



BUDGET WHITE PAPER FY 2025-26

**Finance Department
Government of Balochistan**

Message from the CHIEF MINISTER



It gives me great pride and pleasure to present the Budget White Paper for the financial year 2025-26. This document reflects our government's unwavering commitment to inclusive development, sound financial management, and improved quality of life for the people of Balochistan.

Budget-making is not just a financial exercise and fulfilment of a constitutional requirement; it is a reflection of our political commitment and moral responsibility to serve the people of Balochistan. This year's budget reflects our untiring focus on human development, with priority given to education, health and initiatives aimed at empowering our youth. At the core of our development strategy lies Education. We have made significant and forward-looking allocations across the education sectors at all levels from primary education to medical colleges and universities. To ensure that our youth is equipped with the knowledge and skills necessary to meet the challenges of the future, entering into an agreement with a prestigious University like Oxford is a small example.

We have significantly enhanced our investment in the healthcare sector, ensuring that every citizen of Balochistan benefits from quality medical services without any discrimination despite large geographical spread of our province.. These efforts are aimed at aligning with modern standards and making everyday life more convenient and dignified for the residents of Balochistan.

At the same time, we recognize the importance of strengthening our own source revenues through comprehensive reforms. Fiscal discipline, transparency, and accountability remain central to our approach. Each penny has been planned with care, to be spent effectively and with purpose to achieve our objectives and vision of Pakistan Peoples Party under the leadership of Mr Asif Ali Zardari.

This budget is not merely a financial document, it is a roadmap for a just, inclusive, and progressive Balochistan. I extend my sincere appreciation to the entire team at the Finance Department in particular and Government Employees in general for their dedication, vision, and tireless efforts in shaping this year's budget.

Together, with unity of purpose and firm resolve, we can build a prosperous Balochistan that delivers on the hopes of every citizen.

Sarfaraz Ahmed Bugti

Message from the **FINANCE MINISTER**



Budget is the foundation of Balochistan's financial framework and the key instrument through which we shape and implement our development & non development priorities. While the formulation of the budget is a collective effort across various arms of the government, my particular focus remains firmly on strengthening critical sectors like education, health, and public sector development to ensure sustainable, equitable and inclusive progress across the province.

We fully recognize that reliance on federal transfers, limits our fiscal autonomy. Therefore, enhancing Balochistan's own-source revenue has become a central and urgent priority. We are introducing institutional reforms and improving tax collection mechanisms to build a more self-reliant and financially resilient province. Introduction of negative list is a major reform opted by Balochistan Revenue Authority in line with the recommendations of International Monetary Fund.

In preparing this budget, every effort has been made to ensure efficient allocation of resources, minimize non-development expenditures, and prioritize development initiatives that have a direct and meaningful impact on the lives of our people.

We are committed to strengthening financial governance, enhancing service delivery, and promoting long-term fiscal sustainability. I sincerely thank the Secretary Finance and the entire team for their hard work, dedication, and professionalism in preparing this year's budget and White Paper.

Mir Shoaib Noshervani

Message from the **FINANCE SECRETARY**



It gives me immense pride to share that Balochistan's budget has crossed a historic milestone—marking the province's first-ever **trillion-rupee budget**. This achievement reflects not only the growth of our fiscal capacity but also our enhanced commitment to strategic development.

The White Paper 2025–26 offers a comprehensive overview of the province's financial performance, budgetary allocations, and sectoral priorities. It presents a clear picture of government revenue sources and expenditures, while highlighting key areas of progress and reform. This document reflects the Government of Balochistan's continued commitment to fiscal responsibility, development-focused planning, and transparency.

Despite limited resources, under the clear direction of Chief Minister Balochistan, we have made health, education, environment, and public sector development our top priorities. Strategic investments have been directed toward improving the quality of life in underserved areas, with particular focus on law and order, human development, and inclusive service delivery.

We are actively pursuing reforms to enhance own-source revenue, with the introduction of Agriculture Income Tax - aligned with the recommendations of the International Monetary Fund - representing a significant step in this direction. These efforts are supported by strengthened tax and non-tax collection mechanisms, aimed at improving fiscal efficiency and sustainability. At the same time, we are maintaining strict control over non-development expenditures to ensure optimal use of available resources. The current budget reflects a carefully calibrated approach, designed to allocate funds efficiently while addressing the specific and evolving needs of each department and sector.

As Secretary Finance, I take great pride in leading a team that continues to rise to the province's financial challenges and supports the government's broader vision for a prosperous, stable, and progressive Balochistan. The outcomes reflected in this White Paper are a direct result of the dedication and professionalism demonstrated by the officers and staff of the Finance Department.

I extend my sincere appreciation to every member of the Finance Department for their hard work, professionalism, and commitment throughout the year.

Imran Zarkoon

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CHAPTER-I

FISCAL REVIEW FY 2024-25 AND BUDGET PROPOSALS 2025-26

The Government of Balochistan presented Budget for the FY 2024–25 with total estimated receipts of Rs. 955.60 billion consisting of Rs. 941.40 billion and revenue and capital receipts while an amount of Rs. 14 billion was carried forward from previous year against foreign and federal funded projects. Expenditure against these resources was estimated at Rs. 930.21 billion resulting in an estimated surplus of Rs. 14.20 billion which was unprecedented during the past 2 decades. The Finance Department has worked hard on rationalizing and improving budget allocation on the one hand and to enhance own source revenues on the other hand. Enhancing own source revenues is the biggest challenge in that new taxes should neither be introduced nor the existing tax rates be increased, therefore, keeping under the existing tax system the recoveries of taxes and tax net should be expanded to achieve higher targets.

The revenue for 2024-25 budget was primarily sourced from the federal government, which contributes a total of Rs. 726.67 billion. This includes Rs. 647.01 billion from the Federal Divisible Pool, Rs. 20.55 billion from straight transfers, and Rs. 59.29 billion as development & non-development grants. Alongside federal support, the provincial government has increased its own-source revenue, with a projected contribution of Rs. 124 billion. This consists of Rs. 47.69 billion from tax revenues, Rs. 18.80 billion from non-tax revenues, and Rs. 58.00 billion from lease extension receipts.

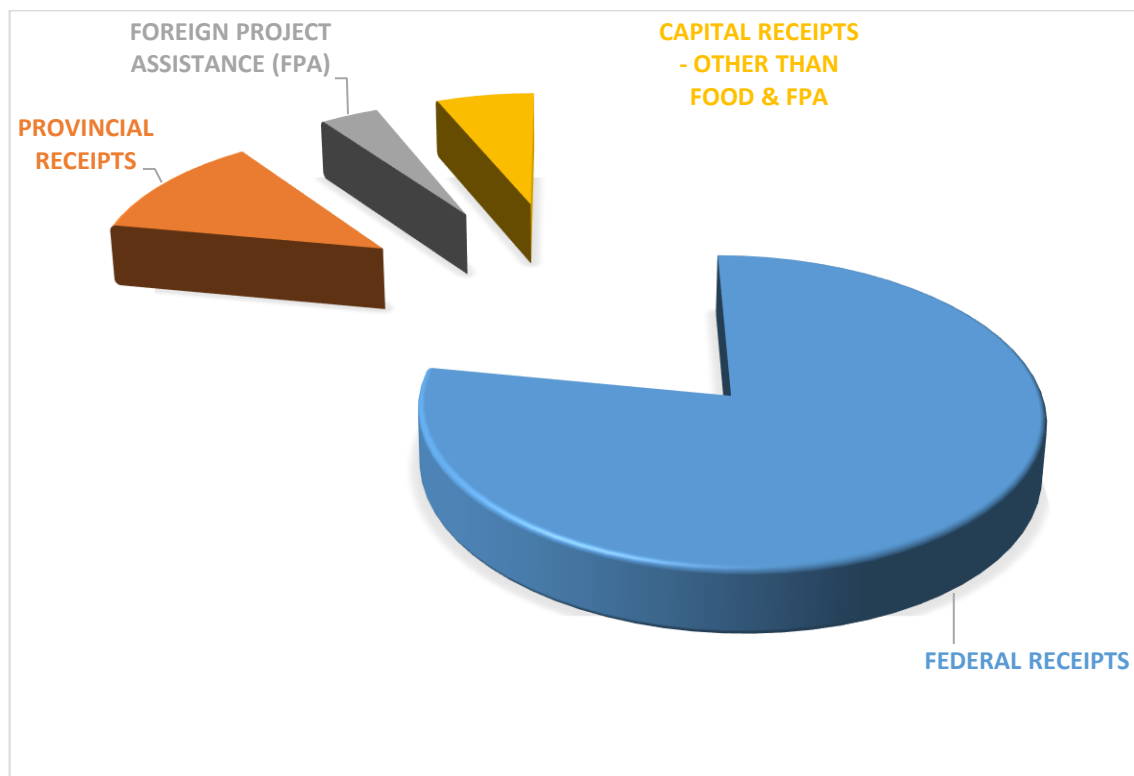
In addition to these sources, other financial inflows included Foreign Project Assistance amounting to Rs. 28.86 billion, Capital Receipts of Rs. 51.67 billion, and Food Department Receipts estimated at Rs. 9.71 billion. Together, these revenue streams formed the backbone of Balochistan's fiscal strategy for 2024-25, enabling the province to move towards greater financial stability, improved service delivery, and inclusive development. The provincial government managed to achieve a great deal of Rs. 908.455 billion as total resources.

