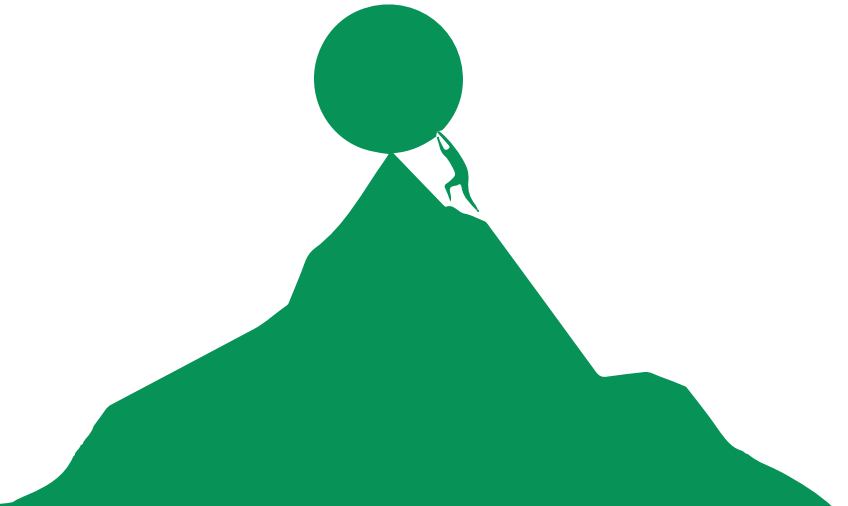


RESILIENT

Khyber
Pakhtunkhwa

Budget 2020-21
A citizen's guide





ABOUT THIS BOOKLET

The Pakistan Tehreek-e- Insaf (PTI) Government of Khyber Pakhtunkhwa is pleased to submit its third budget, and the second full Khyber Pakhtunkhwa budget, including that of the Newly Merged Districts (NMDs).

The booklet explains the budget and financial health of the province in simple language, making it easy for the people of Khyber Pakhtunkhwa to understand its impact on their lives. The Citizen's Budget reflects the Government's commitment to transparency of how and where finances are spent, promoting the Government's resolve of enhancing accountability and realistically managing public finances.

DISCLAIMER

The document provides actual and estimated revenue and expenditures for Khyber Pakhtunkhwa to promote better understanding about the Government's priorities. Estimated figures for 2020-21 are based on current forecasts and projections about the Budget and may, therefore, be subject to change as a result of new information, future events or other developments.

MESSAGE FROM THE CHIEF MINISTER

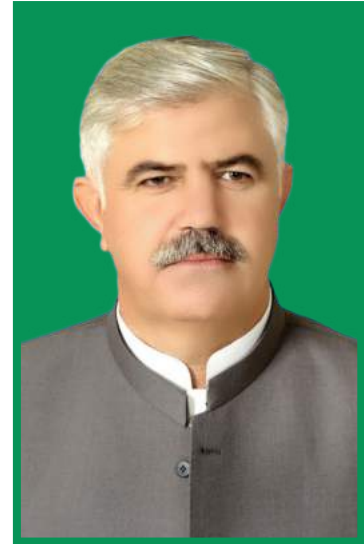
GOVERNMENT OF KHYBER PAKHTUNKHWA

Khyber Pakhtunkhwa's 2020-21 budget, like its people, is a budget of resilience. We are facing an unprecedented challenge – a global pandemic - that is threatening our lives and livelihoods. And yet, we must look at this as impetus for real change. Change in the way we think. Change in the way we behave. It will take sheer commitment and willingness to adapt on our part to realize this change.

The Government of Khyber Pakhtunkhwa is fully committed to helping its people navigate this change. We are focused on strengthening our health service delivery chain, providing social protection to our citizens, creating economic stabilization avenues and generating jobs where recession is looming. While we deal with the medium-term challenge of this pandemic, we will not forget our resolve to invest in our province's untapped potential. This is reflected in our planned development spending being comparable to last year's Annual Development Programme spending.

My team and I will also ensure that our government also changes in the way it functions. We are already being extremely prudent in our discretionary current expenditure and have expedited institutional change that will lead to significant cost savings. Doing so will create fiscal space for us to continue spending on critical service delivery and generating economic growth.

The Khyber Pakhtunkhwa Budget 2020-21 reflects our commitment towards building resilience for the medium-term and setting up the stage to realize our investments in the province's development in the long term. My team and I will work tirelessly to help us see this pandemic through and then accelerate on the road to reform.



Mahmood Khan
Chief Minister,
Khyber Pakhtunkhwa



Taimur Saleem Khan Jhagra
Minister for Finance,
Khyber Pakhtunkhwa

MESSAGE FROM THE MINISTER FOR FINANCE

GOVERNMENT OF KHYBER PAKHTUNKHWA

I feel privileged to have led the preparation of the third budget of this PTI government and the second budget of ONE Khyber Pakhtunkhwa. While COVID has negatively impacted us all, we are taking it as an opportunity to reinvent ourselves. For this to happen, we must not only face this external threat head-on, but we must also introspect and change our way of working. Hence, this budget is one of reform, recovery and resilience. Before we look to the future, we must appreciate the progress made in the past year. Khyber Pakhtunkhwa Revenue Authority has delivered record revenue growth. We have unlocked additional revenue sources through Net Hydel Profits. Several mega projects are underway and we have made strides to serve our citizens, in addition to generating economic growth.

However, there is much that needs to be done. To enable our citizens to deal with COVID, we are investing in our healthcare capacity, enhancing our social protection and safety nets & providing economic stabilization incentives through both tax and non-tax reforms.

We are also committed to control the cost of government. We are deploying our best talent, time and effort to arrest the growth in salary and pensions. We have identified several opportunities to do so and are in the process of realizing these savings. In parallel, we are being extremely prudent in controlling our discretionary current expenditures.

Despite our challenges with current expenditures, we are committed to the province's development to unleash the potential of this beautiful land and its resilient people. We will go through hard times. But we will come out stronger.

MESSAGE FROM THE FINANCE SECRETARY

GOVERNMENT OF KHYBER PAKHTUNKHWA

Transparency is the corner stone of good governance and it can only be achieved when there is sufficient public oversight over the usage of taxpayer's money. This citizen's budget provides the people of Khyber Pakhtunkhwa visibility over how their government is spending funds for their welfare and benefit. Furthermore, it provides useful insights about fiscal decisions made by the government based on priorities and needs of citizens of Khyber Pakhtunkhwa.

Our objective is to make financial information as accessible and comprehensible for the citizens of the province, and provide them an opportunity to hold their government accountable.

Our commitment for the continued prosperity and progress of our beloved province remains unwavering in the face of this pandemic and this budget is a testament to this fact.



Atif Rahman
Finance Secretary,
Khyber Pakhtunkhwa

TABLE OF CONTENTS

Understanding
the budget

07

COVID-19 context
for the budget

37

The proposed
budget 2020-2021

55

Important milestones
for 2019-20

13

Understanding the salaries
and pensions challenge
for Government

43

Sector highlights

69

Understanding the Budget

WHAT IS A GOVERNMENT BUDGET?

Tax Receipts



Public Exchequer



State Service Provision



People pay taxes and fees to the government. The government in return is able to spend that money back on the people of the country: on education; health; infrastructure including energy, water and roads; on job creation; and on paying the people who work in government to help deliver all of the governments work to the citizens.

The budget year in Pakistan runs from July to June. Typically the budget is presented and approved in June. The Khyber Pakhtunkhwa annual budget represents both the financial situation of the government, as well as identifies what money the government thinks it will earn through these twelve months (revenue or receipts) and how it will spend that money (expenditure) for the public good.

THE BALANCING ACT

The budget is a balancing act between resources generated and resources spent. Resources generated depend on taxation, fees and other avenues of revenue. The more resources a government can generate, the more it can spend on the priorities that matter to us:















- direct service delivery to citizens,
- generating economic growth, and
- delivering development projects for the benefit of its citizens

If resources are short, governments have to either underspend, or borrow money to finance spending.



HOW DOES KHYBER PAKHTUNKHWA GENERATE RESOURCES?

Every year, the Government of Khyber Pakhtunkhwa collects its revenues from several sources. These include:

Category	Details	Proportion
	FEDERAL TRANSFER Transfers from the divisible pool of the taxes collected from FBR	
	STRAIGHT TRANSFERS Money collected from oil and gas royalties and surcharges	
	NET HYDEL PROFIT Profits from the Hydro electricity generated in the province throughout the year	
	OWN SOURCE RECEIPTS Provincial Tax collected on services, immovable property and other revenue generated by the department itself	
	FOREIGN PROJECT ASSISTANCE The amount committed by the donors for developmental work across the province in various sectors	
	DEBT AND SAVINGS Loans taken by the government (if any), other expected savings etc	
	FEDERAL GRANT Grants from the federal government, including funds for the merged tribal districts	

WHAT ARE THE DIFFERENT AREAS OF SPENDING?

CURRENT EXPENDITURE



SALARY

Accounts for majority of government expenditure and is increasing every year



NON SALARY

Represents regular operational and maintenance expenses



PENSION

Third largest current expenditure. Key reforms are being undertaken to reduce it




DEVELOPMENT EXPENDITURE



- This is the money used for new projects and schemes across all departments
- It is spent at Provincial and District levels (30% of funds are earmarked for local bodies as District ADP in accordance with the Local Government Act)
- It is usually what remains of the total budget, once all current expenditures have been covered
- However, since it directly improves the lives of the average citizen, we need to make sure it is as high as possible

IS ONLY DEVELOPMENT SPENDING CRITICAL?

