



Final

PUBLIC FINANCING IN EDUCATION SECTOR

Financial Years 2018-19, 2019-20 and 2020-21

Muhammad Farooq
Dr. Khawaja Sabir Hussain
Akhtar Tatla
Syeda Samana Ali Bukhari

Academy of Educational Planning and Management
Ministry of Federal Education and Professional Training
Islamabad

2021

Cataloging in Publication Data

Main entry under authors:

Muhammad Farooq, Dr. Khawaja Sabir Hussain, Akhtar Tatla, Syeda Samana Ali Bukhari

Public Financing in Education Sector 2018-19, 2019-20 and 2020-21:– Academy of Educational Planning and Management, Islamabad. (AEPAM Publication No. 294).

- | | |
|----------------------------|---------------------------------|
| 1. Education Financing | 2. Expenditure on Education |
| 3. Allocation on Education | 4. 2018-19, 2019-20 and 2020-21 |
| 5. AEPAM - Pakistan | |

ISBN: 978-696-444-117-7

TABLE OF CONTENTS

Title	Page #
Executive Summary	
Introduction	
Educational Institutions in Pakistan, 2017-18	
Public Expenditure on Education in Pakistan 2018-19 & 2019-20	
Education Expenditure as Percentage of GDP 2018-19 & 2019-20	
Federal Education Budget Allocation and Expenditure (Recurring and Development)	
Financing on Education by Other Federal Ministries	
Federal Financing on Education including Area Governments	
Sub-sector wise Federal Education Budget	
Federal, Provincial and Area Governments Education Budget Allocations and Expenditure	
Area Governments Recurring and Development Education Budget (Allocation and Expenditure)	
Recurring and Development Budget of Area Governments	
Federal, Provincial and Area Governments Education Budget Allocations and Expenditure (Recurring and Development) (2018-19 to 2020-21)	
Punjab: Sub-Sectors wise Allocation and Expenditure on Education	
Sindh: Sub-Sectors wise Allocation and Expenditure on Education	
Khyber Pakhtunkhwa: Sub-Sectors wise Allocation and Expenditure on Education	
Balochistan: Sub-Sectors wise Allocation and Expenditure on Education	
Federal and Provincial allocation for Sub-Sectors	
Utilization of Education Budget	
Share of Education in Budget Allocations	
Salient Features	
Way Forward	

LIST OF TABLES

Table No.	Table	Page #
Table 1	Overview of Educational Institutions in Pakistan (2017-18)	
Table 2	Public Sector Expenditure on Education in Pakistan (2018-19 & 2019-20)	
Table 3	Public Expenditure on Education as Percentage of GDP (2018-19 & 2019-20)	
Table 4	Federal Education Budget Allocation and Expenditure (Recurring and Development) (2018-19 to 2020-21)	
Table 5	Financing on Education by Other Federal Ministries (2018-19 to 2020-21)	
Table 6	Federal Financing on Education including Area Governments	
Table 7	Sub-sector wise Federal Education Budget (2018-19 to 2020-21)	
Table 8	Federal, Provincial and Area Government Education Budget Allocations and Expenditure (2018-19 to 2020-21)	
Table 9	Area Governments Recurring and Development Education Budget (Allocation and Expenditure)	
Table 10	Area Government Recurring and Development Education Budget Allocation and Expenditure (2018-19 to 2020-21)	
Table 11	Federal, Provincial & Area Governments Education Budget Allocations and Expenditure (Recurring and Development) (2018-19 to 2020-21)	
Table 12	Sub-Sectors wise Allocation and Expenditure on Education by Punjab (2018-19 to 2020-21)	
Table 13	Sub-Sectors wise Allocation and Expenditure on Education by Sindh (2018-19 to 2020-21)	
Table 14	Sub-Sectors wise Allocation and Expenditure on Education by Khyber Pakhtunkhwa (2018-19 to 2020-21)	
Table 15	Sub-Sectors wise Allocation and Expenditure on Education by Balochistan (2018-19 to 2020-21)	
Table 16	Sub-Sector wise Comparison of Allocation by Provinces on Education (2020-21)	
Table 17	Utilization of Education Budget (2018-19 & 2019-20)	
Table 18	Financing on Education as Proportion of Total Budget Allocation (2019-20 & 2020-21)	

ACRONYMS

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

EXECUTIVE SUMMARY

The “Public Financing in Education Sector” is fifth report in series of publications by AEPAM. The present report focuses on the analysis of information about public financing of education sector in Pakistan for the financial year 2018-19, 2019-20 and 2020-21. Data has been collected from all concerned stakeholders including Federal, Provincial, and Area governments by the research team of the Academy of Educational Planning and Management (AEPAM). Moreover, budget books, white papers and annual budget statements of all the relevant departments were also reviewed for cross verification of financial data provided by the concerned departments. According to Pakistan Education Statistics 2017-18, there are 305,546 educational institutions functioning in public and private sectors including Universities, Technical and Vocational Institutions, Teachers Trainings institutions, Deeni Madaris and non-formal schools. Out of the total educational institutions, 202,106 (66%) educational institutions are functioning in public sector, and 103,440 (34%) institutions are being managed by the private sector including 31,115 Deeni Madaris in the country. The public sector has enrolled 32.615 million students from pre-primary to tertiary education.

The total public expenditure in education sector of Federal and Provincial/Area governments appears to be Rs.912.665 billion in 2019-20 as compared to Rs.861.481 during 2018-19. When the public expenditure on education is compared amongst Federal, Provinces and Area Governments, it is revealed that the share of Federal Government has been Rs. 112.518 billion (12%), Provincial Governments Rs.761.420 billion (84%) and Area Governments Rs. 38.726 billion (4%). In 2019-20, public spending on education as percentage of GDP has been 2.3% (Pakistan Economic Survey, 2019-20). From analysis it appears that Federal Government allocated a major chunk i.e. 81% of its budget to tertiary education, 9% for primary to higher secondary education and 9% for other sub-sectors in 2020-21.

The Federal budget includes budget of Ministry of Federal Education and Professional Training, Higher Education Commission, NAVTTC and other Federal Ministries whereas Area Governments include Gilgit Baltistan and AJK. The data reflects a gradual increase of 3% in allocation of Federal budget in 2020-21 as compared to allocation of 2018-19. Of which Federal government spent or utilized Rs.112.518 billion (98%) against allocation of Rs. 114.872 billion in 2019-20, Federal Ministries spent Rs.112.518 billion (98% utilization) and Area Governments spent Rs.38.726 billion (100% utilization) in 2019-20.

Provincial budgetary allocation for education sector was Rs. 850.920 billion in 2018-19 that was gradually enhanced to Rs. 946.734 billion in 2020-21 showing an increase of 11%. Punjab province allocated Rs. 393.971 billion for education sector in 2018-19 that increased to Rs. 395.634 billion in 2020-21 showing an increase of 0.4% in two years. Similarly, Sindh allocated Rs.227.079 billion in 2018-19 for education sector that increased to Rs. 258.732 billion in 2020-21 registering an increase of 14% in two years. Government of Khyber Pakhtunkhwa increased its budgetary allocation for education from Rs.169.573 billion in 2018-19 to Rs.212.462 billion in 2020-21 reflecting an increase of 25% in two years. Balochistan province increased its budgetary allocation for education from Rs.60.296 billion in 2018-19 to Rs.79.906 billion in 2020-21 showing a significant increase of 33% in two years for the welfare of population.

Out of total budget i.e. Rs.7,248.478 billion, Federal government allocated Rs.125.949 billion for education sector in 2020-21 which amounts to 2% of the total budget. Most of the provinces allocated about one-fifth of their budget for education in 2020-21. In 2020-21, Punjab allocated Rs.395.634 billion (19%) for education sector out of its total provincial budget of Rs.2,115.629 billion. Sindh allocated Rs. 258.732 billion (22%) for education sector out of its total provincial budget of Rs. 1,201.934 billion. Khyber Pakhtunkhwa allocated Rs.212.462 billion (19%) for education sector from its total budget i.e. Rs. 1,138.565 billion and Balochistan allocated Rs.79.906 billion for education sector which is 19% of its total budget i.e. Rs. 422.068 billion. It was observed that total

budgetary allocation for education by federal and provincial governments was Rs.1,072.682 billion which is 9% of total budget allocation Rs. 12,126.674 billion in 2020-21.

Salient Features

Being alive to the need the federal, provincial and area governments gradually enhanced their budget for education from Rs.1,008.525 billion in 2018-19 to Rs. 1,113.979 billion in 2020-21 which shows an increase of 10%. Federal Government allocation for education sector increased by 3% from Rs.122.224 billion in 2018-19 to Rs. 125.949 billion in 2020-21. Punjab province allocated Rs.393.971 billion for education sector in 2018-19 which increased by 0.4% to Rs.395.634 billion in 2020-21. Similarly, Sindh province allocated Rs.227.079 billion in 2018-19 for education sector that increased by 14% to Rs.258.732 billion in 2020-21. Government of Khyber Pakhtunkhwa increased its budgetary allocation for education by 25% from Rs.169.573 billion in 2018-19 to Rs. 212.462 billion in 2020-21. Balochistan increased its budgetary allocation for education by 33% from Rs.60.296 billion in 2018-19 to Rs.79.906 billion in 2020-21 in three years.

The trend reflects gradual increase in provincial budget for education. During 2019-20 and 2020-21, Sindh observed increase from 21% to 22%. Punjab remained constant at 19%, Khyber Pakhtunkhwa increased its budget from 18% to 19%, whereas Balochistan increased from 17% to 19%.

Sub-sectors wise analysis of allocation for education budget within the province revealed that Punjab allocated the highest share i.e. 89% of education budget for primary to higher secondary education followed by Khyber Pakhtunkhwa 78%, Sindh 62% and Balochistan 63%. Among all the provinces, Balochistan allocated the highest share of its education budget i.e. 28% for higher education followed by Sindh 15%, Khyber Pakhtunkhwa 11%, and Punjab 6%. The Federal Government allocated major share of its education budget for higher education i.e. 81% of total Education budget. Sindh, Punjab and Khyber Pakhtunkhwa allocated 2% of

their education budget for technical and vocational education. About 2% also allocated by the provinces to ‘teacher education’, ‘special education’ and ‘literacy and non-formal education’.