The province continued to present yet another surplus budget of Rs. 1,028.28 billion as total expected resources with an estimated expenditure of Rs. 976.45 billion resulting in a surplus of Rs. 51.83 billion for FY2025-26. An abstract of the receipts and payments is as under:

Table 1: OVERALL SUMMARY OF RECEIPTS & PAYMENTS			
Rs in Million			
Head of Account	Budget Estimates	Revised Estimates	Budget Estimates
	2024-25	2024-25	2025-26
PROVINCIAL CONSOLIDATED FUND RECEIPTS			
GENERAL REVENUE RECEIPTS			
FEDERAL RECEIPTS	726,668.404	756,985.575	801,665.848
PROVINCIAL RECEIPTS	124,489.900	105,952.715	124,879.288
FOREIGN PROJECT ASSISTANCE (FPA)	28,862.550	27,610.324	37,791.350
CAPITAL RECEIPTS - OTHER THAN FOOD & FPA	51,677.492	32.275	33,736.277
FOOD RECEIPTS (Revenue & Capital)	9,705.629	3,676.049	4,205.401
Total Provincial Consolidated Fund Receipts	941,403.975	894,256.938	1,002,278.163
Cash Carry Over (Protected for Federal Projects)	14,198.084	14,198.084	26,000.000
Total Anticipated Available Receipts	955,602.059	908,455.022	1,028,278.163
PROVINCIAL CONSOLIDATED FUND PAYMENTS			
CURRENT EXPENDITURE:	609,057.761	579,278.687	639,876.129
DEVELOPMENT EXPENDITURE:	321,148.364	315,114.567	336,576.045
Provincial PSDP	219,561.032	243,273.942	249,450.290
Foreign Project Assistance	28,298.210	23,309.260	30,148.868
Development Grants (Federal Funded Projects)	73,289.122	48,531.365	56,976.887
Total Consolidated Fund Payments	930,206.125	894,393.255	976,452.174
Net Consolidated Fund Receipts and Payments - Surplus / (Deficit)	25,395.934	-	51,825.990

The above table shows that majority of receipts is from Federal resources while the provincial receipts have reached 12% which had been less than 8% previously. The following pie chart shows a breakup as under:

Figure 1: Pie Chart for Distribution of Revenue Resources



The provincial receipts have seen major turnover since the introduction of Sales Tax of Services and Infrastructure Cess in the province. This is expected to improve further with increase in royalty from mineral resources particularly from recodik and the other mining projects under consideration through which not only royalty income will flow but also other revenues and dividend income. The Province has been very careful on the capital financing where it is well below the lower risk line, this area is one of the major options for project financing in near future. More detail is provided under chapter VII of this commentary.

CHAPTER II REVENUES

The government of Balochistan is primarily dependent on the revenues and funds transferred from the federal government in relation to NFC awards and other assignments; nonetheless, the province is adopting strategies and moving towards digitization to increase the scope of its sources of revenue by producing its own revenue and updating the procedures for collecting receipts. On other side, the spending has been subject to strict filters to ensure efficient spending. The province's government receipt envelope is made up of three main sources: capital revenues, provincial own source revenue, and federal payments.

For the financial year 2025-26, Government of Balochistan has estimated receipt collection to the toll of Rs. 1,028.301 Billion, to be collected from all sources as described above. Provincial Own Source Revenue from Tax and Non-Tax has been estimated to Rs. 55.84 Billion and Rs. 69.03 Billion respectively. During the Financial Year 2024-25, the provincial tax revenue was revised at Rs. 33.94 Billion against target of Rs. 47.69 Billion and Non-Tax revised at Rs. 30.84 Billion against target of Rs. 18.80 Billion. The overall collection of provincial revenue for FY 2024-25 remained (99%) of the targeted receipts whereas a remarkable recovery of Rs. 42.00 Billion has been achieved against PPL Gas Lease Bonus. Following table provides classification & comparison of estimated receipts of FY 2024-25 and 2025-26:

Table-2: Estimate of Overall Receipts for FY 2025-26				
DESCRIPTION:		PKR in Million		
		B.E 2024-25	R.E 2024-25	B.E 2025-26
A.	REVENUE RECEIPTS:			
(a)	RECEIPTS FROM FEDERAL	726,668.404	756,985.575	801,665.848
	Divisible Pool	647,006.766	647,006.766	713,621.874
	Straight Transfers	20,550.600	26,016.060	29,543.974
	Non-Dev Grants / GDS Arrears	20.000	38,500.000	18,000.000
	Development Grants	59,091.038	45,462.749	40,500.000
(b)	PROVINCIAL OWN RECEIPTS	124,489.900	105,952.715	124,879.288
	Provincial Tax Receipts	47,688.247	33,913.732	55,843.894
	Provincial Non-Tax Receipts	18,801.653	30,838.983	44,435.394

	PPL receipts (Lease Extension Bonus)	58,000.000	41,200.000	24,600.000
(c)	FOREIGN PROJECT ASSISTANCE - GRANTS	10,921.176	2,897.510	5,514.350
B.	CAPITAL RECEIPTS	69,618.866	24,745.089	66,013.277
	Recoveries of Loans, Advances/Investments	51,677.492	32.275	33,736.277
	Foreign Project Assistance – Loan	17,941.374	24,712.814	32,277.000
C.	STATE TRADING (A/C-II)	9,705.629	3,676.049	4,205.401
D.	CASH – CARRIED FORWARD (FDG)	1,419.808		26,000.000
E.	TOTAL RECEIPTS (A+B+C+D)	955,602.059	908,455.022	1,028,278.163

BRIEF ON REVENUE RESOURCES

Revenue Assignments received from Federal government comes from the two major sources namely Federal Transfers and Federal Development Grants (Federal PSDP). Federal Transfers consists of Federal Divisible Pool of Taxes and Straight Transfers. As per the 7th NFC award, the share of the provinces for Federal Transfer is determined on the basis of 4 criterion:

Table 3: Horizontal Distribution Indicators

Horizontal Indicators	Population	Inverse Population Density	Poverty Backwardness &	Revenue Generation	Total
Weight	82.00%	2.70%	10.30%	5.00%	100%

The share of provinces from the divisible pool is then distributed among the provinces as under:

Table 4: Horizontal Distribution among Provinces	
Punjab	51.74%
Sindh	24.55%
Khyber Pakhtunkhwa	14.62%
Balochistan	9.09%
Total	100%

Having 7th NFC award in place, it is significant to mention that share of Divisible Pool of

Taxes is protected for Balochistan only as to what has been projected in the beginning of the year irrespective of the collection made by Federal Board of Revenue (FBR) during that year. Any shortfall 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.

Subsequent to the 7th NFC Award, 8th, 9th and 10th NFC Awards went undecided. Recently the Government of Balochistan has nominated Mr. Musharraf Rasool Cyan, a seasoned and well experienced Economist as the private member from the Government Balochistan under 11th NFC Award.

In addition to the share from the Divisible Pool there is a provincial revenue received from the Director General Petroleum and Gas against the royalty and gas development surcharge due on gas produced in Balochistan. This amount is transferred by the Petroleum Division to the Ministry of Finance Pakistan which transfers the same to Balochistan after deducting a 2% collection charges from the gross amount. The various areas are as under:

(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.

BREAKUP OF DIVISIBLE POOL AND STRAIGHT TRANSFERS FOR THE 2025-26:

For the financial year 2025-26, Rs. 743.165 Billion estimated as Federal Transfers in terms of Divisible Pool of Taxes (NFC share) Rs.713.621 Billion and Straight Transfers Rs. 29.543. Following table describes a picture of Revised Estimates FY 2024-25 and the Budget Estimate for coming financial year 2025-26:-

Table 5: Estimate of Federal Transfers Projected for FY 2025-26				
Federal Transfers:		PKR in Billion		
		B.E 2024-25	R.E 2024-25	B.E 2025-26
A.	Divisible Pool of Taxes (NFC share)	647.006	647.006	713.621
	Taxes on Income	272.992	272.992	345.397
	Capital Value Tax	0.802	0.802	0.880
	Sales Tax (Excluding GST on Services)	248.905	248.905	242.699
	Fed Excise (Excl: Excise Duty on N/Gas)	47.961	26.828	44.945
	Custom Duty (Excl: Export Dev Surcharge)	76.344	76.344	79.698
B.	Straight Transfers	20.550	26.016	29.543
	Gas Development Surcharge	-	2.352	5.653
	Royalty on Natural Gas	18.376	21.489	21.489
	Excise Duty on Natural Gas	0.201	1.537	1.764
	Royalty on Crude Oil	1.971	0.637	0.637
Total Federal Transfers (A+B):		667.556	673.022	743.165

PROVINCIAL REVENUE:

The second major source of receipt collection in the province is through own sources which includes receipts from tax and non-tax sources / provincial departments of the Government of Balochistan. Provincial taxes include a variety of taxes assigned to Revenue Generating department such as Balochistan Revenue Authority, Board of Revenue, Excise & Taxation Deptt, Agriculture Department, Mines & Mineral Deptt. A difference between tax and non-tax receipt is provided as follows:-

Tax Revenue

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

Professional Tax, Capital Value Tax etc.)

Non-Tax Revenue

- Toll, fee, collected by Provincial departments (excluding Federal Grants and Development Surcharges and Royalties)
- Royalties on mineral resources

Extra Ordinary Receipts, Pension Contribution, Recovery of Overpayments

Balochistan province has 17 Revenue generating departments engaged with in collecting taxes, fee, fines as well as ensuring recoveries of the expenditure along with pension contributions etc. Detail of the taxes / fee collected from different departments are delineated as under:

Balochistan Revenue Authority:

- Balochistan Sales Tax on Services
- Balochistan Infrastructure & Land Development Cess Fee

Board of Revenue:

- Tax on Agriculture income
- ☐ Sale of Stamps
- ☐ Sale of
- ☐ Mutation

Excise & Taxation Department:

- Mutation Fee
- Land Revenue
- Liquor Duty
- Ordinary Collection

Transport Department

- ☐ Vehicle Root Permit
- ☐ Motor Vehicle fitness fee
- ☐ Receipt from Buses & Truck Service.

