



WHITE PAPER 2017-18



GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT



WHITE PAPER 2017-18

**Government of Khyber Pakhtunkhwa
Finance Department**

FOREWORD

The document portrays a comprehensive picture of the finances of the Province and presents an analytical commentary on the revenue and expenditure estimates laid down in budgetary publications. The objective of White Paper is to present financial information in an easy manner for comprehension of general public. Pictorial Graphs, Pie Charts, Tables, and Diagrams have been added for this purpose. The budget framework covers financial information pertaining to current financial year and the upcoming fiscal year. The White Paper also contains detail on expenditure outcomes of the previous years to present the readers the perspective for interpreting future revenue projections and expenditure plans. This publication, therefore, comprehensively portrays distinct dimensions of the Budget, thus complementing the information needs of wide range of users for academic, research, policy, and for general information purposes.

I take this opportunity to thank all departments across the Province for providing timely and comprehensive data. The compilation of White Paper and other budgetary publications is the result of untiring efforts of the officials and officers of the Finance Department, who worked with dedication to convert the intricate and voluminous information into compressed and meaningful form which will help readers, understand and appreciate the efforts put together by Government to serve them better.

(SHAKEEL QADIR KHAN)
Finance Secretary
Government of Khyber Pakhtunkhwa

7th June, 2017

ABBREVIATIONS

ADB	Asian Development Bank	MPCL	Mari Petroleum Company Limited
ADP	Annual Development Program	MTBF	Medium Term Budgetary Framework
BCC	Budget Call Circular	NEPRA	National Electric Power Regulatory Authority
BE	Budget Estimates	NFC	National Finance Commission
BOK	Bank of Khyber	NGO	Non-Governmental Organization
BTR	Budget Transparency Review	NHP	Net Hydel Profit
C&W	Communication and Works	NWA	North Waziristan Agency
CBO	Community Based Organization	O&M	Operation and Maintenance
CDL	Cash Development Loans	OGDCL	Oil & Gas Development Company Limited
CDLD	Community Driven Local Development	OGRA	Oil and Gas Regulatory Authority
CCI	Council of Common Interest	OPL	Ocean Pakistan Limited
CVT	Capital Value Tax	PACRA	Pakistan Credit Rating Agency
CPPA	Central Power Purchase Agency	PaRRSA	Provincial Reconstruction and Rehabilitation Authority
DDCF	District Delivery Challenge Fund	PASSCO	Pakistan Agricultural Storage & Services Corporation
DGCD	District Governance and Community Development	PRC	Purchase Reserves Center
DRM	Disaster Risk Management	PCSW	Provincial Commission on Status of Women
E&SE	Elementary and Secondary Education	PDMA	Provincial Disaster Management Authority
FATA	Federally Administered Tribal Areas	PEDO	Pakhtunkhwa Energy Development Organization
FBE	Forward Budget Estimates	PEFA	Public Expenditure and Financial Accountability
FM	Frequency Modulation	PEPCO	Pakistan Electric Power Company
GST	General Sales Tax	PFM	Public Financial Management
HMC	Hayatabad Medical Complex	POL	Petroleum Oil Lubricants
IDS	Integrated Development Strategy	PPL	Pakistan Petroleum Limited
IPD	Inverse Population Density	PSDC	Petroleum Social Development Committees
IDS	International Development Association	ROA	Return on Assets
JCB	Japan Credit Bureau	ROE	Return on Equity
JCR-VIS	Japan Credit Rating Agency - Vital Information Services	SBP	State Bank of Pakistan
KCM	Kazi Committee Methodology	SNE	Schedule of New Expenditure
KPHA	Khyber Pakhtunkhwa Highway Authority	SNG	Sub-National Governance Programme
KPOGCL	Khyber Pakhtunkhwa Oil & Gas Company Limited	SNGPL	Sui Northern Gas Pipeline Limited
KWh	Kilowatt hour	SSGCL	Sui Southern Gas Company Limited
LRH	Lady Reading Hospital	TEC	Technical Evaluation Committee
M&E	Monitoring and Evaluation		
M&R	Maintenance and Repair		
MGCL	Mari Gas Company Limited		
MMBTU	Million Metric British Thermal Units		
MOL	Magyar OLaj		

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GENERAL ABSTRACT

GENERAL ABSTRACT OF REVENUES AND EXPENDITURE FOR THE YEAR 2017-18

Rs. in Million

REVENUES	Budget Estimates 2017-18	EXPENDITURE	Budget Estimates 2017-18
A-General Revenue Receipts		A-Current Revenue Expenditure	
Federal Tax Assignment	326,000.854	General Public Service	247,876.706
1% of Divisible Pool for War on Terror	39,171.330	Civil Defence	107.341
Straight Transfers	24,682.290	Public Order and Safety Affairs	49,806.195
Net Profit from Hydel Power Generation	20,785.000	Economic Affairs	21,774.249
Arrears of Net Hydel Profit	15,000.000	Environmental Protection	114.535
Provincial Own Receipts (Tax)	22,306.875	Housing and Community Amenities	6,782.061
		Health (Excluding Health Education)	26,897.941
		Recreation, Culture and Religion	1,069.659
Provincial Own Receipts (Non-Tax)	22,908.125	Education Affairs and Services (Including Health Education etc)	27,554.815
		Social Protection	6,016.498
Total-A	470,854.474	Total-A	388,000.000
B-General Capital Receipts		B-Current Capital Expenditure	
Recoveries of Loans & Advances	250.000	Repayment of Loans	6,410.000
Recoveries of Investment of Hydel Development Fund	15,000.000	Loans and Advances	590.000
Borrowing Domestic Loan	10,000.000		
Total-B	25,250.000	Total-B	7,000.000
C-Development Receipts		C-Development Expenditure	
Cash Balance/Savings	24,895.526	ADP (Provincial)	98,000.000
		ADP (Districts)	28,000.000
Foreign Projects Assistance	82,000.000	Foreign Projects Assistance	82,000.000
Total-C	106,895.526	Total-C	208,000.000
Total Revenues (Account-I)	603,000.000	Total Expenditure (Account-I)	603,000.000
Receipts and Recoveries (Account-II)			
Receipts and Recoveries (Account-II)	(101,927.471)	Capital Expenditure (Account-II)	101,927.471

BUDGET AT A GLANCE

Rs. in Million

Description	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
A - GENERAL REVENUE BUDGET			
General Revenue Receipts	429,694.779	409,769.227	470,854.474
Revenue Expenditure	333,000.000	338,601.000	388,000.000
Net Revenue Account (Deficit/Surplus)	96,694.779	71,168.227	82,854.474
B - CURRENT CAPITAL BUDGET			
General Capital Receipts	27,450.000	15,418.048	25,250.000
Current Capital Expenditure	11,000.000	6,290.000	7,000.000
Net Capital Account (Deficit/Surplus)	16,450.000	9,128.048	18,250.000
C-Surplus for Development (A+B)	113,144.779	80,296.275	101,104.474
D - ADP FINANCING ITEMS			
Special Federal Grants (PSDP)	-	4,031.037	-
Foreign Grants (PDMA)	-	447.101	-
Foreign Project Assistance	36,000.000	22,013.441	82,000.000
Total ADP Financing Items	36,000.000	26,491.579	82,000.000
Cash Balance/Savings	11,855.221	25,000.000	24,895.526
Expected Less Expenditure (Upto 30th June) Due to Austerity Measures	-	40,308.545	-
Resources for Development	161,000.000	172,096.399	208,000.000
Development Expenditure	161,000.000	172,096.399	208,000.000
Total Resources (A+B+C+D)	505,000.000	516,987.399	603,000.000
Total Expenditure (A+B+D)	505,000.000	516,987.399	603,000.000
Net (Deficit/Surplus) (Account-I)	-	-	-
General Capital Expenditure (Account-II)	101,905.000	38,644.674	101,927.471
Less Receipts and Recoveries	(101,905.000)	(38,644.674)	(101,927.471)
Net (Deficit/Surplus) (Account-II)	-	-	-

SUMMARY POSITION OF REVENUES FOR THE YEAR 2016-17 & 2017-18

Rs. in Million

Description	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
A-General Revenue Receipts			
Federal Tax Assignment	293,694.328	286,140.443	326,000.854
1% Divisible Pool for War on Terror	35,289.471	34,381.819	39,171.330
Straight Transfers	17,199.980	23,024.965	24,682.290
Net Profit from Hydel Power Generation	18,704.000	18,704.000	20,785.000
Arrears of Net Hydel Profit	15,000.000	15,000.000	15,000.000
Incentive on Surplus Cash	300.000	-	-
Provincial Own Receipts (Tax)	18,171.145	18,204.345	22,306.875
Provincial Own Receipts (Non-Tax)	31,335.855	14,263.655	22,908.125
Extra Budgetary Grant (Non-Dev)	-	50.000	-
Total General Revenue Receipts (A)	429,694.779	409,769.227	470,854.474
B-General Capital Receipts			
Recoveries of Loans & Advances	250.000	418.048	250.000
Recoveries of Investment of Hydel Development Fund	15,000.000	15,000.000	15,000.000
Borrowing Domestic Loan	12,200.000	-	10,000.000
Total General Capital Receipts (B)	27,450.000	15,418.048	25,250.000
C-Development Receipts			
Special Federal Grant (PSDP)	-	4,031.037	-
Foreign Grants (PDMA)	-	447.101	-
Foreign Project Assistance	36,000.000	22,013.441	82,000.000
Cash Balance/Savings	11,855.221	25,000.000	24,895.526
Expected Less Expenditure (Upto 30th June) Due to Austerity Measures	-	40,308.545	-
Total Development Receipts (C)	47,855.221	91,800.124	106,895.526
Total Revenues (A+B+C)	505,000.000	516,987.399	603,000.000

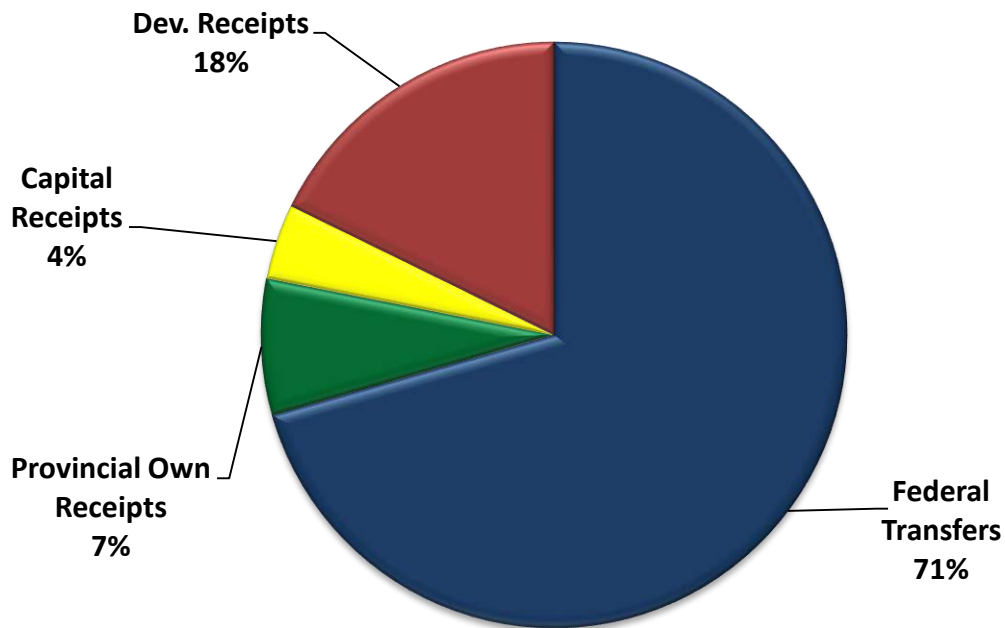
SUMMARY POSITION OF EXPENDITURE FOR THE YEAR 2016-17 & 2017-18

Rs. in Million

Description	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
A-Current Revenue Expenditure			
General Public Service	222,057.755	220,264.703	247,876.706
Civil Defence	15.091	58.819	107.341
Public order and Safety Affairs	41,962.879	45,890.820	49,806.195
Economic Affairs	18,341.036	17,121.237	21,774.249
Environmental Protection	89.802	85.124	114.535
Housing and Community Amenities	4,306.177	4,273.495	6,782.061
Health (Excluding Health Education)	19,755.476	22,750.292	26,897.941
Recreation, Culture & Religion	1,006.244	879.340	1,069.659
Education Affairs and Services (Including Health Education etc)	19,520.363	21,696.799	27,554.815
Social Protection	5,945.177	5,580.371	6,016.498
Total Current Revenue Expenditure (A)	333,000.000	338,601.000	388,000.000
B-Current Capital Expenditure			
(i) Financial & Fiscal Affairs	10,910.000	6,200.000	6,410.000
of which Foreign Debt Management	6,200.000	6,200.000	6,410.000
Domestic Debt Management	4,710.000	0.000	0.000
(ii) Financial & Fiscal Affairs	90.000	90.000	590.000
Total Current Capital Expenditure (B) (i+ii)	11,000.000	6,290.000	7,000.000
C-Development Expenditure			
ADP (Provincial)	91,100.000	111,373.260	98,000.000
ADP (Districts)	33,900.000	33,961.380	28,000.000
Special Federal Programme (PSDP)	--	4,748.318	--
Foreign Projects Assistance	36,000.000	22,013.441	82,000.000
Total Development Expenditure (C)	161,000.000	172,096.399	208,000.000
Total Expenditure (A+B+C)	505,000.000	516,987.399	603,000.000

CHAPTER 1 - ESTIMATE OF RECEIPTS

Total Receipts of the Province comprise of General Revenue Receipts, Capital Receipts and Development Receipts (Foreign Projects Assistance). For financial year 2017-18, the total receipts are estimated at Rs.603,000 million which is 19% higher than Rs.505,000 million in financial year 2016-17. The revised estimates for financial year 2016-17 have been fixed at Rs.516,987 million.



GENERAL REVENUE RECEIPTS

The General Revenue Receipts consist of Federal Transfers and Provincial Own Receipts. For financial year 2017-18 the General Revenue Receipts are estimated at Rs.470,854 million against Rs.429,695 million for the financial year 2016-17.

1. TRANSFERS FROM FEDERAL GOVERNMENT

Federal resource transfers comprise of Shared Taxes (NFC), Straight Transfers and Other Grants including NHP and arrears which constitutes bulk of Provincial Receipts of the Province. These transfers constitute 90% of the total General Revenue Receipts of the Province. The Shared Taxes (NFC) is governed by Part-VI Chapter-1 of the Constitution of Pakistan, which provides a framework for distribution of resources between the federation and the provinces. An amount of Rs.425,639 million is expected to be transferred from the Federal Government to the Khyber Pakhtunkhwa Province during financial year 2017-18.

Transfers from Federal Government		(Rs. in Million)	
Particulars	BE 2016-17	RE 2016-17	BE 2017-18
Federal Tax Assignment	293,694.328	286,140.443	326,000.854
<i>Taxes on Income</i>	125,500.729	111,234.359	128,665.333
<i>Custom Duties</i>	33,548.830	39,989.915	47,344.976
<i>Sales Tax</i>	118,195.761	118,915.292	132,013.741
<i>Capital Value Tax (CVT)</i>	189.255	194.610	225.013
<i>Federal Excise</i>	16,259.753	15,806.267	17,751.791
1% of Divisible Pool for war on Terror	35,289.471	34,381.819	39,171.330
Straight Transfers	17,199.980	23,024.965	24,682.290
<i>Royalty on Crude Oil</i>	6,270.138	8,849.106	10,857.185
<i>Royalty on Natural Gas</i>	5,811.155	4,956.174	9,574.963
<i>Gas Development Surcharge</i>	3,202.787	7,677.929	2,518.444
<i>Excise Duty on Natural Gas</i>	1,915.900	1,541.756	1,731.699
Other Federal Transfers/Grants	34,004.000	33,704.000	35,785.000
<i>Net Profit from Hydel Power Generation</i>	18,704.000	18,704.000	20,785.000
<i>Arrears of Net Hydel Profit</i>	15,000.000	15,000.000	15,000.000
<i>Incentive on Surplus Cash</i>	300.000	--	--
Total Federal Transfers	380,187.779	377,251.227	425,639.474

NATIONAL FINANCE COMMISSION AWARD

Article 160 of the Constitution provides for the setting up of a National Finance Commission (NFC) to periodically make recommendations to the President as to:-

- *The distribution between the Federation and the Provinces of the net proceeds of the taxes mentioned in clause (3);*
- *The making of grants-in-aid by the Federal Government to the Provincial Governments;*
- *The exercise by the Federal Government and the Provincial Governments of the borrowing powers, conferred by the Constitution; and*
- *Any other matter relating to finance referred to the Commission by the President.*

The National Finance Commission awarded the 7th NFC Award on 18th March, 2010, in which the Federal Government reduced its collection charges from 5% to 1%, which largely benefited the Provinces. The share of Provinces in vertical distribution was also increased from 49% to 56% during 2010-11 and to 57.5% during the remaining years of the Award.

The traditional population based criteria for horizontal distribution of resources amongst the Provinces was changed to Multiple-Criteria Formula for the first time. According to these criteria 82% distribution was made on population, 10.3% on poverty and backwardness, 5% on revenue collection/generation, and 2.7% on Inverse Population Density (IPD). Realizing the role of Khyber Pakhtunkhwa in the war on terror, 1% of the divisible pool was assigned to this Province.

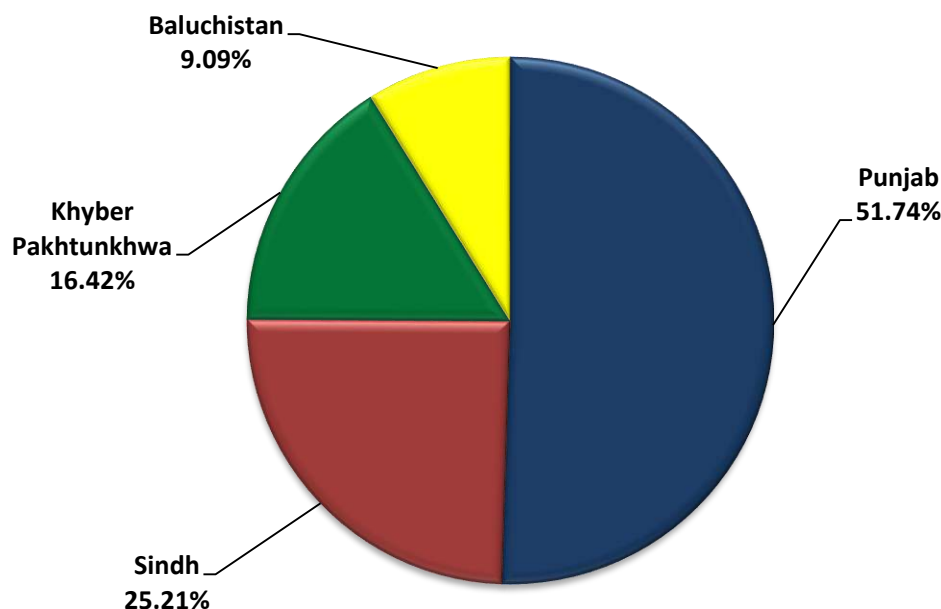
The subvention/special grant and grant in lieu of Octroi and Zilla Tax (1/6th of sales tax) have been abolished in the 7th NFC Award. The net share of the Provinces in the divisible pool and

1% of divisible pool for war on terror for Khyber Pakhtunkhwa in 7th NFC Award as compared to the share allocated on the basis of population and 1/6th of Sales Tax and Special Grant in previous Award is as under:-

Share of Provinces in the divisible pool as per 7th NFC Award

Province	% Share on the basis of previous Award	% Share on the basis of 7 th NFC Award			
		Horizontal share	1% for War on Terror	Grant for Compensation on account of OZ&T	Total % Share
Punjab	53.20	51.74	-	-	51.74
Sindh	24.96	24.55	-	0.66%	25.21 ¹
Khyber Pakhtunkhwa	14.78	14.62	1.80%	-	16.42²
Baluchistan	7.05	09.09	-	-	9.09
Total	100	100			

Share of Provinces in the Divisible Pool



The 8th NFC was constituted on 21st July, 2010, but it did not give any Award. The 9th NFC was constituted on April 24, 2015 and its 1st meeting was held on 28th April, 2015. 9th NFC, in its first meeting constituted four working groups to undertake thematic studies and put forth their recommendations for consideration by the Commission. Khyber Pakhtunkhwa was heading working Group-III assigned with the task of preparation of a draft report on “Allocation Efficiency and Expenditure Analysis at the Federal and Provincial levels”. All four working groups including Khyber Pakhtunkhwa completed the task of compilation of their

¹Grant-in-Aid to Sindh, equivalent to 0.66% of the net Provincial Divisible Pool as compensation for losses on account of abolition of OZ&T

²The grant for war on terror is 1% of the total divisible pool, which is equivalent to 1.8% of the Provincial share in the net proceeds of Provincial Divisible Pool

respective working group reports. These reports were discussed in the 2nd meeting of the 9th NFC held on 28-11-2016 in Islamabad. The third meeting of the 9th NFC was held on 19-12-2016 in Islamabad wherein the Federal Government put forward the proposal of creation of National Security Fund by reserving 3% of the divisible pool and allocation of 4% of divisible pool for meeting expenditure related to special areas (i.e. FATA, AJK and Gilgit Baltistan). In accordance with the decision taken in the meeting, the Provinces were required to provide their written comments/views on the proposals to be presented in the next meeting of the NFC. Khyber Pakhtunkhwa has already shared its comments but the Federal Government has not convened the meeting so far.

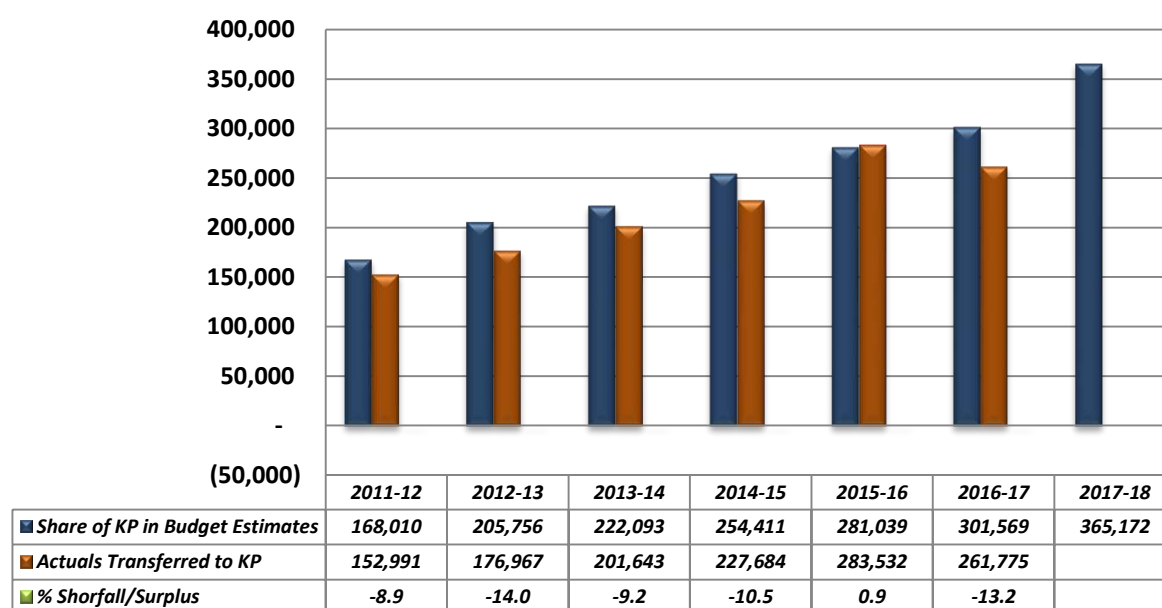
Present Award will remain operative till the finalization and implementation of 9th NFC Award. The shares of Provinces in the Divisible Pool have been worked out in accordance with the 7th NFC Award, 2009. Comparative position of the total transfers to Provinces under 7th NFC Award, for the financial year 2017-18 is as follows:-

Funds to be transferred to the Provinces during Financial Year 2017-18 (Rs. in Million)

Province	%Share	Budget Estimate 2017-18	1% of total Divisible Pool for War on Terror Grant (1.8% of the Provincial pool)	Total
Punjab	(51.74%)	1,153,713.009		1,153,713.009
Sindh	(24.55%)	547,422.775		547,422.775
Khyber Pakhtunkhwa	(14.62%)	326,000.854	39,171.330	365,172.184
Baluchistan	(9.09%)	202,691.365		202,691.365
Total		2,229,828.003	39,171.330	2,268,999.333

Historically the actual funds transferred to Khyber Pakhtunkhwa each year have been less than its share projected in Budget Estimates. The trend over the last six years is given below:-

(Rs. in Million)



Trend of actual transfers compared to Khyber Pakhtunkhwa shares projected in Budget Estimates under NFC Awards. FY 2016-17 (11 months) Actual transfer against proportionate 11 months

NET HYDEL PROFIT

Article 161(2) of the Constitution of Pakistan provides the net profits earned by the Federal Government, or any agency established or administered by the Federal Government, from power generation at a hydro-electric station to the Province in which the station is situated.

