

FINANCING IN EDUCATION SECTOR (Public and Private)

FY 2012-13, 2013-2014, 2014-2015, 2015-2016 and 2016-2017

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ACRONYMS

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

EXECUTIVE SUMMARY

This report was designed to collect and analyze the scanty information regarding financing in education sector in Pakistan. Data was collected from all concerned stakeholders including Federal, Provincial, and Areas governments. Moreover, budget books were also used for verification of financial data. According to Pakistan Education Statistics, (2015-16) there are total 243,937 educational institutions functioning in public and private sector including Deeni Madaris and non-formal schools.

The total budgetary expenditure in education sector was Rs 1,150.346 billion in 2015-16 in both public and private sector. The expenditure of Federal government was Rs.130.312 billion in 2015-16 whereas provincial governments spent Rs.533.954 billion in the same financial year. The estimated expenditure incurred by the private sector was Rs.486.080 billion in 2015-16. The public sector is contributing 58% and private sector contribution is 42%. According to Pakistan Education for All Review Report (2015) and Pakistan Economic Survey 2016-17, Pakistan's education expenditure as percentage of GDP has varied between 1.7% and 2.3% during 2007-2008 to 2015-16 which is a gradual small increase that needs to be enhanced at least to 4% as per UNESCO recommendation. The comparison of Federal allocation and expenditure indicate that Federal allocation was Rs.65.250 billion in 2012-2013 that increased upto Rs.111.154 billion (67%) in 2016-17 whereas expenditure incurred increased during the period from Rs.70.142 billion in 2012-2013 to Rs.100.210 billion (41%) 2015-2016.

Federal financial data further shows that Federal budget including budget of Ministry of Federal Education and Professional Training, other Ministries' spending on Education, FATA, Gilgit Baltistan, and AJK Budgets which are being funded by the Federal Government. Federal Government allocated Rs.87.518 billion on Education Sector in 2012-2013 which increased to Rs.139.360 billion (59%) in 2016-2017. Similarly, expenditure incurred by the Federal government increased upwards from Rs.92.478 billion in 2012-2013 to Rs.130.312 billion in 2015-2016 (51%). This shows increase both in allocations (59%) and expenditure (51%). As far as level-wise Federal education budget is concerned data depict that Federal Government allocated major chunk (72%) of its budget for tertiary education as against meager 17%, while 2% on primary/secondary and vocational education respectively.

Provincial/ regional education budgets which stood at Rs 460.978 billion in 2012-13 enhanced to Rs. 688.699 billion (49%) in 2016-2017 whereas expenditure increased from Rs.436.694 billion in 2012-13 to Rs.577.577 billion (32%) in 2015-2016. Financing on education as proportion of total budgetary allocations indicate that Federal Government share of education was 2% in 2012-2013 which remained static till 2015-2016 and increased as 2.3% in 2016-2017.

Findings/ Analysis of budget allocation and expenditures

It was revealed that Federal Government has allocated Rs.111.154 billion for education sector for the year 2016-2017 as against the expenditure of more than Rs.65.250 billion in 2012-13 (increase 67%). Similarly, increase in education budgets of all provinces is evident during the preceding three years and the current 2016-17 but the overall share of education as proportion of total

budget outlay has decreased except in Balochistan. As far as share of sub-sectors of education was concerned, it was found that the major chunk of Federal Education budget has been allocated for Higher Education i.e. 72% of total education budget allocation as compared to meager allocations on primary and secondary levels of education, whereas the trend in Provincial budgets is conversely tilted towards primary and secondary education. Data further indicate that the budgetary allocation to education has remained static around 1.8% of GDP for more than a decade but in 2016-2017 show 2.3% increase. Provinces need to gear up resource generation over and above the share received from the Federal Divisible Pool under NFC award. Financial data reflects that technical and vocational education is grossly neglected among all sub-sectors of education. This requires immediate attention of planners and policy makers.

Way forward

On the basis of data analysis, it is recommended that Federal government may fulfill longstanding commitment to enhance share of education out of GDP to at least 4% or Federal Education spending may be increased from present 2% to 6% annually. It is also suggested that share of Technical & Vocational Education has to be increased to ensure socio-economic development of the country. It is also recommended that provinces may generate resources over and above NFC award allocations or do not rely only on federal funding. There is need to develop appropriate mechanism, to identify issues/problems hampering achievement of national targets and strategies may be developed to achieve these national targets particularly SDGs goals. Therefore, there is need to ensure effective coordination between various stakeholders to devise strategies for implementation of Provincial Education Sector plans in line with international commitments such as SDGs goals which are to be achieved by 2030.

Systematic evaluation of financing on education mechanisms to inform and support financial management in Pakistan is a relatively new phenomenon. After 18th amendment constitution, provincial governments have grown in their role as the primary stakeholders of financing on education and the implementation of budgetary allocations. There is a need to develop the practice of evidence based educational financing policy design.

A meaningful structure for the financial management must additionally grant decision making authority to the education managers. Particularly female education managers must be trained to exert their capabilities in financial management. There is a dire need to articulate realistic and concrete targets and outcomes for funds as well as institutionalization of evaluation and monitoring mechanism and appropriate fund releasing procedure.

Further an independent study is strongly recommended to analyse the reasons of low expenditures as compared to allocation. From existing data allocation and expenditures on education, we know that there is considerable variation with federal/ provinces and regions in the allocation and expenditures on education.

INTRODUCTION

Education has been recognized and guaranteed as a basic human right by the state under UNO charter. In Pakistan successive governments invested in education for a number of reasons i.e. to generate human capital and fuel economic growth, human rights, promotion of good citizenship and to strengthen equality of opportunity to the masses. In addition acquiring education is linked to reduce poverty as it imparts skills and generates income-earning ability. Therefore, provision and financing of education has remained the primary responsibility of the state in Pakistan. Historically, in Pakistan, the state's commitment to social service delivery - education in particular- has often competed with (and lost out against) heavy debt repayments, large and ever-expanding defense budgets and unproductive expenditures on running an oversized government.