Mines & Mineral Department:

Mineral Royalties from Mineral Resources

DEPARTMENTAL PROGRESS AGAINST TARGETS OF FY 2024-25:

For the Financial Year 2024-25, Finance Department after holding series of meetings with the revenue generating departments, has recorded the progress of collection made by them till the issuance of Revised Estimate at Rs. 105 set target for Provincial revenue amounting to Rs. 64.78 Billion, bifurcated into Tax Receipts Rs. 33.94 Billion and Non-Tax Receipts

Rs. 72.038 Billion. The receipt against the PPL Bonus budgeted at Rs. 58.00 billion and remarkably Rs. 42.00 Billion has been achieved by the time of revision of target. The department wise progress for 2024-25 is as under:

Table 6: Department Wise Receipts Progress

S.No	Departments Code and Description	PKR Million		
		Targets FY 2024-25	Progress / Revised 2024-25	%
1.	Administration of Justice	114.333	117.857	-3%
2.	Agriculture Department	627.477	174.235	72%
3.	Archives	2.917	0.372	87%
4.	Balochistan Police	487.310	422.023	13%
5.	Board of Revenue	3,118.222	9,932.295	-219%
6.	Cash Carry Over	14,198.084	0.000	100%
7.	Chief Minister Secretariat	0.900	0.000	-100%
8.	Civil Defense	0.070		-100%
9.	Communication and Works	88.710	190.930	-115%
10.	Culture and Tourism Department	11.500	7.486	35%
11.	Energy Department	58,620.070	41,220.650	30%
12.	Environment Department	102.300	17.882	83%
13.	Excise, Taxation and Anti Narcotics Department	2,445.437	2,130.380	13%
14.	Finance Department	853,071.180	823,170.471	4%
15.	Fisheries Department	93.181	57.933	38%
16.	Food Department	9,740.844	3,677.865	62%
17.	Forest Department	268.395	139.912	48%
18.	General Administration	509.001	349.912	31%
19.	Higher Education Department	32.442	12.461	62%
20.	Higher Education Department / Secondary Education	187.690	7.137	96%
21.	Home Department	52.390	53.557	-2%
22.	Industries & Commerce Department	56.817	49.824	12%
23.	Irrigation Department	167.537	107.179	36%
24.	Jails and Detention Places	13.245	7.658	42%
25.	Labour Department	41.858	11.305	73%
26.	Levies	-	11.520	100%
27.	Livestock & Dairy Development	184.185	55.882	70%
28.	Mines & Mineral Department	10,123.710	11,009.548	-9%
29.	Misc. Departments	143.014	550.681	-285%
30.	Population Welfare	0.050	0.000	100%
31.	Primary and Secondary Health	236.493	274.940	-16%
32.	Printing and Stationery	165.555	36.306	78%
33.	Public Health Engineering	51.497	32.519	37%
34.	Secondary Education Department	11.485	173.650	-1412%
35.	Social Welfare Department	1.733	2.445	-41%

36.	Specialised Health	3.092	41.266	-1235%
37.	Transport Department	620.520	204.760	67%
38.	Urban P&D Department	8.816	17.354	-97%
Grand Total		955,602.059	894,256.938	

The receipts of the province are distributed among tax and non-tax receipts and capital and revenue receipts, that is, by source and by type of receipts. The Capital receipts of the province are discussed in the following section.

CAPITAL RECEIPTS:

The capital receipts of the Balochistan government comprise all receipts credited into Account-I from loans raised or borrowed by the provincial government, as well as receipts from investment withdrawals and recoveries of loans made to provincial authorities, financial institutions, or employees. Foreign assistance makes up the majority of the capital receipts from the past many years. One may define "promoting economic and social development in the developing countries" as the goal and objective of looking for outside or external financial aid. It is sometimes referred to as the "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 given by one country or institution to another (bilaterally) or by many (multilaterally) in the form of cash, products, or technical assistance. Specialized International Financial Institutions and friendly countries provide project loans and grants for specific objectives that fall into any such categories. Detail of the Capital Receipts received by Balochistan government on account of Foreign Loans & Grants is provided as below:

Table 7: Capital Receipts (FPA-Loan Component) (PKR Million)				
S.No	Description	B.E 2024-25	R.E 2025-24	B.E 2025-26
	Loan Component			
1.	Water Resource Development Sector Project	0.00	0.00	0.00
2.	Balochistan Water Resource Project	70.00	70.00	0.00

3.	Growth for Rural Advancement and Sustainable Progress (GRASP)	840.00	840.00	0.00
4.	Balochistan Human Capital Investment Project	1,097.60	1,097.60	0.00
5.	Balochistan Human Capital Investment (BHCIP)	0.00	0.00	0.00
6.	Balochistan Livelihood & Entrepreneurship Project	1,834.00	1,834.00	1,493.50
7.	Gwadar Lasbela Livelihood Support	35.56	35.56	0.00
8.	Gwadar Lasbela Livelihood Support (SFD)	420.00	420.00	0.00
9.	Development Project in Gawadar Balochistan	84.00	84.00	1,489.15
10.	Reconstruction of 8000 permanent house in Awaran Balochistan	728.00	728.00	2,357.70
11.	Reconstruction of Government buildings in Awaran Balochistan	224.00	224.00	58.00
12.	Livelihood Restoration in Balochistan	224.00	224.00	116.00
Grants				
13.	Emergency Flood Assistance Baluchistan (Irrigation component)	2,520.00	2,520.00	7,592.20
14.	Emergency Flood Assistance Baluchistan (Agriculture component)	1,120.00	1,120.00	1,450.00
15.	Baluchistan Water Resource Development	5,040.00	5,040.00	8,700.00
16.	Intregrated Flood Resilience and Adaptation Program	2,240.00	2,240.00	5,800.00
17.	Balochistan Human Capital Investment (BHCIP)	1,559.60	1,559.60	0.00
18.	Balochistan Integrated Water Resource Management and Development Project	1,699.60	1,699.60	0.00
19.	Balochistan Livelihood & Entrepreneurship Project	2,531.20	2,531.20	2,064.80
20.	Gwadar Lasbela Livelihood Support	3,810.80	3,810.80	3,770.00
21.	Balochistan Water Security and Productivity Improvement Project	0.00	0.00	1,450.00
22.	GRADES (Balochistan)	0.00	0.00	1,450.00
	Total Receipts (FPA / Loan):	26,078.36	26,078.36	37,791.35

CHAPTER III NON-DEVELOPMENT EXPENDITURE

BUDGET EXPENDITURE 2024-25 AND BUDGET PROPOSALS 2025-26

Over time, the financial burden of expenditures in Balochistan has continued to rise specially on meeting establishment charges, that is, pay & allowances and operating expenses. While the expenditure on pension is also increasing day by day owing to increase in number of pensioners and the over liberalized pension scheme adopted in Balochistan. In addition to that the law & order expenses have also increased over the years. Likewise, the government is committed to provide for development expenses to the maximum extent, however, over the previous years over budgeting had occurred in the development side which the government reduced through adjustments in the PSDP. Therefore, the PSDP for FY2024-25 was restricted to only Rs. 219 billion whereas for FY2025-26 the PSDP allocation is estimated at Rs. 249.5 billion. A summary of non-development and development expenditure showing last year with revised estimates and proposals for 2025-26 are as under:

Table 8: Summary of Total Expenditure

Provincial Consolidated Fund (PKR Million)	Budget Estimates	Revised Estimates	Budget Estimates
	2024-25	2024-25	2025-26
CURRENT EXPENDITURE:	609,057.761	579,278.687	639,876.129
Current Revenue Expenditure	564,892.987	549,442.826	614,156.765
Current Capital Expenditure	44,164.774	29,835.861	25,719.364
DEVELOPMENT EXPENDITURE:	321,148.364	315,114.567	336,576.045
Provincial PSDP	219,561.032	243,273.942	249,450.290
Foreign Project Assistance	28,298.210	23,309.260	30,148.868
Development Grants (Federal Funded Projects)	73,289.122	48,531.365	56,976.887
Total Consolidated Fund Payments	930,206.125	894,393.255	976,452.174

It is worth noting that the government very efficiently utilized its resources by allocating additional available funds to reap up the benefits of the development side and released an amount of Rs. 250 billion which, after adjustments for surrenders and withdrawals, were closed at Rs. 243 billion. Likewise, the Finance Department conducted an exhaustive

exercise where each and every head of account had been reviewed and analyzed for its need and for the expected outcome of the expenditure incurred. Although this is an iterative exercise requiring deliberation and dialogue at lower level even a consideration for zero based budgeting at the Drawing and Disbursing (DDO) level.

However, a gradual exercise on improving budget making process is required for which the Finance Department has established a Budget Reform Unit according to the provisions of the Public Finance Management Act, 2020. Moreover, the Finance Department has also created positions of Chief Finance Officers who shall support the budget reform unit in conducting an in-depth analysis of the current side budget and make necessary adjustments in the non-development expenditure for more efficiency and effectiveness. The Finance Department has, however, worked out and reduced the recurrent budget of operating expenditure from Rs. 38 billion (2024-25) to Rs. 33 billion (FY2025-26). This expenditure had reached Rs. 43 billion during the year 2024-25. Similarly, expenditure on purchase of assets have been brought down from Rs. 10 billion to merely Rs. 4.5 billion, major portion of which pertains transport, however, no reduction has been proposed for purchase of health-related machinery and equipment. In addition to that expenditure on repairs and maintenance had reached Rs. 9.75 billion (RE 2024-25) which has been controlled down and reduced to Rs. 4.89 billion only.

The following table shows non-development expenditure by type of expenses followed by expenditure breakup on functional basis.