In 2020-21, a major portion of education budgets have been earmarked for recurring expenses as compared to development budget. At national level, the ratio between recurring and development allocation for education is 87:13%. At Provincial level, this ratio in Punjab appears to be 91:9%, in Khyber Pakhtunkhwa 81:19%, in Sindh 92:8%, whereas in Balochistan and Area governments, it is 90:10% during 2020-21. Federal government in 2020-21 earmarked 73% of its total education budget for recurring expenses and 27% for development.

Analysis reveals that all provinces were unable to fully utilize the allocated amount for education sector during 2018-19 as well as 2019-20. Sindh province reported the highest rate of under-utilization i.e. 30% among all the provinces during 2018-19 and 2019-20, as Sindh utilized 70% against allocation of Rs. 238.437 billion. In 2019-20, Punjab utilized 93% against the allocation of Rs.391.776 billion, Khyber Pakhtunkhwa utilized 85% against the allocation of Rs.193.524 billion and Balochistan utilized 91% against the allocation of Rs.72.793 billion. The data reflect that among provinces, Punjab had the highest rate of utilization i.e. 93% during 2018-19 and 2019-20. Federal government utilized 98%, against the allocation of Rs. 114.872 billion whereas Area governments utilized 100% allocation of Rs. 38.910 billion in 2019-20.

Way forward

According to the Constitutional obligations and international commitments, the Federal government is supposed to fulfill its longstanding commitment to enhance share of public spending on education as percentage of GDP to at least 4%. Federal government intends to enhance its spending on education from present 2% to at least 6% in the federal budget. The share of Technical & Vocational Education needs to be increased in the federal and provincial education budgets to a reasonable level to equip the

workforce with the required technical & vocational knowledge and skills. Moreover, provinces need to generate additional resources over and above NFC award allocations and partly rely only on federal funding. There is a need to develop an appropriate mechanism, to identify issues hampering achievement of national targets. Strategies may also be developed to achieve all national targets particularly SDGs goals. Effective coordination between various stakeholders to devise vital strategies for implementation of Provincial Education Sector plans in line with national policies and international commitments is desired so as to achieve all set targets.

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

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

An in-depth study is strongly required to analyze and assess allocation and expenditure in education sector from pre-primary to higher secondary at national, provincial as well as at regional levels. From existing data of allocations and expenditures on education, it is revealed that there is considerable variation in federal, provinces and regions' allocations and expenditure. Major portion of education budgets is being earmarked for recurring expenditure and over all ratio of development budget to current budget of provinces is 1:8. In order to maximize performance of education sector, the federal and provincial governments are required to allocate a higher percentage of their education budgets for development purposes.

INTRODUCTION

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

The availability of financial data is prerequisite for sound planning and informed decision making at various administrative tiers of government. To enrich data bank of NEMIS, it is decided to collect and consolidate financial data from all the relevant government departments. Moreover, budget books, white papers and annual budget statements have also reviewed for cross verification of financial data as provided by the concerned departments. However, there are certain limitations about the availability and consistency of financial data which hinder the in-depth analysis of data. AEPAM has set mission of reporting and analyzing financial data of federal and provinces/regions since 2014-15. This report presents the current state of financing of education by Federal and Provincial/Area Governments. It has also been enumerated to highlight allocations and expenditures by sub-sectors of

education, recurring and development expenditure, expenditure on education by other federal ministries and share of education in total budget allocation.

It is encouraging to observe that all provinces have earmarked a substantial proportion of their budget for education. Most of the provinces have allocated about one-fifth of their budget for education in 2020-21, however, a major portion of it has been earmarked to meet recurring expenditure. By enhancement in budgetary allocation for education by all provinces, the situation of the education sector in the country is likely to bring qualitative improvements. The major challenges of education sector include high illiteracy rate, insufficient infrastructure, low enrolment rate, high dropout rate and inequality in provision education across regions.

Public spending on education in Pakistan remained fluctuating from 2.2% to 2.4% of GDP for the last five years. This figure is critically low as compared to other South Asian countries and may be a barrier to meet set national targets as well as targets set under different international conventions. Pakistan is also under obligation by its constitutional and international commitments to ensure a minimum level of funding and to undertake policy reforms at various levels of education. Sub-sectors wise allocation of budget for education and expenditure of federal, provinces and regions, for the year 2018-19 to 2020-21 has been analyzed and presented in this report.

1.0 EDUCATIONAL INSTITUTIONS IN PAKISTAN

Table 1: An Overview of Educational Institutions in Pakistan (2017-18)

Institutions		Provinces/Regions								
		Punjab	Sindh	KP	Balochistan	AJK	GB	FATA	ICT	Pakistan
Public	Male	26,517	33,164	16,915	10,174	3,357	883	3,512	213	94,735
	Female	27,769	9,958	10,999	4,284	2,741	466	2,451	241	58,909
	Mixed	28,495	10,862	3,978	1,857	382	1,479	1,026	383	48,462
	Sub Total	82,781	53,984	31,892	16,315	6,480	2,828	6,989	837	202,106
Private	Male	2,498	440	766	157	100	77	308	77	4,423
	Female	3,361	494	339	63	125	124	10	47	4,563
	Mixed	40,866	10,904	5,124	890	3,288	678	145	1,444	63,339
	Sub Total	46,725	11,838	6,229	1,110	3,513	879	463	1,568	72,325
Deeni Madaris	Male	0	0	0	0	0	0	0	0	0
	Female	0	0	0	0	0	0	0	0	0
	Mixed	15,407	5,397	6,828	1,882	1,063	151	47	340	31,115
	Sub Total	15,407	5,397	6,828	1,882	1,063	151	47	340	31,115
Grand Total		144,913	71,219	44,949	19,307	11,056	3,858	7,499	2,745	305,546

Source: Pakistan Education Statistics, 2017-18, AEPAM.

Data in Table-1 presents statistical analysis of educational institutions of Pakistan for the year 2017-18. There are 305,546 educational institutions in Pakistan of which 202,106 are of public sector and 72,325 belong to private sector whereas 31,115 are Deeni Madaris. Gender wise comparison shows that there are more public schools for males than females in the country. On the contrary in private sector mixed schools are more than male and female institutions in all provinces/regions except FATA. It is observed that 66% institutions are functioning in public sector and 34% are functioning in private sector including 10% Deeni Madaris. The Pakistan Education Statistics 2018-19 and 2019-20 were not completed due to COVID-19, therefore data regarding number of educational institutions of the year 2018-19 and 2019-20 is not available.

2.0 PUBLIC SECTOR EXPENDITURE ON EDUCATION IN PAKISTAN

It was noted that public expenditure of Federal Government increased from Rs. 111.156 billion to Rs. 112.518 billion (1%) during 2018-19 to 2019-20 whereas expenditure of Provincial Governments was increased from Rs. 713.597 billion to Rs. 761.420 billion (7%) and Area Governments from Rs. 36.728 billion to Rs. 38.726 billion (5%) during 2018-19 and 2019-20.

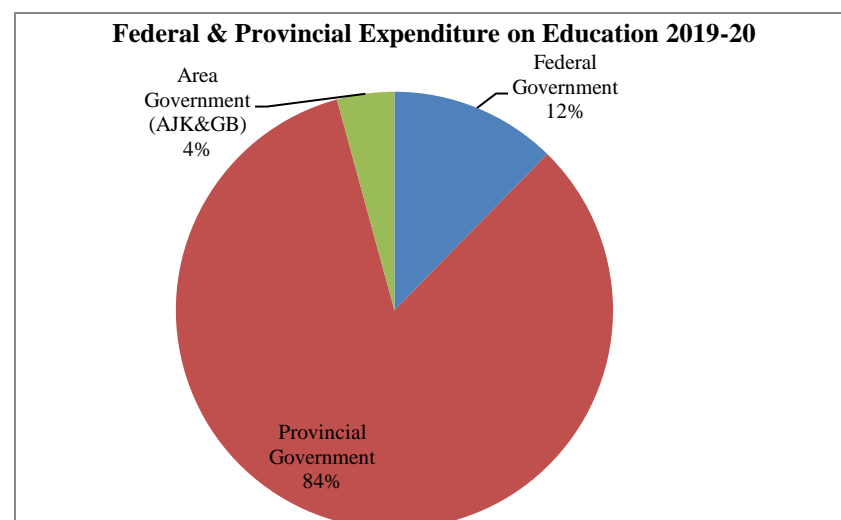
Table 2: Public Sector Expenditure on Education in Pakistan (2018-19 & 2019-20)

(Rs. in Billion)

Federal, Provinces/Regions		Budget (Expenditure)				%age of increase/decrease during 2018-19 & 2019-20
		2018-19		2019-20		
		Expenditure	Share of total expenditure in % age	Expenditure	Share of total expenditure in % age	
A)	Federal Government	111.156	13%	112.518	12%	1%
B)	Provincial Governments	713.597	83%	761.420	84%	7%
C)	Area Governments (AJK&GB)	36.728	4%	38.726	4%	5%
Total (A+B+C)		861.481	100%	912.665	100%	6%

Source: i) Federal Budget 2019-20 Vol-I & II Current Expenditure and Vol-III Development Expenditure
ii) All Federal Ministries and Provincial/Area government Departments

Public sector expenditure was Rs. 912.665 billion on education in 2019-20 by Federal, Provincial and Area Governments. Federal Government spent Rs. 112.518 billion (12%) and Provincial Governments spent Rs. 761.420 billion (84%) while Area Governments spent Rs. 38.726 billion (4%) in the year 2019-20. In 2018-19 total public expenditure on education was Rs.861.481 billion of which share of Federal government was 13% (Rs.111.156 billion), Provincial governments 83% (Rs.713.597 billion) and Area governments 4% (Rs.36.728 billion) respectively. The situation analysis reflects that Public expenditure on education by the federal, provincial and area governments is gradually increasing keeping pace with demand.



3.0 EDUCATION EXPENDITURE AS PERCENTAGE OF GDP

Public expenditure on education in Pakistan as percentage of GDP remained constant at 2.3% in 2018-19 and 2019-20 as reflected in Table-3.

