 Foreign Loans, the highest number of loans awarded to a sector is Water (24%), Education (17%), Health (11%), Agriculture (11%) and so others.



**Fig-16: Outstanding Loans on different Sectors**

### Agency wise Loan Portfolio:

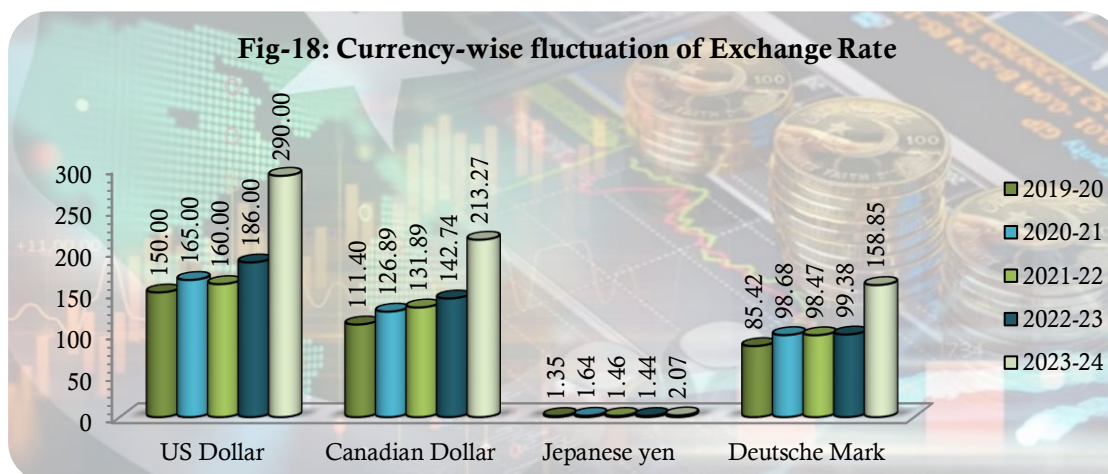
The overall loans obtained by the Government of Balochistan is 72 in number including (01) Domestic and (71) Foreign Exchange Loans. The domestic loan was granted from Federal government to Provincial government; whereas foreign loans were relented to GoB by the International Banks / Financial Institutions namely IDA, IBRD, ADB, IFAD, German Bank, Canadian Bank, Japan etc. Detail of lender-wise loans, outstanding on the Govt of Balochistan is provided in figure below:

**Fig-17: Lender-wise Outstanding loan on GoB**

### Comparison of Exchange Rates:

There is an arrangement of repayment that, the loans are borrowed in foreign currency and are returned to the lender on prevailing exchange rate of the day of repayment / installment. All the loans are raised in officially agreed Base-Currency of the institution; however they are paid back to lender in the currency agreed for repayment in Financing Agreement. An analysis from last 3-5 years reveals a significant rise in foreign currency exchange, whereby the highest rates observed for

exchange of currency was for FY 2023-24. Following trend graph shows fluctuation in currency exchange rate from the last five (05) financial years:



All the loans raised by Govt of Balochistan are taken on different interest rates, and some are availed on Libor, while only one loan was availed without zero interest from Canadian International Development Association (CIDA). Breakup of agency wise rate of interest against 71 Foreign Exchange Loan (FEL) is provided as under:

Currency Name	Lender	Interest Rate (%)
US Dollar \$	IBRD,IDA,IFAD, ADB	0.75% to 2.00 %
Canadian Dollar (C\$)	CIDA	0%
Deutsche Mark (DM)	Germany	0.75 %
Japanese Yen	Japan	Fixed 2.3% and Floating LIBOR+0.06%

### Budget Estimates 2023-24:

For coming financial year 2023-24, total amount of Rs. 8.962 Billion on account of repayment of Foreign and Domestic Loans was estimated, with further break-up into Principal Rs. 7.964 Billion and Interest 0.997 Billion. Lender wise Budget Estimates FY 2022-23, Revised Estimates 2022-23 and Budget Estimates FY 2023-24 are detailed as under:

**Table-21: Comparison of Estimates of Repayment made to the Lenders**

Rs. in Million

Lender Name:	B.E 2022-23	R.E 2022-23	B.E 2023-24
Asian Development Bank	2,578.200	3,381.220	3,706.516
Japan	306.263	376.205	429.009
Canadian Intel Development Association	3.925	5.035	5.864

Germany	79.687	109.341	126.487
IBRD	17.785	23.808	27.526
International Development Association	2,571.842	3,991.710	4,167.617
IFAD	201.133	274.944	320.395
Federal Govt (CDL)	178.922	178.922	178.922
<b>TOTAL:</b>	<b>5,937.757</b>	<b>8,341.185</b>	<b>8,962.336</b>

Apart from repayment of loans, Balochistan government receives funds in term of loan-disbursement against active loans. This disbursement adds to volume of outstanding balances at close of each financial year, and the burden of outstanding loan is carried forward to next financial year. The actual disbursement received during the financial year 2022-23 is provided as under:

Loan Details	Amount in Base Currency	Conversion rate	Amount in Rs. (Million)
Balochistan Water Resources Development Sector Project (BWRDSP)	\$ 9,300,153.73	240.16	2,233.614
Balochistan Integrated Water Resource Management and Development	\$ 62,464,711.00	224.51	3,282.321
Gwadar Lasbela Livelihood Support Project	\$ 3,000,000.00	259.98	779.965
Bal: Human Capital Investment Program	\$ 6,559,006.00	217.58	1,427.101
<b>Total Value:</b>	<b>\$ 81,323,870</b>		<b>7,723.001</b>

### Retired Loans:

With the passage of time, foreign exchange loans after attaining the maturity period and having repaid all the principal amounts, gets retired. During the financial year 2022-23, two (02) foreign exchange loans, relent from Asian Development Bank (ADB) have been retired namely:

- (a) ADB-850: Third Health Project
- (b) ABD-851: Fruit & Vegetable Marketing Project.