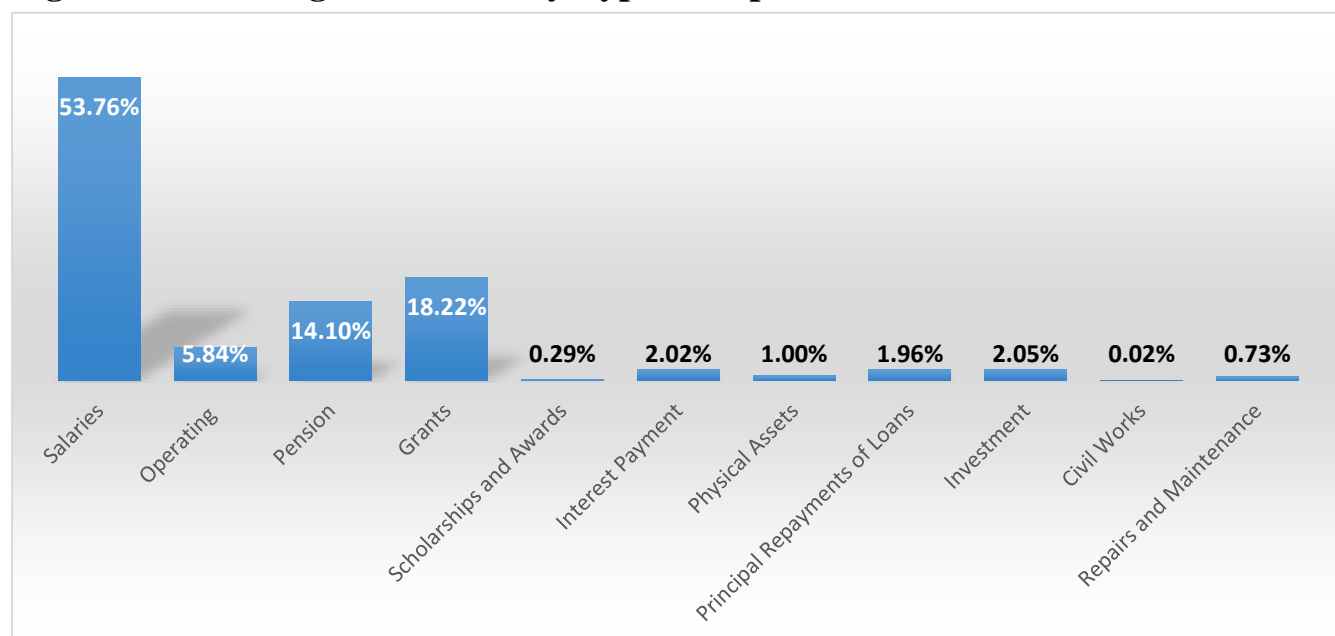
Table 9: Non-Development Expenditure by Type

Head of Account (PKR Million)	Budget Estimates	Revised Estimates	Budget Estimates
	2024-25	2024-25	2025-26
PROVINCIAL CONSOLIDATED FUND			
CURRENT NON - DEVELOPMENT EXPENDITURE EXPENDITURE			
Employees Related Expenses.	308,923.911	262,008.394	344,003.044
Project Pre-Investment Analysis	1.000	1.900	0.000

Head of Account (PKR Million)	Budget Estimates	Revised Estimates	Budget Estimates
	2024-25	2024-25	2025-26
PROVINCIAL CONSOLIDATED FUND			
CURRENT NON - DEVELOPMENT EXPENDITURE EXPENDITURE			
Operating Expenses	38,227.531	46,012.202	37,351.224
Employees' Retirement Benefits	84,801.144	78,447.761	90,235.940
Grants Subsidies and Write Off Loans	93,069.629	122,318.341	116,610.572
Transfers	2,627.623	2,756.464	1,861.979
Interest Payment	6,408.782	5,450.761	12,935.304
Loans and Advances	15,000.000	10,441.826	0.000
Physical Assets	23,065.887	12,709.027	6,409.980
Principal Repayments of Loans	17,692.774	13,965.802	12,522.864
Investment	13,650.000	15,415.000	13,100.000
Civil Works	163.170	956.428	158.170
Repairs and Maintenance	5,426.309	8,794.780	4,687.051
Total	609,057.761	579,278.687	639,876.129

A graphical representation to show the percentage covered by type of expenditure is given as under:

Figure 2: Percentage Allocation by Type of Expenditure



Sector / Function Wise Analyses of Non-Development Budget:

The functional bifurcation of the budget 2025-26 along with estimates for 2024-25 and its revised estimates are as under:

Table 10: Non-Development Expenditure by Function (Major Sector)

Head of Account (PKR Million)	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26
PROVINCIAL CONSOLIDATED FUND			
CURRENT NON - DEVELOPMENT EXPENDITURE EXPENDITURE			
General Public Service	160,613.547	153,348.917	177,671.570
Public Order and Safety Affairs	93,121.641	87,382.844	113,500.275
Economic Affairs	101,377.208	92,428.555	69,195.354
Environment Protection	909.650	723.685	862.087
Housing & Community Amenities	49,925.417	48,167.415	54,304.283
Health	57,122.741	60,628.502	59,732.694
Recreational, Culture and Religion	6,010.380	7,244.444	8,282.649
Education Affairs and Services	126,624.996	112,114.268	137,547.034
Social Protection	13,352.182	17,240.057	18,780.182
Total	609,057.761	579,278.687	639,876.129

A brief commentary on the above functional areas is as under:

a. General Public Services

The departments included under this function are Services and General Administration, Finance Department, Planning and Development Department, Chief Minister Secretariat, and Governor Secretariat etc. Moreover, the repayments of debts and interest thereon, Excise and Taxation, Board of Revenue etc also fall under this function. Some of the major expenses under this segment include Rs. 5.5 billion of the Services and General Administration, Rs. 90 billion for pension payments, Rs. 24 billion to meet up the additional amount required for paying any adhoc relief allowances or other increases in pay & pension, Rs. 13 billion investments made by Finance Department for welfare of the general public, and Rs. 14 billion for loan repayment and interest thereon. The breakup of investments made is provided at the table below:

Table 11: INVESTMENTS & BUDGET ESTIMATES 2025-26		
S.No	Title of Fund/Investment (PKR Million)	Budget 2025-26
1.	Balochistan Governance Fund	1,000.00
2.	Balochistan Education Endowment Fund	4,000.00
3.	Balochistan Awami Endowment Fund	500.00
4.	Balochistan Education Foundation	1,000.00
5.	Balochistan Mineral Development Fund	1,000.00
6.	Balochistan Climate Fund	500.00
7.	BTEVTA - Special Scheme	5,000.00
	Total	13,000.000

b. Public Order and Safety Affairs:

Expenditure on this sector has increased many fold over the past few years particularly those related to law enforcement agencies as shown in the following table:

Table 12: Trend on Law & Order Expenditure since 2014-15

Department PKR Billion	2014- 15	2015- 16	2016- 17	2017- 18	2018- 19	2019- 20	2020- 21	2021- 22	2022- 23	2023- 24	2024- 25
Balochistan Police	12.2	15.95	17.69	20.95	23.08	26.08	27.42	29.15	30.04	30.79	51.33
Balochistan Levies	5.05	5.79	6.83	8.08	8.91	11.65	12.45	12.96	14.09	18.34	22.71
Jails	0.67	0.76	0.81	0.83	0.83	0.97	1.47	1.88	1.94	1.73	2.1

Civil Defence	0.07	0.1	0.1	0.11	0.13	0.14	0.17	0.22	0.19	0.19	0.3
Grand Total	17.99	22.6	25.43	29.97	32.95	38.84	41.51	44.21	46.26	51.05	78.94

The budget for 2024-25, its revised estimates for budget for FY2025-26 are as provided in table 7 below:

Table 13: Department Wise Breakup of Law & Order Budget

Head of Account PKR Billion	Budget Estimates	Revised Estimates	Budget Estimates
	2024-25	2024-25	2025-26
Administration of Justice	7,639.847	5,137.738	5,637.975
Police & Balochistan Constabulary	51,332.344	43,839.868	63,067.500
Balochistan Levies	22,713.456	24,822.188	23,657.790
Jails & Detention Places	2,105.108	2,062.856	2,535.248
Civil Defence	2,804.764	311.302	445.223
Total	86,595.520	76,173.952	95,343.735

Majority of expenditure in Administration of Justice and Police department is incurred on pay & allowances, while a normal amount for purchase of assets and operating expenditure is also incurred. However, owing to the increasing law & order adverse situation in the province, the Federal Government has agreed to transfer an amount of Rs. 10 billion to strengthen the Counter Terrorism Department (CTD) in Balochistan. This amount is being received as non-development grant from the Federal Government. Apart from this the expenditure of Levies Department is also mainly on the salary side and some amount spared for purchase of ammunition and other important items. The Government has planned to gradually convert B areas (where Levies forces are deployed) into A areas (under control of Police). Under this plan the positions of Levies forces will be transferred to the Police budget along with handing over of Levies stations situated in various areas of the Province.

c. Economic Affairs

This is the largest sector in terms of number of departments encompassing key departments like the Communication and Works (C&W) Department, Agriculture Department, Irrigation Departments, Mines and Minerals Development Department, Labour & Manpower Department, Board of Revenue, Livestock, Forest and Fisheries departments etc. The purpose of these departments is to support economic activities in the province and

to fill the gap between the development of the province. As the names suggest C&W Department works on the main infrastructure of the province, Agriculture is to support agriculture research and development and likewise the other departments. The sole purpose of these departments is service delivery and are not required to generate revenue except to the extent of regulating certain matters. However, a major breakthrough was seen during the year regarding the revision of slab rates of Agricultural Income Tax in Balochistan in accordance with the income tax rates of individuals charged in Federal Taxes. The premise behind this alignment is that any individual who is liable pay tax on income shall also pay tax on net agricultural income. It is, however, true that the Board of Revenue also collects certain taxes like Stamp Duty, Transfer of Property and registration of property taxes etc.