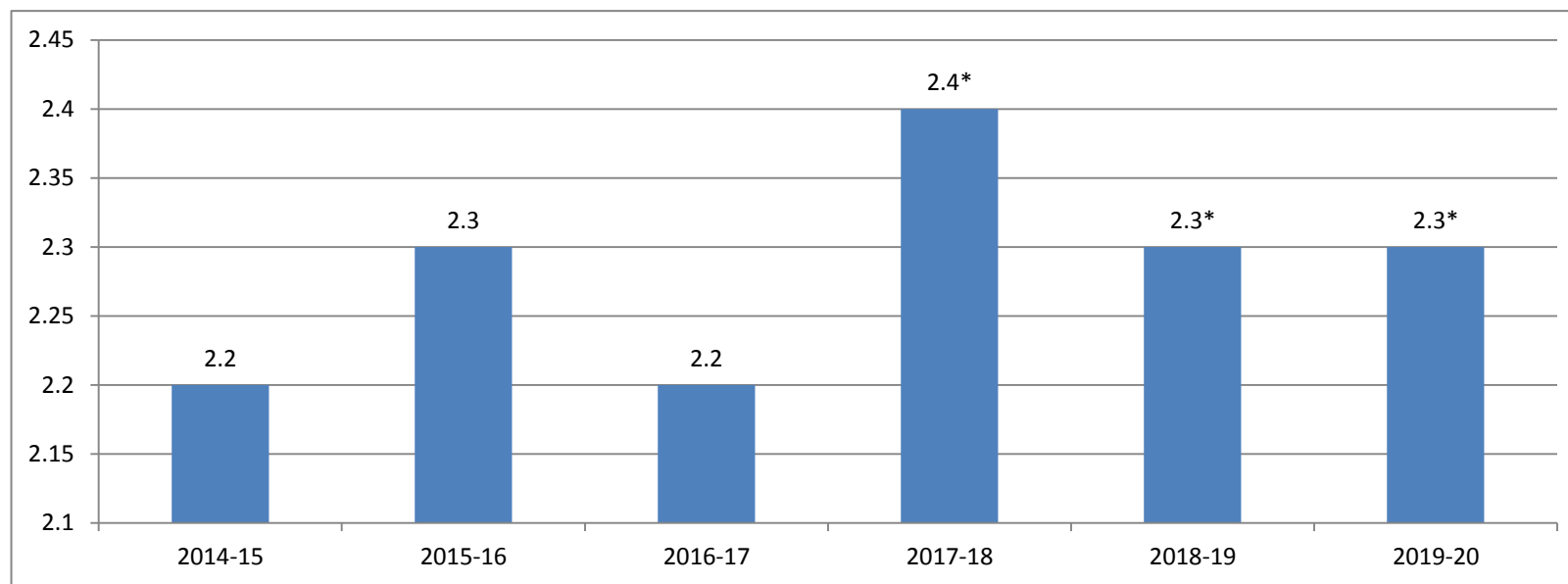
Table 3: Public Expenditure on Education As Percentage of GDP 2014-15 to 2019-20.

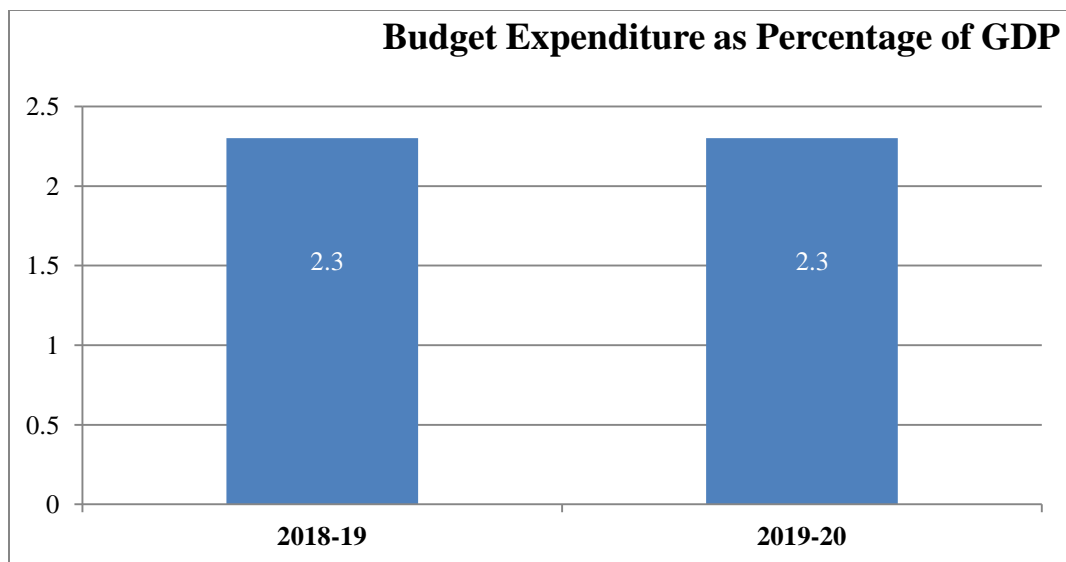
2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
2.2	2.3	2.2	2.4*	2.3*	2.3*

*Provisional as given in Economic Survey of Pakistan, 2018-19 and 2019-20

Source: i) Pakistan Education for All Review Report 2015
ii) Pakistan Economic Survey, 2018-19
iii) *Pakistan Economic Survey, 2019-20*

Budget Expenditure as Percentage of GDP





4.0 FEDERAL EDUCATION BUDGET (RECURRING AND DEVELOPMENT)

Table 4: Federal Education Budget: Allocation and Expenditure (2018-19 to 2020-21)

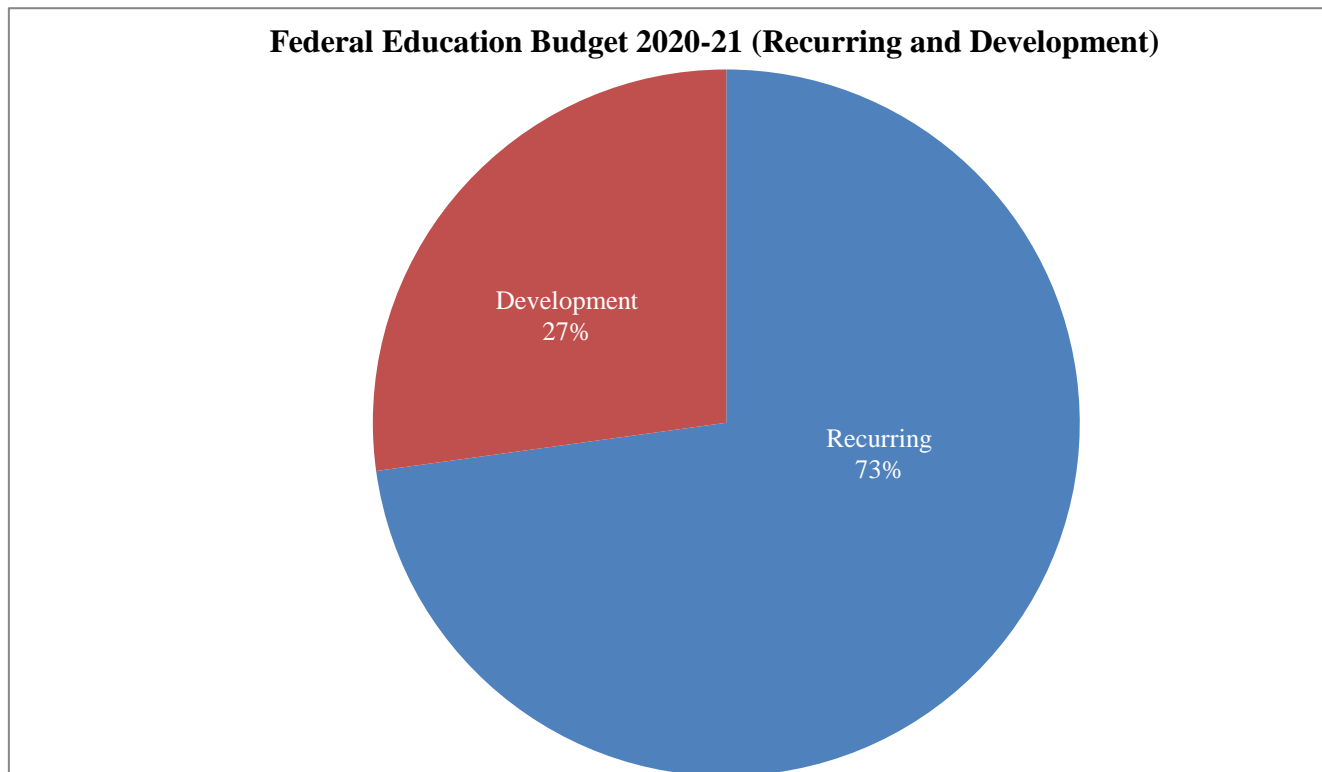
(Rs. in Billion)

Budget	2018-19		2019-20		2020-21	%age increase/ decrease in allocation (2018-19 to 2020-21)	%age of Expenditure (2019-20)
	Allocation	Expenditure	Allocation	Expenditure	Allocation		
Ministry of Federal Education and Professional Training							
Recurring	11.073	11.558	13.709	11.454	13.780	24%	84%
Development	5.435	4.609	3.804	3.481	4.526	-17%	92%
Sub-Total (A)	16.508	16.167	17.513	14.935	18.306	11%	85%
Higher Education Commission							
Recurring	65.000	65.020	59.100	59.100	64.100	-1%	100%
Development	27.208	16.147	25.145	25.145	29.470	8%	100%
Sub-Total (B)	92.208	81.167	84.245	84.245	93.570	1%	100%
NAVTC							
Recurring	0.376	0.309	0.382	0.326	0.395	5%	85%
Development	2.000	2.000	1.200	0.603	0.150	-93%	50%
Sub-Total (C)	2.376	2.309	1.582	0.928	0.545	-77%	59%

Other Federal Ministries							
Recurring	10.994	11.477	11.446	12.392	13.441	22%	108%
Development	0.138	0.036	0.086	0.018	0.087	-37%	21%
Sub-Total (D)	11.132	11.513	11.532	12.410	13.528	22%	108%
Recurring	87.443	88.364	84.637	83.272	91.716 (73%)	5%	98%
Development	34.781	22.792	30.235	29.247	34.233 (27%)	-2%	97%
Grand Total (A+B+C+D)	122.224	111.156	114.872	112.518	125.949	3%	98%

Source: i) Federal Budget 2019-20 Vol-I & II Current Expenditure and Vol-III Development Expenditure
ii) Federal Education Ministry and other concerned Ministries/Divisions
iii) Federal Budget includes Ministry of Federal Education and all other Federal Ministries and Divisions.