Historically there have been differences over the amount of NHP, between the Federal and Provincial Governments. After resolution of the post Arbitration arrears of Rs. 110 billion, the remaining issues of uncapping of NHP and clearance of NHP arrears from 2005-06 onward were discussed in a series of meetings of the Technical Committee constituted by the Federal Government which after thorough deliberations made a number of recommendations. These recommendations were considered at the level of Finance Minister on 14th March, 2013. The recommendations were as under:

- (i) **NHP from 2005-06 and onward (Principal + Mark-up):-***The committee decided that an amount of Rs.45 billion be paid to the Khyber Pakhtunkhwa, assuming different NHP rates at Ps.60 per KWh for 2005-06, Ps.70 per KWh for 2006-07 and 2007-08,Ps.80 per KWh for 2008-09 and 2009-10 and Ps. 90 per KWh for 2010-11 and 2011-12.*
- (ii) **Uncapping of existing NHP:-** *The Federal Government agreed that the rate of NHP shall be Rs.1.10 per kwh to be approved with w.e.f financial year 2015-16 with an indexation @ 5% per annum.*
- (iii) **Markup on unpaid Award amount of Rs.110 billion upto 2004-05:-***The Committee agreed that payment of Rs.56.59 billion may be paid to Government of Khyber Pakhtunkhwa as mark up on Award amount.*

The Provincial Government has been actively engaged in resolving the issue of NHP in the light of above recommendations and consequently on 25th February, 2016, a Memorandum of Understanding (MOU) was signed between Government of Pakistan & Government of Khyber Pakhtunkhwa. The MOU was also approved by CCI on 29th February, 2016. The relevant contents of the MOU are as under:-

- (a) *The uncapped NHP as determined & transmitted from NEPRA, would be notified immediately by Ministry of Water & Power.*
- (b) *A total amount of Rs.70 billion has been agreed upon on account of arrears of uncapped NHP after reconciliation of mutual claims in the power sector between the two Governments as full and final settlement.*
- (c) *Water & Power Development Authority (WAPDA) after seeking concurrence of CCI through the Ministry of Water & Power would file a tariff petition for recovery of the arrears in four instalments as follows (i). Rs.25 billion in fiscal year 2015-16 and (ii) Rs. 15 billion each in the next 3 years.*

Accordingly, Federal Government issued a notification for the uncapping of Net Hydel Profit (NHP), on 7th March, 2016, according to which Net Hydel Profit (NHP) is now payable to the Provincial Government at the revised rates of Rs.1.10 per KWH (of the electricity production in Khyber Pakhtunkhwa). As such the Provincial Government is now entitled to receive approximately a sum of Rs.18.7 billion per annum. WAPDA has been making payment as per

the revised rates and a Sum of Rs. 11.885 billion upto April 2017 has been received so far during 2016-17. The Provincial Government out of arrears of 70 billion, has received the first tranche of arrears of Rs. 25 billion on 30-06-2016 whereas, against the 2nd tranche of Rs.15 billion for the year 2016-17, WAPDA has transferred Rs.5.2 billion so far and the remaining amount of Rs. 9.8 billion is still awaited.

The position of Government of Khyber Pakhtunkhwa is that Kazi Committee Methodology (KCM) duly approved by CCI was neither implemented by WAPDA nor honoured by Federal Government, needs implementation. Since the aforementioned arrangement being interim, therefore, the Provincial Government decided to approach CCI for implementation of KCM and related issues which was to be discussed in the 31st CCI meeting dated 02-05-2017 but postponed till next meeting.

REVENUE FROM OIL AND GAS

The Province has been blessed with vast natural resources like water, forests, minerals, gem stones, oil and gas. Huge deposits of oil & gas were discovered in southern belt of the Province, including district Kohat, Karak and Hangu. As of May 2016, an area of around 360,716 square kilometer is under exploration for oil and gas throughout the country, 32,018 Square Kilometer of which is in Khyber Pakhtunkhwa.

According to 7th NFC Award, Khyber Pakhtunkhwa's share in the net proceeds of the total royalties on crude oil in a year is equal to the proportion of crude oil produced in Khyber Pakhtunkhwa in that year out of the total country wide production of crude oil. The Provincial Government gets revenues on account of the following:-

1. *Royalty on Oil*
2. *Royalty on Gas*
3. *Gas Development Surcharge*
4. *Excise Duty on Gas*

Ten companies are presently working in Khyber Pakhtunkhwa which shows promising prospects of oil and gas exploration in the area. The Oil & Gas Development Company Limited (OGDCL) has licenses and leases for the most of the area, followed by MOL and MPCL. Other companies operating in Khyber Pakhtunkhwa are Hycarbex, Al-Haj, OPL, PPL, Tullow and Tallahssee.

Royalty on oil/gas is payable by the exploration and production companies to the Government at the rate of 12.50% of the wellhead value. It is payable monthly within 10 days of the calendar month in question as per Rule 36(2) of the Pakistan Petroleum Exploration and Production Rules, 1986. The Wellhead value is determined by the Government of Pakistan after every six months.

Khyber Pakhtunkhwa is the first Province to have established a Provincial Oil & Gas Company (KPOGCL) in 2013 under the administrative control of Energy & Power Department to carry out fast track exploration and production of oil and gas. The Company is headed by a fully independent KPOGCL Board having a majority membership from private sector.

Gas Development Surcharge is the margin available to the Government caused by the difference in the sale price for consumers as determined by OGRA and prescribed price for

Gas Companies on the basis of their fixed return, as defined in the Natural Gas (Development Surcharge) Ordinance, 1967. The prescribed price of Sui Northern Gas Pipeline Ltd (SNGPL) and Sui Southern Gas Company Limited (SSGCL) is based on the following:-

- *Wellhead price of Gas*
- *Excise Duty at Wellhead*
- *Operation and Maintenance Cost*
- *Depreciation*
- *Returns of Gas Company (17.5% SNGPL and 17% SSGCL) on assets*

Royalty and Gas Development Surcharge are inversely proportional to each other. In case, the wellhead value is more, there will be more royalty but less Gas Development Surcharge and vice versa.

As per the 7th NFC Award, “each of the Provinces shall be paid in each financial year as a share in the net proceeds to be worked out based on average rate per MMBTU of the respective Province. The average rate per MMBTU shall be derived by notionally clubbing both the royalty on Natural Gas and development surcharge on gas. Royalty on natural gas shall be distributed in accordance with clause (1) of Article 161 of the Constitution whereas the development surcharge on natural gas would be distributed by making adjustments based on this average rate”.

Status of actual receipts from the Federal Government since commercial production of oil and gas has started from the wells located in Khyber Pakhtunkhwa is given as under:-

Actual Receipts from Federal Government on account of Oil & Gas (Rs. in Million)

S.No	Year	Royalty on Crude Oil	Royalty on Gas	Excise Duty on Gas	Gas Dev: Surcharge	Total
1	2004-05	263.793	109.370	44.280	69.828	487.271
2	2005-06	492.009	351.050	24.591	316.229	1,183.879
3	2006-07	1,090.718	462.418	123.290	632.717	2,309.143
4	2007-08	3,027.076	537.988	206.236	418.236	4,189.536
5	2008-09	3,111.402	733.212	149.130	246.028	4,239.772
6	2009-10	1,942.240	1,261.458	286.046	1,026.155	4,515.899
7	2010-11	8,341.297	3,814.063	1,098.413	3,315.039	16,568.812
8	2011-12	11,651.551	4,153.840	1,173.511	1,786.062	18,764.964
9	2012-13	12,871.058	3,740.504	1,371.329	1,647.816	19,630.707
10	2013-14	19,755.081	4,451.267	1,383.967	5,754.628	31,344.943
11	2014-15	14,243.774	3,580.253	1,317.968	3,915.369	23,057.364
12	2015-16	8,509.617	5,090.642	1,545.664	3,376.702	18,522.625
13	2016-17 (Revised Estimates)	8,849.106	4,956.174	1,541.756	7,677.929	23,024.965
14	2017-18 (Budget Estimates)	10,857.185	9,574.963	1,731.699	2,518.444	24,682.291

2. PROVINCIAL OWN RECEIPTS

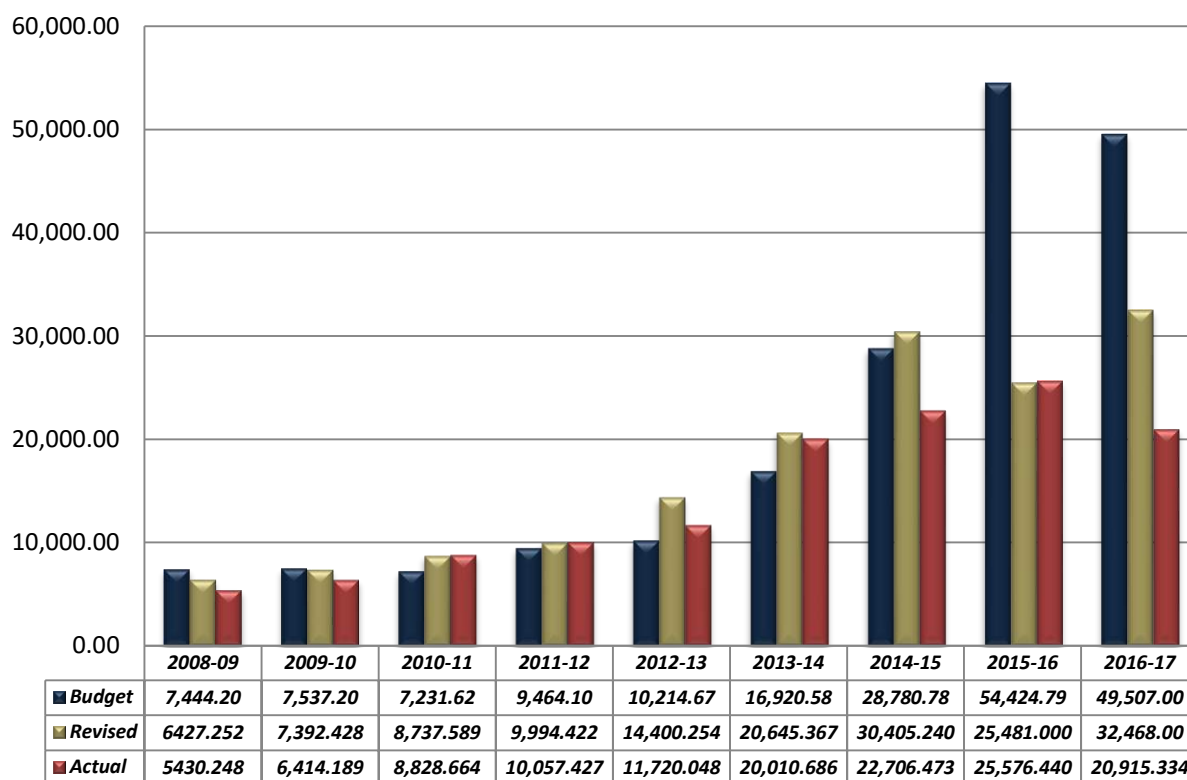
The Provincial Own Revenue Receipts for the financial year 2017-18 are estimated at Rs. 45,215.000 million, comprising of:

- i. Tax Receipts of Rs. 22,306.875 million (49.3%) including Sales Tax on Services which is Rs. 13,653 million, and
- ii. Non-Tax receipts of Rs. 22,908.125 million, (50.7%).

Details of Provincial Own Revenue Receipts (targets & actual realization) during the last nine years are depicted in the following figure:-

(Rs. in Million)

S.No	Years	Budget Estimates	Revised Estimates	Actual Recovery
1	2007-08	6,220.000	6,234.929	5,322.875
2	2008-09	7,444.202	6,427.252	5,430.248
3	2009-10	7,537.200	7,392.428	6,414.189
4	2010-11	7,231.624	8,737.589	8,828.664
5	2011-12	9,464.095	9,994.422	1,0057.427
6	2012-13	10,214.665	14,400.254	11,720.048
7	2013-14	16,920.579	20,645.367	20,010.686
8	2014-15	28,780.777	30,405.240	22,706.473
9	2015-16	54,424.790	25,481.000	25,576.440
10	2016-17	49,507.000	32,468.000	20,915.334 Upto April 2017 (10 months)



Total Provincial Revenue Receipts

Provincial Tax Receipt

Direct Taxes include taxes on Agriculture Income/Land, UIP Tax, Tax on Transfer of Property Registration, Land Revenue & Profession, Trade and Callings etc. The Revised Estimates of direct taxes during 2016-17 is Rs. 3,833.100 million. The Budget Estimates 2017-18 is Rs.4,089.100 million, which is 6.7% higher.

Indirect Taxes a major component of tax receipts comprise of Sales Tax on Services, Provincial Excise, Motor Vehicle Tax, Stamp Duties, Cess of all types, and Electricity Duty etc. The Revised Estimates for financial year 2016-17 from indirect taxes is estimated at Rs.15,221.245 million and Budget Estimates 2017-18 is Rs.19,237.775 million registering an increase of 26.4 % over Revised Estimates 2016-17.

Electricity Duty is collected by PEPCO on behalf of the Provincial Government. Its rates were last revised w.e.f. 01-07-2016 which are being implemented. This duty is usually adjusted by PEPCO against the receivable of Electricity dues of Provincial Government Departments/Local Bodies, Rs. 90 million has been adjusted at source by PEPCO during 2016-17, while an amount of Rs. 122.645 million (upto January 2017) is still outstanding against PEPCO. This amount will further be increased upto June 2017.

The Provincial Tax Receipts collected since 2012-13 to 2017-18 are given in the following tables. Most of the tax receipt heads show an upward trend, despite the fact that economy was severely hit by war on terror and weak tax base.

Provincial Tax Receipts

(Rs. in Million)

TAX	Actual				Estimated		
	2012-13	2013-14	2014-15	2015-16	Budget 2016-17	Revised 2016-17	Budget 2017-18
Total Direct Taxes	2,157.368	2,497.463	3,037.681	3,387.366	2,955.000	3,833.100	4,089.100
Tax from Agriculture Income/Land	21.958	31.192	66.493	68.833	88.000	88.000	88.000
Urban Immovable Property Tax	446.962	462.995	532.041	667.644	1000.000	1,000.000	1,200.000
Tax on Transfer of Property (Reg.)	81.004	111.296	113.171	111.366	150.000	189.000	189.000
Land Revenue	1,185.829	1,492.591	1,834.232	2,011.145	1,850.000	2,012.100	2,012.100
Tax on Profession, Trades & Callings	129.961	135.872	203.629	247.704	264.000	264.000	300.000
Urban CVT Provincial	291.654	263.517	288.115	280.674	385.000	280.000	300.000
Total Indirect Taxes	5,599.683	7,982.467	8,629.079	9,892.449	15,216.145	15,221.245	19,237.775
Provincial Excise	19.944	25.124	23.354	15.631	41.800	41.800	41.800
Motor Vehicle Tax+ R. Permit + Fitness	934.479	1,038.259	1,045.611	1,316.901	1,802.350	1,802.350	2,000.000
Stamp Duty	614.916	712.948	817.182	831.433	890.000	890.000	900.000
Entertainment Tax	0.016	---	0.467	1.048	---	---	---
Others/ Hotel Tax/Real Estate Dealer/TDC/ Electronic Media	250.959	240.498	411.201	376.721	756.890	754.990	762.070

TAX	Actual				Estimated		
	2012-13	2013-14	2014-15	2015-16	Budget 2016-17	Revised 2016-17	Budget 2017-18
Electricity Duty/fee on account of Electricity Rules	349.182	297.413	51.626	62.738	625.105	632.105	780.905
GST on Services Khyber Pakhtunkhwa	3430.187	5,668.225	6,279.638	7,267.080	10,000.000	10,000.000	13,653.000
Infrastructure Dev: Cess	-	-	-	20.897	1,100.000	1,100.000	1,100.000
Total Provincial Taxes	7,757.051	10,479.930	11,666.760	13,279.815	18,953.145	19,054.345	23,326.875
Less Council Share (-) In UIP Tax	-	-	-	-	782.000	850.000	1,020.000
Net Total	7,757.051	10,479.930	11,666.760	13,279.815	18,171.145	18,204.345	22,306.875

Provincial Non-Tax Receipts

Non-Tax revenue consists of major heads such as Income from Property and Enterprises, Receipts from Civil Administration, Community Services, Social Services and Economic Service receipts. The total Non-Tax receipts for the Financial Year 2017-18 are estimated at Rs.22,908.125 million as per detail given below:-

(Rs. in Million)

Sector	Budget 2016-17	Revised 2016-17	Budget 2017-18
Income from Property & Enterprises	4,644.116	4,819.668	4,766.356
Civil Administration	1,784.200	2,438.473	2,304.097
Community Services	1,050.000	1,159.000	1,204.800
Social Services	1,227.913	1,301.779	1,450.386
Economic Services	9,228.700	3,824.950	12,801.100
Miscellaneous	13,400.926	719.785	381.386
Total of Non-Tax Receipts	31,335.855	14,263.655	22,908.125

Each Non-Tax receipts component is explained below:-

i. Property and Enterprises:

Property & Enterprise consist of Interest & Dividends and profit of Own Hydel Projects generation. Cash dividends of Rs. 1.5 per share i.e 15% have been paid to shareholders of the Bank of Khyber. Out of these dividends, the Government of Khyber Pakhtunkhwa, being a major shareholder has received a sum of Rs. 1,073.312 million during the financial year 2016-17. For the year 2017-18 it is expected that the Bank will give the same handsome amount of cash dividends to its shareholders. The Provincial Government being a major shareholder will be the major beneficiary therefore, a sum of Rs. 1,020.000 million has been estimated for the financial year 2017-18.

The Malakand-III, Pehur & Shishi Power Station Projects has been commissioned. Whereas the power station i.e. Ranolia, Machai and Daral Khuwar will start functioning during the next financial year 2017-18. An amount of Rs. 3,630.000 million is expected to be realized as profit for the year 2016-17 and the same amount is projected for the financial year 2017-18.

ii. Civil Administration

Civil Administration includes receipts from Home & Tribal Affairs Department, Law & Order, General Administration and Administration of Justice. The Receipts from Civil Administration for financial year 2017-18 are estimated as Rs. 2,304.097 million which is an increase of 29.1 % over budget 2016-17. A major chunk of this revenue consists of income coming from Law & Order, Police and private security companies. The revised estimates for 2016-17 have also been estimated at an increase of 36.7% over the original estimates.

Sector	Actual				Estimated		
	2012-13	2013-14	2014-15	2015-16	Budget 2016-17	Revised 2016-17	Budget 2017-18
A-General Administration	155.774	650.928	198.228	212.049	237.900	418.714	170.151
B- Law and Order	635.268	825.667	1,008.161	1,285.011	1,546.300	2,019.759	2,133.946
Total (A+B):	791.042	1,476.595	1,206.389	1,497.060	1,784.200	2,438.473	2,304.097

iii. Community Services

The composition of receipts from Community Services is as under:-

- a) *Tolls on roads and bridges*
- b) *Registration fee of contractors*
- c) *Confiscation of earnest money*
- d) *Receipts from P.B.M.C*
- e) *Payments for services rendered and recovery of water charges by Public Health Engineering Department*

Sector	Actual				Estimated		
	2012-13	2013-14	2014-15	2015-16	Budget 2016-17	Revised 2016-17	Budget 2017-18
Building, Communication & PBMC.	608.398	316.997	497.664	415.349	730.000	730.000	735.000
Local Govt.	--	--	--	--	--	18.000	19.800
Public Health	184.239	200.753	219.861	183.160	320.000	411.000	450.000
KP.H.A*	--	--	--	--	*225.000	*225.000	*230.000
TOTAL	792.637	674.000	717.525	598.509	1,050.000	1,159.000	1,204.800

* Receipt retained by Khyber Pakhtunkhwa Highway Authority in the Road Maintenance Fund.

iv. Social Services

The composition of receipts from Social Services is as under:-

Sector	Receipts from Social Services				(Rs. in Million)		
	Actual				Estimated		
	2012-13	2013-14	2014-15	2015-16	Budget 2016-17	Revised 2016-17	Budget 2017-18
Higher Education, Archives & Libraries Department	168.711	315.297	379.910	538.172	378.268	378.268	428.464
Elementary & Secondary Education Department	6.071	23.666	28.031	29.606	60.000	60.000	60.000
Technical Education.	20.894	21.237	24.168	14.513	15.200	14.600	15.200
Museums	1.381	1.643	2.703	3.032	3.000	3.000	3.100
Tourism Department	12.425	14.659	18.080	30.806	25.000	40.000	50.000
Culture Department	--	--	--	--	--	40.000	50.000
Health Department	188.111	351.324	380.126	439.388	541.005	560.471	638.182
Autonomous Health Institutes*	--	--	--	--	*965.473	*1,142.022	*1,266.845
Printing + Registration Renewal of Printing Press	68.797	90.813	133.562	152.486	205.440	205.440	205.440
Total	466.390	818.639	966.580	1,208.003	1,227.913	1,301.779	1,450.386

*The receipt of territory institutes/hospitals are retained by Health Institutions in lieu with the autonomous status given to the health institutions.

v. Economic Services

The composition of receipt from Economic Services is as under:-

Sector	Receipts from Economic Services				(Rs. in Million)		
	Actual				Estimated		
	2012-13	2013-14	2014-15	2015-16	Budget 2016-17	Revised 2016-17	Budget 2017-18
Agriculture	149.036	170.488	191.600	197.875	211.950	211.950	211.950
Fisheries	23.679	43.390	45.912	48.201	55.000	60.000	70.000
Livestock & Dairy Development	77.013	69.457	83.833	109.392	132.850	132.850	132.850
Environment (Forests & Wildlife)	605.979	466.518	327.333	384.888	6,028.000	528.000	880.000
Irrigation	370.873	845.278	461.901	525.302	559.700	559.700	574.700
Mineral Development	758.410	896.181	812.401	957.030	2,203.500	2,303.600	2,677.650
Manpower Management	0.509	0.809	0.974	1.138	1.000	0.950	1.000
Industries	3.342	4.500	7.810	22.168	36.700	27.900	37.950
Housing	--	--	--	--	--	--	8,215.000
Total	1,988.841	2,496.621	1,931.764	2,245.994	9,228.700	3,824.950	12,801.100

GENERAL CAPITAL RECEIPTS

General Capital Receipts consist of recoveries of investment of Hydel Development Fund, Loans and Advances from Government Servants, SNGPL, Financial Institutions/Non-Financial Institutions & Autonomous/Semi-Autonomous Bodies.

(Rs. In Million)

Heads of Accounts	BE 2016-17	RE 2016-17	BE 2017-18
Recoveries of Loans & Advances	250.000	418.048	250.000
Recoveries of Investments	15,000.000	15,000.000	15,000.000
Borrowing Domestic Loan	12,200.000	--	10,000.000
Total Capital Receipts	27,450.000	15,418.048	25,250.000

DEVELOPMENT RECEIPTS

Development Receipts consists of grants received from Federal Government and foreign debt/loans & grants for development projects.

(Rs. in Million)

Heads of Accounts	BE 2016-17	RE 2016-17	BE 2017-18
Special Federal Grant PSDP	--	4,031.037	--
Foreign Grants (PDMA)	--	447.101	--
Foreign Project Assistance	36,000.000	22,013.441	82,000.000
<i>Foreign Loan</i>	<i>9,120.460</i>	<i>2,522.019</i>	<i>52,557.624</i>
<i>Foreign Grants</i>	<i>26,879.540</i>	<i>19,491.422</i>	<i>29,442.376</i>
Expected Less Expenditure (Upto 30th June)	--	25,000.000	--
Financing from Past Savings	11,855.221	32,214.344	24,895.526
Total Development Receipts	47,855.221	83,705.923	106,895.526

STATE TRADING IN FOOD (ACCOUNT-II)

The state trading of the Provincial Government covers wheat procurement which is kept separate from all other transactions of the Provincial Government. Receipts and expenditure on state trading in wheat is credited and debited respectively to the Food Account of the Provincial Government which is maintained separately with the State Bank of Pakistan. Funds required for procurement of wheat are normally obtained from commercial banks and guaranteed by the Government.

(Rs. in Million)

Heads of Accounts	BE 2016-17	RE 2016-17	BE 2017-18
State Trading (Account-II)	86,905.000	23,644.674	86,927.471
Cash Credit Accommodation (Floating Debt)	15,000.000	15,000.000	15,000.000
Total State Trading	101,905.000	38,644.674	101,927.471

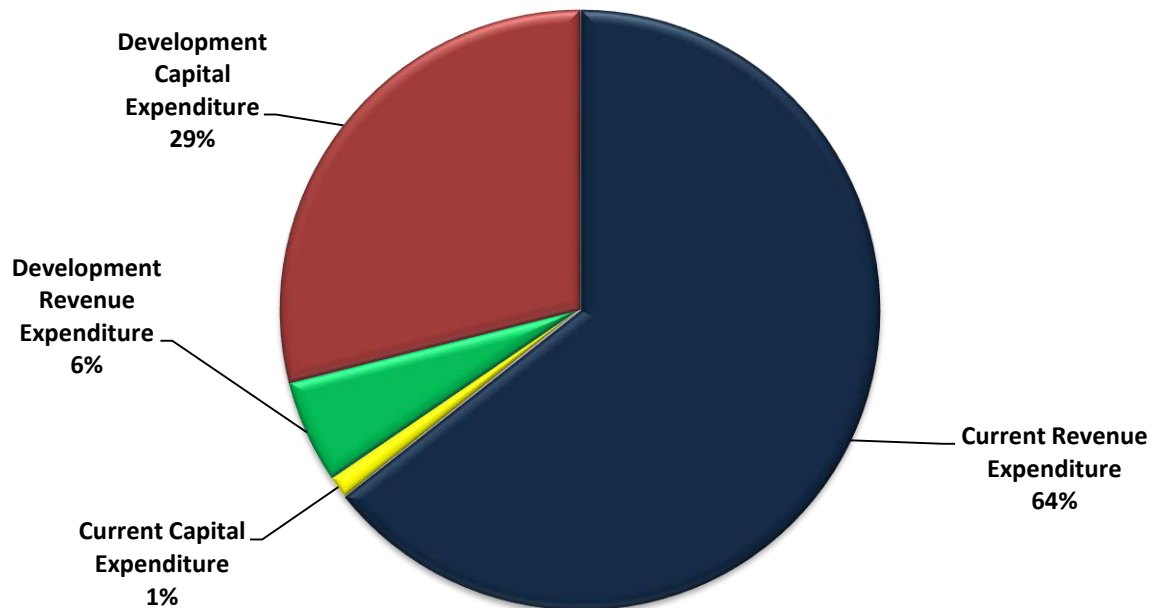
CHAPTER 2 - ESTIMATE OF EXPENDITURES

Government is accountable to the people and must be responsive to their needs and aspirations. However, it is important to realize that the most difficult aspect of budget making is the balancing act between sharply contending needs and priorities of the people, particularly when the available resources are scarce. Despite the limited resources the Provincial Government is progressively enhancing the share of Education, Health, Forestry, Agriculture & Governance Reforms every year in order to improve human development indicators and service delivery.