The Government has allocated sufficient amount for these departments according to their operational requirements while little amounts for repair and purchase of assets have been allocated except the C&W which is responsible for repair and maintenance of office and residential building as well as internal provincial roads for which an amount of Rs. 3.5 billion has been allocated. Repairs budget is also allocated to Irrigation department for repairs of canals and to the Board of Revenue for repair of transport and building structures in districts.

d. Health Sector

Health is provided a huge share both from Non-Development and Development Budget. For ease of interpretation it is clarified that there are two functions embedded with the health department, that is the pure health services and the related medical education services. Therefore, while looking the grant of health department it will show the following data:

Table 14: Health Expenditure by Type of Expenditure

Head of Account	Budget Estimates	Revised Estimates	Budget Estimates
PKR Million	2024-25	2024-25	2025-26
Salaries and Allowances	34,152.09	36,383.82	36,758.65
Operating Expenses	9,968.82	10,977.00	9,913.75
Grants	17,812.51	18,950.60	20,941.69
Scholarships	1,876.20	1,668.67	1,536.61
Interest on Health Funds	-	-	106.28
Purchase of Assets	2,863.50	3,102.28	1,343.46
Repair and Maintenance	594.46	608.01	423.69
Total	67,267.57	71,690.37	71,024.12

The pure health function other than medical education is as under:

Table 15: Health Expenditure by Function

Head of Account	Budget Estimates	Revised Estimates	Budget Estimates
PKR Million	2024-25	2024-25	2025-26
Health Function	57,122.74	60,628.50	59,732.69

One of the major areas in health department pertains to the grants allocated to the various hospitals and schemes which are provided in the table as under:

Table 16: List of Grantee Organizations

Grantee Organisation	Original Budget 2025-26 PKR Million
Grant in aid cost of Insurance Premium	4,500.00
Grant in Aid to PPHI for Salaries of Staff	3,317.00
Health Hospital (Sheikh Zayed, BINUQ etc)	3,274.89
Medicine of BHUs	2,060.00
GIA To Indus Hosp: Secondarycare Baiker Hosp	991.00
GIA to Indus Hospital for PPL Hosp: Sui	782.60
Human Resource (GDA/PAK-CHINA HOSPITAL)	518.08
Grand in aid for Ghulam Farooq Memorial Hospital Buleda Turbat	508.00
Grant in aid for Bach Khan Hospital(Summary Condition apply)	360.23
Grant in Aid for Balochistan Institute of Child Health Services Qu	350.00
Grant in Aid for PPHI	338.59
Child Life Foundation Karachi	325.00
Estt: of 25 Health Care Centres	325.00
Telehealth Center in BHUs	315.03
Material/Consumables (Gen: Items, Medicines & Surgical) GDA/PAK-CHINA	270.09
Furniture & Med: Equipments for BHUs	264.36
Grant in aid for Pak Oman Hospital Pasni	200.00
Operationalization of 164 BHUs and other feasible Grey Structure	200.00
Grant in aid for Paeds Oncology SKBZ (Indus Hospital)	199.00
Grant in Aid for PPHI for Contingency	193.96
Digitilization of 300 BHUs	165.00
Grant in aid to MERC for Trauma center Zhob and Khuzdar	157.92
Grant in aid for joint Hospital Awaran	128.62
Utilities	123.62
Estt: cost for 40 Labor Rooms and 10 MCH Centres 24/7	120.60
Running cost for Labor Rooms and MCH 24/7 Centres	120.00

Grantee Organisation	Original Budget 2025-26 PKR Million
Repair and Maintenance of BHUs	115.00
Grant in aid for QIMS	94.38
Overheads: Operational & Contingencies (GDA/PAK-CHINA Hospital)	84.23
Operational cost of 8 EDs	80.40
Grant in Aid for Bal:Healthcare Commission (BHCC)	70.00
PMU BHCIP/PMU HEALTH	60.00
Major repair & renovation Existing 40 functional BHUs (Phase-1)	56.00
Outsourcing of transportation of Medicine	50.00
Grant in aid for Estt: of 2 DSUs	45.36
Repair & Maintenance of Ambulances	33.28
Grant-in-aid for Lady Differin Hospital Quetta.	30.00
Grant in Aid to Study tour of Students	17.00
Estt: one labor room one MCH BHU Goth Imam Din Khiazai	13.40
Grant in aid for Safe Blood Authority	12.55
Purchase of Ambulance for BHU Goth Imam Din Khiazai	12.00
Purchas of Ambulance for MCH Centre Killi Sultan Mohammad	9.50
Purchase of Ambulance BHU Habib Qilla Duki	9.50
Purchase of Ambulance for BHU Killi Wal Duki	9.50
Grant in aid for Pakhtoon Khuwa Blood Bank	7.00
Grant in aid for Baloch Blood Bank	7.00
Jam-a-Shifa Hospital Quetta (for purchase of medicine)	6.00
Grant in aid for RBC Center	5.00
Grant in aid Al Ibrahim Eye Hospital Kharan	3.00
Grant in aid for Baloch Blood Bank Kharan	2.00
Grant in Aid for Thalassemia Patients	1.00
Total Health Grant	20,941.69

Scholarships include amount paid to the Post Graduate Medical Students while purchase of assets are for purchase of machinery and specific consumables and stores as under:

Table 17: Purchases List in Health

Type of Expenditure	Budget Estimates 2025-26
Medical Stores	33.75
Specific Consumables	3.71
Plant & Machinery	1,300.00
Total	1,337.46

e. Education Sector:

As discussed in the previous section, there are functional and departmental bifurcation. Under the functional area expenditure on education sector will reach Rs. 137 billion that includes school education, college education, university education including medical education. Moreover, there is also education expenditure under the labour department, social welfare department for special education and mines department for miners welfare schools. Besides, the department specific expenditure of School Education Department and Colleges and Higher Education Department are provided in the table below:

Table 18: Segregation of Expenditure between Schools and Colleges

Department PKR Million	Budget Estimates 2024-25	Revised Budget 2024-25	Budget Estimates 2025-26
Colleges Higher & Technical Education	22,816.76	21,802.43	24,017.31
School Education Department	92,068.12	78,723.54	101,797.24
Grand Total	114,884.89	100,525.98	125,814.54

The Government spends Rs. 197 billion both on health and education and is providing full support to students even at universities level which is unprecedented even globally. More than Rs. 8 billion had been allocated to the Universities Education other than the medical education. Likewise, abundant resources are made available from primary, middle and secondary level to the degree level.

Table 19: Expenditure of Education Sector by Type

Type of Expenditure	Budget Estimates 2024-25	Revised Estimates 2024-25	Budget Estimates 2025-26	% allocation
Salaries and Allowances	95,991.17	79,427.05	103,874.12	82.6%
Operating Expenses	6,037.75	6,762.61	5,611.41	4.5%
Grants	10,825.59	12,232.59	14,793.14	11.8%
Scholarships	125.74	138.40	18.79	0.0%
Interest from Investment Funds	-	-	425.19	0.3%
Purchase of Assets	978.49	995.06	704.57	0.6%
Repairs and Maintenance	926.14	970.26	387.32	0.3%
	114,884.89	100,525.98	125,814.54	100.0%

The above table shows that majority of expenditure is spared for pay and allowances. The major reason is that there is abundant number of positions in the education sector while the

financial impact of time-scale payment to the teachers. The other expenses relate to purchase of furniture, repair of school building and operating expenses providing utility bills, reading writing material, purchase of uniform to the deserving students and other requirements. The Public Sector Universities will receive a whopping amount of Rs. 8 billion, more than Rs. 1.5 billion for Cadet colleges and other amounts for various academies and educational institutions. The Government under the Strategic initiatives has allocated an amount of Rs. 2.5 billion for opening of 1,200 new primary schools, while Rs. 4 billion will be further added to the BEEF fund to support more than 5,000 students to study at inter level and Rs. 1 billion for Balochistan Education Foundation (BEF) for community schools.

CHAPTER IV – DEVELOPMENT EXPENDITURE

Public sector development remains one of the highest priorities in budget allocation, as it directly reflects and ensures the progress of any country or province. Recognizing its importance, the Government of Balochistan continues to allocate as much funding as possible to the Public Sector Development Programme (PSDP).

This chapter outlines all expenditures incurred on the development side of various sectors. The development budget is broadly divided into the following three key components:

1. **Provincial (PSDP)**
2. **Federal (PSDP)**
3. **Foreign Project Assistance (FPA)**

In the budget for the financial year 2024-25, a total of **Rs. 321.148 billion** representing **35% of the overall budget** was allocated to the development sector. This allocation comprises contributions from three major sources:

- **Government of Balochistan:** Rs. 219.561 billion (**68%**)
- **Federal Development Grants (FDGs):** Rs. 73.289 billion (**23%**)
- **Foreign Project Assistance (FPA):** Rs. 28.298 billion (**8%**)

This allocation underscores the Balochistan government's strong commitment to promoting development through substantial investment in public sector initiatives.

Development spending refers to expenditures dedicated to activities and programs that promote economic growth, enhance infrastructure, and reduce poverty. This aspect of the budget holds particular importance for the people of Balochistan, where the development gap compared to other provinces remains significant.

Infrastructure development particularly in the road sector has been a key focus of public development programs, as it directly influences the socio-economic well-being of communities. Roads not only improve connectivity but also facilitate access to markets, healthcare, and education.