The Federal budget for education includes budget of Ministry of Federal Education and Professional Training, Higher Education Commission, NAVTTC and similar component of other Federal Ministries. Table-4 indicates the commulative figures of federal budget specifying allocations and expenditures either directly made by Federal Ministries like Ministry of Federal Education and Professional Training, Higher Education Commission, NAVTTC or other Federal Ministries. The analysis reveals that federal budget allocation increase from Rs.122.224 billion in 2018-19 to Rs.125.949 billion in 2020-21 reflecting increase of 3% during this period. Regarding utilization in 2019-20 expenditure appears to be Rs.112.518 billion against the allocation of Rs.114.872 billion i.e. 98% utilization. In 2020-21, an amount of Rs. 91.716 billion (73%) has been allocated for recurring budget and Rs. 34.233 billion (27%) for development budget.



5.0 FINANCING ON EDUCATION BY OTHER FEDERAL MINISTRIES

Table 5: Financing on Education by other Federal Ministries (2018-19 to 2020-21)

(Rs. in Billion)

Ministry/Department	2018-19		2019-20		2020-21	%age increase/ decrease in allocation (2018-19 to 2020-21)	%age of Expenditure Utilization	
	Allocation	Expenditure	Allocation	Expenditure	Allocation		2018-19	2019-20
M/o Overseas Pakistanis & Human Resource Development	1.033	0.913	1.202	1.202	1.302	26%	88%	100%
Ministry of Railways	0.103	0.097	0.107	0.107	0.107	4%	94%	100%
M/o Defence FGEI (Cantt. & Garrison)	5.371	5.889	5.721	6.466	6.183	15%	110%	113%
Cabinet Division	0.100	0.095	0.112	0.109	0.122	22%	96%	97%
M/o Foreign Affairs	0.677	0.677	0.677	0.677	0.677	0%	100%	100%
Ministry of Science & Technology (NUST)	3.229	3.223	3.094	3.094	3.779	17%	100%	100%
Ministry of Religious Affairs	0.101	0.101	0.101	0.101	0.101	0%	100%	100%
M/o Information, Broadcasting and National Heritage	0.518	0.518	0.518	0.654	1.257	143%	100%	126%
Total	11.132	11.513	11.533	12.410	13.528	22%	103%	108%

Source: i) Federal Budget 2019-20 Vol-I & II Current Expenditure and Vol-III Development Expenditure
ii) Concerned Federal Education and other Departments

Gradually increasing trend has been observed in budget allocations as well as in expenditures on education by other federal ministries as well. An analysis of allocated budget by other federal ministries indicates that there is an overall increase of 22% from Rs.11.132 billion in 2018-19 to Rs. 13.528 billion in 2020-21. Table 5 reflects that overall expenditure by other federal ministries on education appears to be more than allocations during both financial years i.e. 103% in 2018-19 and 108% in 2019-20. For amicable management of educational institutions under the control of other federal ministries, there is a need to assess financial implications of each year in terms of both recurring and developmental expenditure for budget allocations.

6.0 FEDERAL FINANCING ON EDUCATION INCLUDING AREA GOVERNMENTS

Table 6: Federal Financing on Education including area Governments

Province/Regions	(Rs. In Billion)							
	2018-19		2019-20		2020-21	%age increase/decrease in allocation (2018-19 to 2020-21)	%age of Expenditure utilization	
	Allocation	Expenditure	Allocation	Expenditure	Allocation		2018-19	2019-20
Federal Ministries Financing on Education	122.224	111.156	114.872	112.518	125.949	3%	91%	98%
Area Governments (Gilgit Baltistan & AJK)	35.381	36.728	38.910	38.726	41.297	17%	104%	100%
Total	157.605	147.884	153.782	151.244	167.246	6%	94%	98%

Source: i) Federal Budget 2018-19 Vol-I & II Current Expenditure and Vol-III Development Expenditure
ii) Concerned Federal Education and other Departments

The Federal budget includes allocation and expenditure of Ministry of Federal Education and Professional Training, Higher Education Commission, NAVTTC and other Federal Ministries, whereas Area Governments includes budget of Gilgit Baltistan and AJK governments. The data in Table-6 reflect that there is an increase of 3% in allocation of Federal budget from 2018-19 to 2020-21. In aggregate terms, Federal ministries and Area governments budget allocation depicted an overall increase of 6% during same duration. Regarding expenditure on education during 2019-20, it is revealed that federal government spent 98% of allocation i.e. Rs.114.872 billion, whereas Area governments spent 100% of allocation i.e. Rs.38.910 billion. In 2018-19, all Federal Ministries spent Rs.111.156 billion (91%) of allocation and Area governments spent Rs.36.728 billion (104%) little more than allocation.

7.0 SUB-SECTORS WISE FEDERAL EDUCATION BUDGET

Table 7: Sub-Sectors Wise Federal Education Budget (2018-19 to 2020-21)

(Rs. in Billion)

Sub-Sectors	2018-2019		2019-2020		2020-2021
	Allocation	Expenditure	Allocation	Expenditure	Allocation
Primary Education to Secondary Education	10.178 8%	10.952 10%	10.677 9%	11.891 11%	11.548 9%
Tertiary Education	99.939 82%	89.164 80%	91.990 80%	92.436 82%	102.530 81%
NAVTC	2.376 2%	2.309 2%	1.582 1%	0.928 1%	0.545 0.4%
Others Sub-Sectors	9.731 8%	8.731 8%	10.624 9%	7.264 6%	11.326 9%
Total	122.224	111.156	114.873	112.519	125.948

Source: i) Federal Budget 2019-20 Vol-I & II Current Expenditure and Vol-III Development Expenditure
ii) Concerned Federal Education and other departments

Note: Federal budget include budget of Ministry of Federal Education and Professional Training, Higher Education Commission, NAVTC and other Ministries Spending on Education.

Table-7 shows the sub-sectors wise federal education budget allocation and expenditure for the financial years 2018-19, 2019-20 and 2020-21. Analysis indicates that allocated amount for primary to secondary education increased from 8% to 9% in federal education budget during 2018-19 to 2020-21. A major chunk of federal education budget i.e. 81% has been allocated for tertiary education, whereas comparatively small proportion of its total education budget i.e. 19% has been allocated for other sub-sectors during 2020-21.

8.0 FEDERAL, PROVINCIAL AND AREA GOVERNMENTS EDUCATION BUDGET (ALLOCATION & EXPENDITURE)

Table 8: Federal, Provincial and Area Governments Education Budget Allocation & Expenditure (2018-19 to 2020-21)

(Rs. in Billion)

Province/ Regions	2018-19		2019-20		2020-21	%age increase/decrease in allocation (2018-19 to 2020-21)	Percentage of Expenditure Utilization	
	Allocation	Expenditure	Allocation	Expenditure	Allocation		2018-19	2019-20
Federal Budget	122.224	111.156	114.872	112.518	125.949	3%	91%	98%
Provincial Budgets	850.920	713.597	896.530	761.420	946.734	11%	84%	85%
Area Governments (Gilgit Baltistan & AJK)	35.381	36.728	38.910	38.726	41.297	17%	104%	100%
Total	1,008.525	861.481	1,050.312	912.665	1,113.979	10%	85%	87%

*Source: i) Federal Budget 2019-20 Vol-I & II Current Expenditure and Vol-III Development Expenditure
ii) Concerned Provincial and Regional Education and other Departments*

Analysis of data (Table-8) reflect that Federal, Provincial and Area Governments budget allocations were Rs.1,008.525 billion in 2018-19 that increased to Rs.1,113.979 billion in 2020-21 showing an overall increase of 10% during the space of three years . In 2019-20, total expenditure was reported to be Rs.912.665 billion (87%) against the total allocation of Rs.1,050.312 billion. It appears that Federal and Provincial governments could not utilize their allocations in 2018-19 and 2019-20 except Area Governments which completely utilized their allocations in both the years i.e. 2018-19 and 2019-20. Federal Government utilized 98% of total allocation i.e. Rs.114.872 billion in 2019-20, Provincial governments utilized 85% of total allocation i.e. Rs.896.530 billion and Area Governments utilized 100% of allocation of i.e. Rs. 38.910 billion respectively. Therefore, Capacity of education departments needs to be addressed in order to improve utilization according to prescribed financial controls, procedures and rules set by the provincial and regional governments within financial year.

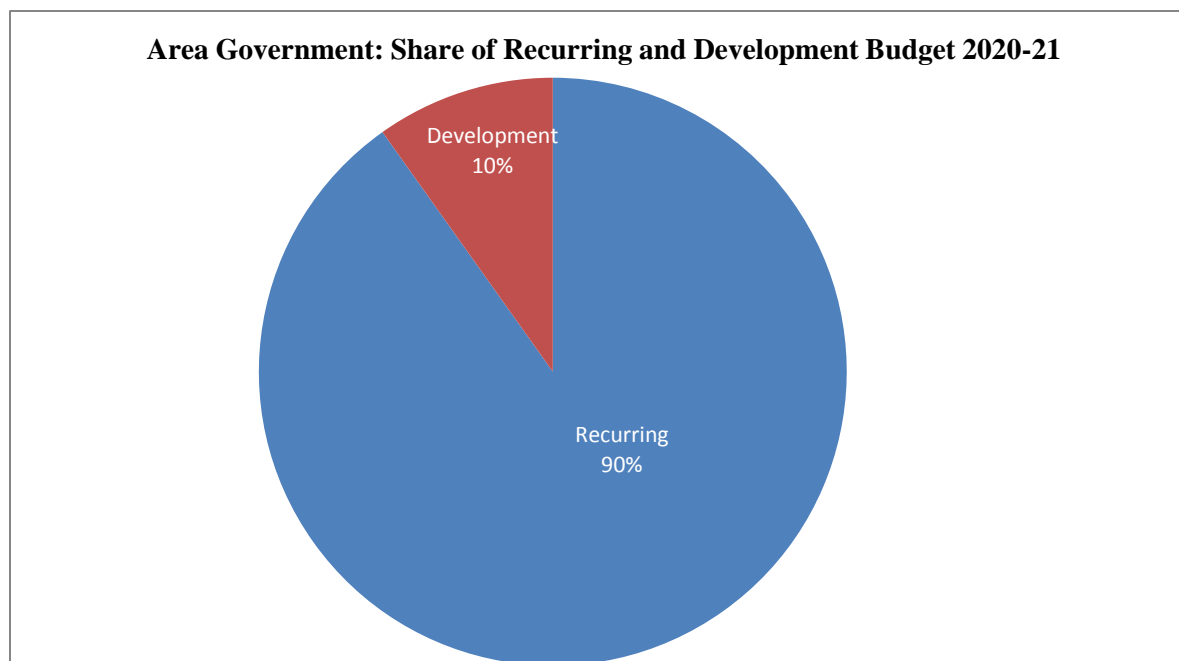
9.0 AREA GOVERNMENTS RECURRING AND DEVELOPMENT EDUCATION BUDGET (ALLOCATION AND EXPENDITURE)