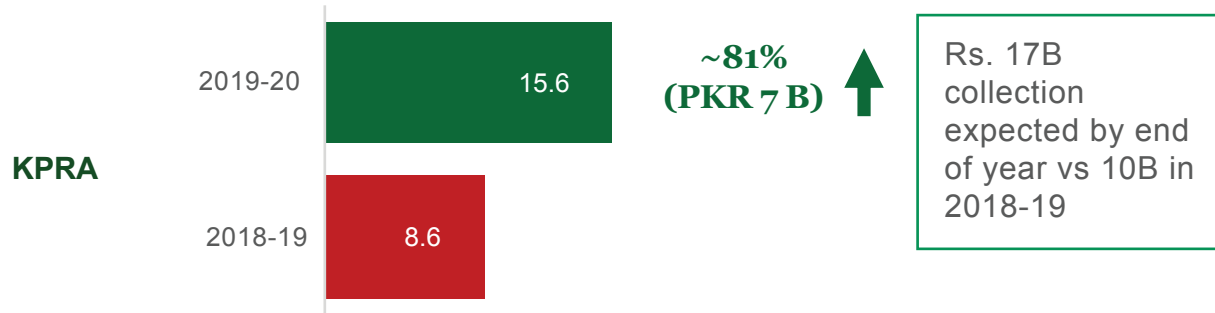
Typically, discussion on the budget views development spend as good and current spend as unwarranted. This is not always true. Every category of spend (salary, non-salary and development) has examples of spending that are critical to the responsibilities of the government to the citizenry.

		Critical to service delivery	Administrative/overhead costs
Current expenditure	Salary 	Spend on staff that helps in service delivery, such as teachers, doctors, rescue staff, police, municipal staff etc.	Spend on support and administrative staff that does not directly impact service delivery
	Non-salary 	Spend on operations and maintenance service delivery facilities, such as running hospitals, schools, road maintenance, etc.	Spend that does not enhance service delivery, such as travel and entertainment cost, electricity, stationery etc.
Development expenditure		Spend that directly improves the life of an average citizen, such as building of new schools, hospitals, roads, etc.	HR projects, refurbishment of offices etc.

Important milestones for 2019-20

OUR WORK IS PAYING OFF, AS 2019-2020 PROGRESSED AS A YEAR OF RECORD REVENUE GROWTH FOR THE KHYBER PAKHTUNKHWA REVENUE AUTHORITY, DESPITE COVID

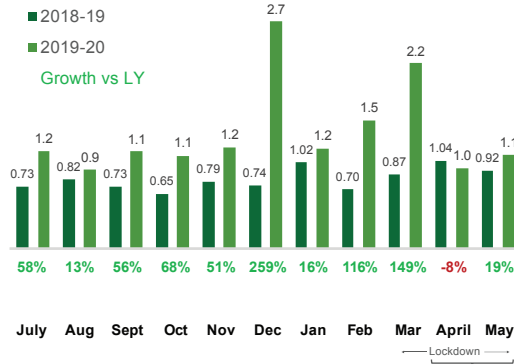
REVENUE, RS. BILLION: YTD – JUNE TO MAY



KPRA DELIVERED RECORD REVENUE GROWTH AND MANAGED TO AVOID ANY DRASTIC DIP IN THE CRUCIAL MONTHS DESPITE THE LOCKDOWN

Revenue in PKR Billions KPRA – Year till date comparison (July-May)

Updated till May 2020



30-40% of revenue typically collected in the last quarter of the fiscal year

Source: KPRA forecast document June 2020

www.finance.gkp.pk

Key drivers of growth

Tax net extension

- To boost voluntary compliance of sales tax, new slabs of reduced rates covering 10%, 8%, 5% and 2% have been introduced
- AOPs and Individuals were offered lower tax rates with rigorous registration drives all across the province.

Process simplification

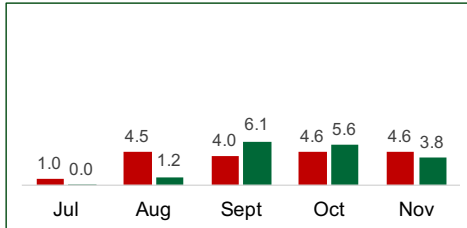
- 27 taxes have been reduced, and only 29 out of the previous 83 taxes remain at the standard rate of 15%

TYPICALLY, PROVINCES SPEND 30-40% OF THEIR ADP IN THE LAST QUARTER BUT KHYBER PAKHTUNKHWA HAS SPENT IT MUCH MORE EVENLY THROUGHOUT THE YEAR

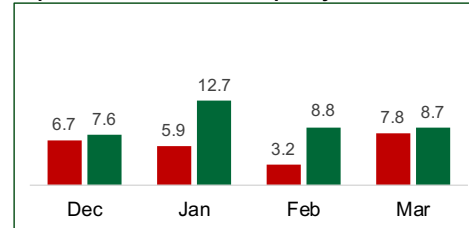
ADP EXPENDITURE – COMPARISON
PKR BILLIONS

■ Monthly Spend 2018-19
■ Monthly Spend 2019-20

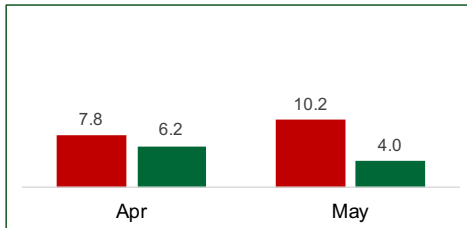
Cash Flow Balance Constraints



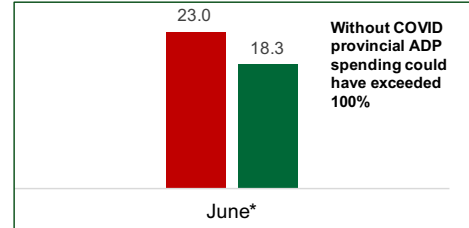
Impact of new ADP/release policy



Lock-down due to COVID-19



All available funds diverted towards development



*June 2019-20 is maximum projection

FOR BETTER MANAGEMENT OF ADP, A NEW POLICY LOOKING AT A MULTI YEAR HAS BEEN APPROVED SPANNING FROM 2019 TO 2023

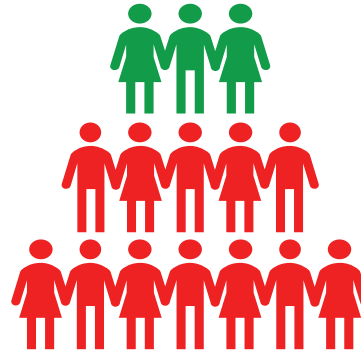
Salient features of ADP 2019-23 policy

- No elected representative may claim any discretion over the ADP.
- The practice of issuing CM Directives, at his sole discretion, for allocation and distribution of funds for umbrella / block development schemes shall be immediately discontinued
- Equitable distribution of ADP will be based on Regional Planning exercises and district ADPs to maximize impact and achieve fair geographic spread.
- Provincial ADP must consider a multi-year view
- Spending would be focused on service delivery sectors and productive direct service delivery staff (teachers, doctors, nurses, rescue staff etc)

WE HAVE REVAMPED OUR RECRUITMENT APPROVAL PROCESS, WITH A FOCUS ON INDUCTING AND EXPANDING SERVICE DELIVERY WORKFORCE













This year, the following steps were taken

- 1** Weekly departmental meetings were conducted to approve new posts demands
- 2** Demands were rationalized and focus was shifted towards service delivery posts







As a result of this, we were able to create more than **13,000** service delivery positions for health workers, teachers, local government and agriculture staff, resulting in savings of more than **Rs.10 Billion** by filtering unnecessary posts

KHYBER PAKHTUNKHWA GOVERNMENT IS UNDERTAKING SEVERAL MEGA PROJECTS ACROSS SECTORS...

 <p>247 MW Increase in load capacity through PKR 7.3bn investment in NMA</p>	 <p>57 MW Added in generation & transmission through 3 new HPP</p>	 <p>200+ Villages were given access to renewable energy</p>	 <p>RASHAKAI SEZ First SEZ in Khyber Pakhtunkhwa as part of CPEC approved by board</p>
 <p>SWAT EXPRESSWAY Opened for light traffic</p>	 <p>28,000+ Students trained in employable skills</p>	 <p>25 New industrial units added</p>	 <p>13 Startup businesses incubated under Durshal Project</p>
 <p>PKR 500 MN Mobilized for establishment of new industries in small industrial estates (SIDB)</p>	 <p>WEB BASED SYSTEM For issuance of Route Permit, Vehicle Fitness and Driving License in Khyber Pakhtunkhwa</p>	 <p>PKR 1.5 BN Investment in optic fiber facility</p>	 <p>21 Rescue 1122 stations established in NMAs</p>

SEHAT INSAF CARDS TO ENSURE EVERY FAMILY IN THE PROVINCE HAS UNIVERSAL HEALTHCARE INSURANCE

	2019-20 Achievements	2020-21 Target - Universal Coverage
 <p># of Families Covered</p>	<ul style="list-style-type: none"> 2.2m in Settled Areas 1.1m in NMAs 	<ul style="list-style-type: none"> 6.06m For Settled Areas NMAs are already fully covered
 <p>Money Spent</p>	PKR 3.6 Billion	PKR 10 Billion
 <p>Services Provided</p>	Secondary and Tertiary Healthcare	Secondary and Tertiary Healthcare
 <p>Coverage Per Family</p>	PKR 600,000	PKR 1,000,000

SWAT EXPRESSWAY IS NOW OPEN FOR LIGHT TRAFFIC REDUCING TRAVEL TIME FROM 2 HOURS TO 45 MINUTES ONLY



SWAT EXPRESSWAY, 81-KM LONG 4 LANE ROAD SPANNING FROM M1 TO CHAKDARA, IS THE FIRST PROVINCIAL MOTORWAY ANYWHERE IN PAKISTAN BUILT AT A COST OF PKR 36 BILLION

IMPACT!

■ Travel time reduced from **2 hours to 45 minutes**



■ **More than 10,000 people employed** during the construction of expressway



■ **Easy access** to scenic tourist spots like Malam Jabba, Kalam Valley, Swat Valley



■ **Enhanced Farm-to-market access** for growers in Northern districts of Khyber Pakhtunkhwa



NEW DESTINATIONS AND IMPROVED INFRASTRUCTURE HAS GENERATED MASSIVE TOURISM TRAFFIC

Interventions



4 Integrated Tourism Zones Launched

- Abbottabad
- Mansehra
- Swat
- Chitral



Major infrastructure development for new tourist destinations underway



Tourism Police established to facilitate tourists



Tourism authority setup to boost hospitality sector



Impact
2 million tourists
visited during tourist
season 2019-20



THERE ARE MORE CHILDREN IN SCHOOL WITH BETTER QUALITY EDUCATION AND FACILITIES

More children now attend school...



Despite increasing population, the number of **OOSC** has **dropped by ~500,000 children¹**

Getting a better quality education...