There are certain limitations of data availability and consistency that are recognized at the outset to limit the analysis to some degree. Collecting consistent data on financing and outcomes (across reported sources as well as over time) has ever been a challenge. Pakistan is a country with low per capita income levels. Adult literacy rate at present is 60% which does not indicate satisfactory situation regarding Pakistan's international commitments i.e. SDGs. Data indicate that around 24 million children are still out of school and majority consists of female gender. The public sector in the country is the major service provider in education sector, but it still suffers from low resource allocation.

Public spending on education in Pakistan has remained around 2.3% of GDP for the last two decades. This figure is critically low with comparison to regional standards and far below the target set to ensure achievement of universal access to primary education and quality education at all levels. Pakistan is also compelled both by her own constitutional commitments and her commitments to international agreements to ensure a minimum level of funding and to undertake policy reforms at various levels. Implicitly, the state and levels of education financing affect the level of achievement of targets.

Table 1**OVERVIEW OF EDUCATIONAL INSTITUTIONS, 2015-2016**

Institutions		Province/Region								
		Balochistan	KP	Punjab	Sindh	GB	ICT	FATA	AJK	PAKISTAN
Public	Male	9,210	16,623	24,889	34,829	849	183	3,508	3,202	93,293
	Female	3,740	10,539	26,751	10,327	433	165	2,431	2,729	57,115
Private	Male	101	307	2,530	233	24	12	856	20	4,083
	Female	41	106	3,183	363	42	8	8	39	3,790
NCHD		421	252	1,641	3,367	65	40	107	156	6,049
BECS		607	1,389	5,687	1,674	1,425	248	1,071	203	12,304
Deeni Madaris	Male	926	2,456	5,129	2,675	71	154	319	182	11,912
	Female	114	572	2,711	747	10	69	110	183	4,516
	Mixed	1,919	0	5,958	6,611	64	131	122	1,039	15,844
TOTAL		17,079	32,244	78,479	60,826	2,983	1,010	8,532	7,753	208,906

Source: Pakistan Education Statistics, 2015-16, AEPAM

The above table indicates that the difference of number of gender wise educational institutions exists both in public and private sector in Pakistan. Numbers of male schools are more than number of female schools both in public and private sector. It is also evident that number of public schools for males in Sindh i.e. 34,829 is higher than number of public schools for males in Punjab 24889 whereas number of public schools for females in Sindh i.e. 10,327 is lower than number of public schools for females in Punjab 26751.

Table 2**TOTAL PUBLIC AND PRIVATE EXPENDITURE ON EDUCATION 2012-13 TO 2015-16**

Pakistan's education estimated funding of **Rs.1150.346 Billion** 2015-2016 relies on both the public as well as private sector with the former contributing 58% and the later 42%.

Sector		Budget (Expenditure)			
		2012-13	2013-14	2014-15	2015-16
A)	Public Sector	500.618	539.251	655.546	664.266
	Federal Government	92.478	109.810	122.016	130.312
	Provincial Government	408.140	429.441	533.530	533.954
B)	Private Sector *	533.310	533.310	533.310	486.080
Total (A+B)		1,033.928	1,072.561	1,188.856	1,150.346

Source: *Estimated from NEMIS data 2013-2014 and 2015-16

While comparing expenditures of 2014-2015 to 2015-2016 it is visible that budget expenditures increase from, Rs.655.546 billion to Rs.664.266 billion in public sector, Rs.122.016 billion to Rs.130.312 billion in federal government and Rs.533.310 billion to Rs.533.954 billion in provincial government. Whereas budget of private sector decrease from Rs.1188.856 billion to Rs.1150.346 billion. Hence there is increase in public sector financing of education as compared to private sector.

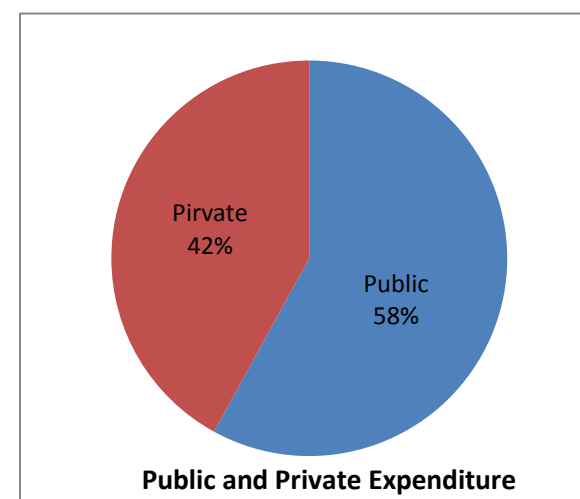


Table 3**EDUCATION EXPENDITURES AS PERCENTAGE OF GDP 2007-08 TO 2016-17**

Pakistan's education expenditure as percentage of GDP varied between 1.7% and 2.3% during 2007-2008 to 2016-17. The following table illustrates Education Expenditure as percentage of GDP:-

2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
1.8	1.9	1.7	1.8	1.9	2.1	2.2	2.2	2.2	2.3

Source: i) *Pakistan Education for All Review Report 2015*
ii) *Pakistan Economic Survey, 2016-17*

The data indicate that there has been a gradual increase in education financing in terms of GDP share during the years from 2007-2008 to 2016-2017. The above table indicates that percentage of GDP allocation of education sector in 2007-2008 was 1.8% which increased upto 2.3% in 2016-17. The following figure explains how education expenditures with regard of GDP percentage gradually increased.