Table 9: Area Governments Recurring and Development Education Budget (Allocation and Expenditure)

Type of Budget	2018-19		2019-20		2020-21	%age increase in Allocation (2018-19 to 2020-21)
	Allocation	Expenditure	Allocation	Expenditure	Allocation	
Recurring	32.271	31.478	34.641	34.321	37.235 90%	15%
Development	3.110	5.250	4.269	4.405	4.062 10%	31%
Total	35.381	36.728	38.910	38.726	41.297	17%

Source: i) Federal Budget 2019-20 Vol-I & II Current Expenditure and Vol-III Development Expenditure
ii) Concerned Provincial and Regional Education and other Departments

Table-9 illustrate that budgetary allocation of Area Governments for education have been increased from Rs.35.381 billion in 2018-19 to Rs.41.297 billion in 2020-21 indicating an increase of 17%. The analysis reveal that Area governments utilized 99.5% (Rs.38.726 billion) of the allocation (Rs. 38.910 billion) in 2019-20. Data also reflect that current allocation increased by 15% and development allocation was increased by 31% from 2018-19 to 2020-21. However, the recurring portion of education budget remains on higher side i.e. 90% and development to 10% during 2020-21.



10.0 RECURRING AND DEVELOPMENT BUDGET OF AREA GOVERNMENT

Table 10: Area Governments Recurring and Development Education Budget Allocation and Expenditure (2018-19 to 2020-21)

(Rs. in Billion)

Regions		2018-19		2019-20		2020-21	%age increase in Allocation (2018-19 to 2020-21)
		Allocation	Expenditure	Allocation	Expenditure	Allocation	
Gilgit Baltistan*	Recurring	6.593	7.233	7.433	9.007	8.313	26%
	Development	1.508	1.413	1.599	1.596	1.483	-2%
	Sub-Total (A)	8.101	8.646	9.032	10.603	9.796	21%
AJK	Recurring	25.678	24.245	27.208	25.314	28.922	13%
	Development	1.602	3.837	2.670	2.809	2.579	61%
	Sub-Total (B)	27.280	28.082	29.878	28.123	31.501	15%
Grand Total	Recurring	32.271	31.478	34.641	34.321	37.235	15%
	Development	3.110	5.250	4.269	4.405	4.062	31%
	Total (A+B)	35.381	36.728	38.910	38.726	41.297	17%

Source: Concerned Regional Education Department of GB & AJKs

Analysis of data in Table-10 reflects that there is an overall increase of 17% in allocation towards education in the Area Governments budget from 2018-19 to 2020-21. Area governments utilized Rs. 38.726 billion (99.5%) against allocation of Rs. 38.910 billion in 2019-20. A comparison of allocated amount for development versus recurring budget of 2018-19, 2019-20 & 2020-21 indicates that overall recurring budget of Area Government is much greater than the development budget.

11.0 FEDERAL, PROVINCIAL AND AREA GOVERNMENTS EDUCATION BUDGET ALLOCATION AND EXPENDITURE (RECURRING AND DEVELOPMENT)

Table 11: Federal, Provincial and Area Governments Education Budget Allocation and Expenditure (Recurring and Development) (2018-19 to 2020-21)

(Rs. in Billion)

Provinces/Regions		2018-19		2019-20		2020-21	%age increase/ decrease in Allocation (2018-2019 to 2020-2021)	Share of Recurring and Development budget in percentage (2020-2021)
		Allocation	Expenditure	Allocation	Expenditure	Allocation		
Federal	Recurring	87.443	88.364	84.637	83.272	91.716	5%	73%
	Development	34.781	22.792	30.235	29.247	34.233	-2%	27%
	Sub-Total	122.224	111.156	114.872	112.518	125.949	3%	
Punjab	Recurring	354.165	328.641	351.114	328.067	358.495	1%	91%
	Development	39.806	36.813	40.661	36.069	37.139	-7%	9%
	Sub-Total	393.971	365.455	391.776	364.136	395.634	0.4%	
Sindh	Recurring	202.531	150.732	215.418	160.759	237.650	17%	92%
	Development	24.549	8.199	23.019	5.695	21.082	-14%	8%
	Sub-Total	227.079	158.931	238.437	166.453	258.732	14%	
Khyber Pakhtunkhwa	Recurring	147.181	118.327	156.839	145.404	171.775	17%	81%
	Development	22.392	18.810	36.685	19.537	40.686	82%	19%
	Sub-Total	169.573	137.137	193.524	164.941	212.462	25%	
Balochistan	Recurring	52.814	45.946	62.246	59.775	71.927	36%	90%
	Development	7.482	6.129	10.547	6.115	7.979	7%	10%
	Sub-Total	60.296	52.075	72.793	65.890	79.906	33%	
Area Governments (Gilgit Baltistan And AJK)	Recurring	32.271	31.478	34.641	34.321	37.235	15%	90%
	Development	3.110	5.250	4.269	4.405	4.062	31%	10%
	Sub-Total	35.381	36.728	38.910	38.726	41.297	17%	
Total National Education Budget	Recurring	876.405	763.488	904.896	811.598	968.798	11%	87%
	Development	132.120	97.993	145.416	101.067	145.181	10%	13%
	Total	1,008.525	861.481	1,050.312	912.665	1,113.979	10%	

Source: (i) Federal Budget 2019-20 Vol-I & II Current Expenditure and Vol-III Development Expenditure
(ii) Concerned Provincial Education and other Departments.

Table-11 shows the budgetary allocations and expenditures of Federal, Provincial and Area Governments both for recurring and development. The national budgetary allocation for education sector has increased from Rs. 1,008.525 billion in 2018-19 to Rs. 1,113.979 billion in 2020-21 which indicates an increase of 10%. Punjab province has allocated Rs. 393.971 billion for education sector in 2018-19 that increased to Rs. 395.634 billion in 2020-21 showing a minor increase of 0.4% in two years. Sindh has allocated Rs. 227.079 billion in 2018-19 for education sector that increased to Rs. 258.732 billion in 2020-21 with an increase of 14% in two years. Government of Khyber Pakhtunkhwa increased its budgetary allocation for education from Rs.169.573 billion in 2018-19 to Rs. 212.462 billion in 2020-21 indicating an increase of 25% in two years. Balochistan increased its budgetary allocation for education from Rs.60.296 billion in 2018-19 to Rs.79.906 billion in 2020-21 showing a significant increase of 33% in two years. Similarly, expenditures have also increased on the same pattern by all provinces except Punjab. However, there is a need to pay more attention towards utilization of budgetary provisions because all the provinces are unable to utilize the entire allocated amount during said duration.

The analysis reflects that overall share of recurring budget at national and provincial levels have been higher than the development budget. In 2020-21, at national level, recurring allocation in education budget have 87% as compared to 13% for development. At Provincial level during 2020-21, Punjab allocated 91% of its budget for recurring as compared to 9% for development, Khyber Pakhtunkhwa allocated 81% for recurring expenditure and 19% for development, Balochistan Government and Area Governments allocated 90% of their education budget for recurring and 10% for development. However, Sindh Government allocated 92% of its education budget for recurring expenditure and 8% for development in 2019-20. Lastly, Federal Government allocated 73% of its education budget for recurring and 27% for development during 2020-21.

12.0 PUNJAB: SUB-SECTORS WISE ALLOCATION AND EXPENDITURE ON EDUCATION

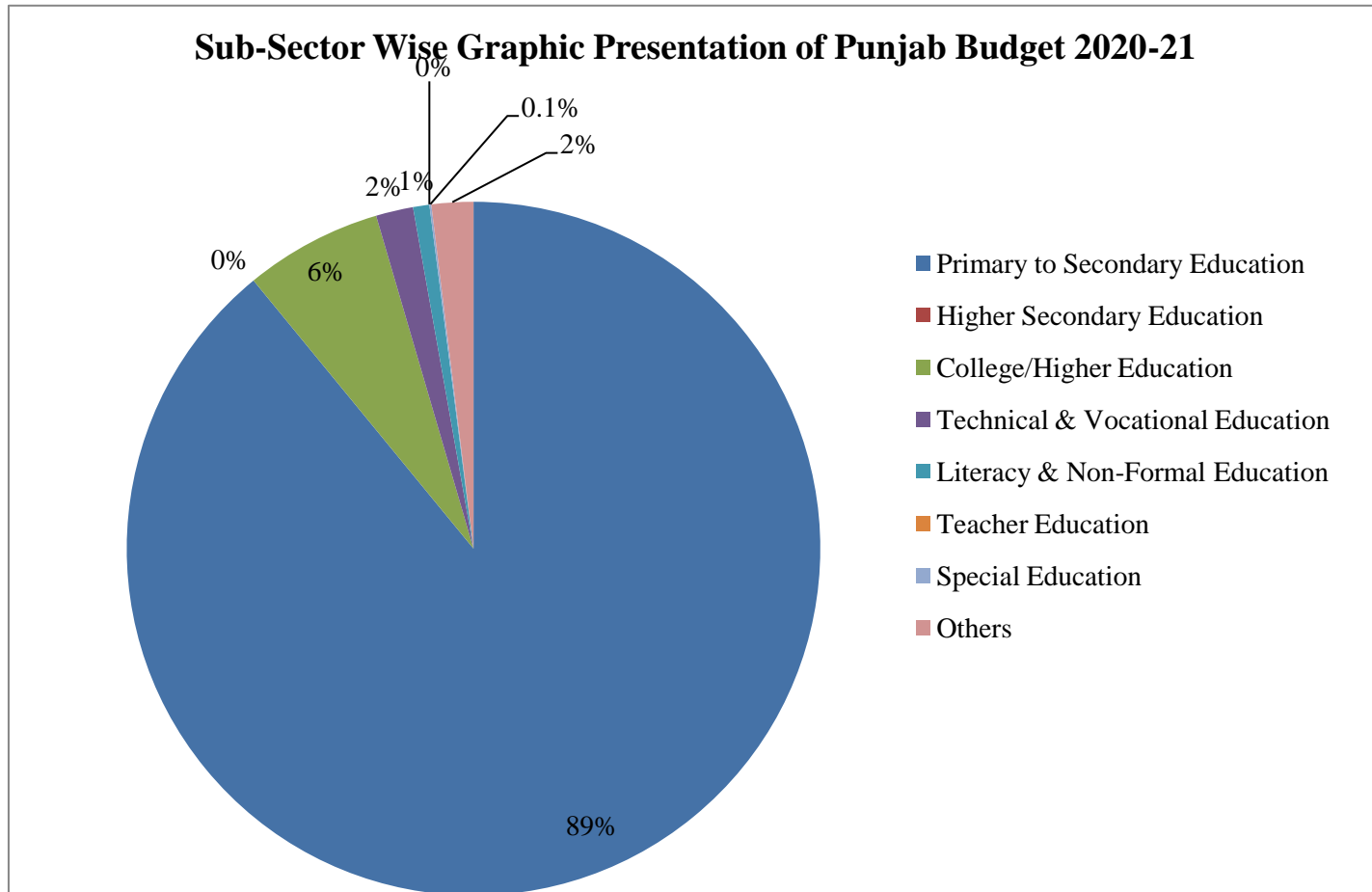
Table 12: Sub-Sectors wise Allocation and Expenditure on Education by Punjab (2018-19 to 2020-21)