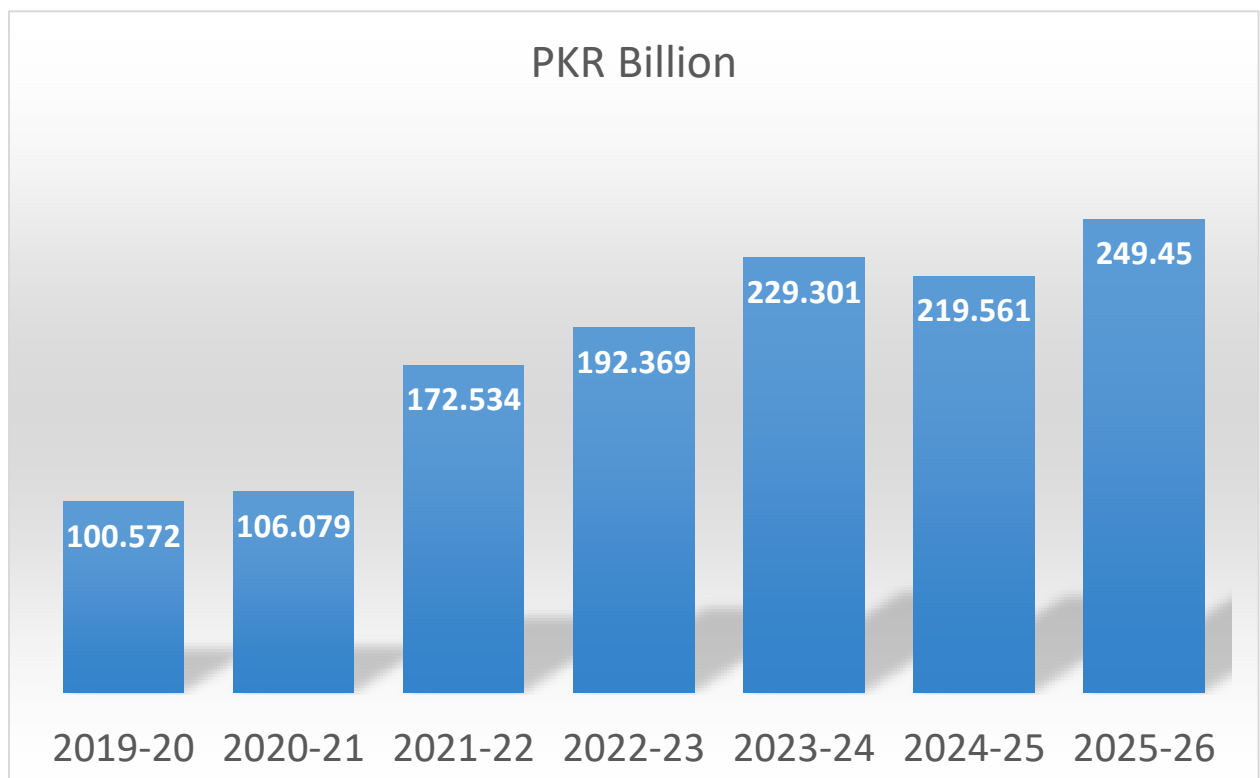
Public development spending plays a vital role in stimulating economic growth by investing in infrastructure, innovation, and productive sectors. Investments in transport networks, energy infrastructure, telecommunications, and water supply systems help

reduce production costs, improve connectivity, and attract private sector investment.

For the financial year 2024-25, Rs. 219.561 billion was allocated under the Provincial Public Sector Development Programme (PSDP). This included a total of 6,680 development schemes, comprising 2,704 new schemes in FY 2024-25 and 3,976 previous years ongoing schemes, reflecting the government's continued commitment to accelerating development across the province. Whereas for the year 2025-26 there is a total allocation of Rs. 249.5 billion consisting of 2,550 new schemes with estimated cost of Rs. 361 billion and allocation for 2025-26 of Rs. 138 billion. For the 3,633 ongoing scheme with a total estimated cost of Rs. 1,286 billion there is an allocation of Rs. 141.9 billion constituting a 57% of the total allocation. The throwforward of ongoing scheme is Rs. 640 billion.

Over all the government is trying its best to allocate maximum possible budget, for development programs in order to facilitate the life of Balochistan people, following graphical presentation shows the progress in Budget allocation over the years.

Figure 3: Trend on Development Budget



REVISED DEVELOPMENT PROGRAMS 2024-25.

During the financial year 2024-25, the Government of Balochistan demonstrated a strong commitment from the outset to ensure that development work is carried out in line with the approved budget and planning. Public sector development programs are a critical and sensitive component of the budget, requiring not only thorough planning but also timely release of funds, efficient execution, and successful completion of projects. The ultimate goal is to ensure that these initiatives have a tangible and positive impact on the lives of the people of Balochistan. Notably, for the first time in the province’s history, the Government of Balochistan released nearly the entire budgeted amount for development projects. This historic step underscores the government’s resolve to ensure that the budget is not merely a statement of figures, but a practical instrument for driving real improvements in the socio-economic conditions of its citizens.

Table 20: Breakup of Development Budget 2024-25 with Revised Estimates

DEVELOPMENT EXPENDITURE: PKR Million	Budget Estimates	Revised Estimates
	2024-25	2024-25
Provincial PSDP	219,561.03	243,273.94
Foreign Project Assistance	28,298.21	23,309.26
Development Grants (Federal Funded Projects)	73,289.12	48,531.37
Total	321,148.36	315,114.57

The detail of budget for year 2024-25 along with with revised for each department are given in following table.

Table 21: Sector Wise Budget for 2024-25 with Revised Estimates

Head of Account	Budget Estimates	Revised Estimates
	2024-25	2024-25
DEVELOPMENT EXPENDITURE		

Head of Account	Budget Estimates	Revised Estimates
	2024-25	2024-25
Services & General Administration	1,400.768	1,749.451
Excise & Taxation Department	155.671	255.671
Communication and Works Department	50,228.545	55,722.320
Public Health Services Department	16,662.752	25,480.554
Colleges Higher and Technical Education	5,528.126	6,425.990
Health Department	20,010.392	17,946.475
Population Welfare Department	235.062	135.037
Labour & Manpower Department	268.837	211.799
Sports & Recreation Department	3,238.256	1,777.018
Social Welfare Department	638.285	685.877
Provincial Disaster Management Authority	1,229.764	3,905.768
Auqaf and Religious Affairs Department	487.721	389.421
Food Department	128.733	291.280
Agriculture Department	7,337.085	7,347.695
Livestock Department	917.749	813.497
Forestry Department	2,625.116	2,847.041
Fisheries Department	1,604.096	1,036.629
Irrigation Department	28,600.852	38,481.972
Local Government & Rural Development	9,747.081	13,518.102
Industries & Commerce Department	418.101	259.335
Mines & Minerals Department	988.672	704.146
Prosecution	250.000	220.525
Transport Department	215.000	587.565
Secondary Education Department	26,424.467	17,475.121
Culture & Tourism & Archives Department	923.710	845.556
Law & Parliamentary Affairs	210.000	336.735
Women Development Department	387.836	354.111
Energy Department	5,588.790	7,473.098
Science & Information Technology	1,744.213	1,007.731
Environment Department	115.174	113.242
Urban Planning & Development Department	1,164.291	2,483.296
Home Department	1,868.072	1,666.121
Board of Revenue	1,547.600	1,654.025

Head of Account	Budget Estimates	Revised Estimates
	2024-25	2024-25
Finance Department	40.000	7.975
Planning & Development	374.858	80.220
Information Department	94.000	66.900
Minority Affairs	1,363.890	2,213.261
Physical Planning & Housing Department	7,788.911	7,702.236
Gwadar Development Authority	1,457.736	302.206
Foreign Funded Projects	28,298.210	23,309.260
Federal Funded Projects	73,289.122	48,531.365
Balochistan Development Authority	1,995.170	1,557.481
Multi-Departmental Schemes	13,555.650	17,141.459
Total Development Expenditures	321,148.364	315,114.567

BUDGET 2025-26

Following the successful completion of the fiscal year 2024-25, during which 100% of funds were released for the Public Sector Development Program (PSDP), the Government of Balochistan has reaffirmed its strong commitment to development initiatives.

For the fiscal year 2025-26, the total budgeted development expenditures have increased from Rs 321.148 billion to Rs 336.576 billion, reflecting the government's continued focus on infrastructure and socio-economic growth, despite a reduction in federal grants from Rs 73.289 billion to Rs 56.976 billion.

To bridge this gap and reinforce its development priorities, the provincial government has increased its PSDP allocation by Rs 30 billion, from Rs 219.561 billion to Rs 249.450 billion. This significant rise underlines the government's unwavering commitment to the welfare and uplift of the people of Balochistan.

In addition, foreign project assistance has seen a modest increase of Rs 1.850 billion, further supporting development projects for the year 2025-26.

Table 22: Breakup of Development Budget 2025-26

DEVELOPMENT EXPENDITURE:	BUDGET ESTIMATES	BUDGET ESTIMATES
	2024-25	2025-26
Provincial PSDP	219,561.03	249,450.29
Foreign Project Assistance	28,298.21	30,148.87
Development Grants (Federal Funded Projects)	73,289.12	56,976.89
Total	321,148.36	336,576.05

The Government of Balochistan remains deeply committed to the holistic development and well-being of its people. Recognizing the complex challenges posed by limited financial resources, the government has strategically prioritized its Public Sector Development Program (PSDP) for the fiscal year 2025–26. The focus has been placed on sectors that carry the greatest social impact and can directly contribute to improving the quality of life across the province.

A significant portion of the development budget Rs 54.714 billion (22%) has been allocated to the Communication and Works Department, reflecting the government’s aim to enhance infrastructure and connectivity, particularly in remote areas. This is followed by an allocation of Rs 32.328 billion (13%) for the Irrigation sector, acknowledging the vital role of water management and agriculture in Balochistan’s largely arid and rural landscape.

In the education sector, Rs 19.273 billion (8%) has been allocated to School and Higher Education, reaffirming the province’s long-term commitment to human capital development. The Public Health Services sector receives Rs 17.161 billion (7%), while Health is allocated Rs 16.153 billion (6%), together highlighting the government’s focus on strengthening both medical facilities and public health infrastructure.

Additionally, the Agriculture sector has been allocated Rs 10.170 billion (4%), supporting the backbone of rural livelihoods. Science and Information Technology receives Rs 12.661 billion (5%), indicating a forward-looking vision to prepare Balochistan for a more digital and knowledge-driven future. The Local Government and Rural Development sector is

allocated Rs 12.910 billion (5%), demonstrating the government's intention to promote grassroots development and empower local communities.

Altogether, these eight key sectors account for Rs 175.371 billion out of Rs 249.450 billions, which constitutes 70% of the total Provincial PSDP for the Financial year 2024-25. This focused and socially conscious development programs reflects the government's intent to address core needs, promote equity, and lay the foundation for sustainable progress throughout Balochistan.

Table 23: Major Secotoral Allocation

Department	Budget allocated	Percentage-wise
Communication & Works	54,714	22%
Public Health Services	17,161	7%
Health	16,153	6%
Agriculture	10,170	4%
Irrigation	32,328	13%
Local Government & Rural Development	12,910	5%
School & Higher Education	19,273	8%
Science & Information Technology	12,661	5%
Total	175,371	70%

CHAPTER V

PUBLIC ACCOUNT LIABILITIES

The Public Account is a vital component of the provincial financial framework, comprising funds held by the government in trust or custodial capacity. These funds do not form part of the Provincial Consolidated Fund and are maintained separately, as mandated under Article 118 of the Constitution of the Islamic Republic of Pakistan, 1973.