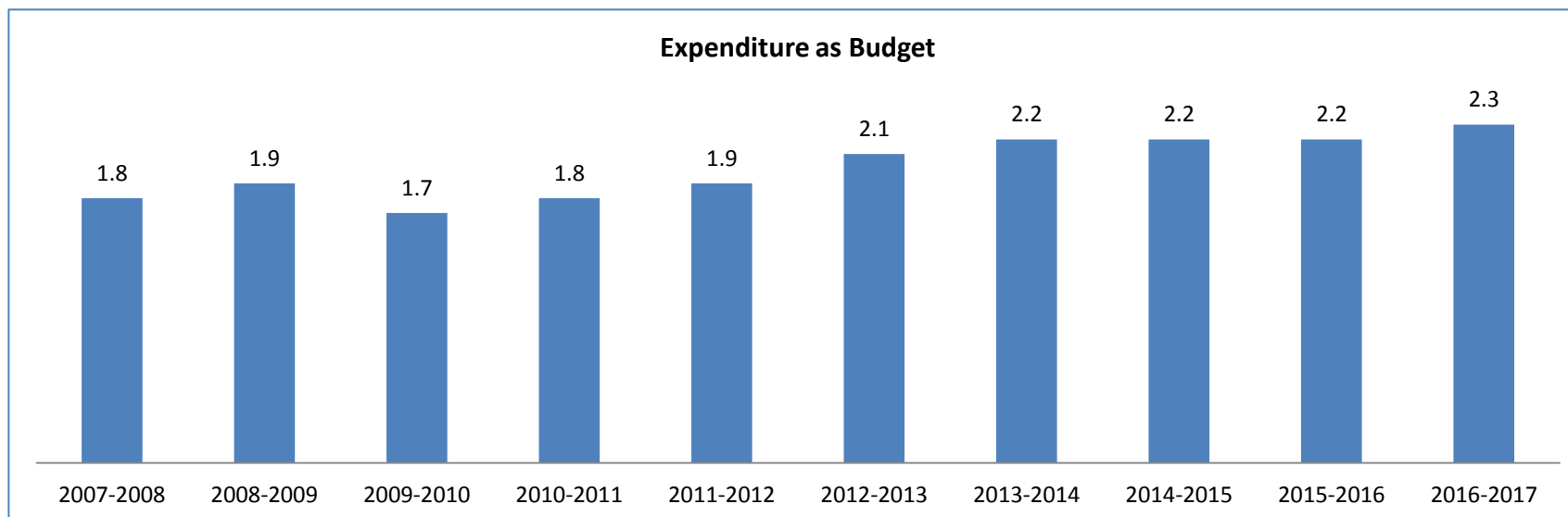


Table 4**FEDERAL EDUCATION BUDGET****Rs. in Billion**

Budget		2012-13		2013-14		2014-15		2015-16		2016-17	Increase from 2012-13 to 2016-17 (%)	
		Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Allocation	Exp
A	Current	47.873	56.952	59.277	66.206	63.221	64.519	75.580	75.568	84.195	76	33
B	Development	17.376	13.190	21.121	20.510	21.106	29.557	23.400	24.642	26.959	43	75
Total (A+B)		65.250	70.142	80.398	86.716	84.328	94.070	98.980	100.210	111.154	67	41

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Education Departments*

The data illustrate the commulative figure of federal budgeting and expenditure either directly made by federal ministries like Ministry of Federal Education and Professional Training, Capital Administration and Development Division others and the spending of FATA, GB and AJK governments financed by federal government. The data show an increase of 67% in allocation and 41% in expenditure which is positively more than the previous years.

It is evident from above table that allocation of current budget in year 2015-2016 was Rs.75.580 billion which increase to Rs. 84.195 billion in year 2016-2017 and allocation of development budget was as Rs.23.400 billion which increase to Rs.26.959 billion in year 2016-2017.

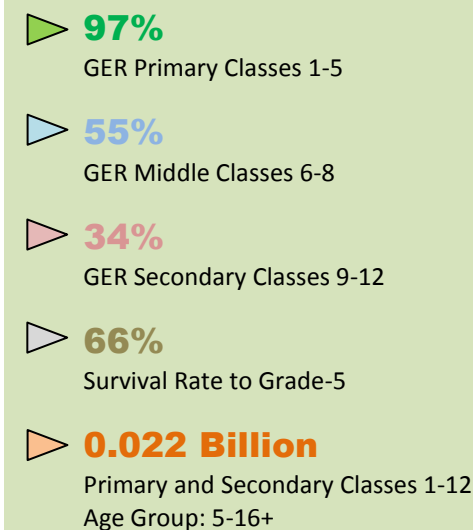
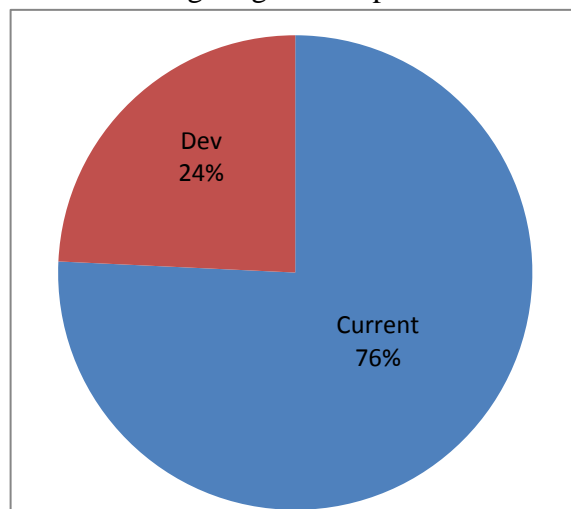


Table 5**FEDERAL FINANCING ON EDUCATION****Rs. in Billion**

Budget	2012-13		2013-14		2014-15		2015-16		2016-17	Increase from 2012-13 to 2016-17 (%)	
	Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Allocation	Exp
M/o Federal Education and Professional Training including Higher Education Commission and NAVTT	52.502	56.292	63.193	66.033	67.525	74.551	75.058	76.124	82.921	58	52
Other Federal Ministries Financing on Education	18.016	18.546	22.888	22.627	24.77	24.217	29.741	30.124	28.514	58	62
Gilgit Baltistan and AJK	17.000	17.640	20.620	21.150	23.185	23.248	25.888	24.064	27.925	64	36
Total Federal Financing on Education	87.518	92.478	106.701	109.81	115.48	122.016	130.687	130.312	139.360	59	51

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2016-17 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Education Departments*

The Federal budget includes budget of Ministry of Federal Education and Professional Training, other Ministries' spending on Education, FATA, Gilgit Baltistan, and AJK Budget. This shows an increase both in allocations (59%) and expenditure (51%) from year 2012-13 to 2016-17. Table also indicate gap between allocation and expenditure.