- Teacher attendance and student attendance are at 92% and 82% respectively- the highest that these have ever been
- Grade 5 and Grade 8 average scores improved by 11% since last year
- A literacy and numeracy drive was launched in more than 13,000 schools

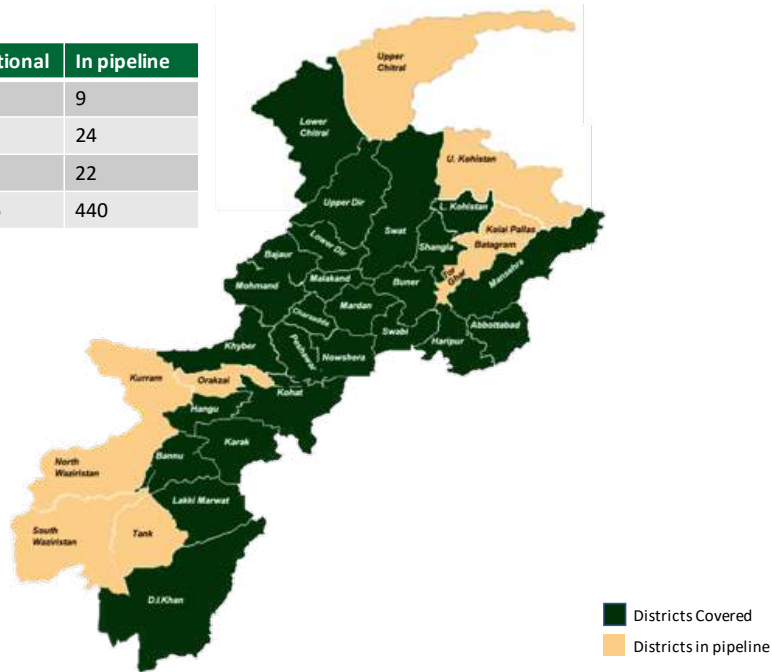
In schools that are more functional



- More than **99%** of schools are fully functional
- 75% of schools have all basic facilities available – an **improvement of over 50% in 5 years**
- Recruitment of more than 22,000 teachers

BY THE END OF THE YEAR, RESCUE 1122 WILL HAVE PRESENCE ACROSS ALL DISTRICTS OF KHYBER PAKHTUNKHWA

	Functional	In pipeline
Districts	26	9
Stations	72	24
Ambulances	122	22
HR	1,216	440



NEWLY MERGED DISTRICTS ARE OUR FOREMOST PRIORITY, AND WE HAVE ACCELERATED THE PROVISION OF SERVICE DELIVERY STRUCTURES, WHERE NONE EXISTED



Parliamentary Elections:

- Elections conducted in over 16 general seats for the first time
- For the first time empowering the people of merged areas to elect their representatives and finalizing the political merger with Khyber Pakhtunkhwa



Service Delivery Posts Creation:

- Village and Neighborhood councils: 1,404 posts
- Health care facilities: 1,297 posts
- Educational facilities: 4,467 posts



Improving Law & Order:

- 26,000 Khasadar and Levies personnel from NMAs merged with the police
- Bringing much needed security in the districts

24/7 OPERATION OF TORKHAM BORDER HAS INCREASED THE TRAFFIC FLOW SIGNIFICANTLY RESULTING IN ENHANCED REVENUE AND EXPORTS VALUE



**24/7 Torkham
Border Operation**



~PKR 27 bln increase
in value of exports*



~PKR 3.5 bln increase in
revenue collection through
import duties and taxes*



~28,000 increase in
number of trade trucks*

*Annualized figures based on 3-months data excluding impact of COVID-19

www.finance.gkp.pk

RASHAKAI ECONOMIC ZONE



1,000 acres of land for Pharmaceutical, textile, steel and various other industries



~**\$2.1 bln** of local and foreign investment



200,000 direct and indirect jobs



Central location on M1 motorway near CPEC western route and Swat Expressway



~**50%** of the access road completed and **100%** allocation this year



Development Agreement of Rashakai prioritized Special Economic Zone (SEZ) was **approved** on **4th March 2020** by the Board of Approvals of the BOI under chairmanship of Prime Minister

PEHUR WHEELING AGREEMENT



Pehur hydropower Wheeling Agreement

Wheeling is transportation of electricity from power plant to bulk consumer using 3rd party infrastructure



~PKR 150 mln of additional revenue to the provincial exchequer



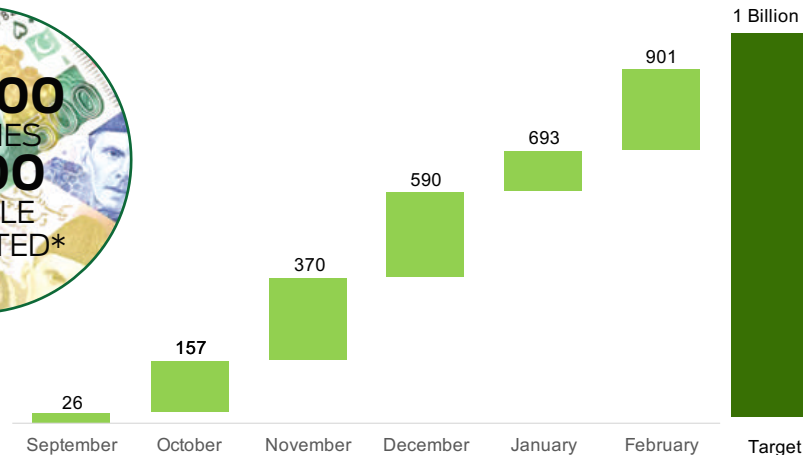
1st energy wheeling model in the history of Pakistan



5 industrial consumers to receive power at reduced rate increasing competitiveness for industrial growth

INTEREST FREE LOANS UNDER THE INSAF ROZGAR SCHEME IS GENERATING ENTREPRENEURSHIP AND EMPLOYMENT FOR THE YOUTH OF NEWLY MERGED AREAS

INSAF ROZGAR SCHEME MONTHLY DISBURSEMENTS IN 2019-20, RS. MILLIONS



*On average, Rs. 200,000 has been provided to each applicant

Water being a major resource of Khyber Pakhtunkhwa, Net Hydel Profit is a significant contributor towards financial resources of the province.

NET HYDEL PROFIT (NHP) IS GRANTED THROUGH THE 1973 CONSTITUTION

Article 161 (2) states

“The net profits earned by the Federal Government, or any undertaking established or administered by the Federal Government from the bulk generation of power at a hydro-electric station shall be paid to the Province in which the hydro-electric station is situated.”

HYDROPOWER STATIONS IN KHYBER PAKHTUNKHWA PRODUCE 19,211 MILLION UNITS OF ENERGY ANNUALLY FOR PAKISTAN

Fuel Type	Total Cost (Rs./unit)	Energy Share	Units Generated (Millions)
Residual Fuel Oil (RFO)	12.03	0.95%	1,291
RLNG	9.60	26.83%	36,473
Coal (Imported)	9.02	15.88%	21,588
Coal (Local)	8.59	4.81%	6,539
Natural Gas	6.67	10.52%	14,301
Renewable	5.77	3.17%	4,309
Hydro	3.28	30.53%	41,503

~50% of the Hydro generation is from Khyber Pakhtunkhwa

SOURCE: PPP Forecast by CPPA FY2019-20
 COST OF ELECTRICITY GENERATION IN PAKISTAN – COMPARISON OF LCOE OF CPEC COAL PLANTS WITH O&G BASED PLANTS COMMISSIONED IN 2010-14*WORKING PAPER NO.02-19 by IDEAS
 Nuclear and Bagasse are not included

NHP ROYALTIES ARE CONSISTENT WITH SIMILAR PAYMENTS IN OTHER COUNTRIES



Royalties on Hydro power are charged around the world

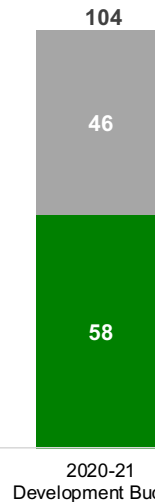
ANNUAL PAYMENTS HAVE NOT BEEN CONSISTENTLY IN LINE WITH DUES

Net Hydel Profit (NHP) Component	Budgeted in FY (PKR Billion)	Received in FY (PKR Billion)
2016-17 NHP	33.7	21.8
2017-18 NHP	35.8	41.5
2018-19 NHP	65.3	20
2019-20 NHP	55.7	14.5

INCONSISTENT NHP PAYMENTS LEAD TO UNPREDICTABLE FISCAL PLANNING FOR DEVELOPMENT EXPENDITURE

NHP Payments equal to more than **50%** of the development expenditure and critical for the province

Contribution of NHP in Development budget
PKR. Billion



COVID-19 context for the budget

IN MARCH 2020, COVID HIT PAKISTAN AND MOST OF THE WORLD, LEADING TO THE WORST GLOBAL RECESSION IN A CENTURY

“ U.S. Jobless Claims Pass 40 Million:”

“ UK economy takes 25 percent hit from coronavirus: Live updates”

“ IMF says \$10 trillion spent to combat pandemic, far more needed ”

“ Covid-19 pushing millions of South Asians into poverty ”

Impact !!

Total economic loss for Pakistan can be estimated around **PKR 2.5 trillion** due to reduced economic activity, lower aggregate demand, liquidity crises, decline in tax revenues and lower exports

BUDGETING IN AN ECONOMIC DOWNTURN

COVID-19 has reduced global economic growth rates including in Pakistan. What do we know about the role of government in an economic recession?

What does a recession look like?



Implications for government budgeting



Reduce discretionary spending and the cost of government



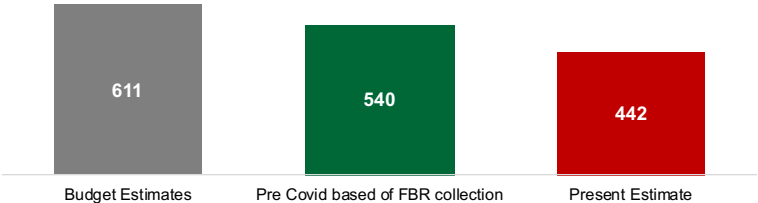
Increase or maintain spending on development and service delivery



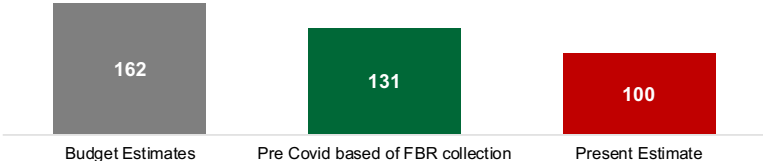
Stimulate economy through tax relief measures

COVID HAS SIGNIFICANTLY HAMPERED FUNDING IN BOTH SETTLED DISTRICTS AND NMAs...