The total Provincial expenditure is broadly classified into:

- i. Current Revenue expenditure
- ii. Current Capital Expenditure
- iii. Development Revenue Expenditure
- iv. Development Capital Expenditure

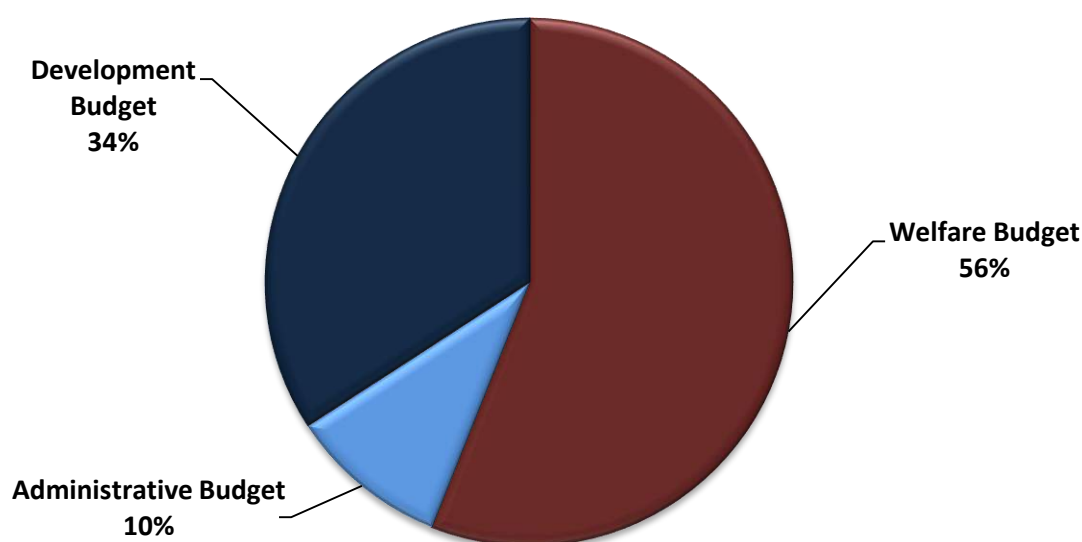
Classification	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Current Revenue Expenditure	333,000	338,601	388,000
Current Capital Expenditure	11,000	6,290	7,000
Development Revenue Expenditure	28,378	29,951	33,592
Development Capital Expenditure	132,622	142,145	174,408
Total	505,000	516,987	603,000



WELFARE PERSPECTIVE - ANALYSIS

The expenditure budget can also be analyzed from another angle by segregating into Welfare, Administration and Development budget as given below:-

Provincial Consolidated Fund		(Rs. in Million)		
S.No	Description	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
1	Welfare Budget	294,216.012	292,309.825	336,270.706
2	Administrative Budget	49,783.988	52,581.175	58,729.294
3	Development Budget	161,000.000	172,096.399	208,000.000
Total		505,000.000	516,987.399	603,000.000



WELFARE & ADMINISTRATIVE BUDGETS

A sum of Rs. 336,270.706 million has been allocated for utilization under Welfare Budget 2017-18, which makes up 85% of the total current expenditure. A sum of Rs. 58,729.294 million has been allocated for Administration Budget 2017-18, which is 15% of the total current expenditure budget.

Department-wise Summary of Welfare Budget		(Rs. in Million)		
Department	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18	
Higher Education, Archives & Libraries	9,497.212	8,533.326	11,993.800	
Health	25,521.645	31,670.624	35,496.385	
Communication & Works	995.018	930.165	2,886.780	
Roads Highways & Bridges (Repair)	2,502.000	2,001.600	2,702.200	
Building & Structure (Repair)	966.000	732.800	1,015.302	
Public Health Engineering	267.886	239.733	4,423.783	

Department	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Local Government	5,329.360	5,425.658	4,309.863
Agriculture	2,432.447	2,044.387	2,729.544
Animal Husbandry	1,152.109	980.607	1,217.367
Co-operation	39.559	28.207	37.000
Environment & Forestry	1,996.922	2,069.000	2,372.720
Forestry (Wildlife)	395.280	425.000	478.980
Fisheries	98.173	96.548	128.503
Irrigation	3,421.671	3,630.945	3,762.537
Industries	469.011	394.809	504.206
Mineral Development & Inspectorate Of Mines	537.865	481.773	560.057
Stationery & Printing	134.885	154.837	151.389
Population Welfare	455.215	322.235	516.829
Technical Education & Manpower	1,971.434	1,824.579	2,251.107
Labour	343.546	309.476	405.260
Information, Culture & Public Relations	326.207	313.584	358.508
Social Welfare, Special Education	719.781	713.012	635.075
Zakat & Usher	218.844	218.629	234.942
Pension	40,905.310	48,107.701	53,000.000
Subsidies	2,900.000	2,900.000	2,900.000
Govt Investment & Committed Contribution	24,000.000	24,000.000	28,000.000
Auqaf, Religious, Minority & Hajj	93.312	93.094	99.617
Sports, Tourism & Museums	480.409	525.000	573.650
District Non Salary	17,440.064	18,040.064	21,020.804
Grant to Local Councils	4,715.849	5,383.319	5,187.439
Housing	38.291	33.762	38.712
District Salary	112,584.605	108,852.690	121,377.873
Inter Provincial Coordination	44.147	36.460	56.524
Energy & Power	68.226	72.712	90.574
Transport	238.317	197.820	262.920
Elementary & Secondary Education	2,162.352	2,140.969	4,534.186
Relief Rehabilitation & Settlement	4,753.060	4,493.700	4,956.270
Debt Servicing (Interest Payment)	8,075.000	7,601.000	8,000.000
Debt Servicing. (Appro. For Reduction)	4,925.000	--	--
Loans And Advances	90.000	90.000	590.000
Debt Servicing (Loan From Federal Govt.)	10,910.000	6,200.000	6,410.000
Total Welfare Budget	294,216.012	292,309.825	336,270.706

Department-wise Summary of Administrative Budget (Rs. in Million)

Department	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Provincial Assembly	862.506	926.435	1,069.990
General Administration	3,551.698	3,373.696	4,657.053
Finance, Treasuries & Local Fund Audit	1,961.015	1,079.514	1,341.094
Planning & Development & Bureau of Statistics	300.314	268.593	337.080
Information Technology	79.826	75.496	95.982
Revenue & Estate	1,156.785	976.666	1,145.392
Excise And Taxation	619.310	655.087	1,073.604
Home	1,535.153	2,097.127	1,654.469
Jails & Convicts Settlement	1,796.333	1,676.054	2,024.515
Police	32,938.065	35,860.962	39,733.661
Administration of Justice	4,982.983	5,591.545	5,596.454
Total Administrative Budget	49,783.988	52,581.175	58,729.294

As evident from the above table, an increase of 14% is estimated in Welfare Budget and an increase of 18% is estimated in Administrative budget in financial year 2017-18 over the budget estimates for financial year 2016-17.

CURRENT REVENUE EXPENDITURE - FUNCTION WISE

The budgetary spread of current revenue expenditure is classified into 10 functional heads. Classification of budget helps to know what the money is being spent on. A comparison of allocations against various functional heads is given below:-

Current Revenue Expenditure (Rs. in Million)

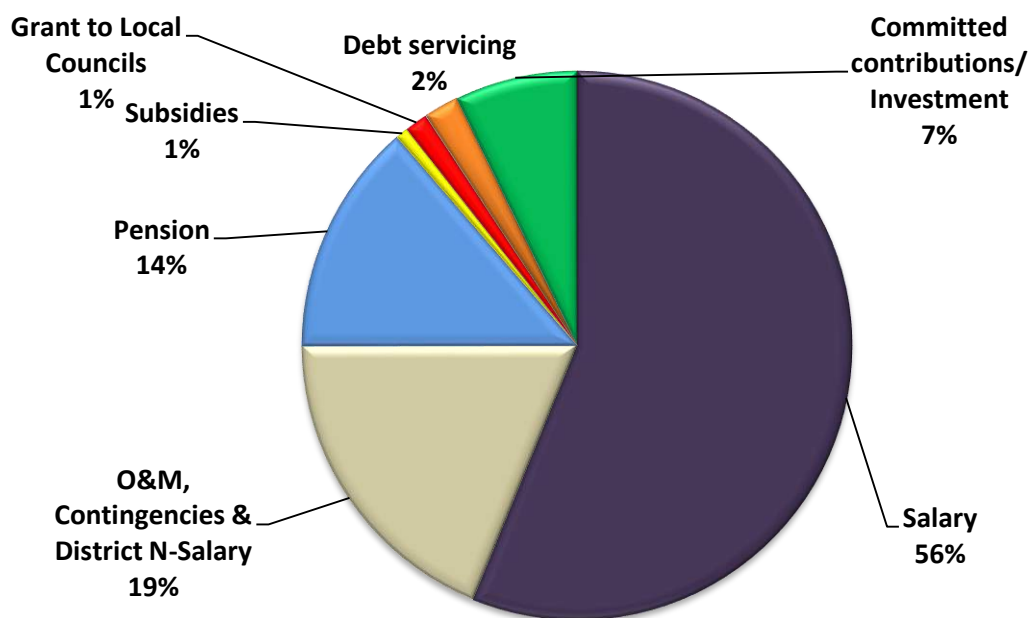
Functional Heads	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
General Public Service*	222,057.755	220,264.703	247,876.706
Defence Affairs & Services	15.091	58.819	107.341
Public Order and Safety Affairs	41,962.879	45,890.820	49,806.195
Economic Affairs	18,341.036	17,121.237	21,774.249
Environment Protection	89.802	85.124	114.535
Housing and community amenities	4,306.177	4,273.495	6,782.061
Health	19,755.476	22,750.292	26,897.941
Recreational, culture and religion	1,006.244	879.340	1,069.659
Education affairs and services	19,520.363	21,696.799	27,554.815
Social Protection	5,945.177	5,580.371	6,016.498
Total	333,000.000	338,601.000	388,000.000

* General Public Service includes the District Governments Budget for Devolved Entities including Education & Health

CURRENT REVENUE EXPENDITURE - OBJECT WISE

Allocation of current revenue budget amongst the major object heads is elaborated in the following table:-

Allocations under Current Revenue Expenditure			(Rs. in Million)
Object Head	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Salary	189,000.000	185,991.266	218,000.000
O&M, Contingencies & District N-Salary	58,478.841	64,617.714	72,912.561
Pension	40,905.310	48,107.701	53,000.000
Subsidies	2,900.000	2,900.000	2,900.000
Grant to Local Councils	4,715.849	5,383.319	5,187.439
Debt servicing	13,000.000	7,601.000	8,000.000
Committed contributions/Investment	24,000.000	24,000.000	28,000.000
Total	333,000.000	338,601.000	388,000.000

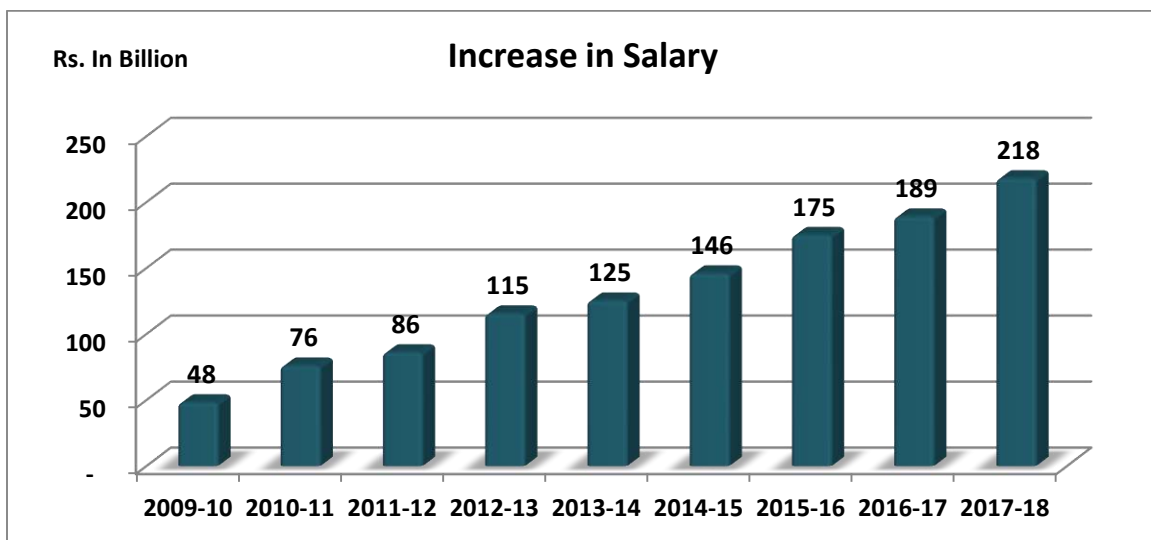
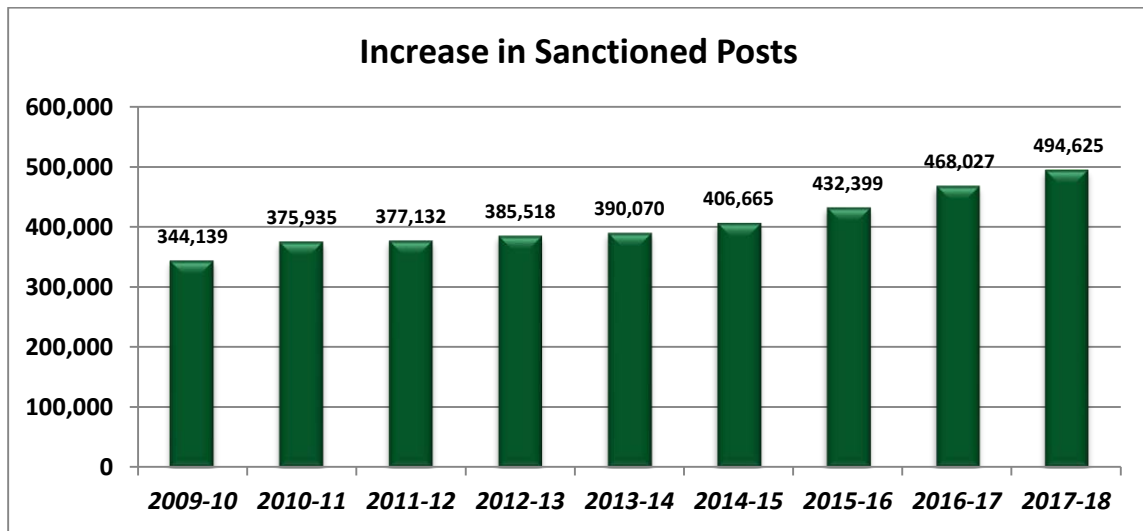


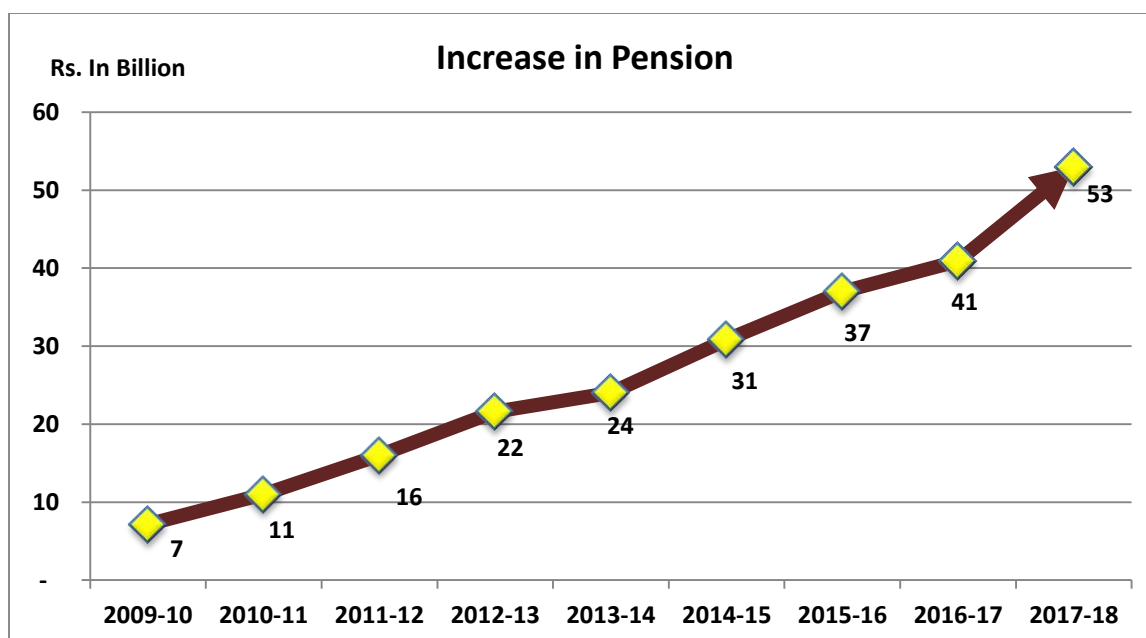
The operational budget for maintaining the existing service delivery network (like provision for medicines, classroom consumables, repairs, agriculture inputs, utilities etc.) is declining in real terms while the salary and pension liabilities are rising at an alarming rate. The total staff strength of the Provincial Government is now **494,625** and the number of pensioners is about **160,000**. The estimated budget for pay and pension makes up about **70%** of the total current revenue expenditure 2017-18. Increase in salaries and pension at such a rate leaves little room for the Provincial exchequer to set aside adequate funds for operation, maintenance and development sector. The following table shows year wise posts & budget estimates on account of salaries & pension.

Year Wise Growth in Posts, Salary & Pension

(Rs. in Million)

Year	Posts	Salary	Pension
2009-10	344,139	48,159.577	7,172.089
2010-11	375,935	76,000.000	11,000.000
2011-12	377,132	86,000.000	16,000.000
2012-13	385,518	115,436.987	21,581.796
2013-14	390,070	125,237.967	24,000.000
2014-15	406,665	145,772.122	30,819.000
2015-16	432,399	175,000.000	36,993.025
2016-17	468,027	189,000.000	40,905.310
2017-18	494,625	218,000.000	53,000.000





SECTORAL ANALYSIS

ELEMENTARY AND SECONDARY EDUCATION

Education is an investment in future generation and provides a foundation for human development. The Government of Khyber Pakhtunkhwa is deeply committed to transform the public education system across the province. The E&SE Department is the largest social sector Department in Khyber Pakhtunkhwa. The State shall provide free and compulsory education to all children of the age of five to sixteen years in such manner as may be determined by law, with Article 25-A in the Constitution, education has become a fundamental right. The caveat however, remains that compulsory education to all children shall be provided, 'as may be determined by law.

Achievements:

- “Out of School Children Survey” has been completed by the Department. The results will help the department to draft strategy to bring the Out of School children to schools. This will also help in updating the Education Sector Plan in making it more realistic towards achievement of its broad policy goals by the Government.
- Under Merit/School based recruitment policy, over 14,000 teachers have been recruited this year.
- Conveyance charges have been provided to 345 Female ASDEOs and ADOs for effective monitoring of schools.
- 509 Higher Secondary School Principals have been provided with financial autonomy to improve their schools.
- Gender disparity has been addressed through establishment of 285 girls community schools.
- Launching of two enrolment campaigns (September and April) to bring Out of School Children in schools.

- *To improve Student Teachers Ratio, rationalization of teachers and schools has been started in all 25 Districts.*
- *A total of 125 primary schools have been established, of which 64 are female schools.*
- *A total of over 20,000 missing facilities have been provided at the school level through conditional grant which is 42.5% of the remaining missing facilities.*
- *5,185 additional classrooms at the school level have been provided funds for construction which will result in improving Student Classroom ratio.*
- *Department has also provided 0.7 Million furniture seats in primary schools. 5,208 play areas have been developed at the primary level. 10 examination halls, 500 IT labs and 50 Science Labs have been constructed in high schools.*
- *88 Higher Secondary Schools have been standardized, 30 school have been upgraded from mosque schools to regular primary schools, 128 schools have been upgraded from primary to middle, 115 schools have been upgraded from middle to high schools and 81 schools upgraded from high to higher secondary schools.*
- *Scholarship has been awarded to 2,252 students who have performed in Board exams, ETEA scholarships have been provided to 534 students studying in different schools. Stipends for girls' students have been provided to 423,374 students to retain them in schools.*
- *50.79 Million books have been provided to all the students in Khyber Pakhtunkhwa.*
- *11,000 teachers have been trained in English Language so that English could be used as a medium of instruction. Over 7000 teachers have been trained in Early Childhood Education. 12,000 teachers in assessment of grade V and 428,000 students have been assessed in grade V. Over 1,000 principals and management staff have been trained in leadership and management. 935 teachers have been trained in Jolly Phonics. Over 24,000 teachers have been trained with the allocation of Rs. 700 million.*

Priorities & Future Plan(s):

- *Implementation of Out of School Children Survey strategy for which Government has allocated Rs.1 billion in Fiscal Year 2017-18. The Department will be implementing interventions such as Establishment of Girls Community Schools, Education Vouchers Schemes and Accelerated Learning Programme.*
- *Continuous Professional Development strategy will continue in which teachers will be trained in Leadership and Management, Early Childhood Education, Training in Science and Maths subjects, training in assessments. Department will also continue its assessment activities for early grade, grade V and grade VIII. E&SED has demanded Rs. 964 Million against domestic training for Fiscal Year 2017-18.*
- *The department is developing a comprehensive induction programme which will judiciously use technology. More than 14,000 teachers will go through this programme in the coming year. Over Rs. 300 Million has been demanded for FY 2017-18.*
- *To improve monitoring regime at the district/school level, through School Quality Management Initiative Rs. 80 Million has been demanded for FY2017-18.*
- *The ESED has allocated Rs. 15 million for a pilot to be implemented in FY2017-18 in which they will carry out awareness-raising initiatives regarding dyslexia, screening of Government students and provision of remedial therapy for dyslexic students.*

- *School Principals will be provided with financial autonomy and empowered through provision of Rs. 500 million under **Autonomy to Higher Secondary Schools***
- *Realizing the importance of effective communications, the provision for **Communications Strategy** is proposed to be enhanced from Rs. 60 million in 2016 - 17 to Rs.100 million in 2017 - 18*
- *Scholarships to talented students are being enhanced to Rs 99 million under **ETEA Scholarship***

The Budget Estimates 2017-18 at Provincial level is given in the following table. The decrease in Revised Estimates 2016-17 is due to vacant posts and actual requirements, while increase in Budget Estimates 2017-18 is due to allocation of lumpsum provision for increase in pay, natural growth, creation of fresh posts and allocation of funds for various block allocations.

(Rs. in Million)

Expenditure	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Current Revenue Expenditure	2,162.352	2,140.969	4,534.186
Salary	673.127	579.879	762.396
Non-Salary	1,489.225	1,561.090	3,771.790
Development Expenditure	16,915.468	17,614.121	20,294.412
Total	19,077.820	19,755.090	24,828.598

Besides, a sum of Rs.111,388.925 million have been estimated for 2017-18 to be transferred to the district level offices.

HIGHER EDUCATION

Higher Education, Archives and Libraries Department provides affordable quality education and emphasis on transferring skills and ensuring conducive learning environment with a view to develop knowledge based economy. The Department constantly endeavors to promote higher education and to ensure increased intake by upgrading learning facilities and standards through introduction of market oriented courses, expansion of facilities/infrastructure, provision of better trained teaching staff/faculty and managers.

Against the Budget Estimates 2016-17 amounting to Rs. 9,497.212 million, the Revised Estimates 2016-17 is amounting to Rs. 8,533.326 million, a provision for Rs. 11,993.800 million has been made in Budget Estimates 2017-18 resulting an increase of 26% in Higher Education Budget.

Detail of Budget proposed to be earmarked for Higher Education for next financial year 2017-18 is as under:

(Rs.in Million)

S.No	Function	Salary	Non Salary	Total
1	Higher Education	179.778	78.371	258.149
2	General colleges	9,206.076	1,435.823	10,641.899
3	Prof/Technical University/Colleges	875.722	51.855	927.577
4	Archives & Libraries	145.552	20.623	166.175
	Total	10,407.128	1,586.672	11,993.800

The following table depicts the position of posts created during 2016-17 and fresh posts proposed for creation during 2017-18.

A- POSTS CREATED DURING FINANCIAL YEAR 2016-17			
S.No	Development Activity	Number of Colleges	Posts Created
i	Establishment of Govt Degree Colleges	12	510
ii	Conversion of Frontier Girls Degree Colleges to regulars Degree Colleges	10	410
iii	Creation of posts for College Hostel	2	10
iv	Establishment of Govt Commerce Colleges	2	95
v	Creation of Additional staff for Govt commerce College No.2 Nowshera	-	22
vi	Establishment of Public Library at Chitral, Kohat and Lakki Marwat	3	42
Total			1,089
B- FRESH POSTS CREATED FOR FINANCIAL YEAR 2017-18			
i	Creation of Post for Higher Education Department	-	6
ii	Creation of Additional Posts for Strengthening of Directorate of Higher Education KP, Peshawar	-	38
iii	Establishment of Govt. Degree Colleges. (GDC Besham Shangla, GDC Puran Shangla and GDC Khawaza khela Swat)	3	133
iv	Creation of additional staff in various colleges in Khyber Pakhtunkhwa	-	254
v	Creation of additional staff in various Commerce colleges in Khyber Pakhtunkhwa	-	87
vi	Creation of additional staff in various Archives and Libraries in Khyber Pakhtunkhwa	-	56
vii	Starting of evening shift in various Libraries in Khyber Pakhtunkhwa	-	42
Total			616

HEALTH

Provision of quality health services is the priority of the Provincial Government. Institutional reforms have been launched and an Independent Monitoring Unit is established to ensure the quality and sustainability of reforms initiatives. All major hospitals in the province have been given statutory autonomy, under independent Boards of Directors. The focus of these initiatives is to provide health service to the people of the Province. Better pay packages have been introduced for Health Professionals.