Table 6

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

Budget	Rs. in Billion										
	2012-13		2013-14		2014-15		2015-16		2016-17	Increase/decrease from 2012-13 to 2016-17 (%)	
	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation	Allocation	Exp.
Ministry of Federal Education and Professional Training											
Current	0.773	1.055	1.016	1.070	0.910	1.344	1.178	1.180	1.214	57	12
Development	2.651	2.636	5.045	3.030	3.290	1.845	2.207	2.207	2.221	-16	-16
Total	3.424	3.691	6.061	4.1	4.2	3.189	3.385	3.387	3.435	0.32	-8
Higher Education Commission											
Current	32.755	36.278	39.000	43.118	43.000	43.050	51.000	51.000	58.000	77	41
Development	15.800	15.800	18.490	18.490	20.000	27.809	20.000	20.207	21.486	36	28
Total:	48.555	52.078	57.490	61.608	63.000	70.859	71.000	71.207	79.486	64	37
NAVTTC*											
Current	0.323	0.323	0.304	0.301	0.259	0.258	0.258	0.281	0.334	3	-13
Development	0.240	0.240	0.200	0.200	0.872	0.866	1.249	1.249	2.159	800	420
Total	0.563	0.563	0.504	0.501	1.131	1.124	1.507	1.530	2.493	343	172
Grand Total	52.542	56.332	64.055	66.209	68.331	75.172	75.892	76.124	85.414	63	36

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

ii) *Federal Budget 2012-13, 2013-14, 2014-15 and 2016-17 Vol-I & II Current Expenditure and Vol-III Development Expenditure*

iii) *Concerned Education on Departments*

* Prime Minister's Special Initiative for Hunarmand Pakistan Program

* Prime Minister's Youth Skill Development Program.

The patter of increase in allocation of budget and actual expenditure is almost the same. All concerned may ensure in time release so that expenditure could be made in time to achieve the targets.

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

Name of Ministry	2012-13		2013-14		2014-15		2015-2016		2016-17	Increase/decrease from 2012-13 to 2016-17 (%)	
	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation	Allocation	Exp.
CAD Division	4.250	4.072	7.402	6.725	8.127	7.643	9.351	9.351	9.440	122	130
Ministry of Religious Affairs											
Grants of Model Deeni Madaris	0.036	0.036	0.046	0.046	0.050	0.050	0.053	0.053	0.053	47	47
Madaris Reforms (Teaching of formal subjects in Deeni Madaris)	0.039	0.039	0.038	0.037	0.040	0.040	0.040	0.038	0.038	-3	-3
Ministry of Science & Technology											
NUST, Islamabad	1.512	1.512	1.562	1.490	1.703	1.703	2.146	2.146	2.214	46	42
COMSATS, Islamabad	0.008	0.009	0.050	0.050	0.100	0.100	0.100	0.052	0.042	425	478
Ministry of Defence FGEI (Cantt & Garrison)	2.893	3.574	3.823	4.012	4.136	4.136	4.874	5.337	5.093	76	49
Cabinet Division	0.048	0.039	0.067	0.063	0.786	0.787	0.857	0.991	0.374	679	2441
Ministry of Economic Affairs and Statistics	0.199	0.198	0.105	-	-	-	-	-	-		
M/o Information, Broadcasting and National Heritage	0.127	0.144	0.148	0.019	0.022	0.022	0.129	0.129	0.375	195	-10

Continue...

Rs. in Billion

Name of Ministry	2012-13		2013-14		2014-15		2015-16		2016-17	Increase from 2013-14 to 2016-17 (%)	
	Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Allocation	Exp.
Ministry of Inter Provincial Coordination	0.210	0.216	0.590	1.141	0.105	0.217	0.109	0.109	0.102	51	50
Ministry of States and Frontier Regions	7.192	7.192	7.964	7.983	8.484	8.484	10.209	10.209	4.045	44	42
Establishment Division	0.456	0.450	0.139	0.138	0.142	-	-	-	-	-	-
Ministry of Foreign Affairs	0.438	0.317	0.434	0.437	0.432	0.519	0.562	0.453	1.104	152	43
Ministry of Overseas	0.80	0.780	0.717	0.701	0.879	0.757	1.151	1.151	5.553	594	48
Ministry of Water and Power	0.042	0.046	0.047	0.049	0.051	0.050	0.058	-	-	-	-
Ministry of Railways	0.014	0.016	0.017	0.018	0.019	0.102	0.102	0.105	0.123	779	556
Grand Total	18.016	18.546	22.888	22.627	24.77	24.217	29.741	30.124	28.514	58	62

Source: Federal Budget 2012-13, 2013-14, 2014-15, 2015-16 and 2016-2017 Vol-I & II Current Expenditure and Vol-III Development Expenditure

An increasing trend is visible from the above table both in allocation and expenditure. However, the data indicate gap between expenditure minimizing over period of time and it's clearly visible from grand total that allocation increases upto 58% and expenditure increases upto 62% from the year 2012-2013 to year 2016-2017.

Table 8**LEVEL WISE FEDERAL EDUCATION BUDGET****Rs. in Billion**

Level	2012-13		2013-14		2014-15		2015-16		2016-17 Allocation
	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	Allocation	Exp.	
Primary Education	4.70 (7%)	6.33 (9%)	5.83 (7%)	7.18 (6%)	6.33 (8%)	6.03 (6%)	7.24 (7%)	16.644 (17%)	19.299 (17%)
Secondary Education	5.63 (9%)	7.63 (11%)	7.43 (9%)	8.61 (10%)	8.13 (10%)	8.00 (8%)	9.28 (9%)		
Tertiary Education	51.62 (79%)	52.71 (75%)	61.88 (77%)	65.97 (76%)	67.76 (80%)	75.78 (80%)	77.40 (78%)	71.500 (72%)	79.486 (72%)
Federal (NAVTTTC & PM Special Initiative for Hunarmand Pakistan Program)	0.998 (2%)	0.998 (2%)	0.712 (1%)	0.675 (1%)	0.671 (1%)	0.75 (1%)	1.02 (1%)	1.53 (2%)	2.493 (2%)
Others*	2.302 (4%)	2.474 (4%)	4.53 (6%)	4.27 (5%)	1.43 (2%)	3.50 (3%)	4.04 (5%)	10.536 (11%)	9.876 (9%)
Total	65.250	70.142	80.390	86.710	84.320	94.07	98.980	100.210	111.154

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

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15, 2015-16 and 2016-2017 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Budget Book 2015-16 and 2016-2017*

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

The figures in above table show that there is wide and significant disparity in the allocation of resources between basic education, tertiary education and technical and vocational education. Data shows that although NAVTTTC has two special programs for technical and vocational education, inspite of it, there is need to consider appropriate steps to remove disparity in respect of technical and vocational education.