Article 118 draws a clear distinction between the Provincial Consolidated Fund and the Public Account. It states:

“All the revenue received by the Provincial Government; all loans raised by the Government; and all moneys received by it in repayment of any loan shall form part of a Consolidated Fund, to be known as the 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 or any other court established under the authority of the Province, shall be credited to the Public Account of the Province.”

The Public Account of the Province includes a wide range of deposits and funds such as Trust Funds, Special Deposits, Security Funds, Bid Securities, and Contributory Funds. These may also include Savings Bank Accounts, National Deposit Accounts, Revenue Deposits, Court Deposits, and Personal Deposits.

The government acts as a custodian of these funds, which are maintained for specific purposes and are not available for general expenditure unless authorized under the prescribed conditions. The Public Account reflects liabilities and obligations that are payable on demand or upon fulfillment of specific conditions.

Key Categories Under Public Account

The following are the major categories under which funds are recorded in the Public Account:

Trust Funds and Contributory Funds (including pension and welfare funds)

- Special and Security Deposits
- Bid and Earnest Money Securities
- Revenue, Court, and Personal Deposits
- Savings and National Deposit Accounts

These accounts are crucial for maintaining financial transparency and ensuring the government fulfills its fiduciary responsibilities effectively.

CHAPTER VI - PUBLIC INVESTMENT FUNDS

Investment and endowment funds serve as strategic financial instruments aimed at ensuring sustainable and long-term support for critical operations and initiatives. Globally, such funds are utilized by governments, educational institutions, and non-profit organizations to generate income through prudent investments, thereby enabling continuous funding for specific causes without recurrent strain on annual budgets.

Since FY 2024-25, the Government of Balochistan has been making annual investments in various dedicated funds, beginning with the Pension Fund, Group Insurance Fund, General Provident Fund, Balochistan Awami Endowment Fund, and the Balochistan Education Endowment Fund (BEEF). Over the years, these investments have grown steadily, with an increasingly allocation in the provincial budget to expand the scope and sustainability of these funds.

As per the mandate outlined in the Balochistan Rules of Business 2012, the Finance Department, Government of Balochistan, is responsible for managing the investment of principal amounts, commonly referred to as ‘Seed Money.’ These funds are invested through established and regulated mechanisms, and the income generated from these investments is subsequently transferred to the respective Administrative Departments for policy-driven utilization. The proceeds are deployed to support a broad spectrum of objectives, including pension and other post-retirement benefits, scholarships for deserving students, medical assistance for underprivileged patients, and welfare initiatives targeting specific segments of society such as journalists, lawyers, artists, and fishermen. This investment model not only fosters financial sustainability but also ensures the uninterrupted delivery of essential social support programs across the province.

BUDGETED ALLOCATIONS FOR FY 2024-25

During FY 2024-25, the Government of Balochistan allocated a total of Rs. 13,500 million towards various investment and endowment funds, reaffirming its commitment to sustainable development and social welfare through structured financial arrangements.

To strengthen the province’s capacity to meet long-term pension liabilities, the Balochistan Pension Fund received the highest share of Rs. 4,000 million (30% of total allocation). Similarly, to meet the province’s Group Insurance liabilities, Rs. 2,500 million (18.5% of total allocation) was allocated to Provincial Government Employees Group Insurance

Fund.

In the social sector, aligning with the Government’s policy of supporting deserving and high-achieving students, as well as the Chief Minister Balochistan’s vision of expanding scholarship opportunities, an allocation of Rs. 2,000 million—representing approximately 15% of the total allocation—was made to the Balochistan Education Endowment Fund (BEEF) during FY 2024–25.

A summary of the total allocations made during the Financial Year 2024–25 is presented in the table below:

Table 24: Fundwise Investments made During 2024-25

FUND NAME	BUDGET ALLOCATION 2024-25 Rs in millions
Balochistan Education Endowment Fund	2,000
Food Security Revolving Fund	1,000
Peoples Primary Healthcare Initiative (PPHI) - Operational Support Fund	375
Peoples Primary Healthcare Initiative (PPHI) - Pension Support Fund	375
Balochistan Public Private Partnership Authority Operational Support Fund	500
Balochistan Public Private Partnership Unit (Viability Gap Fund)	2,000
LIEDA Employees Pension Support Fund	250
Endowment Fund for Shaheed Ayub Buledi Higher Secondary School	500
Balochistan Pension Fund	4,000
Provincial Government Employees Group Insurance Fund	2,500
TOTAL INVESTMENT	13,500

REVISED ESTIMATE INVESTMENTS FY:2024-25

During the Financial Year 2024–25, surplus funds were strategically directed by the Honorable Chief Minister of Balochistan to further strengthen key development and welfare initiatives. Notably, an allocation of Rs. 1,495 million was made to the Balochistan Skill Development Fund to support the Chief Minister’s Youth Skill Development and Overseas Employment Program. This amount was sourced from the Government of Balochistan’s share in the Duddar Project. Additionally, Rs. 270 million was allocated to enhance the seed money of the Journalist Welfare Fund, increasing its total corpus from

Rs. 230 million to Rs. 500 million.

As a result of these supplementary allocations, the revised budget estimates for FY 2024–25 reflects an increase in the total investment outlay from the originally approved Rs. 13,500 million to Rs. 15,265 million.

Table 25: Fund Wise Investments 2024-25

FUND NAME	BUDGET ESTIMATE	SUPPLEMENTARY BUDGET	REVISED ESTIMATE
	2024-25	2024-25	2024-25
	Rs. In millions		
Balochistan Education Endowment Fund	2,000	-	2,000
Food Security Revolving Fund	1,000	-	1,000
Peoples Primary Healthcare Initiative (PPHI) - Operational Support Fund	375	-	375
Balochistan Skill Development Fund	-	1,495	1,495
Peoples Primary Healthcare Initiative (PPHI) - Pension Support Fund	375	-	375
Balochistan Public Private Partnership Authority Operational Support Fund	500	-	500
Balochistan Public Private Partnership Unit (Viability Gap Fund)	2,000	-	2,000
LIEDA Employees Pension Support Fund	250	-	250
Shaheed Ayub Buledi Higher Secondary School	500	-	500
Journalist Welfare Fund	-	270	270
Balochistan Pension Fund	4,000	-	4,000
Provincial Government Employees Group Insurance Fund	2,500	-	2,500
TOTAL	13,500	1,765	15,265

BUDGET ESTIMATE INVESTMENTS 2025-26

For the financial year 2025-26, Government of Balochistan has proposed an investment of Rs. 13,000 million. This includes a significant investment of Rs. 5,000 million for a special scheme for the Balochistan Technical Education and Vocational Training Authority (BTEVTA) Fund to support the Chief Minister’s Youth Skill Development and Overseas Employment Program. Further, Rs. 4,000 million is allocated to