Allocation in Budget Estimates 2017-18 for Health Department has been increased from Rs. 25,521.645 million to Rs. 35,496.385 million (Provincial) which shows an increase of 39%. The Budget of Health Department includes Provincial Health Institutions and also regular Grant-in-Aid to various Medical Teaching Institutions (MTIs). Detail of the budget proposed to be earmarked for Health Department is as under:-

(Rs. in Million)

Expenditure	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Current Revenue Expenditure	25,521.645	31,670.624	35,496.385
Salary	17,534.840	19,380.084	23,623.372
Non-Salary	7,986.805	12,290.540	11,873.013
Development Expenditure	17,479.114	14,396.039	16,474.710
Total	43,000.759	46,066.663	51,971.095

Besides, a sum of Rs. 13,780.440 million has been estimated for 2017-18 to be transferred to the district health offices. Detail of Grant-in-Aid allocated for various Medical Teaching Institutions (MTIs) in the budget estimates 2017-18 is tabulated as under:-

Grant in Aid provided Health Institutions (Rs. in Million)

S.No	Institutions	Budget Estimates 2017-18
1	Ayub Medical College, Abbottabad	963.380
2	Ayub Teaching Hospital, Abbottabad	1,594.854
3	DHQ Hospital Bannu	248.453
4	Women & Children Bannu	144.995
5	Khalifa Gulnawaz Tech. Hospoital Bannu	587.186
6	Bannu Medical College	278.551
7	Gomal Medical College D.I.Khan	232.709
8	Mufti Mehmood Mem. Hospital D.I.Khan	313.846
9	DHQ Hospital D.I.Khan	628.537
10	Mardan Medical Complex, Mardan	772.031
11	Bacha Khan Medical College Mardan	378.580
12	Nowshera Medical College Nowshera	202.655
13	Qazi Hussain Ahmad Med. Complex Nowshera	499.449
14	Khyber Medical College, Peshawar	582.682
15	Postgraduate Medical Institute Peshawar	3,877.362
16	Khyber College of Dentistry, Peshawar	294.274
17	Hayatabad Medical Complex, Peshawar	1,652.857
18	Lady Reading Hospital Peshawar	3,182.586
19	Khyber Teaching Hospital, Peshawar	1,664.972
20	Khyber Girls Medical College, Peshawar	377.884
21	Pakistan Institute of Community Ophthalmology Hayatabad Medical complex, Peshawar	69.809
22	Institute of Kidney Disease, Peshawar	341.004
23	Bashir Bilour Memorial children Hospital Peshawar	32.472
	Total	18,921.128

- During current financial year 2016-17, 3,942 (Provincial 1,149 + 2,793 District including one post of Martyred) various categories of posts have been created in different health institutions to provide better health facilities to the people of this Province as well as 1,161 stipendiary slots have been created.
- For the financial year 2017-18, 1,140 (Prov. 674 + 466 District) various categories of posts as well as 232 stipendiary slots have been proposed to be created in 2017-18.
- Increase in stipend for Student Nurse from Rs. 5,000/- to 20,000/- per student/per month as well as HPA extended to MTIs (institutional teaching cadre and specialist cadre doctors @ 60,000/- per month, Institutional Medical Officer @ Rs. 42,000/- per month & nursing/paramedics both institutional and civil servants @ 10,000/- per month). And HPA @ Rs. 10,000/- per month also allowed to Pharmacists, Drug Inspectors, Drug Analysts, Chemists/Bio-chemists, Physiotherapists & Microbiologists during financial year 2016-17.
- Allocation of GIA for Health Care Commission amounting to Rs. 191.400 million.
- Adhoc Relief 2016 amounting to Rs. 921.328 million.
- Allocation of Rs. 1,500 million for expected pay increase.

LAW AND ORDER

The people of Khyber Pakhtunkhwa have paid a heavy cost due to war on terror and its socio economic fabric as well as infrastructure has badly been affected by the menace of terrorism related violence.

During the fiscal year 2016-17, 91 posts have been created for Establishment of Police Training Schools at Hayatabad Peshawar and Abbottabad. Further contract period of 2,500 Ex-Service men and 9,525 personnel of Special Police Force has been extended for a period of 3 years w.e.f 1st July, 2016 to 30th June, 2019 at a cost of over 2 billion rupees.

For ensuring better professional training of police force, besides creation of posts for provincial Directorate of Training in CPO, creation of 373 posts for 5 Police Training Schools at Swat, Swabi, Kohat, Mardan and Nowshera is proposed for the financial year 2017-18. The Traffic Warden System have been extended to Malakand and Abbottabad Regions in the financial year 2017-18 at a cost of 1,150.442 million. A total of 330 new posts have been created for Establishment of new Police Stations at Aza Khel, Akbarpura and Misri Banda District Nowshera. In addition 160 new posts have been created for strengthening of the Telecommunication wing of Police Force. An amount of Rs.700 million is proposed for security duties of CPEC.

Resultantly, expenditure on Security and Law & Order has been on the rise consistently. The table below shows this extra ordinary burden:-

(Rs. in Million)

Financial Year	Budget Estimates
2009-10	9,677.150
2010-11	21,041.940
2011-12	18,810.003
2012-13	23,355.613
2013-14	23,781.398
2014-15	28,534.630

Financial Year	Budget Estimates
2015-16	32,745.244
2016-17	32,938.065
2017-18	39,733.661

As shown in the above table, the expenditure has grown up from **32,938.065** million (BE 2016-17) to **39,733.661** million with a percentage increase of **21%**.

AGRICULTURE

The Khyber Pakhtunkhwa has almost an agrarian economy. Agriculture and Livestock contributes around 24% of the Provincial GDP. Agriculture engages more than 50% of the labour force of Khyber Pakhtunkhwa. Diversification into horticulture (with its potential to provide more income per acre at higher labor inputs) and rural based agriculture processing units offer promising avenues for increasing the income of rural households.

The vision of Agriculture Department is to see a prosperous and food secured rural population with exportable surpluses to generate employment and income opportunities in the province and to ensure food security and poverty alleviation.

To ensure food security, alleviative poverty and generate employment opportunities through achieving higher growth rate in this vital sector of the economy is of paramount importance. The vision of Agriculture Department is to see a prosperous and food secured rural population with exportable surpluses to generate employment and income opportunities in the province.

Mandate:

- *To improve the living standards of small farmers through increased production and employment generation.*
- *To pursue agricultural development on sustainable basis, enhance crop production through variety improvement and facilitate value addition for exportable products.*
- *To convert natural resources into viable business enterprises through scientific, technical, public private partnership and marketing support.*

Sectoral Strategy:

- *Policy/Legal/Institutional Reforms.*
- *High Efficiency Irrigation System.*
- *Investment opportunities in Agriculture, Livestock and Fisheries Sector.*
- *Value Chain Development and Market Linkages.*
- *Private Sector Interventions.*

To achieve these goals the following allocations are made to the Agriculture Sector:-

(Rs. in Million)

Expenditure	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Current Revenue Expenditure	2,432.447	2,044.387	2,729.544
Salary	1,638.596	1,414.342	1,488.126
Non-Salary	793.851	630.045	1,241.418
Development Expenditure	6,201.926	3,089.417	5,289.811
Total	8,634.373	5,133.804	8,019.355

Besides, a sum of Rs.1,619.221 million have been estimated for 2017-18 to be transferred to the district level offices.

INDUSTRIES

Industries have an important role in Socio-Economic Development and provision of employment. Government is trying to promote industrialization through special policies and incentive packages. Efforts are being made to revive the sick industrial units as well as increase skill manpower through robust Technical Education Programme.

A vibrant industrial sector is imperative for economic growth and employment generation. Revitalization of the Industrial sector, thus is an important agenda of the Provincial Government. Provision of enabling and facilitative business environment and infrastructure coupled with provision of technically qualified and skilled manpower is hallmark of the revitalization strategy of the present Government.

Khyber Pakhtunkhwa Economic Zones Development Management Company (KP-EZDMC)

With the changes in the geo-political landscape due to China Pak Economic Corridor (CPEC) and positive signs of stability, the need for rapid industrialization has gained even more importance to uplift the province of Khyber Pakhtunkhwa.

The Provincial government has established Khyber Pakhtunkhwa Economic Zones Development and Management Company to focus on modernizing the long neglected industrial sector, as well as development of the same as a prime zone for employment opportunities.

The Industrialists and investors both local and international have highly praised the incentives as offered under KP Industrial Policy 2016. Capitalising on opportunities, the Provincial Government has planned 17 economic zones across the province, which have been planned to be converted into Special Economic Zones allowing for tax incentives.

Technical Education & Vocational Training Authority (KP-TEVTA)

The Government of Khyber Pakhtunkhwa has established Khyber Pakhtunkhwa Technical and Vocational Training Authority with the objective for establishing strong linkages with Industries, networking with National and International partners and initiating accredited skill development programs.

Under the free technical education special initiatives of the Chief Minister, Khyber Pakhtunkhwa till date, 2,842 students have been trained against the total target of 3500. During 2016-17, a total of 24,046 persons were enrolled/trained in 67 TEVT Institutes. Provincial Government has signed an MOU with the World Learning Organization for training in Information Technology in 6 institutes of KP-TEVTA for training of 1,350 persons in a year programme. As per the directive of the Chief Minister, handing over of 12 Institutes are in process to the Frontier Works Organization (FWO). Chinese Language courses have also been started in 4 institutes with enrolment of 404 students in first batch.

Small Industries Development Board (SIDB)

Small Industries Development Board (SIDB) is playing a key role in promotion & development of cottage industry and imparting technical, vocational training to both males and females in Khyber Pakhtunkhwa. Through different training courses, overall 44,560 young Male and Female students have been trained in various trades. SIDB has also established Wood Technology Centres in different parts of the Province to impart quality training in wood technology.

Directorate of Industries & Commerce

The rights of the consumers of the province is also one of the top priority of the Provincial Government. For promoting and protecting the legitimate rights of the Consumers of the Province and for speedy redressal of their complaints, the Provincial Government promulgated Consumer Protection Act 1997. For aligning the law with the current ground realities amendments in the Act have been approved. As per the amendments, the Director/Assistant Directors are empowered to impose fine up to Rs.50,000. Furthermore for the effective implementation of the said Act, the Provincial Government has established 17 Consumer Courts in the Province which are now functional. As a result of implementation of the said Act, 8202 cases relating to Consumers are instituted in Consumer Courts out of which 4,909 cases are decided. This will enable the Government to curb sub-standard consumer goods and services.

University of Technology Nowshera (UoT)

The Provincial Government has established first ever Technology University at Nowshera to produce skilled, employable manpower. The University has successfully started its academic activities from November 2016 with programmes in Civil, Electrical, Mechanical & Electronics Technologies.

Khyber Pakhtunkhwa Board of Investment & Trade (KP-BOIT)

The Provincial Government has constituted a Board of Investment & Trade to promote Investment climate in the Province. KP-BOIT has offered mega projects for investment in different sectors under the investment friendly policy of the Provincial Government.

The total expenditure portfolio of Industries is as follows:-

(Rs. in Million)

Expenditure	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Current Revenue Expenditure	469.011	394.809	504.206
Salary	350.346	255.872	380.254
Non-Salary	118.665	138.937	123.952
Development Expenditure	1,975.008	2,613.780	4,010.560
Total	2,444.019	3,008.589	4,514.766

COMMUNICATION AND WORKS

For financial year 2017-18, a sum of Rs.6,604.282 million have been earmarked which includes Rs. 2,702.200 million for Repairs & Maintenance of Roads, Highways & Bridges and Rs.1,015.302 million for the M&R of Buildings. Detail is given below: -

(Rs. in Million)

Head	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Communication & Works Department	995.018	930.165	2,886.780
Roads Highways & Bridges (Repair)	2,502.000	2,001.600	2,702.200
Building & Structure (Repairs)	966.000	732.800	1,015.302
Total	4,463.018	3,664.565	6,604.282

Consequent upon the establishment of Pakhtunkhwa Highway Authority under an Act, the maintenance and repair of certain Roads were handed over to the Authority in order to expeditiously serve the infrastructure needs of the Province.

Under the Khyber Pakhtunkhwa Local Government (Third Amendment) Act, 2017 the devolved offices of C&W Department, have been Provincialized. Resultantly, the Budget Estimates 2017-18 under Grant No.14 have been increased.

PUBLIC HEALTH ENGINEERING

The Public Health Engineering Department is mandated with identification, implementation and operation & maintenance of drinking water supply and sanitation schemes in the province.

A sum of Rs. 4,423.783 million have been earmarked for the PHE Department for the financial year 2017-18 against Rs. 267.886 million allocated in the Budget Estimates 2016-17. Under the Khyber Pakhtunkhwa Local Government (Amendment) Act 2017, the devolved offices of PHE Department have been provincialized.

RELIEF & REHABILITATION

The Department has the following three organizations under its control:

- *Provincial Disaster Management Authority (PDMA)*
- *Provincial Reconstruction & Rehabilitation Authority (PaRRSA)*
- *Emergency Rescue Service (Rescue-1122)*

Provincial Disaster Management Authority (PDMA)

PDMA is working as an attached Authority of the RR&S Department. The PDMA is striving to achieve the objectives of a disaster resilient Khyber Pakhtunkhwa through effective disaster mitigation and preparedness planning.

Achievements / Future Plans on Preparedness

- *Joint visit of Pak Army and PDMA performed to rationalize the demand of Pak Army for flood fighting equipments. Fresh purchase of boats, OBMs and other relief items has been made.*
- *Formulation of Monsoon Contingency Plan for the year 2017 is in progress. In this regard, consultative meetings with all district administrations, concerned Provincial line departments & directorates, federal line agencies working in the province, all divisional commissioners and Humanitarian organizations have been conducted. Establishment of flood emergency cells, identification of evacuation centers, resource mapping of all concerned and task assignment in rescue and relief activities are in process.*
- *Negotiation with humanitarian organization for development of Provincial Disaster Management Plan and Development of Disaster Management Plan of District Peshawar is in progress as per requirement of Provincial DRM Road MAP 2014-19.*
- *DDMU staff has been trained on DMIS with the support of humanitarian organization.*
- *Yearly report titled “Overview of disasters in Khyber Pakhtunkhwa 2016” has been published.*
- *Implementation of DRM road map 2014-19 is in progress.*
- *A sum of Rs. 28.267 million has been released to various Deputy Commissioners of Khyber Pakhtunkhwa during financial year 2016-17 for onward payment on account of death, injured, house damaged compensations and General Relief Measures.*

Emergency Rescue Service (Rescue-1122)

Rescue 1122 being first responder provides the following services/functions:

- *Pre-Hospital Medical Service*
- *Fire Fighting Service*
- *Urban Search and Rescue Services*
- *Water Born Search & Rescue*

Achievements of 2016-17

- *Rescue Services was extended to Divisional Headquarters including District, D.I.Khan, Abbottabad, Swat and Nowshera.*
- *During the year Rescue-1122 responded to 1,249,883 emergency calls and had rescued 28,321 Persons in districts where rescue-1122 is operational.*
- *The Rescue-1122, Khyber Pakhtunkhwa kept its commitment by maintaining response time of less than seven minutes during CFY.*
- *Rescue Service extension is under process to other Districts like Bannu, Kohat, Swabi, Dir-Lower, Dir-Upper, Charsadda, Chitral, Haripur and Manshera.*

The total expenditure portfolio of Relief & Rehabilitation is as follows:-

(Rs. in Million)

Expenditure	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Current Revenue Expenditure	4,753.060	4,493.700	4,956.270
Salary	513.526	438.083	730.747
Non-Salary	4,239.534	4,055.617	4,225.523
Development Expenditure	2,215.000	1,762.279	2,215.000
Total	6,968.060	6,255.979	7,171.270

PROCUREMENT OF WHEAT AND WHEAT SUBSIDY

Khyber Pakhtunkhwa being a wheat deficit Province purchases wheat from Punjab/PASSCO and in case of need, also imports wheat from abroad through Federal Government, for meeting its wheat requirements. Food Department Khyber Pakhtunkhwa also caters for the needs of FATA and Afghan refugees residing in Khyber Pakhtunkhwa. Apart from this, Khyber Pakhtunkhwa has got a long porous border with Afghanistan, which is a food deficit country and traditionally depends on Pakistan especially Khyber Pakhtunkhwa for its food requirement. The impacts of the shortage of wheat and its products in Afghanistan are felt in Khyber Pakhtunkhwa either in the shape of shortage of supply or price hikes. In this scenario, Food Department, Khyber Pakhtunkhwa plays an important role, with the following main functions:-

- *Wheat Procurement and its storages.*
- *Distribution of wheat.*
- *Control over the prices of essential items.*
- *Sugar cane related matters.*

The annual requirements of wheat are worked out in consultation with the Ministry of National Food Security & Research Islamabad in April every year. The calculations for the year 2017-18 has been made are as under:-

Area	Population according to 1998 Census plus 2.61 increase annually	Requirements 124kg per head per annum(tons)
Settled Area	31,321,824	3,883,906
FATA	3,677,650	456,028
Afghan Refugees	1,550,000	192,200
Total	36,549,474	4,532,134

The above table indicates that Khyber Pakhtunkhwa requirement is above 4,532,134 M. tonnes per annum. After adjustment of local production of 1,258,632 M. tonnes, the net requirements come to 3,273,502 M. tonnes. This deficiency is met out through open market mechanism from the surplus province of Punjab. The Food Department issues a specific quota to all districts on the basis of population to stabilize prices in the market during the lean period from September to April. An overview of the quantity of wheat released during the last 3 years, from Government godowns is given below:-

Year	Opening balance (M.ton)	Receipt during Year (M.ton)	Total	Releases (M.ton)	Closing Balance (M.ton)
2013-14	46,527	502,232	548,759	492,506	56,253
2014-15	56,253	256,262	312,515	185,162	127,353
2015-16	127,353	247,694	375,047	309,196	65,851
2016-17	65,851	301,720	367,571	261,521	106,050

Wheat Procurement

Food Department in consultation with the Federal Government and approval of the Chief Minister of Khyber Pakhtunkhwa has fixed a procurement target of 0.300 million metric tonnes from local growers etc. at the rate of Rs. 1300/- per 40 Kg. The growers are encouraged to offer their wheat to Food Department Khyber Pakhtunkhwa for sale enabling it to meet the set target. This year, instead of borrowing loans from the Commercial Banks, Food Department will purchase wheat worth Rs.9.75 billion by utilizing its credit in the Food Account-II, thereby avoiding the payable mark up. In case the procurement target is met fully or partially, the Department would save Rs.200 million on account of markup/interest and Rs.300 million on transportation charges to the Provincial exchequer which are required to be paid to Punjab or PASSCO as incidental and transportation charges.

Storage of Wheat

The wheat purchased locally or from Punjab/ PASSCO is stored in 27 PRCs / Godowns spread all over the Province having capacity to store 400,000 M. Tonnes. The Department plans to increase this capacity up to 600,000 M. Tonnes. Beside, the department has planned to switch over to mechanized silos system. Efforts are underway to carry out feasibility study through international experts.

Subsidy

Subsidy is the differential between landed cost and release price of wheat. At the time of purchase of wheat, Food Department in addition to the cost of wheat bears the expenditure incurred on account of transportation charges/ incidentals which is the landed cost of wheat. In order to provide cheaper atta to the general public the department releases wheat to the flour mills at less price than the landed cost and this burden is taken up by the Provincial Government in the shape of subsidy.

The department has issued a quantity of 261,521 tonnes of wheat at subsidized rate to the flour mills for which the Finance Department has released an amount of Rs.2900 million in the Budget 2016-17. For the next financial year 2017-18 the department has demanded an amount of Rs.2,900.000 million. Details of subsidy paid during the last six years are as under:-

Year	Quantity of wheat released (M. Ton)	Subsidy Released by FD (Million)
2011-12	359,753.000	2,000.000
2012-13	383,657.000	2,500.000
2013-14	492,127.000	2,500.000
2014-15	185,162.678	2,714.900
2015-16	309,196.000	2,900.000
2016-17	261,521.000	2,900.000

REVENUE/RESOURCE TRANSFERRED TO LOCAL GOVERNMENTS

Clause (i) of Article 37 of the Constitution of Islamic Republic of Pakistan 1973 requires decentralization of Government Administration to facilitate expeditious disposal of business to bring about convenience and meet essential requirements of the public. In order to achieve that end, Local Government institutions were established in the province of Khyber Pakhtunkhwa through Local Government Act (LGA), 2013. The Local Governments so established are to function within the Provincial framework and to faithfully observe the Federal and Provincial laws. The Government of Khyber Pakhtunkhwa enacted LGA, 2013 as a land mark step to deepen its commitment to good governance and with a view to bring the state closer to the public.

Accordingly, Local Government System was established and notified as a result of enforcement of Section 120 of LGA, 2013 on 5th June, 2015. Under Section 12 (2) of LGA, 2013 the administrative and financial authority for the management of offices of Government in a district, specified in the first schedule, was devolved to the District Government of that district.

At the time of establishment of Local Government institutions, the Provincial Finance Commission, as provided under Section 51 and 52 of Local Government Act (LGA), 2013 could not be constituted due to non-existence of statutory members viz., two Nazimeen, each from District and Tehsil Councils. Therefore, in absence of Provincial Finance Commission (PFC), Finance Department as an interim arrangement allocated the resources to Local Government for Financial Year 2015-16 on the basis of their historic shares through PFC Award.

The Provincial Finance Commission under the chairmanship of Minister for Finance now stands constituted w.e.f. 15.10.2015. The Commission in its 8th meeting held on 08.05.2017 discussed and determined allocable share(s) of resources to be transferred to Local Governments out of Divisible Pool of Provincial Consolidated Fund with a view to meeting the requirements of Local Governments on account of Salary, Non-Salary, Grant to Local Councils and District Development Grant.

Based on the recommendations of the said Commission, the proposed budget contains the following shares/grants to Local Governments for Financial Year 2017-18:-

(Rs. in Billion)

S.No	Particular	Amount
1	Salary	121.378
2	Non-Salary	21.021
3	Grant to Local Councils	5.187
4	Districts ADP	28.000
Total		175.586

The Provincial Finance Commission approved to continue the inter se distribution of resources to Local Governments on the basis of existing mechanism/formula agreed upon in the PFC Award 2008-09 to 2010-11 due to non-availability of the intended formula to be directed by the Government under section 2(b) of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2017.

CURRENT CAPITAL EXPENDITURE

The Current Capital Expenditure of Government of Khyber Pakhtunkhwa consists mainly repayment of different debts. It is estimated at Rs. 7,000 million for financial year 2017-18.

Current Expenditure on Capital Accounts (Rs. in Million)

S.No	Nomenclature	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
i	Repayment of Federal Loans (CDL)	4,710.000	--	--
ii	Repayment of Foreign Loans	6,200.000	6,200.000	6,410.000
lii	Loans & Advances to Provincial Government Employees.	80.000	80.000	80.000
iv	Write off Loans and Advances to Provincial Govt. Employees	10.000	10.000	10.000
v	Loan to SDA/KP-EZDMC	--	--	500.000
Total		11,000.000	6,290.000	7,000.000

i. Domestic Debt

To be certain there is nothing inherently wrong with debt, if loan is invested in the project where rate of return is higher than the cost of servicing the loan then there shouldn't be any problem. To finance the development plans, the Province relies on different types of borrowings. Loans from Federal Government are one of them. In the past, Federal Government has provided Cash Development Loans (in Pak rupee) to the Provincial Government with long term maturity. These loans were repayable on the following terms and conditions:-

- a. *Five years grace period, during which only interest is payable*
- b. *Repayment in 20 years*
- c. *Markup rate determined by the Federal Government on yearly basis*
- d. *Recovery on monthly basis by the Finance Division, at source, from Federal Tax Assignment*

However, there is no outstanding debt liability against the Provincial Government on account of Federal Loans (Cash Development Loans) as on 1st July, 2017 due to early premature retirement of loan.

Premature Debt Retirement - Realizing the heavy debt servicing liability on the provincial budget, the Provincial Government decided as part of its debt management strategy, to retire expensive loans of the Federal Government. The Government of Khyber Pakhtunkhwa started repayment of expensive Federal Government's loans from the financial year 2002-03. A sum of Rs. 27,018.877 million (in piece meal) has been repaid prematurely to Federal Government upto financial year 2015-16. As a result of this premature retirement of federal loans, the Provincial Government has made savings of Rs.6,065.696 million per annum. The details of total prematurely retired loans and saving per annum is at Annexure-I.

ii. Foreign Debt

As a result of 18th Amendment to the constitution, the Provinces have been given liberty to issue Sovereign Guarantee in the Article 167 (4) of the Constitution, which provides that:-

“A province may raise domestic or international loan or give guarantees on the security of the Provincial Consolidated Fund within such limit and subject to such conditions as may be specified by the National Economic Council (NEC).”

In pursuance of Article 167 (4) of the Constitution, in June 2015 the National Economic Council's (NEC's) decision to fix Provincial borrowing limits was communicated to the provinces, the borrowing limit for Government of Khyber Pakhtunkhwa was fixed at Rs. 16.88 billion, however, NEC maintained that existing channel of external financing through Economic Affairs Division (EAD) would continue, to enable provinces to access external financing as such foreign Exchange Loans are still handled by the Federal Government. These loans are used for the financing of specified developmental projects under an agreement between the respective Governments. The relending terms and conditions of the loans to the Provincial Government are the same as agreed by Federal Government with the loan giving agencies. Most of the loans have embedded fixed interest rates; only 2 loans are on LIBOR³

³ London Interbank Offered Rate

terms (variable interest rate). Foreign Debt, in terms of currency composition, is heavily denominated in US Dollars which accounts for more than two-third of foreign debt stock.

The detail of outstanding liability on account of these loans against the Government of Khyber Pakhtunkhwa is Rs. 90,810.411 million as on 1st July 2017 as given at Annex-II. Moreover, the confirmation of outstanding balances of a number of foreign loans is under verification between Provincial and Federal Government (see Annexure-III) as the disbursements made so far against these loans upto 30th June, 2017 is Rs. 24,721.440 million against their allocated share. The total debt liability on account of Foreign Debt is Rs.115,531.851 million.

(Note: 1US\$ = 105.50 is used to estimate rupee value of foreign debt stock as of 1st July, 2017)

iii. Loans & Advances to Provincial Government Employees

For facilitating the Provincial Government employees (BS-1 to BS-15), the provision are made for House Building Advance, Motor Cycle and Bicycle.

iv. Write-Off Loans & Advances to Provincial Government Employees

The outstanding loans are waived off in case of death of a Government employee during service before the full recovery of principal amount of loan outstanding against the deceased employee.

Criteria for waiving off Loans and Advances to Government Employees

Basic Pay Scale	Outstanding amount	Extent of write off
1-15	Any	Full outstanding amount
16 and above	Upto Rs. 20,000/-	Full outstanding amount
	Beyond Rs. 20,000/-	Rs.20,000/- plus 50% of residual liability Subject to total relief not exceeding Rs. 1.5 lac (inclusive of Rs. 20,000/-)

v. Loan to SDA/KPEZDMC

Budget allocation of Rs.500.000 million (Bridge Financing as loan) to SDA/KPEZDMC has been made Industrial Estate Jalozai for the financial year 2017-18.