Table 9**PROVINCIAL/REGIONAL EDUCATION BUDGET ALLOCATIONS****Rs. in Billion**

Province/ Region	2012-2013		2013-2014		2014-2015		2015-2016		2016-2017	Increase from 2012-13 to 2016- 17 (%)	
	Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Allocation	Exp
Provincial Budgets	432.536	408.14	499.417	429.441	551.715	533.530	557.794	533.954	647.290	50	31
Regional Budgets	28.442	28.554	35.986	35.858	39.796	39.375	45.448	43.623	41.409	46	53
Total:	460.978	436.694	535.403	465.299	591.511	572.905	603.242	577.577	688.699	49	32

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

The data illustrate that the provincial/regional financing on education follows the pattern of federal government in regard of increase in allocation and expenditures on education. Data show that 49% allocation has been increased from 2012-13 to 2016-17. Similarly expenditure increased 32% from 2012-2013 to 2016-2017. There is need to enhanced expenditure as per to enhanced expenditure as per allocated budget at provincial and regional levels.

Table 10**PROVINCIAL EDUCATION BUDGET ALLOCATIONS AND EXPENDITURES****Rs. in Billion**

Provinces		2012-13		2013-14		2014-15		2015-16		2016-17	Increase/decrease from 2012-13 to 2016-17 (%)	
		Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Allocation	Exp
Punjab	Current	185.546	186.763	200.110	182.113	221.039	241.260	212.035	212.035	310.000	-	-
	Dev.	35.026	9.323	32.456	28.933	38.589	42.120	37.921	37.921		-	-
	Total	220.572	196.086	232.566	211.046	259.628	283.380	249.956	249.956		-	-
Sindh	Current	97.297	92.697	118.665	98.199	134.462	109.054	145.893	145.893	145.893	50	57
	Dev.	12.000	5.728	16.885	5.529	11.800	6.526	10.000	7.386	17.233	44	29
	Total	109.297	98.425	135.550	103.728	146.262	115.580	154.783	153.279	163.126	49	56
Khyber Pakhtunkhawa	Current	55.992	65.856	66.608	65.707	80.729	77.088	99.297	87.779	110.845	98	33
	Dev.	22.152	18.602	29.798	14.967	26.106	25.373	23.487	17.957	27.736	25	-3
	Total	78.144	84.458	96.406	80.674	106.835	102.461	122.784	105.736	138.581	77	25
Balochistan	Current	22.457	26.601	24.743	28.643	39.773	27.835	27.869	23.823	28.932	29	-10
	Dev.	2.061	2.570	10.154	5.306	5.992	4.299	1.292	1.160	6.651	223	-55
	Total	24.518	29.171	34.897	33.949	45.765	32.134	29.161	24.983	35.583	45	-14
Total	Current	361.292	371.917	410.126	374.662	476.003	455.237	485.094	469.530	595.670	69	26
	Dev.	71.239	36.223	89.293	54.735	82.487	78.318	72.700	64.424	51.620	-28	78
	Total	432.531	408.140	499.419	429.397	558.490	533.555	557.794	533.954	647.290	50	31

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

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

Table 11

**SUB-SECTOR WISE ALLOCATION AND EXPENDITURE BY PROVINCES/REGIONS
(Khyber Pakhtunkhawa)**

Rs. In Billion

Sub-Sector	2015-2016				2016-2017	
	Allocation	%	Expenditure	%	Allocation	%
Primary Education	41.094	17	36.420	34	43.359	31
Secondary Education	54.589	23	53.472	51	65.742	47
Higher Education	15.468	6	12.581	12	16.236	12
Technical and Vocational Education	3.064	1	1.734	2	2.660	2
Teacher Education	119.447	50	1.075	1	1.182	1
Other (Administration of E&SE)	7.375	3	0.456	0	9.402	7
Total:	241.037		105.738		138.581	

Source: Government of Khyber Pakhtunkhawa Finance Department.

Table indicates a gradual increase in almost all sub-sector of education in Khyber Pakhtunkhawa Province.

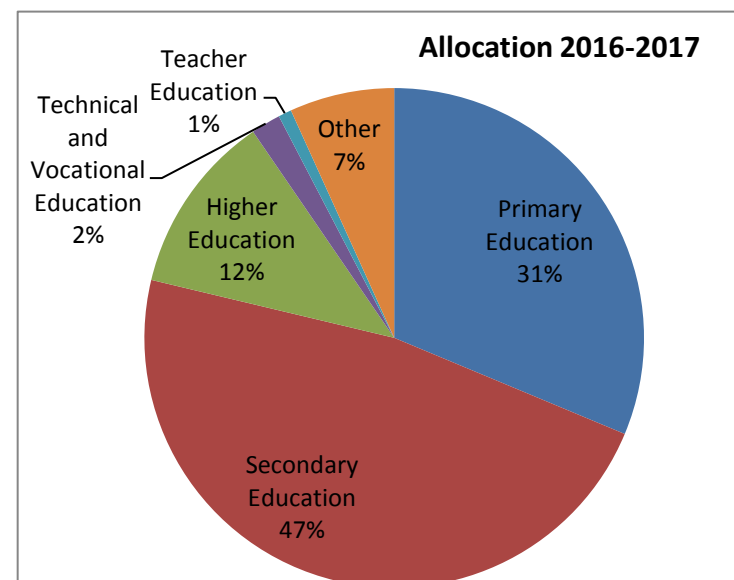


Table 12

**SUB-SECTOR WISE ALLOCATION AND EXPENDITURE BY PROVINCES/REGIONS
(Sindh)**

Rs. In Billion

Sector/Sub-Sector	2016-2017	
	Budget	%
Elementary Education	1.377	8
Teacher Education	0.221	1
Sindh Education Foundation	0.446	3
Secondary Education	4.864	28
College Education/Higher Education	4.588	27
Miscellaneous	1.504	9
Special Education	0.213	1
STEVTA	1.065	6
University and Boards	2.955	17
Total:	17.233	

Rs. In Billion

Source: Sindh Education Department.