Estimated Revenue Receipts* – Khyber Pakhtunkhwa
(excluding the tribal districts and foreign project assistance)
2019-20 , PKR. Billion



Estimated Revenue Receipts - NMAs
2019-20, PKR. Billion

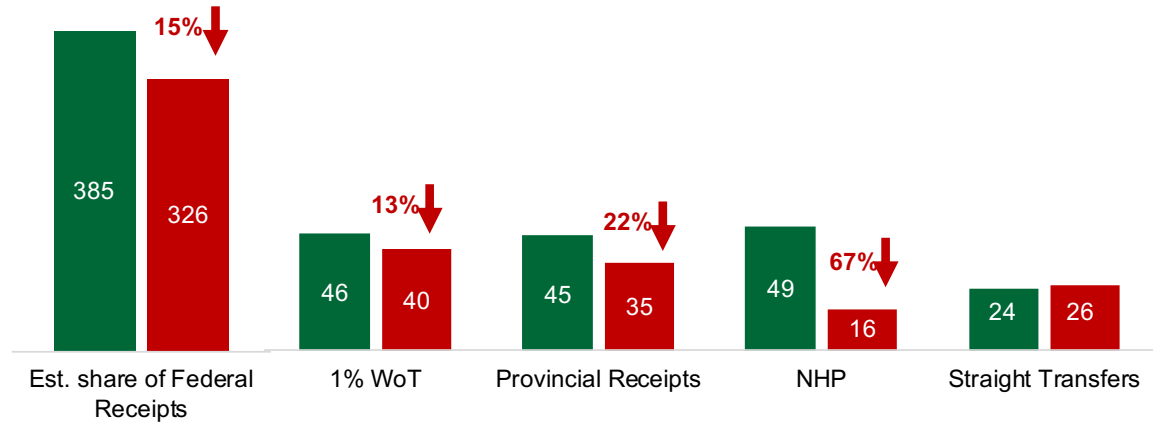


*Receipts include all federal transfers(504.6bln) and provincial own source (45.4) with a deduction of 10bln for NMAs

...DRIVEN BY SIGNIFICANT SHORTFALL IN RECEIPTS FOR THIS YEAR..

Receipts – Budgeted vs Revised Estimates
2019 - 20 PKR Billions

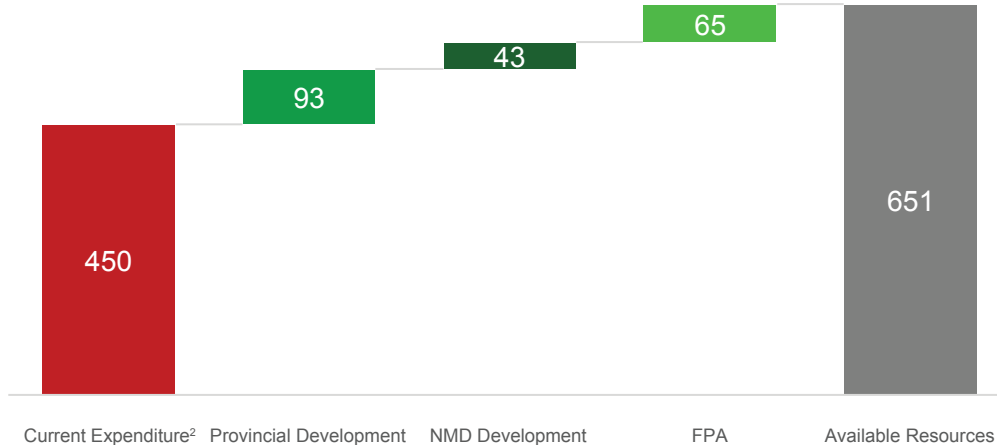
■ Budgeted
■ Revised Est.



DESPITE THE REVENUE SHORTFALL, WE HAVE MAXIMIZED DEVELOPMENT SPENDING THROUGH 2019-20 USING AVAILABLE FUNDS

Breakdown of expenditure¹, 2019-20

Amount in PKR Billions



¹ Approximations, final numbers will be shown on completion of year

² Excluding subsidy, investment and committed contribution, interest payments and grants to the local council

Understanding the salaries and pensions challenge for Government

WHAT THE GOVERNMENT DOESN'T SPEND ON ITSELF, IT SPENDS ON YOU



A budget is all about trade-offs, good leadership requires taking hard decisions.

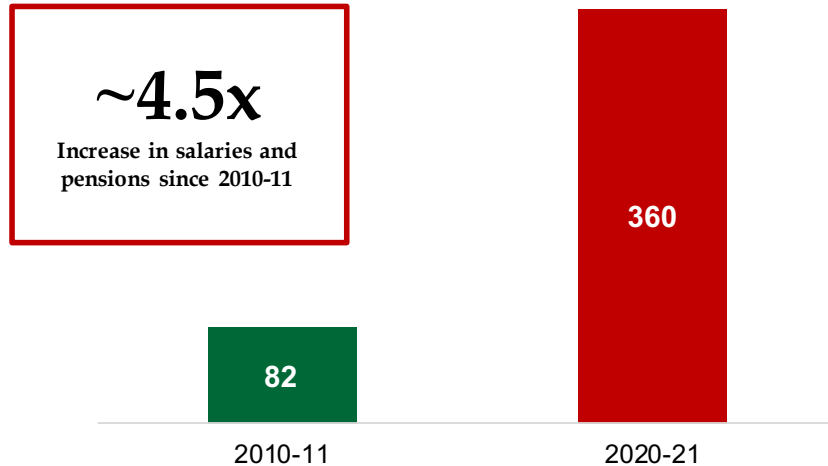
Not increasing salaries and pensions is a difficult decision. But in difficult times, the right one.

This section explains the impact of constantly increasing size of government and the unfunded pension system of Pakistan; two problems the Government of Khyber Pakhtunkhwa is actively working on.

THE GOVERNMENT SALARY AND PENSION BILL HAS INCREASED BY 450% IN THE LAST 10 YEARS - ~ 40% OF THE BUDGET SPENT ON SALARIES AND PENSIONS

Salary & Pensions expenditure comparison | 2010 - 2020

Rs. Billions - Settled Districts

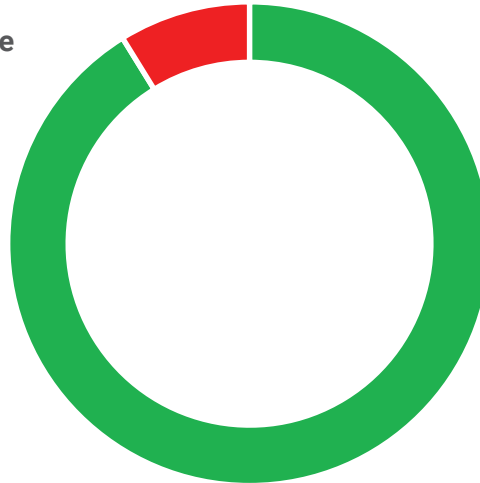


GOVERNMENT BUDGET HAS TO TAKE CARE OF THE ENTIRE LABOUR FORCE. ONLY 8% OF THE LABOUR FORCE WORKS IN GOVERNMENT.