Debt is a claim on future resources of the Province and has an economic impact on future generation. Debt is a critical element for Economic Growth, provided the resources mobilized through debt are invested in productive sectors like in our case, Energy (Hydro, Oil & Gas), Forest, Tourism, Livestock and Agriculture are promising growth sectors.

Payment/Repayment of Debt

(Rs. in Million)

Nomenclature	Budget 2016-17		Revised 2016-17		Budget 2017-18	
	Mark up Payment	Principal Repayment	Mark up Payment	Principal Repayment	Mark up Payment	Principal Repayment
A-Domestic DEBT						
i) C.D.Loans	474.000	4,710.000	--	--	--	--
ii) Interest on (GP Fund)	6,000.000	--	6,000.000	--	6,500.000	--
iii) Other Payments/ Debt	500.090	--	500.090	--	499.090	--
Total (A)	6,974.090	4,710.000	6,500.090	--	6,999.090	--
B - Foreign Debt	1,100.910	6,200.000	1,100.910	6,200.000	1,000.910	6,410.000
C - Other Debt Servicing	4,925.000	--	--	--	--	--
Total (B & C)	6,025.910	6,200.000	1,100.910	6,200.000	1,000.910	6,410.000
G.Total (A+B+C)	13,000.000	10,910.000	7,601.000	6,200.000	8,000.000	6,410.000

CHAPTER 3 - PUBLIC FINANCIAL MANAGEMENT

Public Financial Management (PFM) underlies all Government operations and is the most important component of an effective governance system. It encompasses an annual cycle of policy and planning, budget preparation, budget execution, accounting and reporting, performance monitoring and audit. The Government of Khyber Pakhtunkhwa aims to achieve three important objectives in its PFM practices:



This chapter presents key strategic interventions undertaken by the Government of Khyber Pakhtunkhwa as part of its PFM reforms agenda for an inclusive, transparent, and accountable Government.

1. KP PFM Reform Strategy 2017-2020

Bringing PFM reforms to the forefront of its ‘agenda for change’, the Provincial Cabinet approved a medium-term PFM Reform Strategy (2017-2020) on 22nd March, 2017. This Strategy replaces the Integrated PFM Reform Strategy of 2010 and was finalized after a long process of stakeholder consultations and consensus building. The guiding principles for PFM reform are taken from the ‘Charter of Good Governance’ which envisions citizen-centric and responsive governance mechanisms ensuring equity, transparency and accountability in management of public finances. It covers a broad spectrum of reforms across the PFM system at both Provincial and Local Government levels. The three-year detailed action plan is structured around the following six key objectives, covering twenty-four reform areas, and two cross-cutting objectives:

Objective A	Objective B	Objective C	Objective D	Objective E	Objective F
Policy driven planning and budgeting	Comprehensive, credible and transparent budget	Predictability and control in budget execution	Resource mobilization	Assets and liabilities management	Accountability for results
Reform Areas	Reform Areas	Reform Areas	Reform Areas	Reform Areas	Reform Areas
A-1. Formulation of policies, strategies and action plans A-2. Integrated multi-year budgeting A-3. Legal and regulatory framework A-4. Efficient and effective inter-	B-1. Budget transparency and accessibility B-2. Business process reengineering and expansion of IFMIS for optimal utilization B-3. Roll out of CoA and IFMIS to local governments	C-1. Effective controls for non-salary expenditure C-2. Integrated HR and payroll management C-3. Strengthening procurement regime C-4. Banking and	D-1. Resource mobilization strategy D-2. Tax policy and tax administration reforms D-3. Optimization of local revenue base	E-1. Management of assets and investments E-2. Debt management E-3. Encourage efficient and economic use of government assets	F-1. Strengthening of legislative oversight F-2. Revitalization of monitoring & evaluation system F-3. Enhance coverage and quality of

governmental fiscal relations A-5. Donor coordination on aid effectiveness	B-4. Institutional framework for aid management – budget/sector-budget support and extra-budget support	Treasury reforms C-5. Improvements in expenditure tracking and reporting			external audit F-4. Rollout and deepening of internal audit
Cross Cutting Objectives					
Bridging gaps in knowledge, skills and competencies					
Gender focused approach to reforms					

The implementation of the Strategy will be ensured through a three-tiered oversight mechanism involving political leadership, administrative executives and development partners. The GoKP also intends to enable citizen oversight and feedback by posting six-monthly progress updates on the government’s official website.

2. Public Expenditure and Financial Accountability Assessment (PEFA)

PEFA assessment measures the extent to which PFM systems, processes and institutions contribute to the achievement of aggregate fiscal discipline, strategic allocation of resources, and efficient service delivery. Such objective reviews are essential for facilitating informed dialogue on PFM reform priorities and to track improvements/changes in the PFM system over time. The last Fiduciary Risk Assessment in Khyber Pakhtunkhwa was conducted in 2010. A fresh and extended PEFA Assessment, based on new PEFA Framework 2016, covering the total portfolio of the Government was undertaken in collaboration with the World Bank. The summary ratings in the draft report highlighted better PFM performance with regards to transparency of budgets and performance information, while identifying need for improvement in management of assets, liabilities and investment, reliability of budget, internal controls, and formulation of fiscal strategy. This assessment establishes a baseline and conducting periodic PEFA assessments with a 3-4 years interval will help the Government in creating performance trajectories. Implementation of the KP PFM Reform Strategy 2017-2020 in collaboration with development partners is geared to bring substantial improvements in PFM performance over the medium-term.

3. Social and Economic Development Strategies (SDPF, IDS, EGS)

The Government of Khyber Pakhtunkhwa adopted Strategic Development Partnership Framework (SDPF) with the aim of creating synergies with its development partners on a joint agenda for socio-economic development of the province. SDPF establishes a peer-to-peer relationship between the Government and its development partners on eight key thematic areas (see figure below) of collaboration for inclusive and accelerated socio-economic growth and good governance.



An Integrated Development Strategy (IDS) was formulated to operationalize the SDPF and to realign government policies/priorities, while also optimizing economic potential under the medium-term Inclusive Growth Strategy for Reclaiming Prosperity in KP. The IDS prioritises initiatives/tasks to be undertaken in various sectors of the Government and serves as a guide for annual development plans. The latest Strategy Analysis of P&D Department revealed that 94% of the ADP 2016-17 was aligned with the IDS policy priorities, a significant improvement over last year’s 83% alignment of ADP 2015-16. In Budget 2017-18, the Government continues to ensure that policies are properly translated into affirmative actions through the annual budgets.

4. Budget Transparency Measures

Finance Department is leading on budget transparency and accessibility improvements in response to the spirit of the Khyber Pakhtunkhwa’s Right to Information and Right to Services Acts. An objective review of the budget transparency (BTR) was conducted in March 2014⁴ to establish a baseline for improvements in the budget preparation process and documentation based on the internally endorsed Open Budget Survey methodology. Based on the recommendation of the review, Finance Department initiated following measures:

- *Citizens’ Budget is produced each year to disseminate budgetary information in a simple and easy way for better understanding of public. The Citizens’ Budget is available online to the public through the website of Finance Department and it is also disseminated through a mix of media tools, such as newspapers, social media and radio broadcasts etc.;*
- *Comparisons with actual expenditure outcomes for the year preceding the budget year are included in the budget documents;*
- *For greater transparency and social accountability, the Output Based Budget (OBB) is prepared each year with a robust set of key performance indicators and targets;*
- *Budget Strategy Papers, presenting macroeconomic framework and fiscal forecasting are formulated prior to budget finalization for discussion at the forum of Provincial Cabinet and are also released to the public;*

⁴ <http://financekpp.gov.pk/FD/budget/budget-transparency.html>

- *Budget Call Circular inclusive of the budget timetable/calendar is released to the public for formulation of the executives' budget proposals;*
- *In-year budget execution against current and development budgets is made publicly available on a weekly basis on the website of Finance Department;*

In addition, the Government has also prepared a Year-End Budget Report for the last completed fiscal year (2015-16) detailing the financial and non-financial performance information. As a result of these efforts, the Open Budget Index score of GoKP is projected to increase to 66 from the baseline of 44.

The transparency measures already adopted at the Provincial level have been included in the regulatory framework for Local Governments in order to ensure that Government budgets in Khyber Pakhtunkhwa are citizen-centric and fully disclosed to the people to foster accountability.

A key initiative to improve transparency in the use of public money has been the initiation of budget preparation and expenditure reporting for each individual service delivery unit. Started on pilot basis in FY 2016-17 for the primary healthcare units in three districts (Haripur, D.I.Khan and Karak), the initiative is being rolled out to other districts of KP for FY 2017-18 and also being replicated for primary and middle schools on pilot basis to improve financial management.

5. Devolution to Local Governments

One of the foremost reform priorities of the GoKP is to enable local communities to take charge of their development. The KP Local Government Act 2013 laid down the foundation of the new three-tiered Local Government system comprising of district, tehsil/town and village/neighbourhood level. A comprehensive regulatory framework has also been formulated and trainings imparted to ensure adoption of good practices in planning, budgeting and financial controls by the newly formed Local Governments. Twenty-three training courses were organised under the District Training Plan capturing three key areas of devolution: decentralised planning, budgeting and Local Government system. A total of 664 district Government staff have been trained so far; including 337 District Government officers (8 women) and 287 local Government political representatives (44 women). The training modules were notified as a standard syllabus to be used by the Local Governance School for future training for all the three tiers.

The resource transfers to the Local Governments are being routed through the Provincial Finance Commission (PFC), having representation from Provincial, District and Tehsil Governments. The PFC made its recommendations on calculation of allocable resources, vertical distribution between Provincial and Local Government tiers, and horizontal distribution between same tiers of Local Governments. This formula will continue to be improved to make it more substantial in methodology and equitable in spirit.

6. Medium Term Budgetary Framework (MTBF) & Output Based Budgeting (OBB)

The Provincial Government continued to strengthen business processes under the Medium Term Budgetary Framework (MTBF) as a prime tool for linking policy, planning and budgeting, aiming at improved service delivery. The guiding principles driving the budget cycle for FY 2016-17 continued to be participative, transparent, open and accountable business processes.

The Government in preparation of budget under MTBF took the following major steps:

- i. *Medium Term Fiscal Framework for a period of 3 years i.e. 2017-20 were formulated as part of the Budget Strategy Papers and was approved by the Provincial Cabinet.*
- ii. *Integrated Budget Call Circular (BCC) entailing specific provisions on needs based budgeting and performance benchmarking were issued to all departments along with Indicative Budgetary Ceilings for a period of 3 years i.e. 2017-20.*
- iii. *Pre-budget consultations were held with all the line departments by Finance and P&D Departments to finalize their proposed budgets taking into consideration the indicative budgetary ceilings and ensured their alignment with the strategic objectives of the Government.*
- iv. *Budget Estimates for Service Delivery/Output Based Budget (OBB) 2017-20 has been prepared as part of the annual budget process, presenting budget plans and performance benchmarks of each Administrative Department.*

7. Districts Delivery Challenge Fund

As part of the Sub-National Governance Programme (SNG), the District Delivery Challenge Fund (DDCF) was a GBP 2.7 million (Rs. 450 million approximately) fund aimed to identify and finance viable innovative pilot interventions from the open market that are designed to improve public service delivery and can later on be incorporated into the Provincial and district budgets. The guiding principles were to select projects that contribute directly in increasing access to services or improved quality of services, benefit poor people and demonstrate equitable access to women and marginalized groups.

Seven projects were financed through the DDCF in six focus districts i.e. Nowshera, Buner, Haripur, D.I.Khan, Karak and Lakki) in health and education sectors. The first round was launched in January 2014, focusing primary education, and the second round launched in September 2014, focusing primary health.

Grantee	Pilot's Title	Grant (PKR million)
ROUND I PILOTS - EDUCATION		
Centre for Governance and Public Accountability (CGPA)	Evidence-based Planning and Budgeting in districts	17.6
Community Mobilization and Development Organization (CMDO)	Education Quality Assurance in Public Schools	11
TeleTaleem Private Limited	Learning Boost	20.8
Communicators Private Limited	Broad Class-Listen to Learn	23
Comcept Private Limited	Science Camps	11.4
ROUND II PILOTS		
Director General Health Services, Health Department KP	Integrated Disease Surveillance and Response System (IDS&RS)	73.7
Department of Endocrinology, Hayatabad Medical Complex, Peshawar	Diabetes-Treatment and Lifestyle Knowledge (D-Talk)	58.8

A comprehensive communication, monitoring, evaluation and physical and financial progress review mechanisms have been designed for the execution of the fund. Further details of the DDCF can be obtained from <http://pk-sng.org/challenge-fund/>.

The Education Department has decided to upscale the Broad Class model in all schools of a tehsil while Health Department is geared to continue and upscale both of its projects in 2017-18.

8. Governance and Policy Programme

- *The Governance & Policy Project (GPP) is a World Bank administered project under Multi Donor Trust Fund, Strengthen the Capacity of Sales Tax on Services, Public Investment Management, and Public Financial Management.*
- *GPP has developed a detail Road Map Strategy for the Khyber Pakhtunkhwa Revenue Authority (KPRA) to enhance its capacity to realize considerable increase in its revenue and rate of active over a period.*
- *GPP is lining up with stakeholders in District Governments, Finance, Planning & Development and AGPR for extension of SAP from District to Tehsil Municipal Administration (TMA) and Village / Neighborhood Councils for fiscal tracking of funds at spending level.*
- *GPP is assisting the Finance Department to enhance its capacity for the establishment of Debt Management Unit, Tax Policy Unit and Corporate Governance Unit to align its strength to tackle the challenges for the management and exploring Domestic Debt limit, broadening the fiscal space for the Province in terms of tax/non tax revenue and effective management of State Owned Entities (SOEs) and autonomous organizations.*
- *GPP is assisting the Finance Department to stock the different funds in number of departments and strengthening the Fund Management and its impartial onward investments for maximum utility.*

9. Towards Gender Equality - From Policy to Practice

Amongst other challenges, Khyber Pakhtunkhwa is striving to secure enhanced participation and role of women and girls in socio-economic development of the Province. As highlighted in the Government of Khyber Pakhtunkhwa's IDS, equal rights and opportunities - to education, healthcare, and economic opportunity - for all citizens, including men, women and children - are key to reducing poverty and inclusive growth. The Government Khyber Pakhtunkhwa also launched the Khyber Pakhtunkhwa Women's Empowerment Policy in April 2015. The policy framework provides to ensure empowerment of women in socio-economic, legal and political spheres of life and is seen as a milestone for empowering women in the Province. In order to implement the policy framework, the Chief Minister gave autonomy to the Provincial Commission on Status of Women and assurance that there was no constraint over allocation of funds for social welfare and women empowerment plans.

The PFM reform initiatives undertaken by the Government of Khyber Pakhtunkhwa are in line with the commitment of the Government to bring gender equality in the Province. The Government has undertaken the following key steps for gender sensitive planning and budgeting:

- *Strengthening the Gender Sectoral Coordination Committee under the Strategic Development Partnership Framework (SDPF).*
- *Focus on women, girls and marginalized groups in key policy and planning documents: PFM Reform Strategy, Citizen's Budget, White Paper, Budget Call Circular, and Output Based Budget.*
- *The district needs assessment exercise has contributed towards the realization of over-arching social development and gender mainstreaming objectives of the Government. Concerted efforts were made to ensure the needs assessment adequately reflected gaps in service delivery for women and girls.*
- *Several proposals have been included in the budget to address the concerns and priorities of women and girls, to ensure gender mainstreaming and women empowerment.*

10. Khyber Pakhtunkhwa Community-Driven Local Development (CDLD) Policy - District Governance and Community Development Programme

Development with and by Local Communities:

Engaging Citizens in development agenda is key to restore their trust in Government and Government institutions. The Provincial Government of Khyber Pakhtunkhwa has approved the first ever Community Driven Local Development Policy which provides a framework and governance structure for ensuring the key role of citizens in development planning and implementation especially the marginalized groups in the society. The District Governance and Community Development (DGCD) programme is providing support for community driven projects in six districts of Malakand including Swat, Malakand, Shangla, Dir Lower, Dir Upper and Chitral with a total cost of EUR 80 million plus complimentary funds from the Government of Khyber Pakhtunkhwa over the period of 2014 to 2018.

Implementation through Consultation and Cooperation:

This is a public sector programme with an innovative implementation mechanism. The CDLD Policy is being implemented through District Governments initially in the six districts of Malakand Division. Community-based Organizations (CBOs) have been formed by the target communities at the village council level. These CBOs are working in consultation and cooperation with the District Governments to identify projects for implementation on the basis of a meticulous and competitive scrutiny process conducted by Technical Evaluation Committees (TECs) within the respective districts. Against the 4,843 target projects for the first eight rounds, a total of 22,117 applications have been received. A women specific round was also executed where under a total of 1,251 applications were received for women projects against a target of 137 women CBO projects. So far 3,217 projects worth PKR 3.9 billion have been approved by the District Development Committees in the 6 districts.

This statistic speaks volumes about the trust of the communities in the CDLD Policy and their interest in the measures undertaken by the Government of Khyber Pakhtunkhwa for the betterment of the citizens. The whole process will help in bridging the gap between the Government and Communities by improving service delivery and responsiveness.

Budget Support and Funding Mechanism of the CDLD Policy Implementation:

This innovative model is a blend of the traditional Government development approach and a novel community oriented development paradigm. This is in itself a remarkable innovation

towards community development via participatory planning and prioritization mechanisms. With the Euros 64 million budgetary support by the European Union, the Government of Khyber Pakhtunkhwa is enabling financial grants and technical support aimed at the communities around the key concept of CDLD Policy i.e. mobilization, participation and ownership of community projects.

CDLD is co-funding programme. The Government of Khyber Pakhtunkhwa allocated PKR 500 million, PKR 800 million, and PKR 350 million for FY 2014-15, FY 2015-16, and FY 2016-17 respectively. Similarly, the European Union contributed with € 9 million, € 10.80 million, and € 9.9 million for FY 2014-15, FY 2015-16, and FY 2016-17 respectively. It is pertinent to mention here that budgetary support provided by the EU is conditional upon the performance of the GoKP against set performance indicators in the Programme Performance Matrix agreed in 2014-15.

Institutionalization and Extension of CDLD Programme:

As a result of extensive consultations, the Local Government Department, in consultation with the EU Delegation in Pakistan has agreed for developing formal institutional linkages between the CBO’s and Village and Neighbourhood Councils for developing “Joint Village Council Development Plan” through bottom up participatory planning exercise to avoid duplication and ensure judicious use of resources. Synergies with other Technical Assistance Programs such as SNG, UNDP and GIZ is also the hall mark of the expansion phase of CDLD. The EU has in principle shown its willingness to extend its financial support for CDLD Policy implementation for the proposed extension period of 02 years (three financial years) and expansion to six more districts in phased manner. To support the extension and expansion of CDLD, the EU have agreed to reallocate the undisbursed and unpaid funds of € 34.3 million (PR3.9 billion) for the extension period. The EU Delegation has in-return requested the Government of Khyber Pakhtunkhwa for commitment to the continuity of the CDLD programme in respect of its extension to other districts as per following counterpart funding:-

Proposed Co-funding for expansion phase of CDLD (Rupees in million)				
Share	2017-18	2018-19	2019-20	Total
Government of Khyber Pakhtunkhwa contribution	1,650	2,062	2,269	5,981
EU contribution	1,184	1,380	1,380	3,944
Total	2,834	3,442	3,649	9,925

The Programme is being steered by the Policy Review and Coordination (PCRC) under the chairmanship of Secretary Local Government Khyber Pakhtunkhwa with representation from key departments of Khyber Pakhtunkhwa. Based on the recommendations of the PCRC meeting held on March 16, 2017, a summary for extension and expansion of the CDLD Programme is submitted to the Chief Minister Khyber Pakhtunkhwa for approval. External Review Missions over the past four years have termed the CDLD programme a great success.

The Divisional and District Administration are taking lead role in implementation of the programme. On the directions of Chief Minister, dedicated fund for livelihood projects under the purview of CDLD programme is also earmarked for inviting indigenous and innovative ideas to generate employment opportunities for youths in the target districts.

CHAPTER 4 - BANK OF KHYBER

“CUSTODIAN OF RICH VALUES”

The Bank of Khyber, established in 1991 through an Act of the Provincial Assembly of Khyber Pakhtunkhwa (formerly N.W.F.P.), is not only fulfilling the banking needs of the people of the province of KPK but the Country as well. The Bank started its commercial operations in November, 1991 and became a scheduled Bank with the State Bank of Pakistan in 1994.

Being an MCR complied financial institution, the Bank is currently operating with 150 branches throughout the country out of which 77 branches are functioning as dedicated Islamic Banking Branches. Being the Bank of the province, 86 branches are providing banking services in the province of Khyber Pakhtunkhwa. Apart from its presence in all the four provinces, the Bank also provides banking services in Gilgit Baltistan, FATA and Azad Jammu and Kashmir. The bank was able to establish 41 branches in the first 18 years i.e. till 2009, however in a brief span of last seven years the bank has taken this tally to total of 150 branches. 34 branches were opened during 2015 and 2016.

As a mainstream commercial bank, it has the unique distinction of offering all the best of Islamic as well as Conventional banking services through its expanded branch network in the country. The Bank is listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange).

The Bank has established a network of 323 correspondent international banks in 75 countries. The Board of Directors of the Bank of Khyber has the participation of senior officials from the Government as well as from the private sector of the country. The management of the Bank comprises of professional bankers having experience of leading and well renowned local as well as foreign financial institutions. Throughout its journey, the Bank of Khyber continued its momentum of growth and achievements. The Bank has shown significant results during the last couple of years. The Bank has a track record of incentives for its shareholders either in the shape of Bonus Shares or Cash Dividends. Since the Bank’s listing on the Stock Exchange, four Bonus Issues have been materialized whereas three Cash Dividends have been issued to the shareholders.

The Bank of Khyber is currently serving its customers by offering the following major products:

- *Commercial Lending*
- *Islamic Finance*
- *Consumer Finance*
- *Car Finance*
- *Housing Loans*
- *Salary Loan Schemes*
- *Micro Finance business development program*
- *Agricultural Finance*

PERFORMANCE REVIEW FOR THE YEAR 2016**Profitability**

Alhamdulillah, the Bank's operational performance demonstrated record improvement in all areas for the year 2016. This year has been exceptional for the Bank as it has created history by posting an operating profit of Rs.3,868 million as against Rs.3,559 million in the last year.

Profit before tax was recorded at Rs.3,240 million as against Rs.2,959 million in the corresponding period giving increase of 10%. Profit after tax for the same year grew by 13% to reach at Rs. 2,020 million over Rs.1,789 million in the corresponding year that translates into earnings per share of Rs.2.02 per share against Rs.1.79 per share in 2015.

Cash Dividend

Based on good profitability of the Bank, a cash dividend of Rs. 1.5 per share i.e. 15% has been approved which shall be paid out by end of April 2017. It is expected that the Bank will maintain the same level of dividend payout for the year 2017.

Growth indicators

The achievements for the year 2016 were widened assets base, improved equity and profitability, stronger capital base and sustained returns. The total asset base of the Bank grew up to Rs.206,400 million from Rs.155,159 million registering healthy growth of 33% whereas the shareholders' equity showed an increase of 5% over 2015 and stood at Rs.14,685 million.

On the liability side of the Bank's financial position, the deposit base of the Bank witnessed consistent growth throughout the financial year 2016 and was reported at Rs.157,020 million showing healthy increase of 34% over the year 2015.

Advances and lending to financial institutions of the Bank showed decrease of 5% and stood at Rs.40,471 million from Rs.42,442 million of the year 2015. A commendable increase of 48% has been witnessed in the size of investments which showed an amount of Rs.141,602 million as compared to Rs.95,513 million of the last year.

The net mark-up/interest Income after provisions stood at Rs 3,776 million as compared to Rs 3,847 million in the corresponding period of 2015. Non-Markup/Interest income increased by 49% to reach at Rs 2,673 million as compared to Rs 1,799 million of the previous year. The increase was mainly attributed to rise in capital gains. Further, non fund business of the BOK has shown steady growth during the year including Letter of Guarantees (LGs) issued to the tune of Rs 12 billion out of which 58% amounting to Rs 7 billion has been issued to support business, contractors and industrial growth in the province of KPK.

These encouraging results were achieved without making compromise on growth of the balance sheet size, management of cost of deposits, improvement in operational efficiencies and without ignoring the asset quality. The Return on Assets (ROA) and Return on Equity (ROE) stood at 1% and 13.8% respectively.

Both the credit rating agencies in Pakistan i.e. PACRA & JCR-VIS has assigned short term entity ratings at A1 (A one) and long term entity ratings at A. The growth in all operational areas of the Bank showed resilience in a persistently challenging environment and the confidence of general public in the Bank for its vital role being played for socio-economic uplift of the province of Khyber Pakhtunkhwa and the Country as a whole.

Islamic Banking

During the year 2016, eleven Islamic branches have been opened to promote Islamic banking in the country particularly in the province of KPK that takes the tally of Islamic branches to total of 77 branches across the country. It provides prime indication of the commitment of the BOK's management to promote Islamic banking and eradicate interest from the economy.

Furthermore approval of SBP has already been obtained to open 11 new Islamic branches in line with vision to promote Islamic Banking in Pakistan. It is also commendable to quote that the number of Islamic branches are more than the conventional branches.

Introduction of Debit card

The Bank of Khyber has introduced Debit cards for its customers in collaboration with JCB International Co Ltd (JCBI), the international operations subsidiary of JCB Co Ltd, Japan. The international Debit Card facilitates BOK customers with the benefits of both point of sale and ATM cash withdrawal across Pakistan and globally at locations in more than 190 countries and territories.

Agriculture Financing

Agriculture financing has been an area of utmost importance for the Bank of Khyber. Over the last years, agri financing portfolio of the bank has witnessed remarkable growth. During financial year ended December 31, 2016 the bank disbursed an amount aggregating to Rs. 8,276 million and further disbursement of Rs. 8,500 million has been planned for financial year 2017.

Mainstay of the BOK's agri financing program is development of innovative product line, lowest financing charges, simple documentation and above all financing under both Conventional and Islamic Modes.

The BOK has financed projects like Solar Energy Tube Wells, Land Reclamation, Water Reservoirs and Rain Water Harvest etc. The bank has been a reliable partner of State Bank of Pakistan in various Refinance Schemes and Farmers' Awareness Programs.