The above table shows that the allocation is made in all sub sector of education in Sindh. The allocation of budget in teacher education and special education needs attention as they around 1% each in total allocated budget.

We tried to get sub-sector wise budget from Punjab and Balochistan, but concerned officers did not provide sub-sector wise budget of these two provinces.

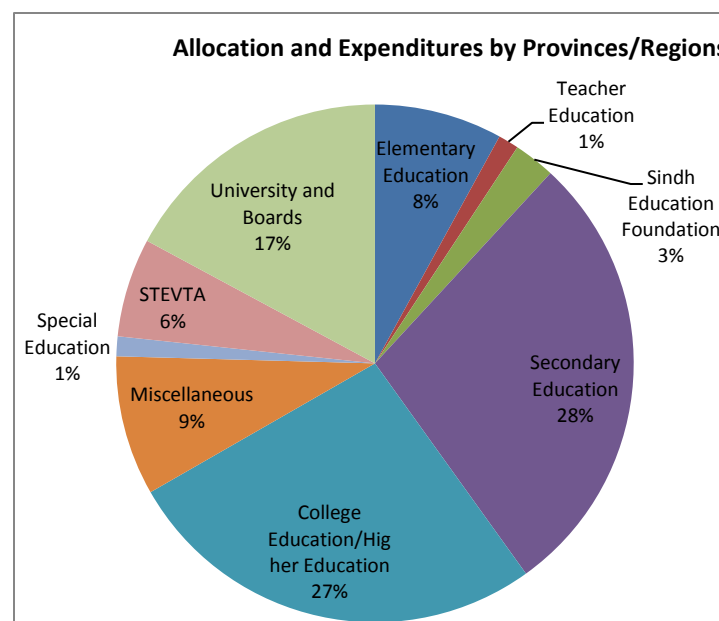


Table 13

**REGIONAL CURRENT AND DEVELOPMENT EDUCATION BUDGET ALLOCATIONS
AND EXPENDITURES**

Budget	Rs. In Billion										
	2012-13		2013-14		2014-15		2015-16		2016-17	Increase from 2012-13 to 2016-17 (%)	
	Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Allocation	Exp
Current	27.378	27.900	35.555	33.820	37.911	38.034	41.982	42.106	37.978	39	51
Development	1.064	0.654	0.431	2.038	1.885	1.341	3.466	1.517	3.431	222	132
Total	28.442	28.554	35.986	35.858	39.796	39.375	45.448	43.623	41.409	46	53

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

The data show that allocation of budget on education during 2016-17 is Rs.41.409 billion is less than year 2015-16 which was Rs. 45.448 billion. The allocation of budget increase upto 46% as well as the expenditure of budget increase upto 53% from year 2012-13 to 2016-17. The expenditure of development budget was only Rs.1.517 billion out of allocated development budget Rs.3.466 billion in years 2015-16. However the percentage of budget allocation and expenditure increase upto 222% and 132% respectively from year 2012-13 to 2016-17.

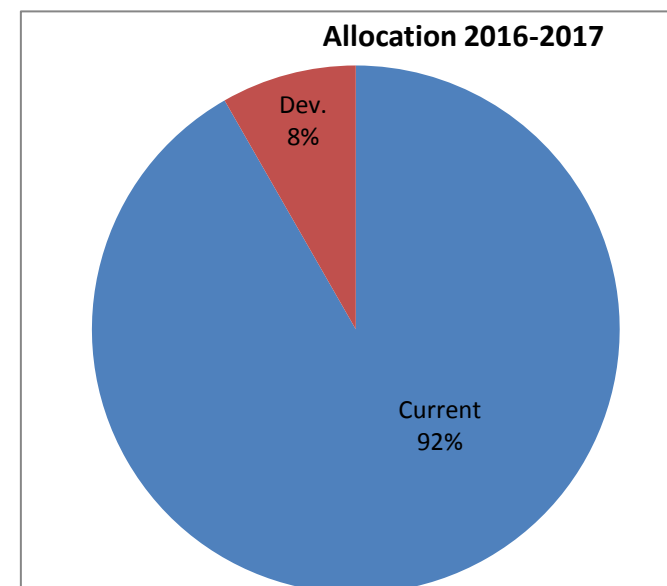


Table 14**REGIONAL EDUCATION BUDGET ALLOCATIONS AND EXPENDITURES****Rs. in Billion**

Provinces		2012-13		2013-14		2014-15		2015-16		2016-17	Increase/decrease from 2012-13 to 2016-17 (%)	
		Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Exp	Allocation	Allocation	Exp
Gilgit Baltistan	Current	3.849	3.889	4.333	3.929	5.007	5.011	5.234	5.213	5.688	48	34
	Dev.	0.251	0.251	0.087	0.521	0.326	0.323	1.352	0.345	1.068	325	37
	Total	4.10	4.14	4.420	4.450	5.333	5.334	6.586	5.559	6.757	65	34
Azad Jammu & Kashmir	Current	12.200	12.000	15.878	15.415	17.042	17.159	18.197	18.342	19.898	63	53
	Dev.	0.700	0.262	0.322	1.285	0.810	0.755	0.105	0.163	1.270	81	-38
	Total	12.90	13.15	16.200	16.700	17.852	17.914	19.302	18.505	21.168	64	41
FATA	Current	7.192	7.192	7.964	7.983	8.484	8.484	10.209	10.209	4.045	44	42
	Dev.	Nil										
	Total	7.192	7.192	7.964	7.983	8.484	8.484	10.209	10.209	4.045	-44	100
ICT	Current	4.137	3.931	7.380	6.493	7.378	7.380	8.342	8.342	8.347	102	95
	Dev.	0.113	0.141	0.222	0.232	0.749	0.263	1.009	1.009	1.093	867	125
	Total	4.250	4.072	7.402	6.725	8.127	7.643	9.351	9.351	9.440	122	96
Total	Current	27.378	27.900	35.555	33.820	37.911	38.034	41.982	42.106	37.978	39	102
	Dev.	1.064	0.654	0.431	2.038	1.885	1.341	3.466	1.517	3.431	222	61
	Total	28.442	28.554	35.986	35.858	39.796	39.375	45.448	43.623	41.409	46	100

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15, 2015-16 and 2016-2017 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Regional Education Departments*

The table shows regional level increase in budget allocation along with difference between current and development budget for education. While comparing figures of budget allocations in Gilgit Baltistan AJK and FATA that it is clear that major portion of allocated budget is utilized.