(Rs. in Billion)

Sub Sector	2018-19		2019-20		2020-21	Sub-Sector wise Allocation Share in Provincial Education Budget 2020-21
	Allocation	Expenditure	Allocation	Expenditure	Allocation	
Pre & Primary Education	170.732	161.657	172.861	163.148	352.360	89%
Middle/Elementary Education	-	-	-	-		
Secondary Education	160.595	149.559	159.973	150.832		
Higher Secondary Education	-	-	-	-	-	0%
College/Higher Education	26.493	25.453	22.750	23.064	25.350	6%
Technical & Vocational Education	7.382	6.556	7.242	6.451	6.869	2%
Literacy & Non-Formal Education	1.891	1.728	2.688	1.859	3.007	1%
Teacher Education	-	-	-	-	-	0%
Special Education	5.747	4.905	5.642	4.980	0.355	0.1%
Others	21.131	15.595	20.619	13.801	7.693	2%
Total	393.971	365.455 93%	391.776	364.136 93%	395.634	100%

Source: Finance Department, Budget Wing, Government of the Punjab

Sub-sectors wise analysis of allocations shows that the Province of Punjab earmarked a major portion of its education budget amounting to Rs.352.360 billion i.e. 89% for 'Primary to Secondary Education, Rs. 25.350 billion (6%) to 'Higher Education', 2% allocated for 'Technical and Vocational Education' during 2020-21. The Government of the Punjab allocated Rs. 395.634 billion for education sector in 2020-21 as compared to Rs. 393.971 billion in 2018-19 indicating 0.42% increase in two years. Government of the Punjab utilized 93% of its total allocated budget for education during last two financial years i.e. 2018-19 and 2019-20 reflecting improvement in utilization capacity as compared to previous years.



13.0 SINDH: SUB-SECTORS WISE ALLOCATION AND EXPENDITURE ON EDUCATION BY SINDH

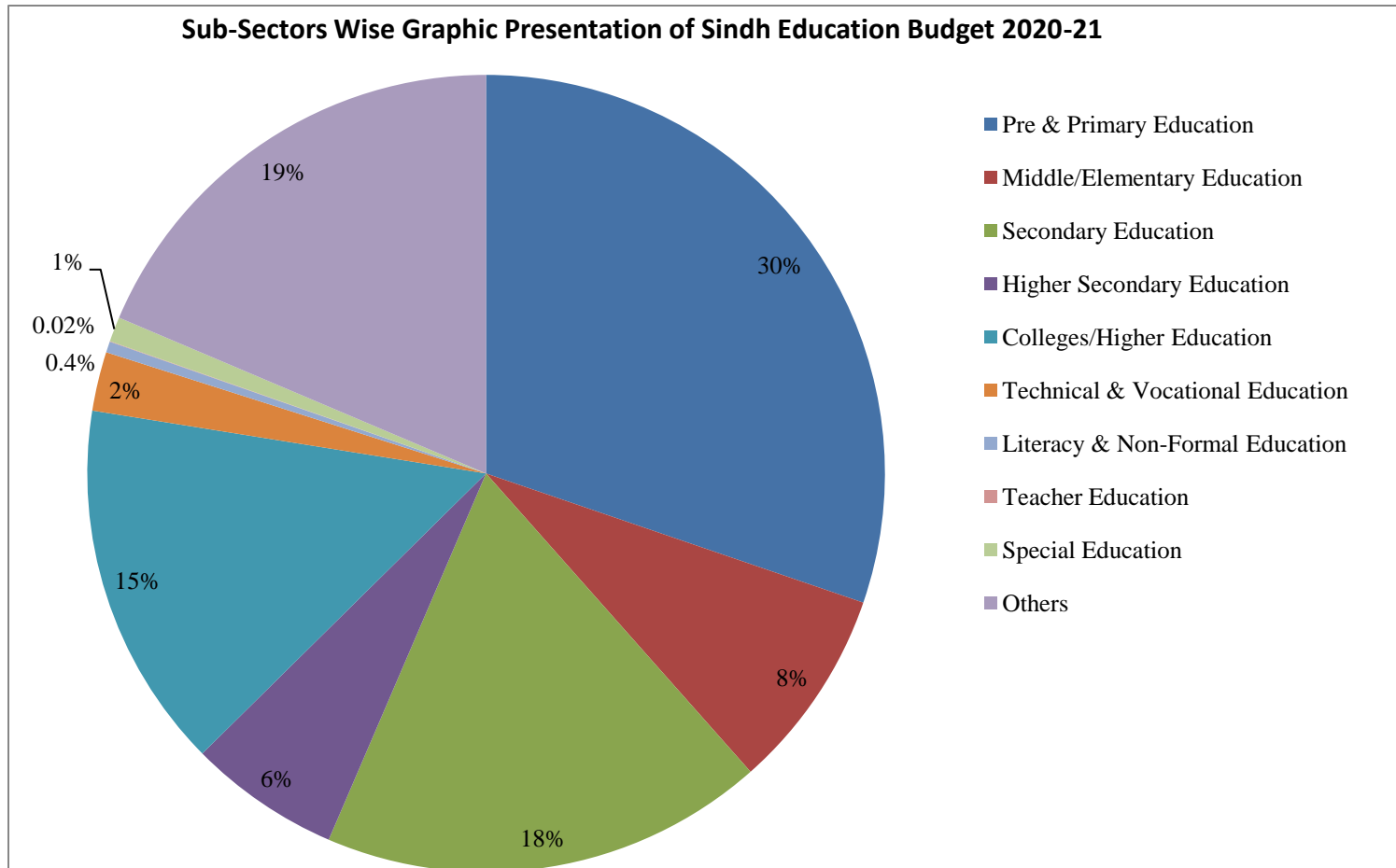
Table 13: Sub-Sectors wise Allocation and Expenditure on Education by Sindh (2018-19 to 2020-21)

(Rs. in Billion)

Sub-Sector	2018-19		2019-20		2020-21	Allocation Share in Provincial Education Budget 2020-21
	Allocation	Expenditure	Allocation	Expenditure	Allocation	
Pre & Primary Education	73.415	60.499	75.032	61.346	78.275	30%
Middle/Elementary Education	19.298	12.986	19.541	13.924	21.227	8%
Secondary Education	41.704	30.037	44.349	32.936	46.566	18%
Higher Secondary Education	13.951	11.084	14.504	12.254	15.897	6%
Colleges/Higher Education	33.547	22.823	35.680	25.449	38.611	15%
Technical & Vocational Education	5.960	3.504	5.838	3.771	6.200	2%
Literacy & Non-Formal Education	0.696	0.114	1.174	0.082	1.152	0.4%
Teacher Education	0.271	0.128	0.129	0.021	0.058	0.02%
Special Education	1.441	1.203	2.329	2.099	2.600	1%
Others	36.797	16.553	39.863	14.571	48.146	19%
Total	227.079	158.931 70%	238.437	166.453 70%	258.732	100%

Source: Finance Department, Government of Sindh

The analysis of data in Table-13 reveals that Sindh Province has utilized Rs.166.453 billion (70%) from Rs. 238.437 billion earmarked for education sector in 2019-20. During 2020-21, the government of Sindh has allocated Rs. 258.732 billion for education sector of which 30% (Rs.78.275 billion) earmarked for ‘Pre & Primary Education’, 19% for ‘Others’ sub-sector, 18% for ‘Secondary Education’ and 15% for ‘Colleges/Higher Education’ and about one percent for ‘Literacy & Non-Formal education’ and ‘Teacher education’. A comparison of sub-sector wise allocations shows an increasing trend from 2018-19 to 2020-21. In 2020-21, the share of school education appears to be about 62% of total provincial budget allocated for ‘Pre & Primary Education’ to ‘Higher Secondary Education’.