The BOK's vision is to expand outreach throughout the country, especially in Khyber Pakhtunkhwa by increasing agri designated branches and by enhancing skill set of the field officers so as to help farmer community in a better and efficient way with special focus on landless and small farmers.

Retail Financing

The Bank of Khyber has established an independent “Retail banking Division” in September 2015 with the aim to provide efficient financial services to the general public, enabling them to meet their domestic and small business felt needs in a more respectable way and inculcate the goodwill for the Bank in the society.

The Bank of Khyber has re-launched consumer finance products under new brand name and on very economical terms and conditions. During the year 2016 BOK has disbursed fresh consumer loans amounting to Rs.361 million, out of which 79 % amounting to Rs. 285.5 million has been disbursed in the province of KPK to increase penetration by providing increasing level of services to the general public of the province.

The main products include BOK Salary Sahara Loan; BOK Foree Car Loan; BOK Suhana Ghar Finance; Honda motor cycle scheme for Government employees and BOK Roshan Ghar Finance. Further working is underway on other financial products for SME sector to facilitate Small and Medium enterprise business community of the Pakistan and of KPK in particular.

Branch Network

At the end of the year 2016, the Bank was operating with 150 branches with 73 branches working on the Conventional side whereas 77 branches were functioning as dedicated Islamic Banking Branches. The Bank has also received approval from the State Bank of Pakistan for opening of 25 new branches and 02 sub branches in the year 2017. Through this network, the Bank is able to offer wide range of products and services to its valuable customers.

While the year end results are encouraging, the Bank still needs to strengthen and improve systems and controls for which appropriate measures are being taken. The growth in branch network is being consolidated and issue of loss making branches is being addressed. At the same time costly deposits are being shed and efforts are underway to reduce reliance on Government deposits and build the deposit base on current/saving accounts from the private and corporate sectors.

More emphasis is being placed on increasing advances in the corporate sector to improve the Bank’s ADR and profitability. Considerable progress has been made on implementation of the new core banking software which once operational will facilitate an effective MIS for better monitoring of operational activities.

Future Outlook in 2017

- *Improvement of credit rating - Long Term AA and Short Term A+1.*
- *Increase in branch network from 150 to 177 by year end.*
- *Increase in Deposit base to 179 billion plus.*
- *Construction of BOK Tower.*
- *To increase brand recognition.*
- *Improvement in Systems and Controls.*
- *Enhancement and diversification of asset base through new products.*
- *Steady growth by continuously focusing on diversification in products and services; expansion in outreach to increase customer base and mobilizing cost effective deposit mix and to maintain stable profitability trend.*

Branch Network Expansion Plan

Keeping the pace of moving forward, the State Bank of Pakistan has approved Bank's Expansion Plan and allowed 25 new branches and 2 sub branches to be opened in the country in the year 2017 wherein 16 branches will be conventional and 11 branches will be Islamic. These branches are planned to be opened in Peshawar, Miranshah, Drosh Chitral, Lund Khwar, Sadda Parachinar, D.I Khan, Islamabad, Mingora, Sardheri, Tordher Swabi, Mardan, Barrawal Banda Dir, Bara Kahu, Rashakai, Gawadar, Charbagh and Rustam Mardan. Sub branches are planned to be opened in Khalifa Gul Nawaz Hospital Bannu and Lady Reading Hospital Peshawar.

CHAPTER 5 - FUNDS MANAGEMENT

Fund Management of the Government of Khyber Pakhtunkhwa encompasses issuance of debt, management of liquidity and investment of financial assets. It is separated into two key functions; i.e financial asset, liability management and risk management.

OBJECTIVE:

Fund's financial goals, which are reflected in the types of securities chosen to achieve those goals. Type of investment objectives include long term capital growth stable income high total return, etc.

STRATEGY:

The investment strategy is the way to allocate and manage resources to achieve investment objectives. The strategy include setting goals for net asset value, determining asset allocation, investment restriction and use of derivatives.

ASSET ALLOCATION:

The common divisions of assets classification are stocks, bonds and commodities. The exercise of allocating funds among these assets at market dynamics and at different interaction effects will have a significant effect on the performance of the fund. Some research suggests that allocation among asset classes has more predictive power than the choice of individual holdings in determining portfolio return.

DIVERSIFICATION:

An investment fund that contains a wide array of securities to reduce the amount of risk in the fund. Actively maintaining diversification prevents events that affect one sector from affecting an entire portfolio, make large losses less likely.

PERFORMANCE MEASUREMENT:

Fund performance is often thought to be the acid test of fund management, and in the institutional context.

The Government cautiously regulates its funds and investment and aims to benefit the subscribers of the funds, during and after, their service. The Government of Khyber Pakhtunkhwa is custodian to the contributions made by the subscribers in shape of General Provident Fund and pension fund. Each year the Government pays a hefty amount as interest on the General Provident Fund balance and at the same time it receives a considerable burden in the shape of expenditure on pension liabilities. The annual markup brings heavy toll on the Provincial exchequer. Foreseeing this adverse and unfavorable scenario, the Provincial Government has taken certain initiatives like establishment of the General Provident Investment Fund and Pension Fund. The establishment of such funds was also essential to augment and supplement the resources of Khyber Pakhtunkhwa.

The Khyber Pakhtunkhwa Government established the following Funds:

1. *General Provident Investment Fund*
2. *Pension Fund*
3. *Hydel Development Fund*
4. *Retirement Benefit & Death Compensation Fund*

GENERAL PROVIDENT INVESTMENT FUND:

Investing Provincial Reserves in safe and well protected instruments for earning maximum profits was the prime factor behind the establishment of this Fund. Therefore, a fund was established called **General Provident Investment Fund** in the year 1991-92 with initial allocation of Rs. 200 million as equity. To oversee the affairs of the fund, a Fund Management Board, under the Chairmanship of the Chief Secretary, Khyber Pakhtunkhwa has been established. It has diversified composition comprising members from Finance, Administration Departments, Banking sectors and representative of the subscribers. This gives a more representative and robust outlook to the management of the fund affairs. The Fund is governed by an Act with specified rules of business for running the affairs of the Fund. Moreover, Finance Secretary, heads the Investment Committee which was constituted to carry out the day to day functions of the Fund. It has a total size of Rs. 52,616.760 million (Government contribution of Rs. 23,229.850 million + un-appropriate Profit Rs. 29,386.910 million) up to 30th June, 2017. Overall position of the Fund is given as under:

(Rs. in million)					
Year	Opening Balance	Released during the year	Total	Profit Earned	Cumulative Total
Till 30.06.12		6,750.00	6,750.00	11,847.07	18,597.07
2012-13	18,597.07	6,944.11	25,541.18	2,285.71	27,826.89
2013-14	27,826.89	5,539.72	33,366.61	2,936.14	36,302.75
2014-15	36,302.75	-	36,302.75	4,322.87	40,625.62
2015-16	40,625.62	2,000.00	42,625.62	4,456.89	47,082.51
2016-17	47,082.51	1,996.02	49,078.53	3,538.23	52,616.76

PENSION FUND:

The objective of establishing the Fund was to manage the ever increasing pension liabilities. The Government of Khyber Pakhtunkhwa established the Fund in 1997-98 with initial allocation of Rs. 150 million as seed money. The Chief Secretary heads the Management Board, constituted to manage this Fund. It will have a total size of Rs.35,455.38 million (Government contribution of Rs. 18,307.15 million + Profit Rs. 17,148.23 million) upto 30th June 2017. Overall position of the Fund is given as under:

Pension Fund

(Rs. in million)					
Year	Opening Balance	Released during the year	Total	Profit Earned	Cumulative Total
Till 30.06.12		6,850.00	6,850.00	6,154.28	13,004.28
2012-13	13,004.28	2,000.00	15,004.28	1,516.33	16,520.61
2013-14	16,520.61	3,000.00	19,520.61	1,840.95	21,361.56
2014-15	21,361.56	2,460.00	23,821.56	2,647.60	26,469.16
2015-16	26,469.16	2,000.00	28,469.16	2,728.04	31,197.20
2016-17	31,197.20	1,997.15	33,194.35	2,261.03	35,455.38

HYDEL DEVELOPMENT FUND:

The Government of Khyber Pakhtunkhwa established Hydrel Development Fund in 1992 with an initial allocation of Rs. 50 million. The Fund was provided with legal cover through enactment namely Khyber Pakhtunkhwa, Hydrel Development Fund Ordinance 2001. The objective of the Fund is to develop Hydrel capacity of the Province. The Provincial Government has contributed a sum of Rs. 51,509.900 million (as equity) in the Fund added an unappropriated profit of Rs.17,158.180 million. A sum of Rs. 18,899.240 has been utilized so far for the development of Hydrel Power. Net worth of the Fund will be Rs. 34,768.84 million upto 30th June, 2017.

The Fund is controlled by a Management Board headed by the Chief Minister, Khyber Pakhtunkhwa and supported by an Investment Committee under the Chairmanship of the Chief Secretary, Khyber Pakhtunkhwa.

The Fund has contributed a sum of Rs. 2,551.490 million in development of Malakand III HPP and Rs. 425.500 million in Pehur HPP. The Fund also contributes Rs. 1,848.48million in Feasibility study of Raw Sites in Khyber Pakhtunkhwa, Rs. 3,578.90million for Construction of Daral Khwar HPP District Swat, Rs. 1,627.00million for construction of Lawi HPP Chitral, Rs.1,265.51 million for construction of Karora HPP District Shangla, Rs. 980.20 million for construction of Jabori HPP, Rs. 2,972.86million for construction of Matiltan HPP, Rs. 2,040.28 million for construction of Mini/Micro HYDEL project, Rs.3,228.83 million for construction of Koto HPP and Rs. 907.18 million for other similar projects of the Province. Overall position of the Fund is given as under:

Hydel Development Fund

(Rs. in million)						
Year	Opening Balance	Released during the year	Total	Profit Earned	Fund Utilized	Cumulative Total
Till 30.06.12		15,790.65	15,790.65	5,479.57	1,020.80	20,249.42
2012-13	20,249.42	3,000.00	23,249.42	2,294.58	1,969.14	23,574.86
2013-14	23,574.86	3,000.00	26,574.86	2,308.02	5,322.22	23,560.66
2014-15	23,560.66	3,000.00	26,560.66	2,356.70	2,756.00	26,161.36
2015-16	26,161.36	10,205.89	36,367.25	1,981.73	15,000.00	23,348.98
2016-17	23,348.98	16,513.36	39,862.34	2,737.58	7,831.08	34,768.84

RETIREMENT BENEFIT AND DEATH COMPENSATION FUND:

In order to provide benefit to the employees of Provincial Government, the Retirement Benefit & Death Compensation (RB&DC) Fund is established under RB&DC Act, 2014. The RB&DC scheme is introduced as a replacement of Group Insurance Scheme. This scheme aims to provide benefit of employees at the time of retirement or in case of death and permanent disability. The Chief Secretary heads the management Board, constituted to manage this Fund.

A separate Fund's Cell has been established in the Finance Department to manage the affairs of these Funds. According to law of the Funds, Director General (Commercial) Audit, Lahore is responsible to carryout audit of the accounts of the Funds. Besides, internal audits are conducted on yearly basis through reputed Chartered Accountants firms. Contribution from the Provincial Govt. employees to the fund has been started from the month of October, 2016.

It is of worth mentioning here that there has been a steady growth in funds due to better management. Funds are being managed professionally, diligently and with extreme caution. Diversified portfolios have been developed to align the investment system and draw maximum advantage by minimizing risk factor with best-recognized financial practices.

The management has invested funds in various Fixed Income Securities (FIS). The FIS are those whose returns are predetermined or known at the time of making the investment. The FIS may include the following category of investments:

- *Treasury Securities*
- *Bank Deposits*
- *National Saving Scheme*
- *Corporate Bonds*

TREASURY SECURITIES / BONDS:

Treasury Securities are issued by the Government of Pakistan and the same are backed by the full faith and credit of the Government. They are considered to be free from credit risk. The treasury issues two distinct types of securities i.e. T-Bills and PIBs. T-Bills are sold at a discount to par value and interest is received when the par value is paid at maturity (like zero-coupon bonds).

BANK DEPOSITS:

A Bank deposit is a financial instrument which provides higher rate of return than a regular savings account, until the given maturity date. It may or may not require the creation of a separate account. It is known as a term deposit or time deposit. They are considered to be very safe investments. Term deposits is used to denote a larger class of investments with varying levels of liquidity. The defining criteria for a fixed deposit is that the money cannot be withdrawn before maturity. The tenure can vary from 7, 15 or 45 days to 1¹/₂ years and can be as high as 3 years.

NATIONAL SAVING SCHEME:

National Savings Certificates, popularly known as NSC, is Government Savings Bond, primarily used for small savings and income tax saving investments.

CORPORATE BONDS:

A corporate bond is a bond issued by a corporation in order to raise financing for a variety of reasons such as to ongoing operations, Mergers and acquisitions (M&A), or to expand business. The term is usually applied to longer-term debt instruments, with maturity of at least one year. Corporate debt instruments with maturity shorter than one year are referred to as commercial paper.

The Provincial Government of Khyber Pakhtunkhwa looks for ways and means and tools and techniques to modernize these Funds and bring them in harmony with innovative creative and novel concepts of investments, while keeping safety of the Funds its top most priority. Regular audits of these are carried out to ensure this objective.

CHAPTER 6 - ANNUAL DEVELOPMENT PROGRAMME

Introduction

The province of Khyber Pakhtunkhwa, located in the north west of Pakistan is gifted with immense natural and human resources. Khyber Pakhtunkhwa occupies an area of 74,521 S.km. The historical city of Peshawar's strategic location on the crossroads of Central Asia and South Asia has made it one of the most culturally vibrant city in the region and has afforded it the position of being at the centre of trade between Afghanistan, South Asia, Central Asia and the Middle East.

The spillover of conflict in Afghanistan, the earthquake of 2005, the 2010 flood and the IDP crisis, in addition to the inherent development gaps in the province, has compelled the Government of Khyber Pakhtunkhwa to conceive strategies that can effectively and swiftly deal with these challenges.

The Pakistan Tehreek-i-Insaf led Provincial Government has adopted a holistic approach to address these problems. As a first step, the Government has selected Education, Health, Local Government, Community participation and Governance as key areas of focus.

China KP Economic Cooperation Road Show (CPEC)

During the recent visit of the Chief Minister to China and subsequent China KP Economic Cooperation Road Show in April 2017, a number of agreements were signed to launch mega development projects in the province. These agreements have the potential to usher Khyber Pakhtunkhwa towards unparalleled economic and social development. These projects are offering new vistas of opportunity to utilize human, material and natural resources of the province in such a way that they meet the growing development needs of its people. Also, it is highly anticipated that these joint development initiatives will bolster regional cooperation and social integration between people of both the countries. Sector wise MOUs along with tentative cost are given as under:-

(Rs. in Billion)

Sector	No. of Project	Cost
Agriculture	3	7.77
Energy	11	779.89
Higher Education	19	51.84
Housing	7	349.86
Industries	12	598.92
Information Technology	6	18.25
Local Government	4	38.00
Mines and Minerals	3	2.40
Roads	9	246.23
Sport	1	2.00
Tourism, Culture, Archaeology	3	8.00
Transport	2	214.50
Urban Development	1	22.00
WSSP	3	112.52
Total	84	2452.18

Investment Policy for Khyber Pakhtunkhwa

The viable economic policies of the Government of Khyber Pakhtunkhwa have started yielding results which is manifested from the interest shown by foreign investors in different economic and industrial sectors in the province. To facilitate investment processes and investor groups, the Planning and Development Department is preparing the first-ever Foreign Investment Policy of Khyber Pakhtunkhwa.

Core objectives of the policy include expansion of mega infrastructure, bringing new skills in line with modern technology and increasing access to international markets with a focus on economic growth. Under the policy, the provincial government facilitates investors through a one window operation support and incentive based investment schemes.

A Foreign Investment Desk will be established which will facilitate all foreign investors in major international languages. It is also being ensured that the right to make use of immovable assets rest with the investor in the period of PPP agreement for hydroelectric and infrastructure projects under the PPP preferably BOT remains with the investors for the duration of the BOT agreement. The Investment Policy places the following in its list of prioritized sectors:

- *Promotion of tourism and allied sectors*
- *Exploring new avenues for manufacturing sector*
- *Generation and transmission of hydroelectricity*
- *Expansion of mass transit and transport infrastructures*
- *Development of agricultural industries and food processing units*
- *Installation of new cement plants in different potential areas*
- *Exploration and Modernization of Oil and Gas Sector*
- *Exploration and Modernization of Mines and Mineral Sector*

The overall portfolio of foreign aid during 2016-17 was to the tune of PKR 36.00 Billion. This development cooperation was focused on a number of sectors including education, infrastructure, health, agriculture, governance, industries, etc. as well as a part of this aid was directed towards relief programmes.

Department for International Development (DFID) invested PKR 6,658.797 million to improve education, security, governance and roads. In the agriculture sector, U.S. Agency for International Development (USAID) is focusing on improving irrigation system and water management besides municipal services and local governance.

The Government of Khyber Pakhtunkhwa articulated “flagship projects” as a key priority and development partners are being attracting for technical and financial assistance in these key priority areas. Feasibility/Studies of Mega Hydral projects in the province has been shared with potential donors / investors to exploit this opportunity for revenue generation and public welfare.

Local government investment in the province focuses on supporting the government’s capacity to deliver quality services in the province. The European Union, U.S. Agency for International Development and United Nations Development Programme are working with their government counterparts in enhancing the capacity of local governance for better services to general public.

Japan International Cooperation Agency is continuing its grant support to promote carp fisheries and gravity water supply scheme in the hilly district of Mansehra. Multi-Donor Trust Fund has invested PKR 1,327.368 million in Khyber Pakhtunkhwa to strengthen governance, promote livelihoods and develop infrastructure through community-driven development models. KFW is making particular efforts in infrastructure development.

Sectoral Reforms in Khyber Pakhtunkhwa

A dedicated Performance Management & Reforms Unit (PMRU) has been established in the office of the Chief Secretary to promote e-Governance and quantified performance management systems at all tiers of provincial government. It combined two existing entities; Reforms Implementation Cell (RIC) and Performance Management Cell (PMC) into a single unit to monitor and identify performance and service delivery gap to higher authorities and put forth recommendations to address critical issues. Apart from various reforms initiatives already undertaken, the provincial government promulgated the following laws/ Acts during FY 2016-17:

- *Minerals Sector Governance Act, 2016*
- *Police Act, 2017*
- *Free Compulsory Primary and Secondary Education Act, 2017*
- *Prevention of Conflict of Interest Act, 2016*
- *Prohibition of Interest on Private Loans Act, 2016*
- *Tuberculosis Notification Act, 2016*
- *Faculty of Paramedical and Allied Health Sciences Act, 2016*
- *Blood Transfusion Safety Authority Act, 2016*
- *Urban Mass Transit Act, 2016*
- *Commission on the Status of Women Act, 2016*
- *Public Procurement Regulatory (Amendment) Act, 2016*

Strategic Development Partnership Framework

The Government of Khyber Pakhtunkhwa adopted a Strategic Development Partnership Framework (SDPF) with the development partners. The framework aims at creating partnership for the socio-economic development of the province by the Government and its development partners. SDPF drives on the Government's agenda of transformational development, derived from the provincial medium term strategy-the Integrated Development Strategy (IDS)-on the principles of inclusive and accelerated socio-economic growth and good governance. The framework identifies eight thematic areas for development cooperation.

- *Economic growth and job creation*
- *Peace building and rule of law*
- *Tangible progress in social service delivery sector especially health and education.*
- *Improved citizen participation and bringing the state closer to the citizen*
- *Improved transparency and accountability*
- *Enhanced fiscal space for economic and social development*
- *Gender equity*
- *Donor harmonization and efficient use of country systems.*
- *Trade and Investment*

Sectoral Coordination Committees (SCCs) for each of the thematic areas were notified, each chaired by an Administrative Secretary presenting the GoKP, and a representative of a development partner with the primary objective of setting and overseeing sector specific action plans. The SCCs provide a platform to take stock, monitor and review the implementation of IDS and also carry out analysis of the progress as well as identify funding gaps.

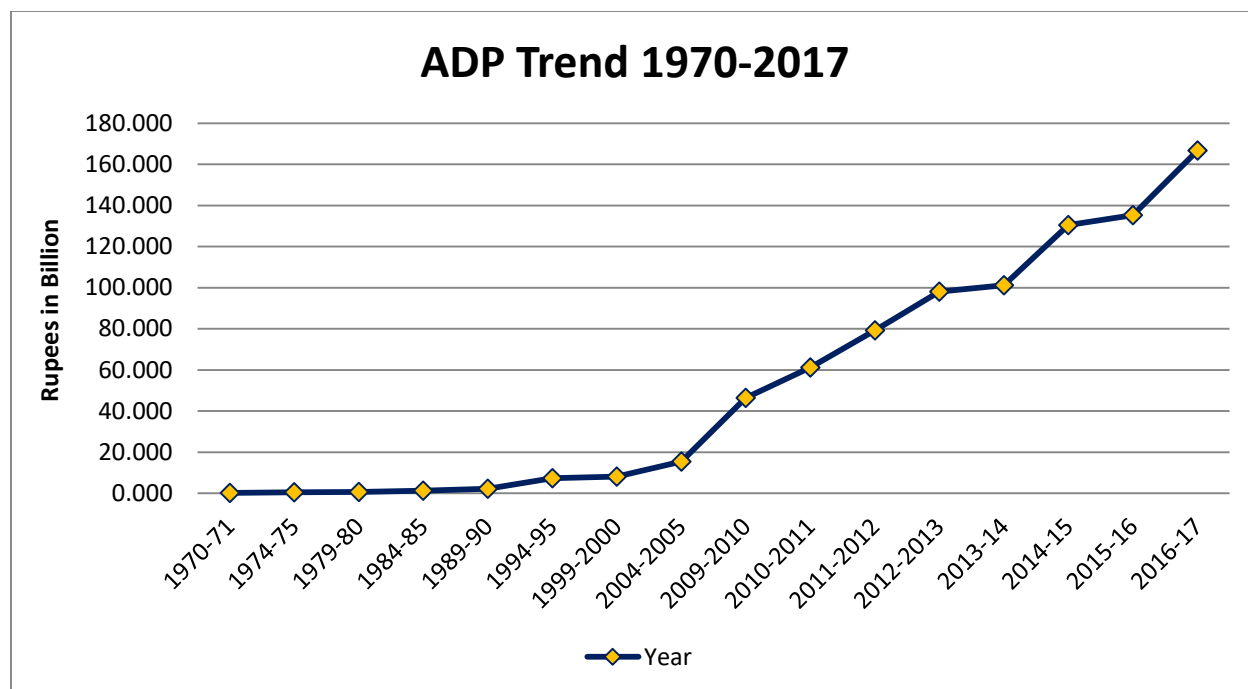
Approval Status of Development Projects in 2016-17

Every year, a number of new projects form part of Annual Development Programme along with on-going projects in various sectors. These projects are approved by project approving fora working at various levels. These include the Departmental Development Working Party, Provincial Development Working Party, Central Development Working Party and Executive Committee of National Economic Council. In the current financial year, 19 PDWP meetings were held in which 390 Projects of different sectors were approved while 64 schemes were deferred.

The size of the Annual Development Program has steadily grown since, the dissolution of One Unit in Pakistan, and emergence of the Khyber Pakhtunkhwa province as a separate unit in 1970-71.

(Rs. in Million)

Year	Size of ADP	Revised Size of ADP
1970-71	150.570	124.872
1974-75	400.000	500.000
1979-80	767.000	702.850
1984-85	1244.700	1245.424
1989-90	2197.625	2198.649
1994-95	6963.974	7349.212
1999-00	5745.220	8057.541
2000-01	9212.509	7272.140
2001-02	7986.220	8710.147
2002-03	13673.261	11289.186
2003-04	14696.006	12882.982
2004-05	16195.025	15365.249
2005-06	21000.000	24397.398
2006-07	26630.432	26542.103
2007-08	39462.372	32913.949
2008-09	41544.935	39000.603
2009-10	51156.956	46330.546
2010-11	69283.682	64977.526
2011-12	85141.000	84473.628
2012-13	97458.000	88130.610
2013-14	118000.000	104847.616
2014-15	139805.000	134737.328
2015-16	174884.000	135098.645
2016-17	161000.000	172096.399



Review of ADP 2016-17

The original size of the ADP 2016-17 was Rs 161000.00 million, which included foreign aid component of Rs 36000.00 million and provincial government’s contribution of Rs 125000.00 million. The revised allocation for Provincial Components was Rs. 144624.640 Million while revised allocation for Foreign Aid was Rs. 22013.441 Million. The provincial program comprised of 1531 projects including 1209 ongoing, 260 new projects and 03 Devolved ADP Projects out of which, 215 projects have been completed.

Sources of Funding of ADP 2016-17

(Rs. in millions)

S.No	Source of funding	Allocation	%age
A	Provincial Budget	125000.00	78%
B	Total Foreign Assistance	36000.000	22%
Total (A+B)		161000.00	100%

*Total Foreign Assistance includes Rs.26879 (75%) as grant and Rs. 9120(25%) as loan.