Table 15**PER STUDENT EXPENDITURE ON EDUCATION**

Federal/ Provinces	2012-2013			2013-2014			2015-2016		
	Enrollment	Expenditure (Rs.Billion)	Per Student Cost/Year (Rs.)	Enrollment	Expenditure (Rs.Billion)	Per Student Cost/Year (Rs.)	Enrollment	Expenditure (Rs.Billion)	Per Student Cost/Year (Rs.)
Punjab	11,109,679	196.086	17,650	10,679,496	211.107	19,768	11,849,992	249.956	21,093
Sindh	4,628,940	98.425	21,263	4,399,850	103.709	23,571	4,479,154	153.279	34,221
Khyber Pakhtunkhawa	4,564,602	84.458	18,503	4,721,815	80.675	17,086	4,833,265	105.736	21,877
Balochistan	1,103,982	29.171	26,423	1,115,477	33.395	30,435	913,272	24.983	27,355
AJK	563,359	13.15	23,342	560,040	16.700	29,819	545,778	18.505	33,906
Gilgit Baltistan	145,468	4.14	28,460	148,224	4.450	30,022	157,245	5.559	35,352
FATA	599,126	7.192	12,004	604,559	7.983	13,205	671,279	10.209	15,208
ICT	200,322	4.070	20,327	207,519	6.725	32,407	210,273	9.351	44,471
Total	22,915,478	436.694		22,436,980	465.299		23,660,258	577.578	24,411
National (mean)						24,539	-	-	29,185

Source: i) Pakistan Education Statistics 2012-2013 & 2013-2014 and 2015-2016
ii) Provincial/Regional Education Departments.

The above table shows the per student cost in all regions and provinces of Pakistan. Per student cost is visibly increasing over the years in all provinces and regional areas. Highest Per student cost is in ICT i.e. Rs.44,471 and lowest per student cost is in FATA i.e. Rs.15,208. Per student cost of Sindh, Balochistan, AJK and Gilgit Baltistan is higher than Punjab.

Table 16**UTILIZATION OF EDUCATION BUDGET****Rs. in Billion**

Provinces	2012-13		2013-14		2014-15		2015-16		Percentage of Budget utilization			
	Allocation	Utilization	Allocation	Utilization	Allocation	Utilization	Allocation	Utilization	2012-13	2013-14	2014-15	2015-16
Federal	65.250	70.142	80.398	86.716	84.328	94.070	98.980	100.210	107	108	112	101
Punjab	220.575	196.086	232.566	211.107	259.629	283.380	249.956	249.956	89	91	109	100
Sindh	109.297	98.425	135.546	103.709	146.270	115.581	154.783	154.783	90	77	79	100
Khyber Pakhtunkhawa	78.145	84.458	96.407	80.675	106.835	102.462	122.784	105.730	108	84	96	86
Balochistan	24.519	29.171	34.898	33.950	35.766	32.107	29.161	24.983	119	97	90	86
Total:	497.786	478.282	579.815	516.157	632.828	627.6	655.664	635.662	96	89	99	97

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial Education Departments*

The table shows the utilization of education budget in all provinces. In year 2015-16 KPK utilizes Rs.105.730 billion as compared to allocation Rs.122.748 billion and they need to improve their budget utilization.

Table 17**INCREASE IN BUDGET ALLOCATIONS FROM 2012-13 TO 2016-17****Rs. In billion**

Budget	Total Budget						Education Budget					
	2012-13	2013-14	2014-15	2015-16	2016-17	Percentage (%) Increase in Total Budget from 2012-13 to 2016-17	2012-13	2013-14	2014-15	2015-16	2016-17	Percentage (%) Increase in Education Budget from 2012-13 to 2015-16
Federal	3441.01	3,985.00	4,301.75	4,451.30	4894.90	42	65.250	80.39	84.33	100.210	111.154	70
Punjab	690.88	897.56	1,095.12	1,447.24	1681.62	110	220.515	232.56	259.62	249.956	310.00	41
Sindh	404.25	585.91	686.18	739.00	869.10	115	109.297	135.54	149.48	154.784	163.126	49
Khyber Pakhtunkhawa	248.08	329.00	404.80	487.00	505.00	104	78.145	96.41	111.203	122.784	138.582	77
Balochistan	183.35	198.40	215.72	243.00	289.37	58	24.519	34.89	40.67	24.983	35.583	45
Total	4967.57	5995.87	6703.57	7367.54	8010.37	61	497.726	579.79	645.303	652.717	758.445	52

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15, 2015-2016 and 2016-2017 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial Education Departments*

At the moment, increase figured out in the above table shows a significant financing improvement which is being undertaken through public private partnership. The table also indicates both quantitative increases and qualitative measures in which government is intervening to improve the processes of the utilization of funds.

Table 18**FINANCING ON EDUCATION AS PROPORTION OF TOTAL BUDGET ALLOCATION****Rs. in Billion**

Budget	Total Budget					Education Budget					Share of Education (%)				
	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Federal	3441.01	3,985.00	4,301.75	4,451.30	4894.090	65.250	80.39	84.33	98.980	100.154	2	2	2	2	2.0
Punjab	690.88	897.56	1,095.12	1,447.24	1452.000	220.515	232.56	259.62	249.956	310.000	32	26	24	22	21.3
Sindh	404.25	585.91	686.18	739.00	869.100	109.297	135.54	149.48	154.783	163.126	27	23	22	21	18.8
Khyber Pakhtunkhawa	248.08	329.00	404.80	487.00	505.000	78.145	96.41	111.203	122.784	138.582	31	29	26	25	27.4
Balochistan	183.35	198.40	215.72	243.00	289.370	24.519	34.89	40.67	24.983	35.583	13	18	19	10	12.2
Total	4967.57	5,995.87	6,703.57	7,367.54	8,009.56	497.73	579.79	645.303	651.486	747.445	10.0	9.6	9.6	8.8	9.3

Source: i) *Public Financing of Education in Pakistan 2014 (I-SAPS), Islamabad*
ii) *Federal Budget 2012-13, 2013-14, 2014-15, 2015-16 and 2016-17 Vol-I & II Current Expenditure and Vol-III Development Expenditure*
iii) *Concerned Provincial Education Departments*

The above table shows that all provinces earmarked significant portion of their budget allocation on education. The highest percentage of allocation in year 2016-2017 was from KPK i.e. 27.4% whereas federal allocated only 2% of their total budget on education. Among other provinces Punjab allocated 21.3%, Sindh allocated 18.8%, and Balochistan allocated 12.2% of their budget on education.