Hence, the number of outstanding loans has reached to total 70 loans consisting 69 (foreign exchange loans) and 01 domestic loan. Outstanding balances for Foreign Exchange and Domestic Loan estimated against 30<sup>th</sup> June, 2023 is provided in table below:

Category	Opening Balance (Exchange Rate of 21/22)	Repayment 2022-23	Closing Balance (Exchange Rate of 22/23)
Foreign Exchange Loan (FEL)	51,049.406	7,871.972	72,896.472
Cash Development Loan (CDL)	1,973.780	13.097	1,960.687
<b>Total Loan Balances:</b>	<b>53,023.186</b>	<b>7,885.069</b>	<b>74,857.159</b>

# Chapter-VIII

## Funds and Investments

**I**nvestment is the planning which secures most of the people from uncertainty of future. In finance, an investment is a monetary asset purchased with the idea that the asset will provide income in the future or appreciate and be sold at a higher price. Investment plays a crucial role which differentiates the developed, developing and underdeveloped countries. Government of Balochistan with a view to secure some savings to meet future expenditure and to enhance its revenue through capital earning has developed certain investments through establishing funds.

Since 2014 – 15, Finance Department took initiative of investing funds on annual basis with a view to support government in the future while facing challenges of increasing expenditure on Development & Non-Development side. Initially the funds were established for Pension, Group Insurance, General Provident, Awami Endowment and Education Endowment, however, later this net of investment expanded to bigger volume and reached to 21 funds invested by the end of FY 2022-23.

For the coming financial year 2023-24, Government of Balochistan has proposed an investment of Rs. 10.00 Billion allocated to funds already established as well as (04) newly established funds namely:



The funds for investment amounting to Rs. 11.00 Billion allocated for FY 2023-24 is proposed as under:



Having included the above allocation of FY 2023-24, the overall investment portfolio of Balochistan province has reached to Rs. 98.578 Billion. These funds are divided in (02) categories (a) Employees related Fund; (b) Departmental Funds. Brief detail of both the categories of fund is provided at Table-24 and Table-25 respectively:

**Table-24: Employees Related Investment**

Name of Fund / Investment	PKR (Million)	
	Capital Investment	Fund for FY 2023-24
1. Provincial Government Employees Group Insurance Fund	802.651	0.00
2. Provincial Government Employees Benevolent Fund	12,433.00	0.00
3. Balochistan Employees Pension Fund	20,130.660	2,000.00
4. Balochistan Employees General Provident Fund	21,481.970	0.00
<b>Total Employees Related Funds:</b>	<b>54,481.281</b>	<b>2,000.00</b>

**Table-25: Department Funds / Investment**

Name of Fund / Investment	PKR (Million)	
	Capital Investment	Fund for FY 2023-24
1. Artist Welfare Fund	400.00	0.00
2. Balochistan Awami Endowment Fund	6,000.00	1,000.00
3. Balochistan Education Endowment Fund	9,000.00	2,000.00



4. Balochistan Employees Housing Finance Fund	3,000.00	0.00
5. Balochistan Enterprise Development Fund	2,000.00	0.00
6. Balochistan Lawyer's Welfare Endowment Fund	50.00	250.00
7. Balochistan Minorities Welfare Fund	500.00	0.00
8. Balochistan Special Person Support Fund	2,000.00	0.00
9. Balochistan Women Economic Empowerment Fund	500.00	0.00
10. Fishermen Welfare Endowment Fund	1,000.00	0.00
11. Food Security Fund	2,152.320	1,000.00
12. Hawkers Welfare Fund	22.175	0.00
13. Offender Rehabilitation Fund	500.00	0.00
14. Professional Development Fund	2,000.00	0.00
15. Project Development Fund	1,000.00	0.00
16. Provincial Disaster Management Fund	2,000.00	0.00
17. Viability Gap Fund	1,000.00	0.00
18. Balochistan Skill Development Fund – New	0.00	2,000.00
19. People's Primary Healthcare Initiative (Operation) – New	0.00	350.00
20. People's Primary Healthcare Initiative (Pension) – New	0.00	350.00
21. Balochistan Out of School Children Education Fund – New	0.00	2.000
<b>Total Departmental Funds:</b>	<b>33,097.495</b>	<b>9,000.00</b>
<b>Grand Total:</b>	<b>87,578.776</b>	<b>11.000.00</b>

These funds have been invested over a maturity period varying from 3 to 10 years. It is accordingly ascertained that the investment altogether amounting to Rs. 98.578 Billion, on attaining maturity will be converted to Rs. 176.723 Billion. As much as the seed money is enhanced, more return from such investment is expected.