Original & Revised Allocations for ADP 2016-17

The original and revised sectoral allocations of local resources in ADP 2016-17 after re-appropriation upto 4th June 2017 are given as under:

(Rs. in Million)

S.No	Sector	Allocation	Revised Allocation
1	Agriculture	3976.000	2083.837
2	Auqaf & Minority Affairs	366.000	197.689
3	Board of Revenue	637.000	637.000
4	Building	1439.000	1126.522
5	District ADP	33900.000	33961.380
6	DWSS	4150.000	5670.659
7	E&SE Sector	12453.000	13537.005
8	Energy & Power	37.000	227.761
9	Environment/EPA	57.000	43.999
10	Excise & Taxation & NC	234.000	100.000
11	Finance	1608.000	2097.051
12	Food	732.000	164.979
13	Forestry	2007.000	2207.000
14	Health	10541.000	11084.112
15	Higher Education	4784.000	5794.020
16	Home& T.As	2420.000	1863.264
17	Housing	540.000	301.318
18	Industries	1643.000	2341.000
19	Information	180.000	726.200
20	Labour	85.000	16.771
21	Law & Justice	1365.000	1949.640
22	Local Government	6000.000	7043.751
23	Mines & Mineral	622.000	256.760
24	Multi - Sectoral Dev:	3240.000	3006.567
25	Population Welfare	230.000	117.575
26	Pro-Poor Special Initiative	1900.000	1479.344
27	Relief & Rehabilitation	2215.000	1762.279
28	Road & Bridges	10798.000	26747.449
29	Social Welfare	460.000	312.000
30	Sports, & Tourism	3113.000	2513.000
31	ST&IT	610.000	610.000
32	Transport	176.000	645.638
33	Urban Development	5552.000	5151.865
34	Water	6930.000	9557.205
	TOTAL	125000.000	145334.640

Salient Features of Annual Development Programme 2017-18

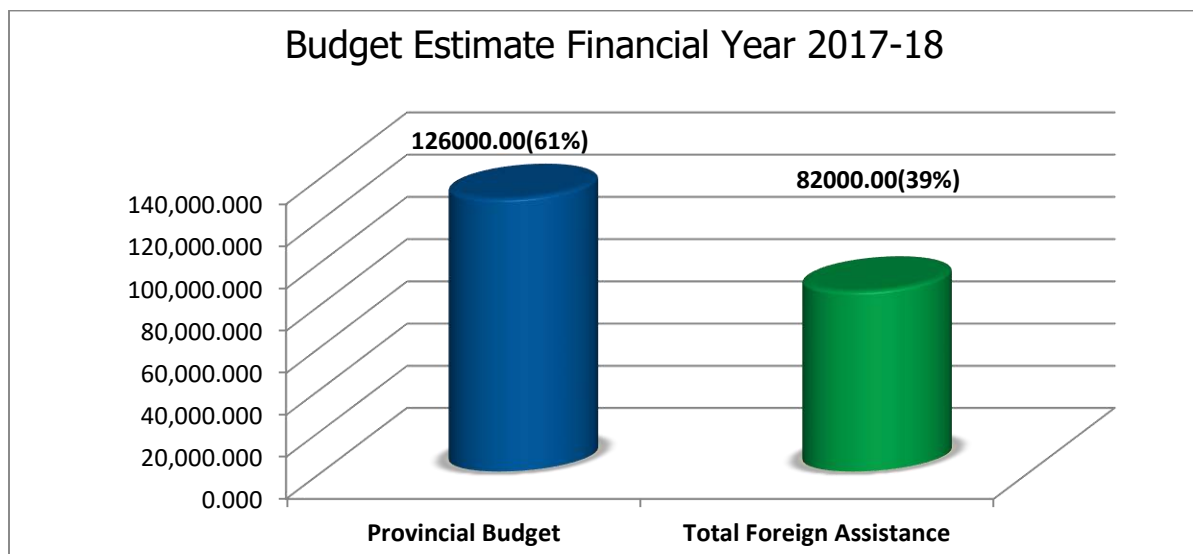
The outlay of Local ADP 2017-18 is Rs 126000.000 Million comprises of 1632 projects, with 1182 ongoing and 450 new. Formulated on the basis of priorities of the development departments solicited under the Integrated Development Strategy & Economic Growth Strategy, the ADP envisages substantial allocations for all the development sectors. The details of source of funding are tabulated below:

Sources of Funding of ADP 2017-18

(Rs. in Million)

S.No.	Source of funding	Allocation	% age
A	Provincial Budget	126000.000	61%
B	Total Foreign Assistance	82000.000	39%
Total (A+B)		208000.000	100%

* Total Foreign Assistance includes an amount of Rs. 29442.376 (36%) as Grant and Rs. 52557.624(64%) as Loan.



Features of ADP 2017-18

The ADP-2017-18 has been formulated after an intensive consultative process. The process included a series of sessions with all the development departments, Finance Department and the Chief Minister and concerned Cabinet members, in order to seek their guidance.

Highlights of ADP 2017-18

The view of the allocated resources, the following order of priority has generally been observed:

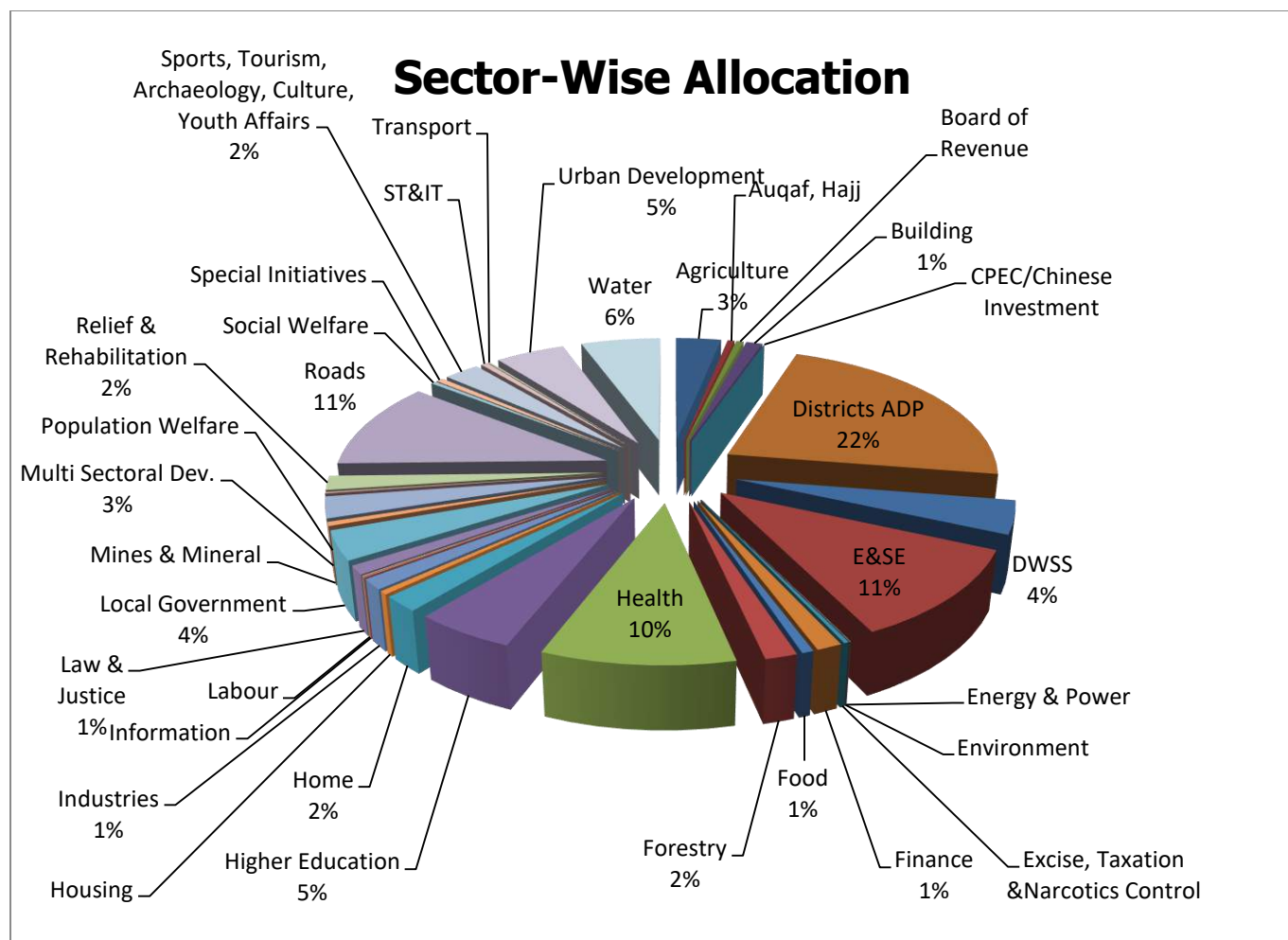
- Total size of ADP 2017-18 increased by 29% over the last year.
- Foreign Aid increased by 127% over the last year.
- **81%** allocations for **1182** on-going Projects & **19%** allocation for **450** new Projects.
- Throw-forward liability of Rs. 567 Billion for which 4.5 years will be required.
- A new sector CPEC/Chinese Investment project has been created with 84 new projects having cost of Rs. 2452.58 Billion.
- Priority sectors are Education, Health, Agriculture, Roads, Local Government and CPEC.
- Focus on completion of the ongoing projects.
- Completion of missing facilities, standardization and provision of equipment to Health and education sectors.

Sector-Wise Allocation:

The size of ADP, 2017-18 is **Rs. 208000.000** Million which includes Foreign Assistance of **Rs.82000.000** million (39%). There are **1632** projects in the ADP, of which **1182** are on-going and **450** are new. The sector-wise allocations for ongoing and new schemes are as under:

(Rs. in Million)

S.No	Sector	Schemes		Schemes		Total	
		(On Going)		(New)		No	Allocation
		No	Allocation	No	Allocation		
1	Agriculture	17	2824.542	21	1166.458	38	3991.000
2	Auqaf, Hajj	12	513.195	8	106.805	20	620.000
3	Board of Revenue	6	510.400	1	126.600	7	637.000
4	Building	35	1188.215	15	250.785	50	1439.000
5	CPEC/Chinese Investment	0	0.000	84	1.000	84	1.000
6	Districts ADP	0	0.000	3	28000.000	3	28000.000
7	DWSS	68	4073.800	16	1086.200	84	5160.000
8	E&SE	60	12647.216	17	1352.784	77	14000.000
9	Energy & Power	32	39.987	13	0.013	45	40.000
10	Environment	3	37.000	1	20.000	4	57.000
11	Excise, Taxation & Narcotics Control	2	142.000	4	170.000	6	312.000
12	Finance	5	256.999	4	1334.001	9	1591.000
13	Food	4	108.000	17	624.000	21	732.000
14	Forestry	35	1063.208	4	943.792	39	2007.000
15	Health	75	9961.487	26	2038.513	101	12000.000
16	Higher Education	38	3996.625	27	2323.375	65	6320.000
17	Home	40	1983.000	19	437.000	59	2420.000
18	Housing	7	431.999	9	108.001	16	540.000
19	Industries	17	1590.394	8	50.606	25	1641.000
20	Information	3	140.000	1	40.000	4	180.000
21	Labour	3	68.000	2	17.000	5	85.000
22	Law & Justice	25	1170.000	8	195.000	33	1365.000
23	Local Government	26	2368.534	9	2139.466	35	4508.000
24	Mines & Mineral	9	499.400	8	122.600	17	622.000
25	Multi Sectoral Dev.	30	2388.994	14	923.006	44	3312.000
26	Population Welfare	3	182.000	1	48.000	4	230.000
27	Relief & Rehabilitation	22	1592.761	8	622.239	30	2215.000
28	Roads	305	12936.193	44	793.807	349	13730.000
29	Social Welfare	21	385.996	12	74.004	33	460.000
30	Special Initiatives	0	0.000	2	642.000	2	642.000
31	Sports, Tourism, Archaeology, Culture, Youth Affairs	42	2523.999	12	620.001	54	3144.000
32	ST&IT	16	547.000	5	63.000	21	610.000
33	Transport	5	150.997	4	25.003	9	176.000
34	Urban Development	24	5622.999	6	540.001	30	6163.000
35	Water	192	6954.878	17	95.122	209	7050.000
Total ADP		1182	78899.818	450	47100.182	1632	126000.000
Foreign Assistance		82000					
Grand Total		208000.000					



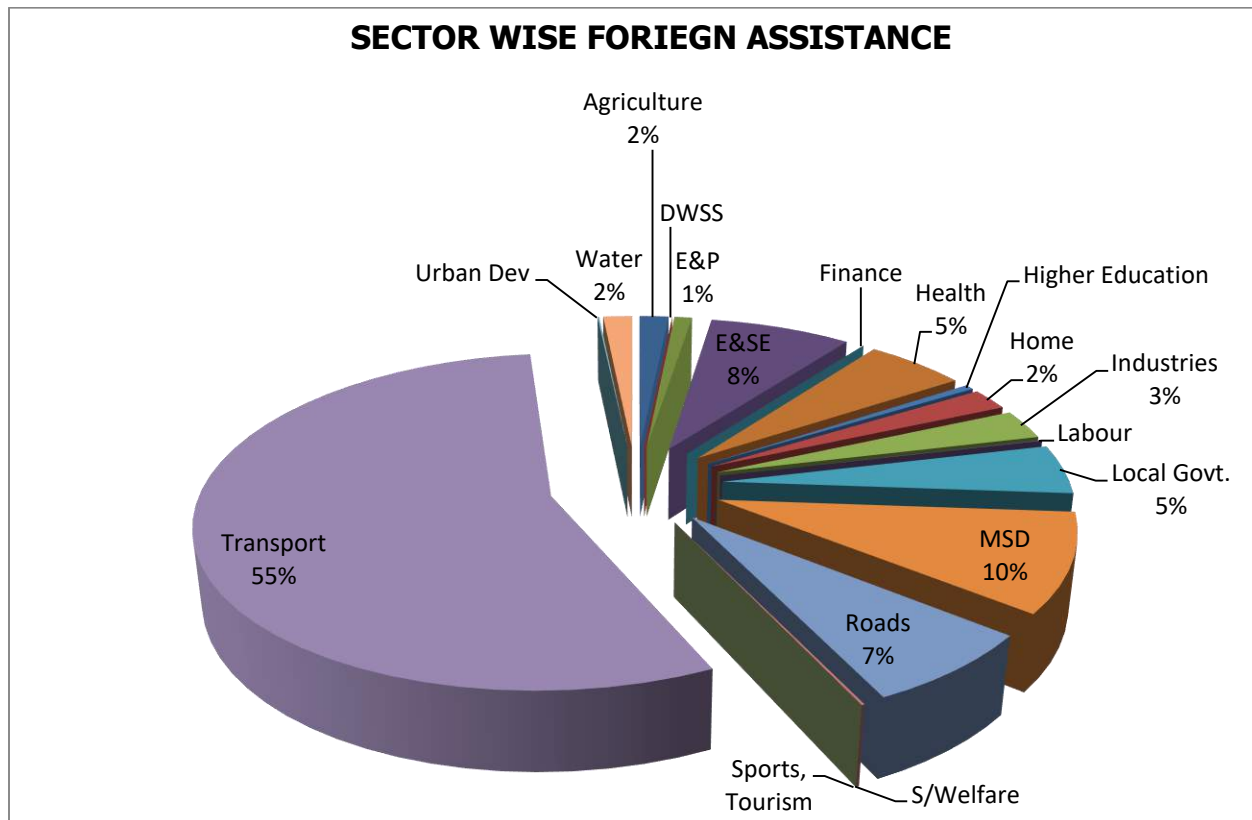
FOREIGN ASSISTANCE

For the year 2017-18, the size of foreign assistance is **Rs 82000.000 million**, comprising of **Rs 29442.376 million (36%)** as grant while **Rs. 52557.624 Million (64%)** as loan. The sector wise allocation of foreign assistance is tabulated as under:

(Rs. in Million)

S.No	Sector	Grants	Loans	Total	%Share	No. of Projects
1	Agriculture	1298.801	0.010	1298.811	1.6	4
2	DWSS	0.101	0.000	0.101	0.0	2
3	E&P	570.000	219.684	789.684	1.0	11
4	E&SE	6294.412	0.000	6344.412	7.7	4
5	Finance	0.000	5.000	5.000	0.0	1
6	Health	4474.710	0.000	4474.710	5.5	5
7	Higher Education	419.120	0.000	419.120	0.5	1

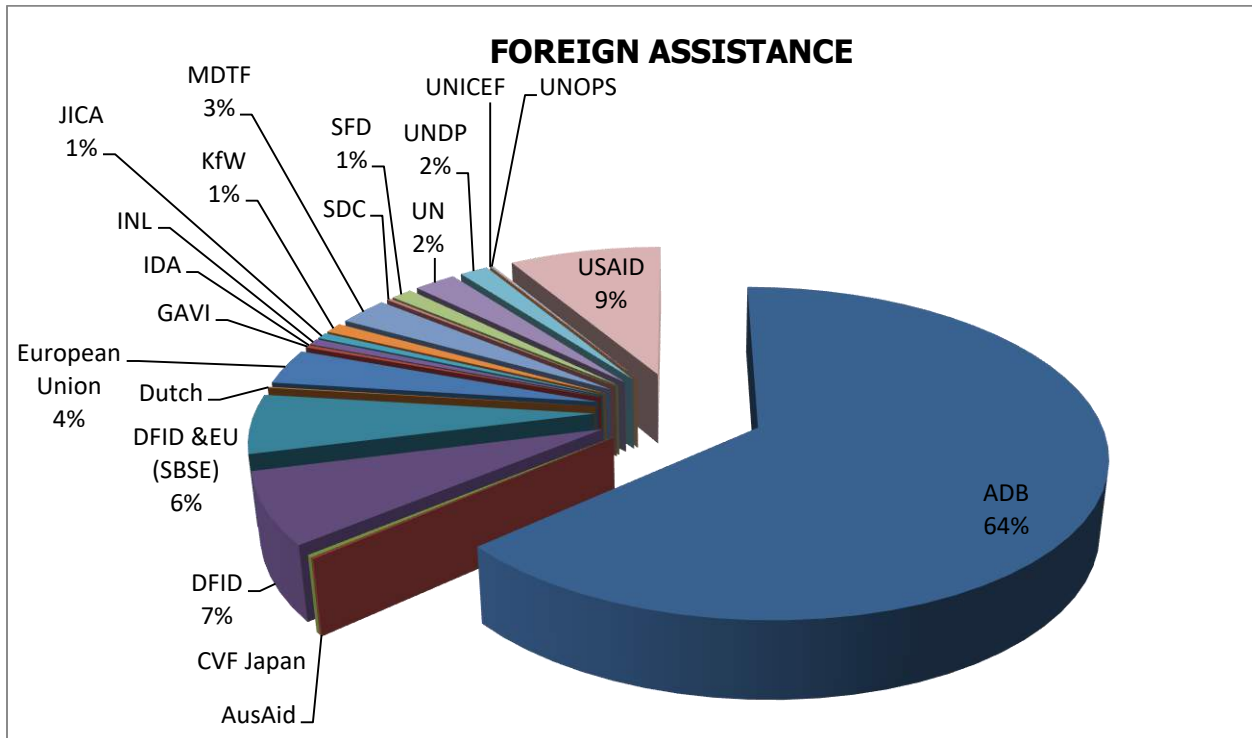
S.No	Sector	Grants	Loans	Total	%Share	No. of Projects
8	Home	1741.620	0.000	1741.620	2.1	10
9	Industries	2369.560	0.000	2369.560	2.9	3
10	Labour	40.000	0.000	40.000	0.0	1
11	Law and Justice	48.484	0.000	48.484	0.1	1
12	Local Govt.	3952.001	0.000	3952.001	4.8	3
13	MSD	7850.879	0.010	7849.373	9.6	16
14	Roads	105.868	5740.750	5846.618	7.1	4
15	S/Welfare	100.000	0.000	100.000	0.1	1
16	Sports, Tourism	0.000	0.010	0.010	0.0	1
17	Transport	96.820	45290.060	45386.880	55.3	3
18	Urban Dev	80.000	0.000	80.000	0.1	1
19	Water	0.000	1302.100	1302.100	1.6	2
TOTAL		29442.376	52557.624	82000	100	74



The individual contributions by the Development Partners of the Provincial Government are as under:

(Rs. in Million)

S.No	Donors	Grants	Loans	Total
1	ADB	82.995	52052.464	52135.459
2	Aus Aid	100.000	0.000	100.000
3	CVF Japan	204.000	0.000	204.000
4	DFID	5802.544	0.000	5802.544
5	DFID &EU (SBSE)	4835.632	0.000	4835.632
6	Dutch	85.000	0.000	85.000
7	European Union	2907.161	0.000	2907.161
8	GAVI	215.710	0.000	215.710
9	IDA	0.000	5.160	5.160
10	INL	520.663	0.000	520.663
11	JICA	5.609	500.000	505.609
12	KfW	831.347	0.000	831.347
13	MDTF	2293.743	0.000	2293.743
14	SDC	177.146	0.000	177.146
15	SFD	1000.100	0.000	1000.000
16	UN	1935.834	0.000	1935.834
17	UNDP	1304.101	0.000	1304.101
18	UNICEF	40.000	0.000	40.000
19	UNOPS	96.820	0.000	96.820
20	USAID	7003.971	0.000	7003.971
Total		29442.376	52557.624	82000.000



SECTOR-WISE INVESTMENT PROGRAMS IN ADP 2017-18

AGRICULTURE

A: Agriculture

Vision

To ensure food security, poverty alleviation and to generate employment opportunities through achieving higher growth rate in this vital sector of the economy. The vision of Agriculture Department is to see a prosperous and food secured rural population with exportable surpluses to generate employment and income opportunities in the province.

Policy

- To ensure food security and improve the living standards of small farmers through increased production and employment generation.
- To pursue agricultural development on sustainable basis, enhance crop production through variety improvement and facilitate value addition for exportable products.
- To convert natural resources into viable business enterprises through scientific, technical, public private partnership and marketing support.

B: Fisheries

Vision

Conserve, manage and develop aquatic resources in public and private sector to meet protein requirement of the masses

Policy

- Increasing fish production through replenishment of fish resources in natural water.
- Aquatic research and conservation program focusing on productivity enhancement, disease control, nutrition, genetics, pollution control and protection of vulnerable species
- Promotion of fish and shellfish farming
- Promotion of Public Private Partnerships to bring in private sector
- Introduction of co-operative fishing to alleviate poverty

C: Livestock

Vision

To create an enabling environment for the livestock sector by removing market distortions, supporting efficient use of public resources and encouraging participation of private sector in the industry to increase the contribution of the sector to the GDP of the province by at least 20% in 3 years.

Policy

- Support the role of the public sector in the governance, management, planning and development of livestock related infrastructure, services and facilities

- Creation of a demand-driven approach to markets for livestock related goods and services
- Recognition that there is a cost for goods and services associated with the delivery of livestock related goods and services
- Elimination of resource allocation distortions in the livestock sector
- To promote sustainable use of resources in the livestock sector
- To develop an independent policy for socially and economically disadvantaged groups

The Khyber Pakhtunkhwa has an essentially agrarian economy. Agriculture and Livestock contribute around 24% of the provincial GDP. Agriculture engaged more than 50% of the labour force of Khyber Pakhtunkhwa. Diversification into horticulture (with its potential to provide more income per acre at higher labor inputs) and rural based agriculture processing units offer promising avenues for increasing the income of rural households.

To enhance water use efficiency, minimize water losses, control soil erosion and surface runoff, develop cultivable waste land to bring more area under crops and enhance productivity, new schemes including Reclamation of Degraded Soil through Soil Conservation Practices, Small Farmers Land Development, Productivity Enhancement through OFWM Interventions and Lining/Improvement of Water Courses have also been proposed. An amount of **Rs 3991.000** Million has been allocated for **38** projects out of which **17** are ongoing with an allocation of **Rs.2824.542** Million and **21** are new with an allocation of **Rs. 1166.458** Million. The following major targets will be achieved in this sector:

- Improvement of Govt Seed Production Units in Khyber Pakhtunkhwa
- Culturable Waste Land Development in Khyber Pakhtunkhwa
- Agriculture Technology Enhancement Activities (ATEA) in Khyber Pakhtunkhwa (USAID Assisted Project)
- Research on Fruit Fly in Khyber Pakhtunkhwa
- Strengthening of Cooperative Wing of Agriculture Department
- Strengthening and Establishment of Fish Hatcheries in Khyber Pakhtunkhwa
- Construction of Buildings for Existing Civil Veterinary Dispensaries in Khyber Pakhtunkhwa
- Improvement of Existing Livestock Breeding Farms in Khyber Pakhtunkhwa
- Characterization of Cattle Genetic Resources of Khyber Pakhtunkhwa through Genetic Markers and Molecular Techniques
- Improvement and Lining of Watercourses in Khyber Pakhtunkhwa for Conservation of Water Resources
- Khyber Pakhtunkhwa Irrigated Agriculture Improvement Project (Agriculture Component)
- Agriculture Land conservation and Water Harvesting for Food Security in Khyber Pakhtunkhwa

AUQAF, HAJJ & MINORITY AFFAIRS

Vision

Ensuring adequate protection, conservation and sustainable use of Auqaf properties, mosques, shrines and promotion of religious harmony in the province and raising standard of living of masses belonging to minorities.

Policy

- Safe guarding and promoting the rights of minorities
- Better management and maintenance of Auqaf properties as per the provisions of the North-West Frontier Province Auqaf Properties Ordinance 1979
- Improving facilities at mosques and shrines and ensuring security around mosques in order to provide peaceful environment for the devotees.
- Explore, Identify and document historic shrines in neglected and far-flung areas.

The Constitution of Islamic Republic of Pakistan provides for protection of rights of minorities living in the province. The Government of Khyber Pakhtunkhwa initiated various projects to provide basic amenities of life and raise standard of living of the minorities. In addition to this, the department will also implement projects pertaining to promotion of religious activities and improvement of Deeni Madaris in the province. An allocation of **Rs 620.000** Million has been made for a total of **20** projects out of which **12** are ongoing with allocation of **Rs 513.195** Million and **08** are new with allocation of **Rs 106.805** Million. The following major targets will be achieved in this sector:

- Purchase of Land for minority graveyards and Shamshan Ghats along with Construction of Boundary Walls in Khyber Pakhtunkhwa
- Construction of Worship Places for Minorities in Khyber Pakhtunkhwa
- Welfare Package for Minorities in Khyber Pakhtunkhwa
- Improvement and Rehabilitation of Residential Colonies
- Construction of Boundary Wall Around Graveyards in KP (Phase-III)
- Solarization of Masajid /Mosques in Khyber Pakhtunkhwa

REVENUE & ESTATE**Vision**

Implementing E-Governance; establishing Service Delivery Centers in the Tehsils of all Districts of the Khyber Pakhtunkhwa facilitating public at large and bringing transparency in Revenue Collection. Improving Infrastructure and academics for Revenue Collection Officers.