Table 19**PRIVATE SECTOR EXPENDITURE IN EDUCATION****Rs. in Billion**

S#	Institutions	Category	Enrolment	Monthly Fee	Annual Fee	
1	Primary*	17,598 (85%)	9777958	7.333	88.002	
		2,691 (13%)	1495453	14.955	179.454	
		415 (2%)	230070	3.451	41.413	
2	Middle	24495 (85%)	2044984	1.534	18.405	
		3746 (13%)	312762	3.128	37.531	
		576 (2%)	48117	0.722	8.661	
3	Secondary	16158 (85%)	1028439	0.771	9.256	
		2472 (13%)	157291	1.573	18.875	
		380 (2%)	24199	0.363	4.356	
4	Higher Sec/ Inter Colleges	3064 (85%)	316228	0.237	2.846	
		469 (13%)	48364	0.484	5.804	
		72 (2%)	7441	0.112	1.339	
5	Degree Colleges	159	-	128963	0.645	7.738
6	Universities	72	-	214430	3.216	38.597
7	Technical & Vocational Institutions	2,323	-	177631	0.888	10.658
8	Deeni Madaris	31,326	-	2190893	1.095	13.145
Total				40.507	486.080	

Source: Pakistan Education Statistics, 2015-16

* Including Pre-Primary

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

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

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

Data illustrate that the intervention of private sector in financing on education, in addition to other resource to gear up the education is undeniable. Private institutes are educating 2,190, 983 students in their institutes and their financing on education is Rs.486.080 billion.

Findings/ Analysis of budget allocation and expenditures

Federal Government has allocated Rs.111.154 billion for education sector for the year 2016-2017 as against the expenditure of more than Rs.65.250 billion in 2012-13 (increase 67%). Similarly, increase in education budgets of all provinces is evident during the preceding three years and the current 2016-17 but the overall share of education as proportion of total budget outlay has decreased except in Balochistan. Data further indicate that the budgetary allocation to education has remained static around 1.8% of GDP for more than a decade which increased upto 2.3% in 2016-17 which is a positive trend. However, it may be increased upto 4% of GDP as per recommendation of UNESCO for developing countries. Provinces need to gear up resource generation over and above the share received from the Federal Divisible Pool under NFC award.

As far as share of sub-sectors of education was concerned, it was found that the major share of Federal Education budget had been allocated for Higher Education i.e. 72% of total education budgetary allocation as compared to meagre allocations on primary and secondary levels of education, whereas the trend in Provincial budgets is conversely tilted towards primary and secondary education. The data also indicate that there is wide and significant disparity in the allocation of resources between and technical and vocational education. This needs to be considered at appropriate level and steps be taken to remove the disparity particularly in respect of basic education, territory education, technical education, and vocational education.

Private sector was contributing 45% while public sector contribution was 55% but in year 2015-2016 the contribution of public sector has increased upto 58% while the contribution of private sector has decreased from 45% to 42%. The difference of number of gender wise and provinces wise educational institutions exists in Pakistan.

This is the student who are at the centre of the whole circle either it is teaching and learning or financing on education. Increase in per student cost invite the attention of policy makers, researchers, and authorities to patronage research in this area that how increase in per students cost affect various teaching and learning factors and how decrease in per student cost affects targets. Balochistan seems to lay behind in the utilization of funds and needs to be geared up to address this concern positively.

The gap between allocation and expenditure reflects the treat of national expenditure i.e 2.3% of GDP, this requires due attention of relevant authorities at Federal and Provincial levels and may involve all stake holders in the processes of release of funds as well as capacity building of the educational managers, institutions organizations and departments. The education managers should be trained in the release process of funding in year 2014-2015. The regular, smooth, and fair utilization of budget requires interaction between various departments, regions, and provinces. It is important to figure out what are the causes of poor utilization of budget. The present and previous data indicate that there is a dire need to reboost the financial management in education sector.

Way forward

On the basis of data analysis, it is recommended that Federal government may fulfill longstanding commitment to enhance share of education out of GDP to at least 4% or Federal Education spending may be increased from present 2% to 6% annually. It is also suggested that share of Technical & Vocational Education has to be increased to ensure socio-economic development of the country. It is also recommended that provinces may generate resources over and above NFC award allocations or do not rely only on federal funding. There is need to develop appropriate mechanism, to identify issues/problems hampering achievement of national targets and strategies may be developed to achieve these national targets particularly SDGs goals. Therefore, there is need to ensure effective coordination between various stakeholders to devise strategies for implementation of Provincial Education Sector plans in line with international commitments such as SDGs goals which are to be achieved by 2030.

Systematic evaluation of financing on education mechanisms to inform and support financial management in Pakistan is a relatively new phenomenon. After 18th Constitutional Amendment, provincial governments have grown their roles as the primary stakeholders of financing on education and the implementation of budgetary allocations. There is a need to develop the practice of evidence based educational financing policy and ensure expenditure on all activities.

There is a dire need to articulate realistic and concrete targets/ outcomes and institutionalization of evaluation and monitoring mechanism. There is also need to ensure in time release to launch activities in time in order to monitor the activities to accomplish tasks.

Further an independent study is strongly recommended to analyse the reasons of low expenditures as compared to allocation. From existing data allocation and expenditures on education, we know that there is considerable variation with federal/ provinces and regions in the allocation and expenditures on education.