14.0 KHYBER PAKHTUNKHWA: SUB-SECTORS WISE ALLOCATION AND EXPENDITURE ON EDUCATION

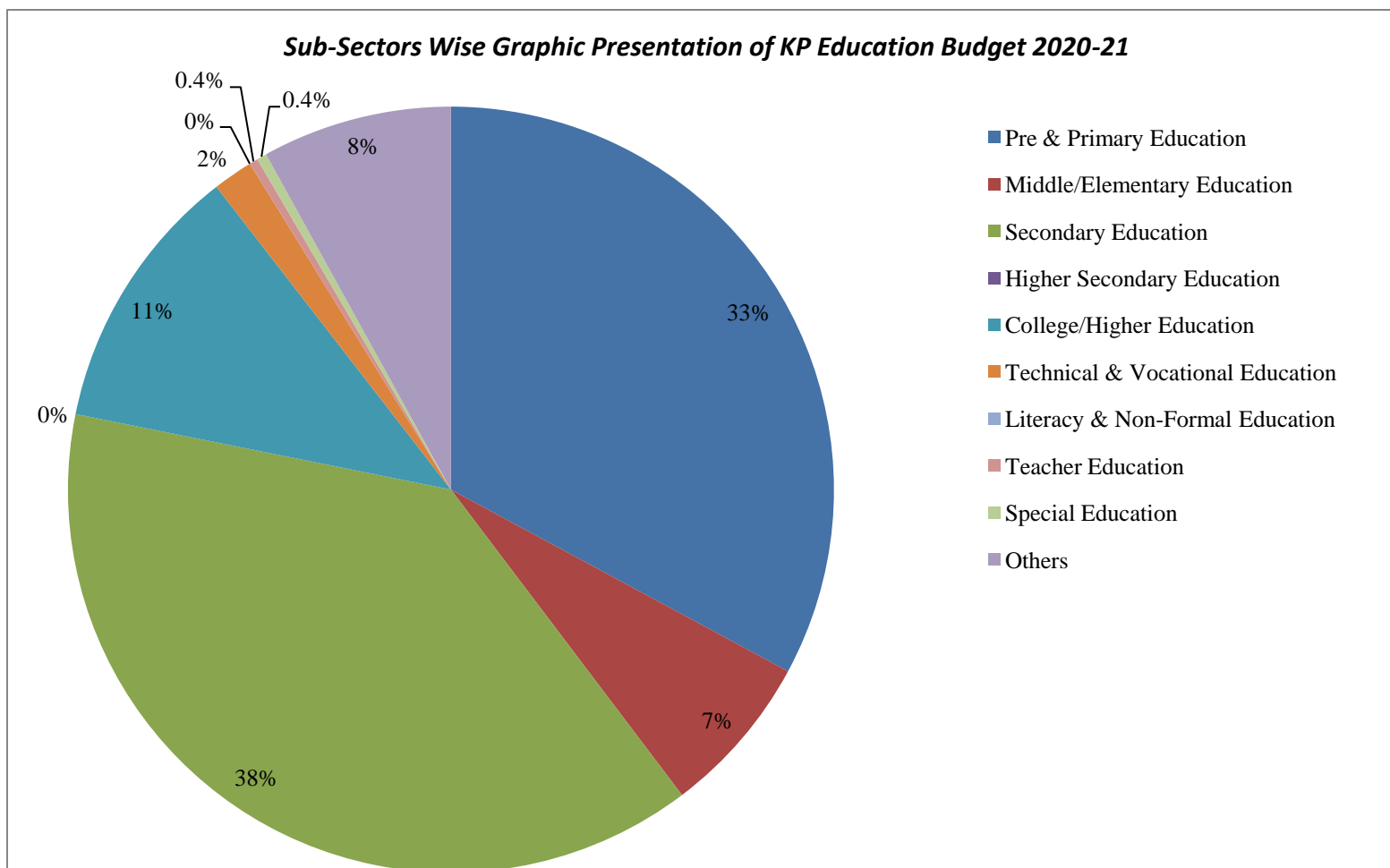
Table 14: Sub-Sectors wise Allocation and Expenditure on Education by Khyber Pakhtunkhwa (2018-19 to 2020-21)

(Rs. in Billion)

Sub-Sector	2018-19		2019-20		2020-21	Allocation Share in Provincial Education Budget 2020-21
	Allocation	Expenditure	Allocation	Expenditure	Allocation	
Pre & Primary Education	52.691	46.989	59.605	58.343	69.837	33%
Middle/Elementary Education	6.816	6.228	9.361	9.082	14.498	7%
Secondary Education	71.839	60.232	76.997	67.068	81.729	38%
Higher Secondary Education	-	-	-	-	-	-
College/Higher Education	18.830	16.111	22.418	16.337	24.115	11%
Technical & Vocational Education	2.677	2.265	3.218	2.094	3.595	2%
Literacy & Non-Formal Education	-	-	-	-	-	-
Teacher Education	0.599	0.747	0.636	0.862	0.764	0.4%
Special Education	0.677	0.573	0.960	0.852	0.882	0.4%
Others	15.442	3.992	20.329	10.302	17.041	8%
Total	169.573	137.137 81%	193.524	164.941 85%	212.462	100%

Source: Finance Department, Government of Khyber Pakhtunkhwa

Government of Khyber Pakhtunkhwa allocated for education sector Rs.193.524 billion in 2019-20 and utilized Rs.164.941 billion (85%) and in 2020-21 allocated Rs.212.462 billion for education sector. Khyber Pakhtunkhwa earmarked 78% for Primary to Secondary Education during the year 2020-21, whereas, 11% for ‘Colleges/Higher Education’, 2% for ‘Technical & Vocational education’ and about 1% for ‘Teacher education’ and ‘Special education’. Allocations for the years 2018-19, 2019-20 and 2020-21 show an increasing trend for all the sub-sectors. However, for ‘Special education’ a minor decrease has been noted in the allocation in 2020-21 as compared to previous year i.e. 2019-20.



15.0 BALOCHISTAN: SUB-SECTORS WISE ALLOCATION AND EXPENDITURE ON EDUCATION

Table 15: Sub-Sectors wise Allocation and Expenditure on Education by Balochistan (2018-19 to 2020-21)

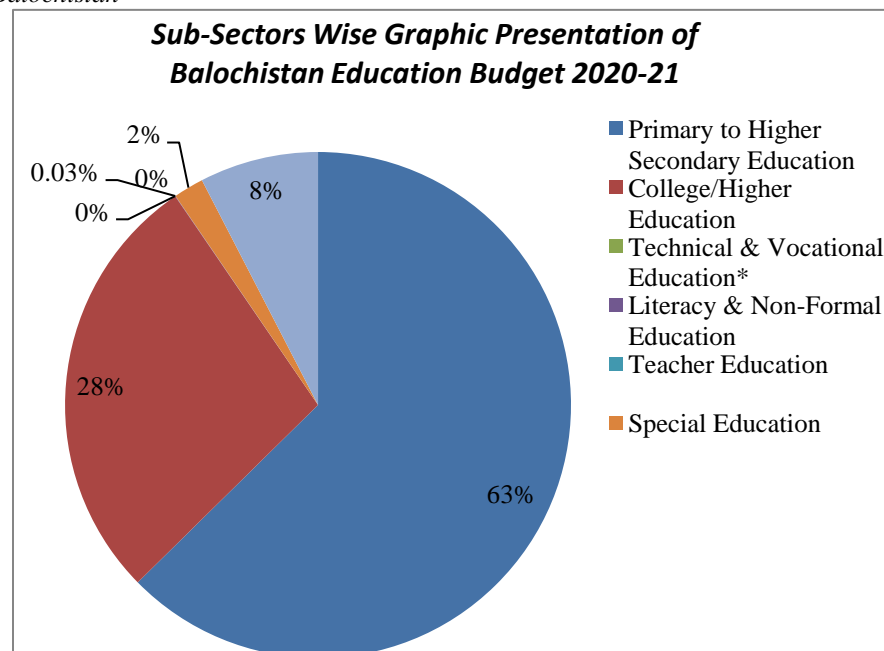
(Rs. in Billion)

Sub-Sector	2018-19		2019-20		2020-21	Allocation Share in Provincial Education Budget 2020-21
	Allocation	Expenditure	Allocation	Expenditure	Allocation	
Primary to Higher Secondary Education	47.620	41.429	54.482	45.996	50.043	63%
College/Higher Education	12.277	10.241	14.208	16.148	22.229	28%
Technical & Vocational Education*	-	-	-	-	-	-
Literacy & Non-Formal Education	0.018	0.021	0.018	0.018	0.021	0.03%
Teacher Education	-	-	-	-	-	-
Special Education	0.218	0.227	1.087	1.674	1.549	2%
Others	0.163	0.157	2.998	2.054	6.064	8%
Total	60.296	52.075 86%	72.793	65.890 91%	79.906	100%

Source: Budget Book Volume I & III, Finance Department, Government of Balochistan

**Budget of Technical Education are included in budget of higher education and teacher's education in secondary education.*

Table-15 indicates that Government of Balochistan allocated Rs.72.793 billion for education sector in 2019-20 and utilized Rs.65.890 billion. The analysis reflects that province of Balochistan utilized 91% of its allocated amount during 2019-20 as compared to 86% utilization in 2018-19. A comparison of allocations for sub sectors of education for the years 2018-19, 2019-20 and 2020-21 reveals an increasing trend. In 2020-21, the major portion of Balochistan education budget i.e. 63% has been earmarked for 'Primary to Higher Secondary education', 28% to 'College/Higher education', 8% for 'Others' subsectors of education (excluding 'Teacher education') and 2% for 'Special education' and 'Literacy & Non-Formal education'.



16.0 FEDERAL AND PROVINCIAL ALLOCATIONS FOR SUB-SECTORS

Table 16: Sub-Sectors wise Comparison of Allocation by Provinces on Education (2020-21)

(Rs. in Billion)

S#	Sub-Sectors	Federal		Punjab		Sindh		KP		Balochistan	
		Alloc.	Sub-Sector share of Education Budget in % age	Alloc.	Sub-Sector share of Education Budget in %	Alloc.	Sub-Sector share of Education Budget in %	Alloc.	Sub-Sector share of Education Budget in % age	Alloc.	Sub-Sector share of Education Budget in % age
1	Pre & Primary Education	11.548	9%	352.360	89%	78.275	30%	69.837	33%	50.043	63%
2	Middle/Elementary Education					21.227	8%	14.498	7%		
3	Secondary Education					46.566	18%	81.729	38%		
4	Higher Secondary Education					-	0%	15.897	6%		
5	College/Higher Education	102.530	81%	25.350	6%	38.611	15%	24.115	11%	22.229	28%
6	Technical and Vocational Education	0.545	0.4%	6.869	2%	6.200	2%	3.595	2%	0	0%
7	Literacy and Non-formal Education	0	0%	3.007	1%	1.152	0%	-	0%	0.021	0%
8	Teacher Education	0	0%	-	0%	0.058	0%	0.764	0%	0	0%
9	Special Education	0	0%	0.355	0%	2.600	1%	0.882	0%	1.549	2%
10	Others/Miscellaneous	11.326	9%	7.693	2%	48.146	19%	17.041	8%	6.064	8%
Total		125.948	100%	395.634	100%	258.732	100%	212.462	100%	79.906	100%

Data analysis in Table-16 indicates that all provinces except Punjab have allocated their major share of education budget for Primary to Higher Secondary education, whereas Federal government allocated 9% due to small size of Primary to Secondary sector under its administration. Punjab has allocated 89% of its education budget for Primary to Secondary education, Khyber Pakhtunkhwa 78%, Balochistan 63% and Sindh 62%. In 2020-21, Balochistan has allocated a substantial share of its education budget i.e. 28% for Higher education followed by Sindh 15%, Khyber Pakhtunkhwa 11% and Punjab 6%. The Federal government has allocated a major share of its education budget to 'Higher Education' i.e. 81% of total budget.