533,763 people are employed in the public sector

7.4% of the labour force

Rs. 412 Billion budget



6,634,091 people are employed in the private sector

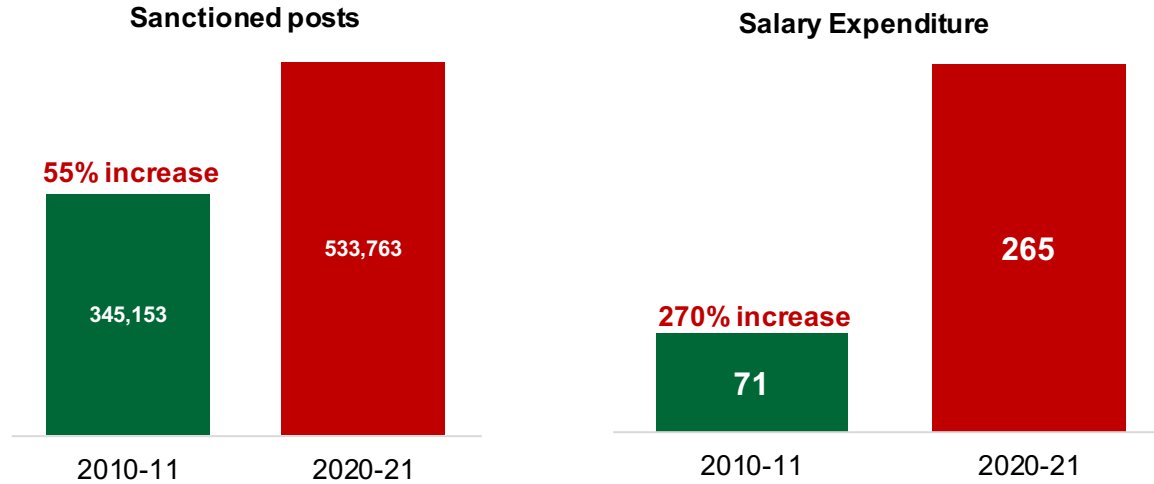
92.6% of the labour force

Rs. 318 Billion budget

PUBLIC SECTOR JOBS ARE ATTRACTIVE, BUT COME AT A COST

Sanctioned posts and Salary expenditure comparison | 2010 - 2020

Posts in number , Expenditure in PKR Billions



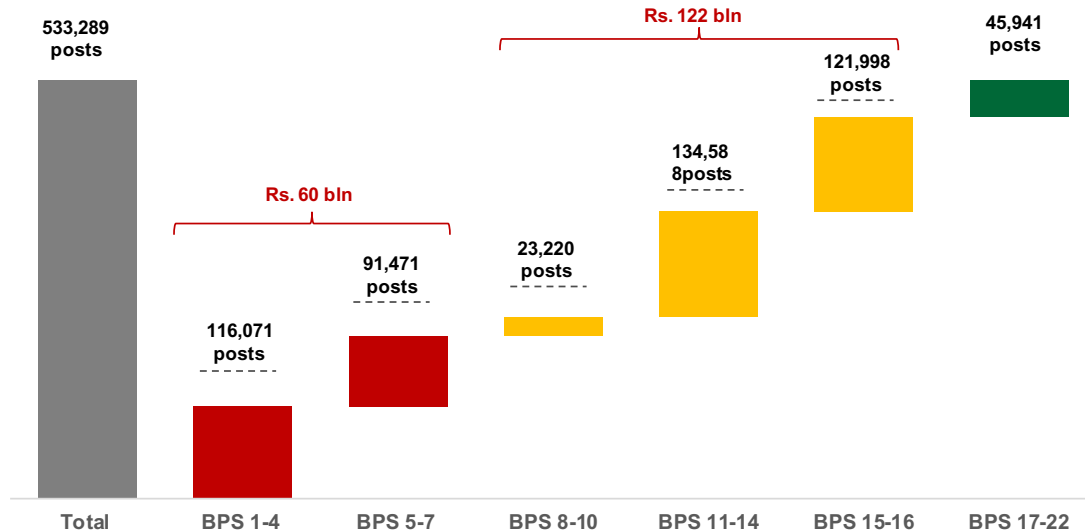
DESPITE CHALLENGES, PAY PACKAGES IN GOVERNMENT ARE COMPETITIVE RELATIVE TO THE MARKET

Government & Market Monthly Compensation Comparison
PKR



HOW GOVERNMENT STAFF IS STRUCTURED – AND THEIR ASSOCIATED COSTS

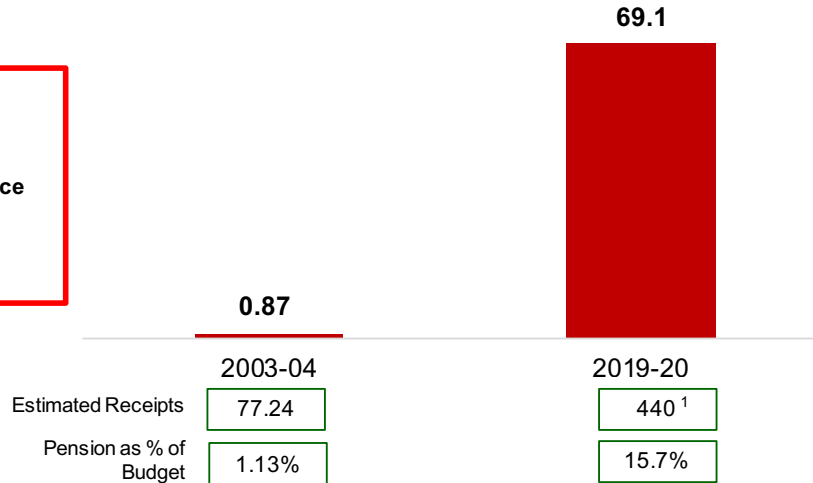
Grade-wise breakdown of sanctioned posts and associated annual salary cost – settled districts



PENSION EXPENDITURE HAS GONE FROM 1% TO MORE THAN 15% OF THE BUDGET IN LAST 15 YEARS...

Pension expenditure – Actual
PKR Billion

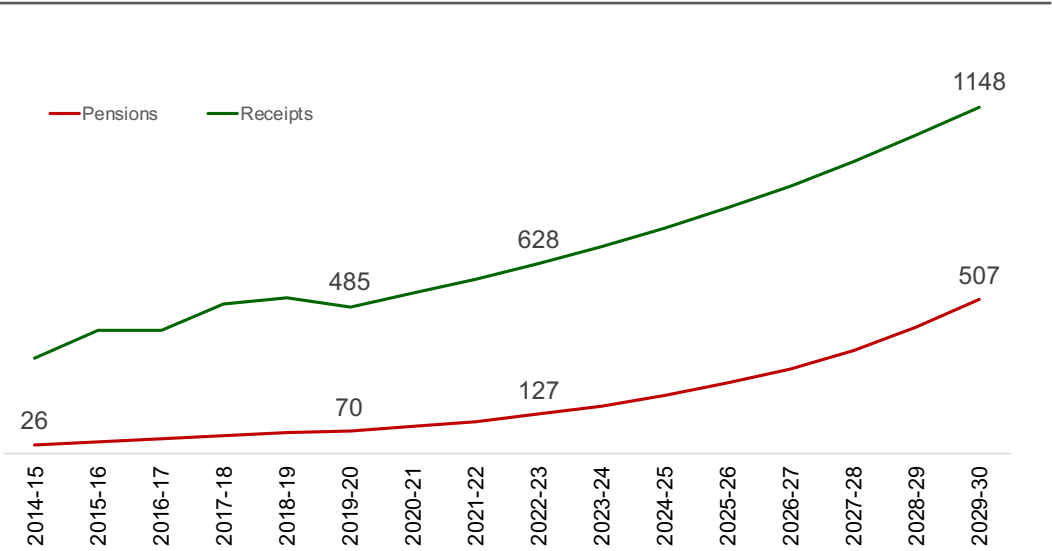
~80x
Increase in pensions since 2003-04 from 1% of the budget, to 15.7% of the budget



¹ Estimated receipts - Excluding FATA and FPA

WITH THIS TREND CONTINUING PENSIONS WILL RISE TO PKR 127 BN BY 2023 (20% OF THE BUDGET) AND 507 BILLION BY 2030 (~ 45% OF THE BUDGET)

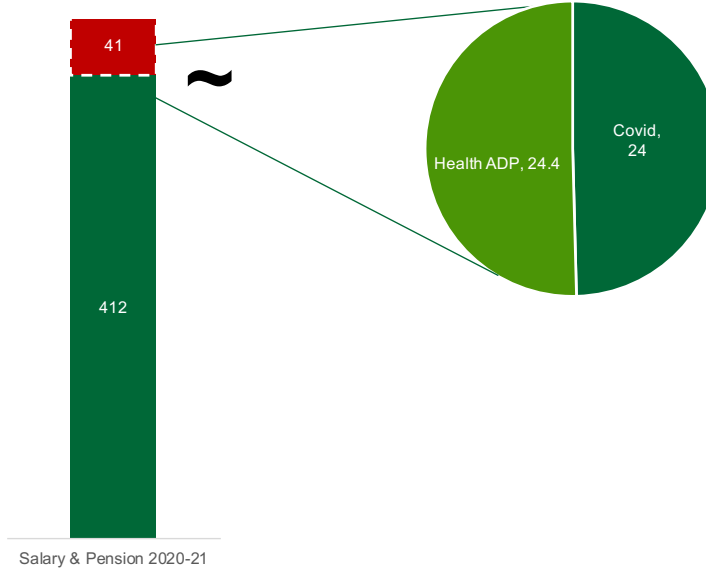
Pension Projections - till 2030
PKR Billion



Source: Finance Department

WHILE A DIFFICULT DECISION, FREEZING SALARIES AND PENSIONS SAVES RS. 41 BN, WHICH ENSURES THAT THESE FUNDS ARE AVAILABLE FOR SPENDING ON COVID AND HEALTH SECTOR DEVELOPMENT

PKR Billions



The proposed budget 2020-2021

THE HEADLINE NUMBERS

Total budgeted expenditure: Rs. 923.0 billion

- Settled districts: Rs. 739.1 billion
- Merged districts: Rs. 183.9 billion

Current budget: Rs. 605.2 billion

- Settled districts: Rs. 517.2 billion
- Merged districts: Rs. 88.0 billion

Development budget: Rs. 317.8 billion

- Settled districts: Rs. 221.9 billion
- Merged districts: Rs. 95.9 billion

DETAILS OF EXPENDITURE

Settled districts

Salaries:	Rs. 274.3 billion
Pensions:	Rs. 86.0 billion
Non-salary (O&M, contingencies, District Non-Salary)	Rs. 103.9 billion
Other current expenditure	Rs. 52.9 billion
Provincial ADP:	Rs. 104.0 billion
District ADP:	Rs. 44.6 billion
Foreign Development Assistance:	Rs. 73.4 billion
Total:	Rs. 739.1 billion

Merged districts

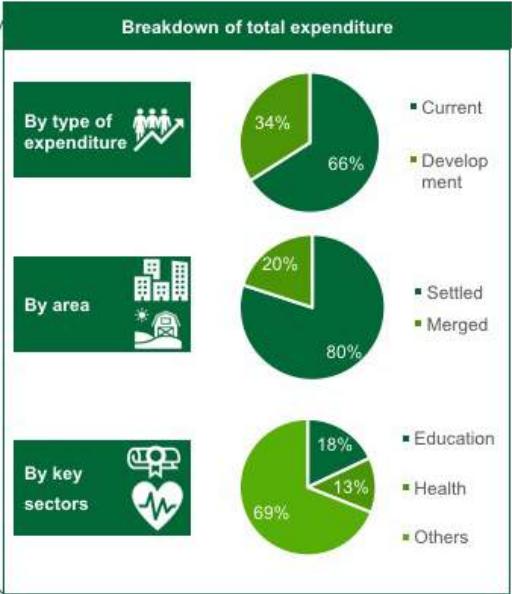
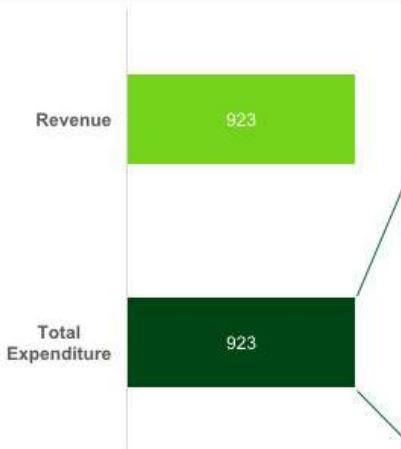
Salaries:	Rs. 52.0 billion
Non-salary:	Rs. 36.0 billion
Provincial ADP:	Rs. 24.0 billion
District ADP:	Rs. 10.2 billion
AIP:	Rs. 49.0 billion
Foreign Development Assistance:	Rs. 12.7 billion
Total:	Rs. 183.9 billion