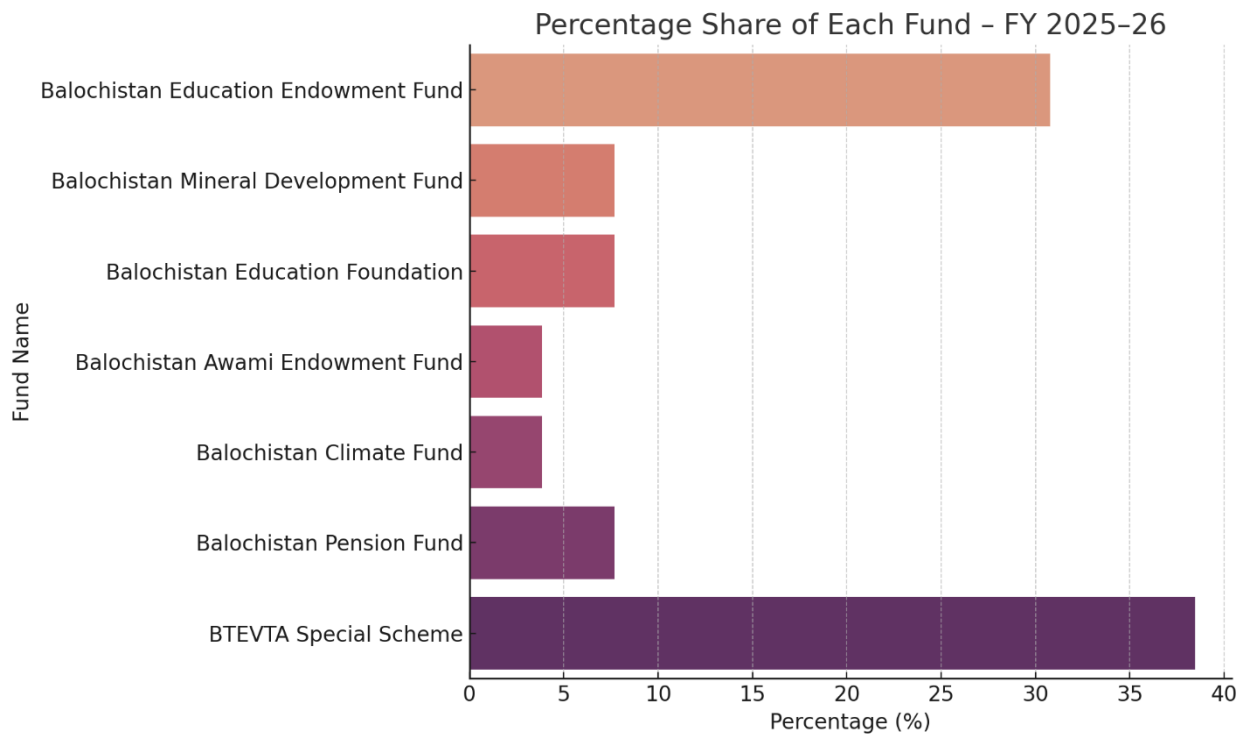
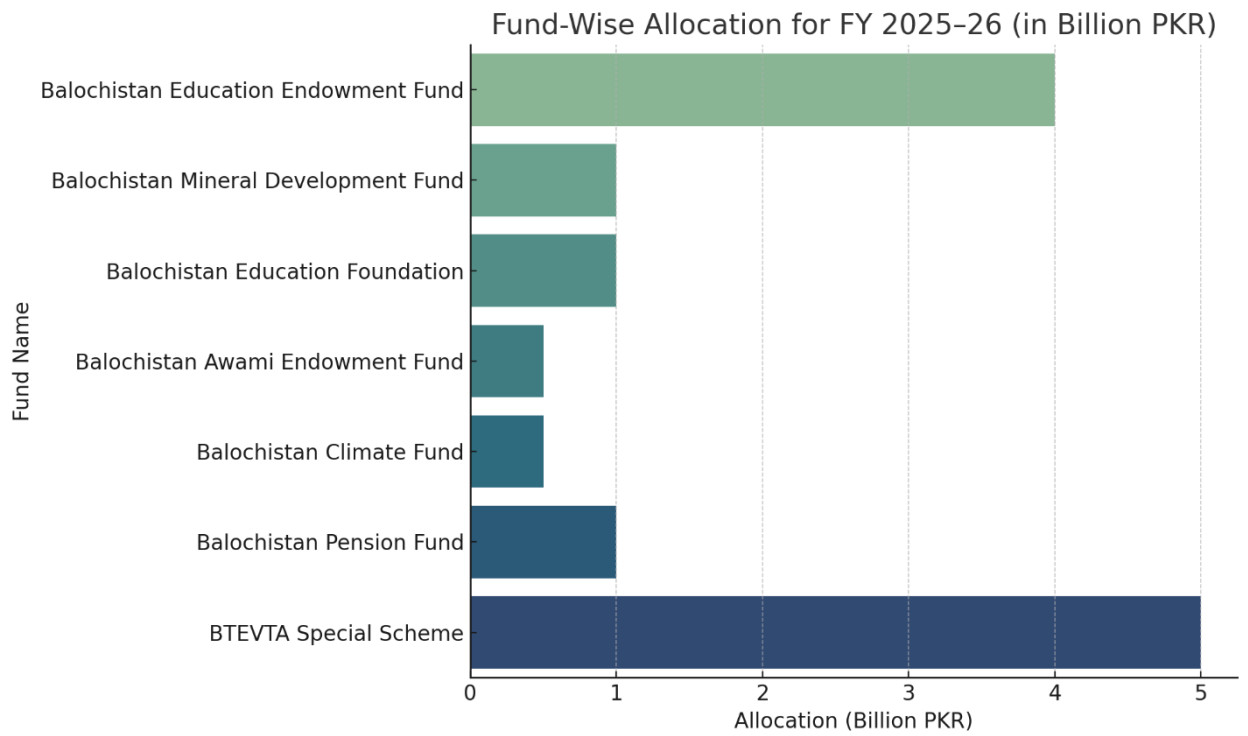
Balochistan Education Endowment Fund, Rs. 1,000 million to the Balochistan Pension Fund and Rs. 5 million for the Balochistan Awami Endowment Fund. Additionally, keeping in view the growing challenges and new opportunities, Government of Balochistan has proposed to allocate Rs. 2,500 million to establish three (3) new funds as follows;

- a. Rs. 1,000 million for Balochistan Mineral Development Fund to provide financial support to strengthen mining and exploration activities in Balochistan.
- b. Rs. 1,000 million for the Balochistan Education Foundation to expand its outreach and support its initiatives in the education domain.
- c. Rs. 500 million allocation to establish Balochistan Climate Fund to provide financial support to Climate Change initiatives in Balochistan.

The total proposed allocations for the Financial Year 2025–26 are summarized in the table and charts below:

Table 26: New Proposed Investments 2025-26

FUND NAME	ALLOCATION FOR 2025-26 (PKR MILLIONS)
Balochistan Education Endowment Fund	4,000
Balochistan Mineral Development Fund	1,000
Balochistan Education Foundation	1,000
Balochistan Awami Endowment Fund	500
Balochistan Climate Fund	500
Balochistan Pension Fund	1,000
BTEVTA Special Scheme	5,000
TOTAL	13,000



CHAPTER VII – BALOCHISTAN DEBT PORTFOLIO

The debt portfolio of the province consists of both foreign and domestic debts. The foreign debts are long-term concessional external debts obtained from multilateral and bilateral institutions. These debts have been availed through the Economic Affairs Division (EAD) for the Government of Balochistan (GoB) and were transferred under the same terms and conditions to the province through a relending mechanism (on-lent loans). These loans were secured with the aim of supporting the province's economic growth and addressing economic and social gaps through development projects in various socio-economic sectors. The province has also entered into a composite Cash Development Loan (CDL) arrangement with the Federal Government for the development of the Right Bank Outfall Drainage in the Naseerabad Division by WAPDA.

The above comparative analysis indicates an upward surge in the province's debt portfolio. The debt profile increased by a substantial amount of Rs. 13,473.0 million during the period from June 30, 2024, to June 30, 2025. Several factors contribute to this increase in the debt portfolio; however, the rise in the province's debt can primarily be attributed to the effects of the following three factors:

- (a) Disbursement and Repayment Effect;
- (b) Foreign Exchange Rate Fluctuation;

REPAYMENT OF PRINCIPAL & INTEREST

The repayment amount consists of both the principal repayment and the interest costs on the outstanding amount, in accordance with the rates and repayment schedule agreed upon at the time of the loan agreement. The amortization schedule is revised at the close of the project based on the actual amount disbursed and adjusted each year according to currency fluctuations. Foreign exchange gains or losses arising from currency fluctuations are reflected in the debt balances as realized gains or losses. The payments for fiscal year 2024-25 and the budget estimates for fiscal year 2025-26 are shown below;

Table 27: Lender wise payment of Principal and Interest

Development Partner	Payments Rupees in Million			
	Principal	Interest	Principal	Interest
	Revised Estimates 2024-25		Budget Estimates 2025-26	
ADB	4,085.30	171.96	4,149.06	438.00
Canada	5.58	0.00	0.00	0.00

Germany	119.99	7.88	124.11	7.21
IBRD	26.04	0.34	26.97	0.15
IDA	3,812.43	692.42	4,077.08	784.85
IFAD	243.27	157.99	704.18	227.72
Japan	371.64	23.51	384.82	15.49
Federal Govt	81.73	1,263.60	56.643	433.336
Total	8,745.98	2,317.7	9,522.863	1,906.756

ACTUAL DISBURSEMENT FROM ACTIVE LOANS

During the period ended 30th June,2025, Rs 21,985.89 million have been disbursed on account of active loans from IDA, ADB and IFAD. Project wise total disbursements from active loans during the period ended 30th June 2025 are shown below;

Table 28: Project Wise Disbursement 2024-25

Name of Project	Actual Disbursement	
	In Million	
	Base Currency	PKR
Balochistan Human Capital Investment Project	USD 4.19	1,168.40
Balochistan Integrated Water Resources Management and Development Project	USD 3.97	1,111.58
Balochistan Livelihood & Entrepreneurship Project	USD 5.80	1,616.54
Balochistan Water Resources Development Sector Project	USD 13.75	3,834.29
Emergency food Assistance Project	USD 8.19	2,287.71
Gwadar Lasbela Livelihood Support Project II	USD 14.24	3,973.91
Integrated Flood Resilience and adoption Project	JPY 4,603.00	8,528.99
	Total	22,521.42

DEBT PORTFOLIO BY LENDER

Provinces avail external loans, through Economic Affairs Division, Government of Pakistan from various international multilateral and bilateral organization. The debt portfolio of the province consists lending from the following;

- International Development Association-IDA (World Bank);
- International Bank for Reconstruction and Development-IBRD (World Bank);
- Asian Development Bank (ADB);
- International Fund for Agriculture Development (IFAD);
- Canadian International Development Agency (CIDA);

- (f) Germany;
- (g) Japan; and
- (h) Federal Government of Pakistan (CDL).

The lenders or agency wise outstanding loan balances as on 30th June 2025 in Rupee terms is shown below;

Table 29: Lender Wise Debt Portfolio

Name of Lender	Rs in Million
Asian Development Bank (ADB)	35,332.76
Germany	959.95
International Bank for Reconstruction and Development-IBRD (World Bank	26.04
International Development Association-IDA (World Bank);	60,345.03
International Fund for Agriculture Development (IFAD);	15,043.47
Japan	743.27
Cash development loan (CDL)	4,182.72
Grand Total	116,633.24

DEBT POSITION BY CURRENCY POSITION

The loan portfolio of the province consists of multiple currencies, including US Dollars, Canadian Dollars, Deutsche Marks, Japanese Yen, and Pakistani Rupees. For foreign debts, the choice of loan currency is determined by the Economic Affairs Division (EAD), considering the economic implications of the loans in terms of interest rates and currency stability. The breakdown of the province's currency-wise loans is shown below;

Table 30: Currency Wise Debt Portfolio

Name of Currency	Rs in Million
US Dollar	93,566.92
Japanese Yen	17,923.65
Canadian Dollar	0.00
Deutsche Mark	959.95
Pak Rupees	4,182.72
Total	116,633.24

SECTOR WISE OUTSTANDING DEBTS

The loans obtained by the Government of Balochistan over the years are for support of projects reflected in the Provincial Public Sector Development Programmed (PSDP) as Foreign Project Assistance (FPA) based on the respective needs of the sectors. Sector wise outstanding balances as on 30th June, 2025 are as follows;

Table 31: Sector Wise Debt Portfolio

Name of Sector	Rs in Million
Agricultural	6,663.69
Communication & Works	6,272.40
Education	15,990.83
Energy	93.05
Finance Department	1,849.75
flood	19,525.86
Governance, Research & Statistics	15,102.42
Health	1,605.17
Industries	35.36
Irrigation	39,556.11
Livestock	0.00
Others	2,670.30
Rural Development & Poverty Reduction	3,692.08
Social Welfare	2,295.77
Water (Public Health Engineering)	1,280.44
Grand Total	116,633.24