17.0 UTILIZATION OF EDUCATION BUDGET

Table 17: Utilization of Education Budget (2018-19 and 2019-20)

(Rs. in Billion)

Provinces/ Regions	2018-19			2019-20		
	Allocation	Utilization	% of Utilization	Allocation	Utilization	% of Utilization
Federal	122.224	111.156	91%	114.872	112.518	98%
Punjab	393.971	365.455	93%	391.776	364.136	93%
Sindh	227.079	158.931	70%	238.437	166.453	70%
Khyber Pakhtunkhwa	169.573	137.137	81%	193.524	164.941	85%
Balochistan	60.296	52.075	86%	72.793	65.890	91%
Area Governments (GB & AJK)	35.381	36.728	104%	38.910	38.726	100%
Total	1,008.525	861.481	85%	1,050.312	912.665	87%

Source i) Federal Budget 2019-20 and 2020-21 Vol-I & II Current Expenditure and Vol-III Development Expenditure
ii) Concerned Provincial and Regional Education and other Departments

Table-17 shows the utilization status of education budget at Federal, Provincial and Area Governments level during 2018-19 and 2019-20. However, budget utilization improved by Federal Government, Khyber Pakhtunkhwa and Balochistan in 2019-20 as compared to 2018-19. In 2019-20, Punjab utilized 93% (Rs.364.136 billion) against the allocation of Rs.391.776 billion, Sindh utilized 70% (Rs.166.453 billion) against the allocation of Rs.238.437 billion, Khyber Pakhtunkhwa utilized 85% (Rs. 164.941 billion) against the allocation Rs.193.524 billion and Balochistan utilized 91% (Rs.65.890 billion) against the allocation of Rs.72.793 billion. Whereas, Area Governments utilized 100% (Rs.38.726 billion) against allocation of Rs.38.910 billion during 2019-20. Analysis reflects that all the provinces i.e. Punjab, Sindh, Khyber Pakhtunkhwa and Balochistan could not fully utilize the allocated amount during 2019-20. Sindh province could utilize only 70% among all the provinces. Area Governments had highest utilization rate i.e. 100%, followed by Federal Government 98%, Punjab 93%, Balochistan 91%, Khyber Pakhtunkhwa 85% and Sindh 70% respectively in 2019-20.

18.0 SHARE OF EDUCATION IN BUDGET ALLOCATIONS

Table 18: Financing on Education as Proportion of Total Budget Allocation (2019-20 & 2020-21)

(Rs. in Billion)

Province	Total Budget		Education Budget		Share of Education in % age	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Federal	6,130.907	7,248.478	114.872	125.949	2%	2%
Punjab	2,067.649	2,115.629	391.776	395.634	19%	19%
Sindh	1,154.255	1,201.934	238.437	258.732	21%	22%
Khyber Pakhtunkhwa	1,051.460	1,138.565	193.524	212.462	18%	19%
Balochistan	419.923	422.068	72.793	79.906	17%	19%
Total	10,824.194	12,126.674	1,011.402	1,072.682	9%	9%

Source: i) Federal Budget 2019-20 and 2020-21 Vol-I & II Current Expenditure and Vol-III Development Expenditure
ii) Concerned Provincial and Regional Education and other Departments.

Table-18 shows federal and provincial allocated percentage share of education against total budget during 2019-20 and 2020-21. Most of the provinces have earmarked a significant portion of their total budget for education sector. Province wise comparison of education budget for the year 2019-20 and 2020-21 reflect that Sindh province earmarked the highest percentage share i.e. 22% of its total budget for education in 2020-21, followed by Punjab, Khyber Pakhtunkhwa and Balochistan having uniform allocation i.e. 19%. The percentage share of education budget against the total budget of Sindh has increased from 21% in 2019-20 to 22% in 2020-21, in Punjab it remained constant at 19%, in Balochistan increased from 17% to 19%, and Khyber Pakhtunkhwa increased from 18% to 19% during 2019-20 and 2020-21. However, percentage share of Education sector in relation to total Federal Budget remained constant at 2% in both years.

19.0 SALIENT FEATURES

Situation analysis reveals that federal, provincial and area governments have enhanced their budget for education 10% from Rs.1,008.525 billion in 2018-19 to Rs. 1,113.979 billion in 2020-21. Federal Government allocation for education sector increased by 3% from Rs.122.224 billion in 2018-19 to Rs.125.949 billion in 2020-21, from 2018-19 to 2020-21, Punjab province increased allocation by 0.4% from Rs.393.971 billion to Rs.395.634 billion, Sindh increased by 14% from Rs.227.079 billion to Rs.258.732 billion, Khyber Pakhtunkhwa increased its budgetary allocation for education by 25% from Rs.169.573 billion to Rs.212.462 billion and Balochistan increased its budgetary allocation for education by 33% from Rs.60.296 billion to Rs.79.906 billion.

There is a gradual increasing trend in education budget of the provinces in their overall budget. From 2019-20 to 2020-21, the percentage share of education against the total budget of Sindh increased from 21% to 22%, in Punjab it remained constant at 19%, in Khyber Pakhtunkhwa increased from 18% to 19% and in Balochistan it increased from 17% to 19%.

Analysis of sub-sectors wise allocation in education budget it is revealed that all provinces have given priority to Primary to Higher Secondary Education during 2020-21. Punjab allocated highest share 89% of education budget for Primary to Higher Secondary education followed by Khyber Pakhtunkhwa 78%, Sindh 62% and Balochistan 63%. Regarding Higher education, Balochistan allocated 28% of its education budget followed by Sindh 15%, Khyber Pakhtunkhwa 11% and Punjab 6%. The Federal Government allocated major share of its education budget for Higher education amounting to 81% of total Education budget. Sindh, Punjab and Khyber Pakhtunkhwa allocated 2% of their education budget for Technical and Vocational Education. About two percent has been allocated by the provinces for 'Teacher education', 'Special education' and 'Literacy and Non-Formal education'.

At national and provincial levels, major portion of education budget is earmarked for recurring expenses. At national level, recurring budget for education has been 87% as compared to 13% for development in 2020-21. During 2020-21 at provincial level, Punjab allocated 91% of education budget for recurring expenditure as compared to 9% for development expenditure, Khyber Pakhtunkhwa allocated 81% for recurring and 19% for development, Sindh allocated 92% for recurring and 8% for development,

whereas Balochistan and Area governments allocated 90% for recurring and 10% for development. Federal government also earmarked 73% of its total education budget for recurring expenses and 27% for development in 2020-21.

Data reveal that all provinces could not fully utilize the allocated budget for education sector during 2018-19 and 2019-20. Sindh province has the highest rate of under-utilization i.e. 30% among all the provinces during 2018-19 and 2019-20. Sindh utilized 70% (Rs.166.453 billion) from allocation of Rs.238.437 billion for education sector. In 2019-20, Punjab utilized 93% (Rs.364.136 billion) of allocation of Rs.391.776 billion, Khyber Pakhtunkhwa utilized 85% (Rs.164.941 billion) against the allocation of Rs.193.524 billion and Balochistan utilized 91% (Rs.65.890 billion) against the allocation of Rs.72.793 billion. Among provinces, Punjab has the highest capacity of utilization i.e. 93% during 2018-19 and 2019-20. Federal government utilized 98% (Rs.112.518 billion) against the allocation of Rs. 114.872 billion whereas Area governments utilized 100% (Rs.38.726 billion) against the allocation of Rs. 38.910 billion in 2019-20.

20.0 WAY FORWARD

Constitutional obligations and international commitments bind the Federal and provincial governments to fulfill their pledge to enhance share of public spending on education from 2% of GDP to at least 4%. The share of Technical & Vocational Education needs to be increased in the federal and provincial education budgets to a reasonable level to equip the workforce with the required technical & vocational knowledge and skills. Moreover, provinces need to generate additional resources over and above NFC award allocations and minimize dependence on federal funding. There is a need to develop an appropriate mechanism, to identify bottle necks hampering achievement of national targets, particularly SDGs goals. Effective coordination between various stakeholders to devise strategies for implementation of Provincial Education Sector plans in line with national policies and international commitments such as SDGs needs to be ensured.

Systematic evaluation of financing education mechanisms for informed decision making and support to financial management is a relatively new phenomenon. After 18th Constitutional Amendment, provincial governments are primary stakeholders of financing education and management. In view of the Article 25-A, provinces have responsibility for provision of free and compulsory education to all children aged 5-16 and bringing all the children of their respective areas into schools. There is a dire need to articulate realistic targets and evolve a pragmatic implementation and monitoring mechanism. There is also a need to ensure timely releases of fund to initiate activities and to accomplish them within the planned framework.

The gap between allocation and expenditure requires due attention of relevant authorities at Federal and Provincial levels to address capacity building of the education managers, institutions, organizations and departments for its maximum utilization. The regular, smooth and fair utilization of budget requires coordination between various departments of regions and provinces and elimination of causes for poor utilization. A robust financial management system for education sector is a need of the hour.

An independent study may be carried out to analyze the sector wise allocation and expenditure at national, provincial as well as at regional levels in education sector. From existing data of allocations and expenditures on education, there appears to be considerable variation which need to be standardized for federal, provinces and regions budget allocations.

Major portion of education budget is earmarked for recurring expenditure as compared to development budget. The Federal and Provincial governments are required to allocate a higher percentage of their education budgets for development purposes to address short comings.