REVENUE / RECEIPTS

■ Federal Tax Assignments	Rs. 404.8 billion
■ 1% of the divisible pool to the province for the war on terror	Rs. 48.6 billion
■ Oil & Gas royalties and surcharges (straight transfers)	Rs. 24.1 billion
■ NHP as per 2015-16 MoU, including arrears	Rs. 58.3 billion
■ Provincial Tax and Non-Tax Revenue	Rs. 49.2 billion
■ Foreign Project Assistance (Settled districts)	Rs. 73.4 billion
■ Foreign Project Assistance (MA)	Rs. 12.7 billion
■ Grants for the merged tribal districts	Rs. 161.0 billion
■ Other receipts	Rs. 91 billion
■ Total receipts:	Rs. 923 billion

KHYBER PAKHTUNKHWA'S 2020-21 BUDGET SHOWS OUR COMMITMENT TO DEVELOPMENT SPENDING, KEY SECTORS OF EDUCATION & HEALTH WITH FAIR ALLOCATIONS ACROSS SETTLED AND MERGED DISTRICTS

Breakdown of Khyber Pakhtunkhwa Budget 2020-21
PKR Billion



DESPITE THE CHALLENGES, WE WILL SHIFT SPENDING TO WHERE IT IS NEEDED MOST, CUT UNNECESSARY EXPENDITURES AND SET KHYBER PAKHTUNKHWA ON A PATH TO RECOVERY

Cost of Government Measures



- No allocation for trainings, entertainment, etc.
- Reduced allocations to non-essential services
- Recruitment and purchase of assets only for essential services
- No general increase in Salary and Pension

Health Care Plan



- System capacity being enhanced through Locum scheme
- Special incentives to health workers
- Special focus on preventive measures, testing, diagnostics, treatment of COVID patients and relief activities

*including NMAs

Social Protection Plan










- Economic recovery package to support SMEs and generate jobs
- PKR 13* billion allocated to Cash Transfers (Ehsaas Program)

Economic Stabilization Plan



- Tax Incentives for vulnerable sectors & professions
- Rationalization of sales tax on services and urban immovable property tax
- Admission fee reliefs for Katchi-12 and Higher Education

TAX RELIEF AND EDUCATIONAL INCENTIVES WILL BE PROVIDED TO HELP RESTART AND GENERATE GROWTH IN PRODUCTIVE SECTORS OF THE KHYBER PAKHTUNKHWA ECONOMY

Key tax reforms		Sales tax on services	<ul style="list-style-type: none"> Sales tax on services (STS) will be reduced for over 27 categories
		Hospitality & entertainment sector reliefs	<ul style="list-style-type: none"> Entertainment and Hotel Tax will be removed Reduction of rates for non-corporate local chains of restaurants and hotels on usage of point of sale software
		Professional tax concessions	<ul style="list-style-type: none"> Professional tax to be phased out to KPRA and will include concessions & tax breaks for 18+ professions including doctors, lawyers, retailers, etc.
		Urban Immovable property tax	<ul style="list-style-type: none"> Rationalization of Urban Immovable Property Tax Compliant taxpayers offered a rebate of 25% Introduction of arrears recovery relief
		Construction sector reliefs	<ul style="list-style-type: none"> Board of Revenue to reduce both Capital Value Tax and Stamp duty for the construction sector
Key non-tax reforms		K-12 education reliefs	<ul style="list-style-type: none"> Free admissions for both Government Primary and Secondary Education Schools for Girls and Boys Free admissions to Professional Government Art Colleges
		Higher education reliefs	<ul style="list-style-type: none"> Multiple fees to be annulled with respect to Higher Education Archives & Libraries

A BUSINESS-FRIENDLY TAX BUDGET (1/2)

TAX REFORM AND RELIEF PACKAGE



81% year-on-year growth in Khyber Pakhtunkhwa Revenue Authority and even after COVID the year will end at a record Rs. 17 billion plus collection.



38% increase in provincial revenue receipts before COVID-19 however a 20% growth will still be achieved post-COVID impact by the year end



2020-21 is a tax-free budget



Taxes on around 200 small business eliminated by the local government department

Double taxation is being eliminated by the Excise department

- zero bed tax for hotels
- zero professional tax for 18 categories of professionals, provided they register with KPRA
- zero professional tax on all medical professional and services.
- The entertainment tax is being permanently abolished.

A BUSINESS-FRIENDLY TAX BUDGET (2/2)

TAX REFORM AND RELIEF PACKAGE



Re-registration of cars will be free of cost with no NOC required from the originating province.



UIPT location factors, up to 35% further discount on early payment for compliant taxes payers.



Sales tax on services reduced substantially in 27 categories.



To encourage digitization a reduced rate of 5% for restaurants when using POS system



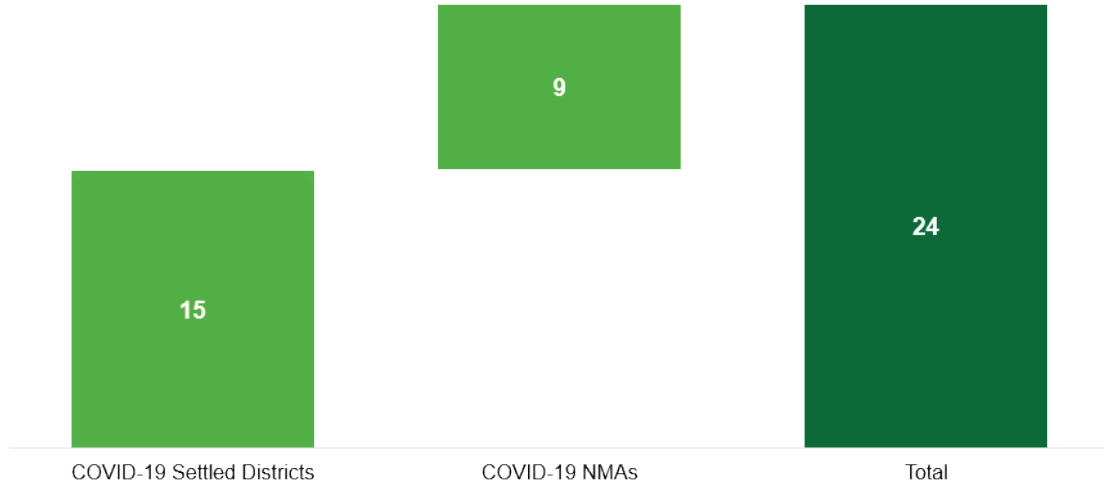
In line with Prime Minister's programme, the incentives on CVT and Stamp Duty for construction related transactions are being maintained



Elimination of admission fees for Government primary and secondary schools and Professional Government Art Colleges.

THE GOVERNMENT HAS BUDGETED PKR 24BN FOR NECESSARY EXPENDITURE TO HELP PROVINCE'S PEOPLE NAVIGATE THESE CHALLENGING TIMES

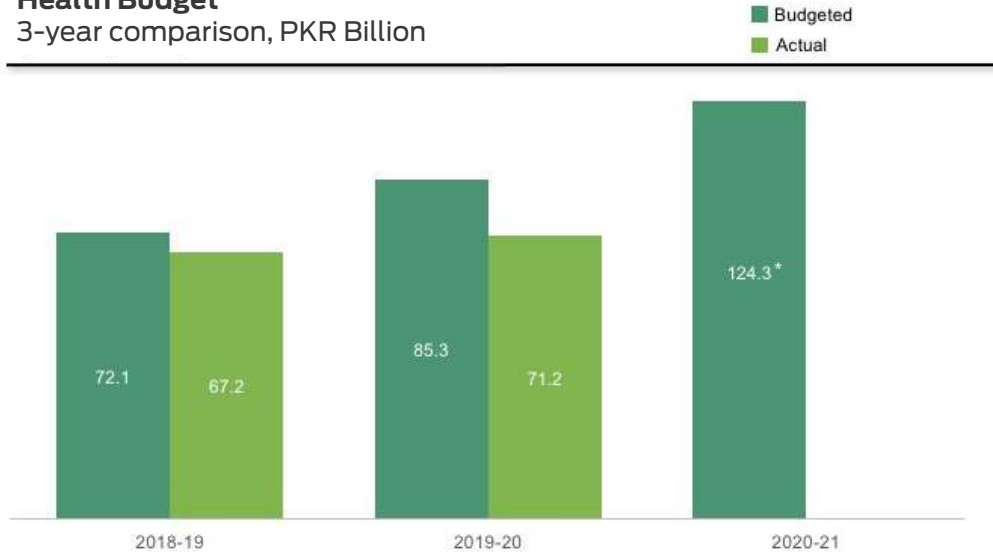
Breakdown of additional commitments PKR Billion



Note: COVID fund will be spent on social safety program, health, relief, smart lockdown and other COVID related expenditures

WE ARE TRANSFORMING PUBLIC HEALTH, DEMONSTRATED BY THE HIGHEST INCREASE IN SPENDING IN THE SECTOR TO DATE

Health Budget
3-year comparison, PKR Billion



*Including 2.2 B FPA and NMAs

HEALTH HAS BEEN KEPT AT THE TOP PRIORITY FOR MAXIMUM SERVICE DELIVERY (1/2)

HEALTH BUDGET AND COVID-19 CONTINGENCY



PKR 124 billion, a record budget for Health



PKR 24.4 development budget



Universal Health Insurance programme for every family in Khyber Pakhtunkhwa under Sehat Insaf programme



PKR 36 billion for the operations and enhancement of our flagship tertiary hospitals



PKR 13 Billion for Improvement of infrastructure and equipment within all of our DHQs, THQs, RHCs and BHUs partially funded with the World Bank

HEALTH HAS BEEN KEPT AT THE TOP PRIORITY FOR MAXIMUM SERVICE DELIVERY (2/2)

HEALTH BUDGET AND COVID-19 CONTINGENCY



PKR 4 billion Medicine procurement budget increased from PKR 2.5 billion, excluding medicines for Medical teaching institutes



PKR 1 billion for hospital waste management system



Deployment of 10,000 temporary and permanent professionals for improvement in service delivery



Enhance efforts to combat Corona, polio, dengue, as well as routine immunization



PKR 24 billion contingency fund to fight corona including the Shuhuda package for front line workers, PPE procurement and testing, relief operations, spending on the poor through the Ehsaas programme

KHYBER PAKHTUNKHWA GOVERNMENT IS UNDERTAKING SEVERAL MEGA PROJECTS IN PESHAWAR ...



PESHAWAR UPLIFT PROGRAM

3,500 Million cost. ~700 Million allocated this year



PESHAWAR BEAUTIFICATION PLAN

500 Million cost. 75 Million allocated



RING ROAD MISSING LINK

Construction of Northern Section, Warsak road to Nasir Bagh Road Cost 12B



CHILDREN AND MATERNITY HOSPITAL

Establishment of hospital in Peshawar Division for 1,300 Million



KP UNIVERSITY OF TECHNOLOGY

Establishment of Technology University in Peshawar Division for 2,800 Million



CONSTRUCTION AND REHABILITATION OF ROADS

Construction of ~200 km roads Peshawar Division for 3,600 Million. Rehabilitation of road alongside Charsadda bridge

Sector Highlights

Sector-wise highlights Settled Areas

DEPARTMENT WISE TOTAL BUDGET (1/2)

PKR MILLIONS

Sector	Budget 2020-21 Settled	Budget 2020-21 MA	Total Budget 2020-21
Agriculture	17,139	5,339	22,477
Auqaf & Religious Minority	532	330	862
Bureau of Stats	43	09	52
Communication & Works	31,191	17,559	48,751
Elementary & Secondary Education	152,447	31,341	183,788
Energy & Power	8,844	2,699	11,543
Environment	2,172	10	2,182
Excise and Taxation	887	66	953
Finance	5,317	9,233	14,550
Food	449	2,275	2,724
Forestry	3,136	1,305	4,441
General Administration	3,920	560	4,480
Health	105,928	18,603	124,530
Higher Education	19,314	4,784	24,097
Home Department	54,284	21,434	75,718
Housing	537	00	537
Industries	3,592	1,615	5,207
Information and Public Relations	630	148	778
Information Technology	910	181	1,091
Irrigation	15,885	6,943	22,828
Labour	606	00	606
Law & Justice	7,667	1,404	9,071
Local Government	28,515	3,599	32,114

DEPARTMENT WISE TOTAL BUDGET (2/2)

PKR MILLIONS

Sector	Budget 2020-21 Settled	Budget 2020-21 MA	Total Budget 2020-21
Mines and Minerals	978	260	1,238
Planning and Development	22,162	8,149	30,311
Population Welfare	2,767	42	2,809
Public Health Engineering	11,126	4,354	15,479
Relief, Rehabilitation and Settlement	12,863	19,149	32,012
Revenue & Estate	8,754	5,986	14,740
Social Welfare	3,102	567	3,669
Special Initiatives	4,565	50	4,615
Sports, Culture, Tourism	6,686	4,532	11,218
Technical Education	2,097	217	2,315
Transport	14,101	100	14,201
Zakat & Usher	235	05	240

DEPARTMENTAL AND SECTORAL ALLOCATIONS SETTLED DISTRICTS (1/2)

Department	Current	Development	FPA	Total
Agriculture	7,016	4,766	5,357	17,139
Auqaf & Religious Minority	160	372	00	532
Bureau of Stats	43	00	00	43
Communication & Works	4,711	15,251	11,299	31,191
Elementary & Secondary Education	133,760	10,766	7,921	152,447
Energy & Power	106	527	8,211	8,844
Environment	2,142	30	00	2,172
Excise and Taxation	737	150	00	887
Finance	1,753	180	3,255	5,317
Forestry	636	2,500	00	3,136
General Administration	3,681	239	00	3,920
Health	92,158	11,567	2,203	105,928
Higher Education	12,791	6,523	00	19,314
Home Department	52,109	1,733	442	54,284
Housing	337	200	00	537

DEPARTMENTAL AND SECTORAL ALLOCATIONS SETTLED DISTRICTS (2/2)

Department	Current	Development	FPA	Total
Industries	648	1,783	1,161	3,592
Information and Public Relations	486	144	00	630
Information Technology	382	239	289	910
Irrigation	3,978	9,054	2,854	15,885
Labour	371	181	54	606
Law & Justice	6,677	990	00	7,667
Local Government	12,828	7,488	8,199	28,515
Mines and Minerals	748	230	00	978
Planning and Development	425	12,339	9,564	22,162
Population Welfare	1,968	150	649	2,767
Public Health Engineering	7,568	3,548	10	11,126
Relief, Rehabilitation and Settlement	9,863	2,536	464	12,863
Revenue & Estate	8,247	507	00	8,754
Social Welfare	2,352	250	500	3,102
Sports, Culture, Tourism	2,600	2,916	1,170	6,686
Technical Education	2,097	00	00	2,097
Transport	2,284	1,826	9,991	14,101
Zakat & Usher	235	00	00	235

HEALTH, EMERGENCY AND COVID MAJOR PROGRAMMES



Salary
Rs. 50B



Operations
Rs. 42B



Development
Rs. 13.8B

Relief Total
Rs. 13B

COVID Total
Rs. 24B*

Health

Expanding infrastructure, improving every health facility, and supporting health staff

- Sehat Cards to ensure universal healthcare insurance Rs.10B
- Rs. Rs.675 M for Khyber Pakhtunkhwa Human Capital Investment Project
- 30,000 health workers to be employed to cater for health service demands.
- Rs. 2,400 M Integration of Health Services Delivery programme with special focus on MNCH, LHW and Nutrition Programme.
- Rs. 1,100 M for revamping of Non-Teaching DHQs across KP.
- Rs. 4000 M for enhancement of facilities at flagship tertiary hospitals including the Peshawar Institute of Cardiology, IKD and KTH.
- Rs. 900 M for the treatment of poor cancer patients.
- Rs. Rs. 200 M for the establishment of Tingara Medical College Dir Lower.
- Rs. Rs. 300 M for strengthening of all BHUs across KP & conversion of 200 BHUs into 24/7 SBA facilities.

Providing better emergency services

- Rs. Rs. 290 M for establishment of Rescue 1122 services 6 new districts namely, Tank, Upper Chitral, Upper Kohistan, Kolai Palas, Battagram and Torghar creating 1000+ new jobs, as part of a drive to expand to every district in the province
- Rs. Rs. 215 M for expansion of rescue 1122 services in 4 new districts namely, Lakki Marwat, Malakand, Shangla and Lower Kohistan.

COVID Emergency

- Rs. 24B to comprehensively respond to COVID-19 in the province
- Rs. 9B to be spent under Ehsaas programme.
- Rs. 5B to spent on procuring PPEs to protect frontline workers, expand testing and enhance capacity.
- *Rs. 9B has been reserved for NMA's COVID-19 response
- Rs. 1B to be spent on Relief & Rehabilitation for quarantine facilities and smart lockdown.

Where possible figures have been rounded to nearest integers.

EDUCATION AND HIGHER EDUCATION MAJOR PROGRAMMES



Salary
Rs. 121B



Operations
Rs. 13B



Development
Rs. 18.7B

Education

Improving 26,000 schools

- The Independent Monitoring Unit has been converted to the Education Monitoring Authority with permanent status.
- We are inducting 3,000 school leaders bringing span of management control from 64 schools per manager to 10 schools.
- From next year onwards all new teachers entering the system will receive a tablet allowance to buy tablets to use in schools and at home to teach and to train.
- Rs. 2600 M for reconstruction of 1200 schools in the province.
- Construction of 300 new schools in the province.
- Rs. 1500 M for upgradation of 534 schools.
- Rs. 910 M for establishment of IT labs.



Salary
Rs. 11.2B



Operations
Rs. 1.6B



Development
Rs. 6.5B

Developing colleges and universities

- Rs. 500 M for Pak Austrian Fachhochschule Institute in Haripur.
- Rs. 116 M for the establishment of UET Swat.
- Rs. 1300 M for the construction and establishment of 74 Government Colleges in the province.
- Rs. Establishment of Swat University.

Where possible figures have been rounded to nearest integers. Moreover, amounts in brackets are allocation for FY 2020-21

CITIES, VILLAGES AND ACCESS TO WATER MAJOR PROGRAMMES



Salary
Rs. 2.6B



Operations
Rs. 10.2B*



Development
Rs. 15.7B**

Developing cities and villages

- 10,000 waste collection workers to be employed to manage waste and enhance hygiene
- Rs. 3,900M for the development of infrastructure and municipal services in select districts with EU's assistance.
- Rs. 1,800M for construction of Northern Section of Ring Road (Missing Link), from Warsak Road to Nasir Bagh Road.
- Rs. Rs. 550M to assist in transforming the city of Peshawar under the Peshawar Uplift Programme.
- Rs. 200M for construction of northern section of Ring Road (Missing Link), Peshawar from Pajjagi road to Warsak Road.
- Rs. 300M for the rehabilitation of rural roads in the province.
- Construction of bus terminal in Khyber Pakhtunkhwa.
- Development of parks in the province.
- Landfill sites in select districts including Mansehra, Chitral, Swat and Dir Upper.
- Construction of Fruit & Construction of slaughter houses in selected tehsils
- Vegetable Market in selected Tehsils



Salary
Rs. 3.8B



Operations
Rs. 3.8B



Development
Rs. 3.6B

Providing water supply

- Gravity Flow Water Supply Scheme, District Mansehra
- Rs. 830M for construction of Drinking Water Supply & Sanitation Schemes
- Rs. 200M for solarization of 400 water supply schemes, gravity Schemes and high head Schemes without Solar in Khyber Pakhtunkhwa
- Construction of Utlā Dam for Drinking Water Supply Scheme in Gadoon Area, Swabi
- Rs. 210M for Drinking Water Supply from Indus River in Kohat

Where possible figures have been rounded to nearest integers. Moreover,

*Rs. 6.2B octroi share to TMAs and others, Rs. 1B as UIPT share to TMAs

** Inclusive of local government and urban development sectors

TOURISM MAJOR PROGRAMMES



Salary
Rs. 0.6B



Operations
Rs. 2B



Development
Rs. 4B

Tourism & Sports

- Rs. 1,100M for tourism promotion and destinations development through World Bank assisted KITE program.
- Rs. 330M for development of 1000 Playing facilities in Khyber Pakhtunkhwa.
- Rs. 370M for tourism roads in the Malakand and Hazara divisions for promotion of unexplored tourist spots.
- Rs. 440M for construction of Arbab Niaz Cricket Stadium for promotion of International Cricket in the province
- Development of the new Tourism Authority to promote tourism in the province
- Development of tourism spots across the province.
- Establishment of playgrounds in the province

Where possible figures have been rounded to nearest integers.

ECONOMIC DEVELOPMENT, EMPLOYMENT AND ENERGY MAJOR PROGRAMMES

Economic Development & Employment

- Over 1 million people to benefit from provision of credit guarantee to 10,000 SMEs.
- Over 500,000 people to benefit from providing interest free microfinance to 30,000 enterprises
- Generate new jobs in high growth economic sectors, assisted by the ERKF World Bank programme.
- Under Billion Trees Tsunami, 25,000 workers to be employed to plant 195 million trees.
- Provide incentives in economic zones.
- 100 acres land acquisition for marble city Buner
- Revitalizing key sectors, supporting businesses and generating jobs in the province
- Rs 290M for digital jobs for Khyber Pakhtunkhwa (MDTF Assisted)
- Funding to fast track the development of access to the Rashakai Economic Zone
- Provide high class demand based training by the best training providers in the country, linked to employment.
- Establishment of KP Skills development Fund to manage skills development in KP, ensuring fast delivery and good corporate standards.

Access & Energy

- Rs. 800M for construction of 88MW Gabral-Kalam Hydro Power Project, Swat.
- Rs. 600M for construction of 157MW Madian Hydro Power Project, District Swat.
- Rs 5,700M for Provincial Roads Rehabilitation Project under PKHA Portfolio in collaboration with ADB.
- Rs 4,200M for dualization of Mardan-Swabi Road in collaboration with ADB.
- Rs 3,500M for rehabilitation and construction of roads (835 KMs) in all divisions of Khyber Pakhtunkhwa
- Solarization of 4000 Masajid, and multiple schools, BHUs throughout the settled districts.
- Construction of 356 Mini/Micro Hydro Power stations in Khyber Pakhtunkhwa (Total capacity 35.6 MW)

Where possible figures have been rounded to nearest integers.

Sector-wise Budgets Newly Merged Areas

DEPARTMENTAL AND SECTORAL ALLOCATIONS MERGED DISTRICTS (1/2)

Department	Current	Development	AIP	Total
Agriculture	1,147	777	738	2,677
Auqaf & Religious Minority	00	145	00	185
Bureau of Stats	09	00	00	00
Communication & Works	1,698	4,104	2,560	9,197
Elementary & Secondary Education	19,825	2,647	1,110	7,759
Energy & Power	00	1,000	00	1,699
Environment	00	10	00	00
Excise and Taxation	00	66	00	00
Finance	9,223	10	00	00
Forestry	579	626	00	100
General Administration	502	58	00	00
Health	7,989	2,363	00	8,251
Higher Education	2,334	847	00	1,603
Home Department	19,050	724	00	1,660

DEPARTMENTAL AND SECTORAL ALLOCATIONS MERGED DISTRICTS (2/2)

Department	Current	Development	FPA	AIP	Total
Industries	13	529	42	1,031	1,615
Information and Public Relations	15	33	00	100	148
Information Technology	00	131	00	50	181
Irrigation	191	2,031	00	4,721	6,943
Law & Justice	1,042	262	00	100	1,404
Local Government	145	2,614	00	840	3,599
Mines and Minerals	70	120	00	70	260
Planning and Development	61	888	6,061	1,139	8,149
Population Welfare	10	32	00	00	42
Public Health Engineering	1,021	1,926	00	1,407	4,354
Relief, Rehabilitation and Settlement	17,107	81	00	1,961	19,149
Revenue & Estate	4,822	564	00	600	5,986
Social Welfare	83	84	00	400	567
Sports, Culture, Tourism	26	1,271	35	3,200	4,532
Technical Education	217	00	00	00	217
Transport	00	00	00	100	100
Zakat & Usher	05	00	00	00	05

HEALTH SECTOR MAJOR PROGRAMMES



Salary
Rs. 6.7B



Operations
Rs. 1.4B



Development
Rs. 10.6B

Health

- Rs. 1,000M for medical supplies of BHS, RHCs, THQ and DHQs, specifically for diseases such as HIV, TB and Hepatitis.
- Rs. 800M for outsourcing 06 Type D Hospitals of Merged Areas through Health Foundation
- Rs. 1,000M for provision for standard Medical equipment/ non-medical equipment at Secondary hospitals
- Rs. 1,000M for recruitment of doctors in remote areas at special package.
- Recruitment of 100 Specialists (consultants) with contractual KPIs for key specialties.
- Rs. 100M for Regional Blood Center along with screening, storage, transportation of blood to DHQs
- Rs. 100M for recruitment of nurses, paramedics for Merged district Health facilities.
- Rs. 50M for Establishment/Strengthening of Trauma centers at DHQs

Where possible figures have been rounded to nearest integers.

EDUCATION AND HIGHER EDUCATION MAJOR PROGRAMMES



Salary
Rs. 18.6B



Operations
Rs. 1.3B



Development
Rs. 11.6B

Education

- Rs. 2,000M for the provision of Basic and Missing Facilities through Parent Teacher Committee-led conditional grants.
- Rs. 3,700M for provision of stipends and scholarships for students of merged areas.
- Rs. 250M for upgradation of 73 high schools to Higher Secondary level and 69 middle schools to high level.
- Sufficient amount allocated for recruitment of teachers at Primary, Middle & High Levels.
- Rs. 50M for the education voucher scheme.
- Reconstruction of partially damaged schools.
- Sufficient amount for upgrading schools (boundary walls, furniture, toilets, drinking water and classrooms) and provision of furniture Equipment in functional Schools.



Salary
Rs. 2.3B



Operations
Rs. 0.06B



Development
Rs. 2.5B

Higher education

- Rs. 500M for improvements in existing Government colleges.
- Rs. 495M for provision of transport solution to higher education facilities
- Rs. ~400M for construction of Government colleges in FR Kohat, Bajaur, and Khyber Agency
- Rs. 200M for provision of stipends and scholarships for students of merged areas.
- Performance based package for the teaching faculty and provision of staff to existing colleges.

Where possible figures have been rounded to nearest integers.

TOURISM MAJOR PROGRAMMES



Development
Rs. 4.5B

Tourism & Sports

- Rs 1,200M for establishment and upgradation of sports facilities
- Rs 1,150M for Youth development package and to establish youth facilities
- Rs. 100M for the economic Uplift of Youth (Start-up Programmes).
- Rs. 100M for establishment of Art and Culture Centers
- Rs 400M for promotion and holding sports activities
- Establishment/Development of Tourist Destinations, Tourism Information Centers, Picnic spots and Rest Areas
- Pomotion/holding of Tourism activities and festivals and beautification and promotion of potential Tourist Areas.



Salary
Rs. 1.4B



Operations
Rs. 0.4B



Development
Rs. 16B

Improving Access

- Rs. 1,500M for construction of 54km Mirali-Shawa and Thall road, North Waziristan and Barang tunnel to connect Bajaur to Swat expressway.
- Rs. 1,000M (Rs. 473 M) for improvement of road from Khar to Timergara and Toor Ghundi-Khar Road, 37 Km.
- Rs. 1,000M for improvement of Khar Mamad Gat, 33 KM Road.
- Rs. 800M for rehabilitation of 14 KM road from Pir Qala to Ghalanai.
- Rs. 400M for improvement of roads in Kurram (Ghiljo-Nikah Ziarat 35KM)
- Rs. 250M for widening of the existing 64 KM Main Ghallany road to Sar Lara.
- Construction of 100 Km internal Roads in Spinkai and Wana SWA
- Rehabilitation of 28 KM Frontier Road from Matani to Takhtabaig

Where possible figures have been rounded to nearest integers

WATER SUPPLY MAJOR PROGRAMMES



Salary
Rs. 0.6B



Operations
Rs. 0.4B



Development
Rs. 3.4B

Access to water

- Rs. 1,000M for construction of Jabba Dam, district Khyber.
- Rs 900M for improvement of irrigation channels and water ponds
- Rs 700M for construction of water storage reservoirs
- Rs 1,140M for solarization and rehabilitation of DWSS schemes including Gravity Based schemes
- Rs 500M for construction on new feasible small dams

the following: β_1 is the regression coefficient for the variable X_1 , β_2 is the regression coefficient for the variable X_2 , and β_3 is the regression coefficient for the variable X_3 .

For the regression model to be useful, the regression coefficients must be significantly different from zero. To test the null hypothesis

$H_0: \beta_1 = \beta_2 = \beta_3 = 0$

against the alternative hypothesis

$H_a: \beta_1 \neq 0, \beta_2 \neq 0, \beta_3 \neq 0$

we use the F -test. The F -test statistic is given by

$F = \frac{MSR}{MSE}$

where MSR is the mean square regression and MSE is the mean square error. The F -test statistic follows an F -distribution with k numerator degrees of freedom and $n - k - 1$ denominator degrees of freedom, where k is the number of independent variables and n is the number of observations.

For the regression model to be useful, the F -test statistic must be significantly greater than zero. To test the null hypothesis

$H_0: \beta_1 = \beta_2 = \beta_3 = 0$

against the alternative hypothesis

$H_a: \beta_1 \neq 0, \beta_2 \neq 0, \beta_3 \neq 0$

we use the F -test. The F -test statistic is given by

$F = \frac{MSR}{MSE}$

where MSR is the mean square regression and MSE is the mean square error. The F -test statistic follows an F -distribution with k numerator degrees of freedom and $n - k - 1$ denominator degrees of freedom, where k is the number of independent variables and n is the number of observations.

For the regression model to be useful, the F -test statistic must be significantly greater than zero. To test the null hypothesis

$H_0: \beta_1 = \beta_2 = \beta_3 = 0$

against the alternative hypothesis

$H_a: \beta_1 \neq 0, \beta_2 \neq 0, \beta_3 \neq 0$

we use the F -test. The F -test statistic is given by

$F = \frac{MSR}{MSE}$

For more information and feedback:

FINANCE DEPARTMENT
Government of Khyber Pakhtunkhwa



GoKPFD



Finance Department Khyber Pakhtunkhwa



+92 (91) 9210531



finance.gkp.pk