Policy

- Transform the manual system into electronic systems to ensure the data availability to public
- Compliance of all applicable laws and regulations
- Expediting collection from Land Revenue, Registration Fee, Capital Value Tax (CVT), and Land Tax/Agriculture Income Tax and Stamp Duty
- Updating and assessment of Land Revenue Records
- Enforcement of Land Revenue Rules 1968 and collection of services charges, taxes, fee and cesses

The Board of Revenue is the controlling authority in all matters connected with administration of the land, collection of land revenue, preparation of Land Records and other matters relating thereto. For the Financial Year 2017-18, an allocation of **Rs 637.000** Million has been made for **07** projects out of which **06** are ongoing with allocation of **Rs 510.400**

Million and 01 is new with allocation of **Rs 126.600** Million. The following major targets will be achieved in this sector:

- Land Record Management Information System (Turn Key Solution).
- Computerization of Land Record in remaining Districts of Khyber Pakhtunkhwa

BUILDING

Vision

Constructing and maintaining residential and office accommodation facilities in the public sector to render functionally adequate services in a cost efficient manner in order to ensure conducive environment for an effective public service delivery system.

Policy

- Stock taking of existing assets and facilities for comprehensive planning of public housing
- Master planning for sequencing developments to cater for building needs under various government departments
- Adoption of standardized plans for construction of residences and offices
- Provision of residential facilities for employees in lower grades.

The Building sector covers buildings at district and provincial level. The building includes Civil Secretariat, District/Tehsil Administration, Pakhtunkhwa Houses, Rest Houses and residential accommodation. An allocation of **Rs 1439.000** Million has been made for total of **50** projects out of which **35** are ongoing with allocation of **Rs. 1188.215** Million and **15** are new with allocation of **Rs. 250.785** Million. The following major targets will be achieved in this sector:

- Establishment of Camp office for District Administration Peshawar
- Reconstruction of Damaged DC's Main Office/Tehsil Building Mansehra
- Establishment of Khyber Pakhtunkhwa Services Academy at Peshawar (Phase-I)
- Provision for Rehabilitation of Disaster Affected Government Buildings
- F/S, Design and Construction of Building for Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KPPRA) (i/c Land Acquisition)
- Construction of Office Accommodation/Building for KPK, Service Tribunal
- F/S, Design, Supervision of Buildings and Management of Properties owned by C&W Department in Khyber Pakhtunkhwa

China KP Economic Cooperation Road Show (CPEC)

During the recent visit to China, a number of agreements have been signed to launch mega development projects in the province. These agreements have the potential to usher the people of Khyber Pakhtunkhwa towards unparalleled economic and social development. These projects are offering new vistas of opportunity to utilize human, material and natural resources of the province in such a way that they meet the growing development needs of its people. Token allocation of **Rs. 1.000** Million has been earmarked for **84** Projects agreement worth **Rs.2452.18** Billion.

DISTRICTS ADP

Section 53(a) of the LGA 2013 envisages development grant for local governments not less than 30% of the total development budget of the province. Keeping this in view the Provincial Government has allocated an amount of **Rs. 28,000.00 Million** for District Development Programme. The allocated amount shall be utilized by the Devolved Tiers of Local Government i.e. Village/Neighborhood Councils, Tehsils and Districts as per the following breakup:

- Provision of VCs/NCs Rs. 13100 Million
- Provision for Tehsils Rs. 7450 Million
- Provision for Districts Rs. 7450 Million

DRINKING WATER SUPPLY AND SANITATION (DWSS)**Vision**

To provide adequate and safe water supply and extending sanitation coverage to un-served and underserved areas

Policy

- Construction of Jabba Dam under Peshawar Greater Water Supply Scheme
- Provision of potable water with a focus on un-served, underserved, brackish and rain-fed areas
- To introduce community participation in the planning, management and development of water supply and sanitation infrastructure, facilities and services
- To halve by 2016, the proportion of people without access to safe drinking water
- To halve by 2016, the proportion of people without access to sanitation
- To develop the technical and financial capacities of water supply utilities and local governments for improvements in water supply and sanitation

Fresh water is liquid of life. The supply of water is finite, but demand is rising rapidly as the population grows and water use per capita increases. Similarly, along with water, sanitation is regarded as the basis of development. Provincial Government is giving special importance for development works in Public Health Engineering Department and in this respect efforts are being made that drinking water projects are implemented in each and every part of the province through which drinking water could be supplied to the masses. In the new development year, the Public Health Engineering department will further expand the existing coverage of clean drinking water and sanitation facilities in the province wherein new water supply schemes will be implemented, old village based water supply schemes will be rehabilitated and dilapidated pipe lines will be replaced. An allocation of **Rs 5160.000 Million** has been made for a total of **84** projects out of which **68** are ongoing with an allocation of **Rs. 4073.800 Million** and **16** are new with an allocation of **Rs 1086.200 Million**. The following major targets will be achieved in this sector:

- Extension of Gravity Water Supply Scheme from Lawghar and Chan Ghuz Dams to various UCs of Karak
- Provision for Rehabilitation of Disaster affected water supply scheme in Khyber Pakhtunkhwa

- Construction/Rehabilitation of Water Supply and Sanitation Schemes in Khyber Pakhtunkhwa (Phase-II).
- Solarization of 100 existing water supply schemes in Khyber Pakhtunkhwa.
- Establishment of material testing Lab at Peshawar

ELEMENTARY & SECONDARY EDUCATION

Vision

A progressive Khyber Pakhtunkhwa with equal access to education for all

Policy

- Standardizing Primary Education across the Province
- Encouraging the completion of full primary schooling by all children
- Addressing gender disparity by promoting gender equality, affirmative action and the empowerment of women
- Enhancing the quality of education infrastructure, facilities and services

Education Sector Plan 2015-20 lays down the basic policy framework for the education sector covering the provision of free quality primary and secondary education to all through better schools and facilities, more effective teachers, improved governance and ensuring every child's right to education. Our Government has made a budgeted investment of Rs. 217 Billion to achieve sector plan objectives.

Realising the importance of having equitable access to education, the ESED carried out detailed research on the barriers to accessing education for marginalised segments of society. Based on this research, the ESED has allocated PKR 300 Million for FY 2017-18 to carry out initiatives to increase the enrolment of children with disabilities, children from religious minorities and children from economically disadvantaged households. An allocation of **Rs. 14000.000** Million has been made for total of **77** projects out of which **60** are ongoing with allocation of **Rs. 12647.216** Million and **17** are new with allocation of **Rs. 1352.784** Million. The following major targets will be achieved in this sector:

- Conversion of 100 Mosque Schools into Primary schools in Khyber Pakhtunkhwa
- Establishment of 100 Primary Schools (B&G 30:70) on need basis in Khyber Pakhtunkhwa
- Special Initiatives-Girls Development of Play Area in Primary Schools
- Provision of Stipends to Secondary Schools Girls Students of Khyber Pakhtunkhwa (Phase-XII) (SBSE)
- Strengthening of Key Laboratories in Govt. Schools at Tehsil level in Khyber Pakhtunkhwa "Cost sharing basis).
- Construction of buildings for rented schools/SHB
- Special Initiatives Hard Area Allowance for Lady Supervisors
- Special Initiative-Incentive for best performing Teachers, Head masters and Principals
- Special Initiative Stoori-da-Khyber Pakhtunkhwa

ENERGY & POWER**VISION**

To develop the potential of the province in hydropower generation, alternate energy and oil & gas to contribute significantly in the re-dressal of energy crises in the country and to generate resources for self-sustainability of the Province

Policy

- Emphasis on Hydel Power Generation in Khyber Pakhtunkhwa through short, medium and long term interventions.
- To raise the capacity of PEDO and Energy & Power Department to the highest level of excellence.
- Associate in Hydel development, Private Parties & Foreign companies (Korea, China) in Partnership with the Govt. of Khyber Pakhtunkhwa and local private sector (Tri Partied Partnership)
- Efficient utilization of Net Hydel Profits.
- Mitigating the effects of Power short falls by developing feasible alternate energy sources.
- Thrust on Thermal Power generation in Southern districts utilizing flare gas.
- Developing Hydel policy frame work in Khyber Pakhtunkhwa.
- Establishment of Oil refinery in Khyber Pakhtunkhwa in Partnership with PSO.

The Province of Khyber Pakhtunkhwa has been blessed with enormous hydel power potential. KPK Provincial Government is putting strenuous efforts to tap this potential to meet ever increasing energy demand and redress the energy crisis. KPK Government approved its new Power Policy 2016 along with the Policy Guidelines. KP Government is the first and only among the Federal and Provincial “Governments to issue these Policy Guidelines. An amount **Rs 40.000** Million for **45** projects out of which **32** are ongoing with allocation of **Rs 39.987** Million and **13** are new with allocation of **Rs 0.013** Million. The following major targets will be achieved in this sector:

- Exploration and Production of Lakki Petroleum Concession block of Khyber Pakhtunkhwa (HDF Funded)
- 400 MW Gas Turbine Combined Cycle Power Plant Kohat (HDF Funded)
- 500,000 MTA Urea Fertilizer Plant in District Hangu (HDF Funded).
- Establishment of Technical Lab (HDF Funded)
- Establishment of Testing Lab for Alternate Energy in Khyber Pakhtunkhwa Energy and Power Department (HDF Funded)
- Kalkot Barikot-Patruk HPP (47 MW) Dir Upper (Project cost Rs. 14778.00 Million) 20% HDF 80% World Bank)
- Purchase of Land and PMU Balakot HPP 300 MW (20% HDF 80% ADB).
- Installation of LPG Plant in KP (HDF Funded)
- Shares in Producing Fields of Khyber Pakhtunkhwa (HDF Funded)
- Detail Design and Construction of Mujahidin HPP (6.5 MW) at Barandoo river District Torghar with Transmission lines (HF Funded)

ENVIRONMENT**Vision**

Ensure the conservation, rehabilitation and enhancement of the environment and drive sustainable development in the province while mitigating environmental pollution.

Policy

- Implementation of the provisions of Multilateral Environmental Agreements (MEAs)
- Integrate environmental considerations in the policy and planning processes
- Enhance the institutional capacity of Environmental Protection Agency and other Government and non-Government organizations for the efficient management of the environment
- Create awareness about environmental issues amongst the youth across educational institutions, civil society and various other stakeholders
- Monitoring of pollution level in air, surface water & groundwater
- Inventory of Industrial Pollution in Khyber Pakhtunkhwa

The Environmental Protection Agency is basically an advisory body, and its role is to regulate the Pakistan Environment Protection Act 1997 and ascertain its implementation throughout the province. The department plays an important role in dissemination of environmental concerns to the general public through mass awareness campaigns, print and electronic media, monitoring of ambient air quality, water and noise pollution across the province and promotion of environment education. An allocation of **Rs. 57.000** Million has been made for total of **04** Projects out of which **03** are ongoing with allocation of **Rs. 37.000** Million and **01** is new with allocation of **Rs. 20.000** Million. The following major targets will be achieved in this sector:

EXCISE, TAXATION & NARCOTICS CONTROL**Vision**

To promote distinctive function of Taxation, Regulation and Public Welfare in the province to enhance the provincial tax net and facilitate the taxpayers.

Policy

- Collection of various provincial taxes (Enhancing Tax Revenue by Facilitating Tax Payers).
- Tax facilitation and extension to trace-out the use of illegal and smuggled vehicles and traffic in contraband's.
- Regulatory and public welfare functions/services such as motor vehicle registration and development of tobacco crop, tobacco production areas and tobacco farmers, through utilization of collected Tobacco Development Cess (TDC).
- Facilitate the registration of Motor Vehicle Dealers, Real Estate Agents and Video Cassette/ CD Shops.

The Excise & Taxation Department is primarily engaged in collection of various provincial taxes, duties, fees and cess items. Provincial Government established independent Khyber Pakhtunkhwa Revenue Authority (KPRA) for administration of Sales tax on services in

accordance with the constitutional provisions. Hitherto the tax was administered by the Federal Board of Revenue (FBR) on behalf of the Provinces. The FBR was merely collecting Rs 4.71 Billion per annum from meager 200 tax payers. The KPRA has now enhanced the tax collection to Rs 7.26 Billion and this year collection is expected to be Rs. 10.00 Billion. The number of tax payers has also been marginally improved and now stands at 1500. An allocation of **Rs. 312.000** Million has been made for total of **06** projects out of which **02** are ongoing with allocation of **Rs. 142.000** Million and **04** are new with allocation of **Rs. 170.000** Million. In order to facilitate the tax payers work on three (03) Tax Facilitation Centers has been in progress while another three (03) Districts shall be covered under the extended programme during FY. The following major targets will be achieved in this sector:

- Establishment of six (06) Tax Facilitation Centers in Khyber Pakhtunkhwa
- Installation of Security System
- Establishment of Data Center
- Establishment of Model Warehouse with Allied Facilities

FINANCE

Vision

To achieve prosperity of Khyber Pakhtunkhwa through excellent Financial Management and sound Fiscal Policy.

Policy

Finance Department provides an effective financial management framework and financing of government initiatives with sound planning, integrity, transparency and social responsibility being its core values.

During Financial Year 2015-16, Finance Department supervised 13 Developmental schemes with total allocation of Rs. 3216.00 Million

- Notable achievements were the introduction of new MRS rates, wherein schedule rates of majority items have been reduced due to downwards trend in petroleum products which will save 10% to 15% on works executed during financial year 2016-17.
- Energy Monitoring Unit has saved Rs. 397.370 Million during reconciliation of electricity bill with PESCO.
- The Group Insurance scheme has been substituted with another employees friendly scheme (Retirement Benefit and Death Compensation Cell (RBDC)).
- Pension Automation Cell has been established to facilitate pensioners of the province.

The Finance Department Pakhtunkhwa is the custodian of Provincial Exchequer and deals with the subjects pertaining to Finance of the Provincial Government and an allocation of **Rs.1591.000** Million has been made for total of **09** projects out of which **05** are ongoing with allocation of **Rs. 256.999** Million and **04** are new with allocation of **Rs.1334.001** Million. The following major targets will be achieved in this sector:

- Own Source Revenue Generation (World Bank Assisted)
- Projects to be funded from Tobacco Development Cess
- Block Provision for projects to be funded from 10% Net Hydel Profit
- Block Provision for projects to be funded from 10% of Oil and Gas Royalty

FOOD

Vision

To ensure food security and safe and healthy food for the Province

Policy

- To eradicate adulteration of food by 2018
- Better Planning for the sector

Khyber Pakhtunkhwa is a wheat deficient province and is prone to crisis-like situations in case of any disruption in smooth flow of supply of wheat and wheat products from Punjab. Normal annual wheat requirement of the Province is about 4.421 million tons against which local wheat production is about 1.134 million tons leaving a short-fall of 3.287 million ton per annum. It is of paramount importance that the Food Department should have sufficient warehouses to overcome any kind of food emergency and to cater for wheat upto 0.821 million tons. Presently storage accommodation with the Province is 0.400 million tons which is required to be raised to the level of 0.6 million tons in accordance with the decision of the Planning Commission of Pakistan taken in the wake of crisis faced due to shortage of wheat in the country in the year 2008.

To enhance the storage capacity, a proposal of Food Department Khyber Pakhtunkhwa for the year 2017-18 has already been provided to the Planning and Development Department, Khyber Pakhtunkhwa wherein, an amount **Rs 732.000** Million for **21** projects out of which **04** are ongoing with allocation of **Rs 108.000** Million and **17** are new with allocation of **Rs 624.000** Million. The following major targets will be achieved in this sector:

- Acquisition of land for Food Grain Godowns in District Charsadda
- Construction of De-watering System in Food Grain Godowns in District Nowshera
- Construction of Food Grain Godowns of 600 Ton Capacity in District Mardan (Land Available)
- Construction of Food Grain Godowns of 10000 Ton Capacity in District Malakand at Sakhakot (Land Available).
- Special Repair of Food Grain Godowns in Various District of Khyber Pakhtunkhwa
- Construction of Food Grain Godowns of 2000 Ton Capacity in District Torghar

FORESTRY

A: Forest

Vision

The mission of the Forest Department is to improve the quality of life through effective research and to provide trained manpower for scientific management of forests, rangelands, wildlife, watersheds, environment protection, and biodiversity conservation in Pakistan.

Policy

- Improvement of Range Research Facilities at PFI, Peshawar.
- Uplift of Infrastructure of Pakistan Forest Institute, Peshawar.
- Provision for Forestry Research Enhancement at Pakistan Forest Institute (PFI), Peshawar.
- Strengthening of Forestry Education at Pakistan Forest Institute (PFI) Peshawar.
- Establishment of PFI High Mountains Forestry and Biodiversity Research and Training Station Kalam
- Improvement and Upgradation of PFI Field Station, Shinkiari
- Carbon Stock Assessment of Forests of Khyber Pakhtunkhwa
- Maintaining Biological Diversity of Medicinal Plants in Arid Zones of Khyber Pakhtunkhwa
- Integrated Forestry Research Initiative and Computerization of Important Pakistani Timbers
- Synthesis of Bivoltine Silkworm Hybrids and Germplasm Conservation for Enhancing Livelihood of Forest Dependent Communities in Khyber Pakhtunkhwa
- Potential Impacts of Climate Change in Anatomy of Hardwood Species Grown in Different Climatic Zones of Khyber Pakhtunkhwa

B: Wildlife

Vision

To protect wildlife resources to maintain bio-diversity and to make them ecologically stable and safeguard them for current and future generations.

Policy

- Protection, preservation and management of natural habitat of diversified wildlife species endowed to the province
- Enforcement of Wildlife Laws
- Establishment and Maintenance of Protected Area
- Propagation of Threatened and Endangered Species of Wildlife
- Conservation Awareness Programme
- Community Participation in Conservation of flora and fauna
- In-situ and Ex-situ Conservation Programme.

Khyber Pakhtunkhwa Province supports rich biological diversity spreading throughout the province. The richness of fauna can be judged from the fact that 98 species of mammals, 456 species of birds and 56 species of reptiles are found in the province as compared to 188 species of mammals, 668 species of birds and 177 species of reptiles found in Pakistan. An allocation of **Rs.2007.000** Million has been made for total of **39** projects out of which **35** are ongoing with allocation of **Rs.1063.208** Million and **04** are new with allocation of **Rs. 943.792** Million. The following major targets will be achieved in this sector:

- Zoo for Peshawar Division
- Wetland Park for Peshawar Division
- Biodiversity Conservation and Management in Hazara
- Conservation and Management of Wildlife in Central Northern Divisions

- Development Breeding and Tourist Facilities at Wildlife Park District Lakki Marwat Bannu Wildlife Division
- Renovation and Improvement of Dhodial Pheantry in District Mansehra
- Conservation, Development and Management of Wildlife in Khyber Pakhtunkhwa
- Strengthening Baja Wildlife Park of Mardan Wildlife Division.
- Billion Tree Afforestation Project in Khyber Pakhtunkhwa Phase-III.
- Conservation, Development and Management of Wildlife in Khyber Pakhtunkhwa, under Green Pakistan (GoP 50% GoKP 50%)

HEALTH

Vision

Work towards a healthy population in partnership with the private sector and civil society and develop effective and efficient healthcare systems targeted towards women in reproductive age and critical illness coverage.

Policy

- Up-gradation and optimal usage of health care facilities leading to measurable improvement in primary, secondary and tertiary health care.
- Building upon and improving health delivery systems and health management systems with measurable impact on Strategic Development Goals
- Social protection for low income and vulnerable income groups
- Capacity building for evidence and outcomes based planning with emphasis on data analysis research.
- Focusing on Community led community health programs and public private partnerships.

The Provincial Government of Khyber Pakhtunkhwa is keen to provide quality health services to the people of the province. In this regard Health Department has initiated reform initiatives in Health Sector to strengthen the provision of health services to the people of the province. Completion of ongoing schemes, human resource development and monitoring of health delivery system has been given priority. Mother and Child health and prevention of communicable diseases have also been given priority.

An allocation of **Rs. 12000** Million has been made for total of **101** projects out of which **75** are ongoing with allocation of **Rs. 9961.487** Million and **26** are new with allocation of **Rs. 2038.513** Million. The following major targets will be achieved in this sector:

- Purchase of Equipment for newly constructed building for Hepatitis Centre at Nishtar Abad Peshawar
- Purchase of equipment for newly constructed building of PGMI at Hayatabad Medical Complex Peshawar
- Purchase of equipment for newly constructed Casualty Block, KTH Peshawar
- Purchase of equipment for Institute of Kidney Diseases Hayatabad Peshawar
- Purchase of equipment for newly Constructed Additional Wards at LRH, Peshawar
- Purchase of equipment for newly Constructed Building for Saidu Group of Hospitals, Swat.

HIGHER EDUCATION

Vision

A progressive Khyber Pakhtunkhwa with equal access to education for all

Policy

- Standardizing Higher Education across the Province
- Addressing gender disparity by promoting gender equality, affirmative action and the empowerment of women in Higher Education Sector
- Enhancing the quality of education infrastructure, facilities and services
- Enabling tertiary educational institutions to be autonomous and accountable in terms of finance, administration and academics
- Reforming college level education through the development of career placement and other linkages with the job market

Education plays pivotal role in the progress of nations. The higher education sector has planned to establish new degree colleges in the province. Moreover, new blocks & hostels will be constructed and computer equipment will be provided in various colleges for imparting education in information technology and other sciences. An allocation of **Rs. 6320.000** Million has been made for total of **65** projects out of which **38** are ongoing with allocation of **Rs.3996.625** Million and **27** are new with allocation of **Rs. 2323.375** Million. The following major targets will be achieved in this sector:

- Upgradation of Seminar Hall at Directorate of Archives, Peshawar
- Development of Archives and Public Libraries in Khyber Pakhtunkhwa
- Repair and Maintenance, addition/alteration in existing buildings of public libraries in Khyber Pakhtunkhwa
- Establishment of building for HETTA
- Provision of additional/missing facilities in govt colleges of Khyber Pakhtunkhwa (Phase-II)
- Strengthening of BS program and teacher engagement for BS-4 years degree programme in 62 more colleges
- Start the Khyber Pakhtunkhwa programme
- Purchase of furniture plant and machinery, lab equipment etc, in govt colleges of Khyber Pakhtunkhwa
- Establishment of GCMS Tordeher Swabi
- Provision of furniture/library books and development of computer labs for BS Commerce programme.
- Upgradation of existing University Campuses to a full fledge University at Chitral
- Pak Austria Fachhochschule Institute of Applied Sciences and technology (PAF -IAST)
- Performance based grant to Public Sector Universities in Khyber Pakhtunkhwa

HOME

Vision

Ensure Peace and Stability, revamping of Criminal Justice System in larger public interest in terms of Safe, Peaceful and Just environment.

Policy

- Overall Capacity Building of Human Resources of Home Department and its attached setup.
- Infrastructure development as well as Authorization of Police for Public Safety.
- Prisons Management including resolving overcrowding and other issues like energy crisis.
- Improvement in coordination mechanisms of attached departments.

Home Department is home to four P's of Criminal Justice System which is Police, Prosecution, Prison, Reclamation and Probation. To improve the performance of these departments, ample funds have been allocated to finance the running projects and the future course of action. The area of Human Resource has been capacitated by the on-going strengthening scheme including the overall support of foreign partners through Strategic Development Partnership Framework Program (SDPF) and Integrated Development Strategy (IDS). In this regard, a reforms initiative was the fruitful completion of Peace Building Project for Khyber Pakhtunkhwa vis-à-vis other on-going projects like Strengthening Rule of Law (SRLP), Citizens Justice and Peace Program (CJPP) and Pakistan Action to Counter Terrorism (PACT). The reforms brought through Peace Building Project were establishment of Model Police Stations, institutional strengthening of the Prosecutor's role and improved Police-Prosecution coordination, development of Community Policing Policy, Plans and standard operating establishment of Government Citizen Forum (GCF) to make the system congruent to the public needs. Moreover, a de-radicalization initiative in Swat was successfully completed while De-radicalization Emancipation Program (DREP) Phase-II of the same program has been launched successfully to curb the menace of terrorism.

Subsequently, Police have been empowered through Police Act 2017 as well as equipped with contemporary training modalities and updated weaponry alongwith the development of the infrastructure across the province like construction of Special branch offices in various district comprising Peshawar, Mardan, Abbottabad, Dera Ismail Khan and Kohat. Similarly, the issues of Prisons over-crowding, energy crisis and security concerns have to be countered through the construction of new jails and high security prisons along with installation of separate feeders and solar-energization of jails to reduce the expenditure burden on Government Exchequer. Consequently, an amount **Rs 2420.000** Million for **59** projects out of which **40** are ongoing with allocation of **Rs 1983.000** Million and **19** are new with allocation of **Rs 437.000** Million. The following major targets will be achieved in this sector:

- Establishment of Forensic Science Laboratory (FSL) at Peshawar
- Facilitation for Female Prosecutors in the Offices of Prosecution in Khyber Pakhtunkhwa
- Construction of Traffic Warden Headquarters at Peshawar (PC-II)
- F/S and Construction of Model Police Station at each Tehsil and Town Headquarter of Khyber Pakhtunkhwa (50-60 No's)
- F/S and Strengthening of Police Infrastructure in Khyber Pakhtunkhwa
- F/S and Construction of Regional Headquarters for Counter Terrorism
- Feasibility Study, Planning, Designing and Construction of Central Prison Peshawar (Phase-II).
- F/S and Construction of District Jail, Nowshera (PC-II)
- Construction of District Jail Swabi (Phase-II)
- Feasibility Study and Construction of District Jail Shangla

- Improvement/Strengthening of Female and Juvenile Sections in selected Jails of Khyber Pakhtunkhwa
- Construction of Model Interview Rooms in selected Jails of Khyber Pakhtunkhwa
- Establishment of Planning and Monitoring Cell at Inspectorate General of Prisons, Khyber Pakhtunkhwa

HOUSING

Vision

Establish a comprehensive system of town planning at different levels in the province to ensure systematic integrated growth of urban and rural areas and to achieve the objective of “Housing for all” including shelterless government servants and to create an Authority for proper achievement of the objects aforesaid.

Policy

- Facilitate provision of Housing inputs, including land, finance, building materials through institutional and legal frame work and develop indigenous and effective approaches.
- Facilitate Public & Private partnership in housing and development of recreational activities.
- To Assist in formulation of provincial land use policy, plan and prepare regional development plans (inter district spatial planning-master planning) for an integrated, coordinated and systematic planning to ensure orderly growth and development of physical infrastructure.
- Propose suitable amendments in land acquisition laws to make provisions for unified, transparent and market oriented system of land acquisition on land sharing basis.

The department has been mandated to provide adequate housing facilities for the General Public as well as Government Servants. It is also responsible for acquisition and development of sites through public finances and with the assistance of private sector. Under the proposed Programme, the department besides pursuing the ongoing interventions will construct housing units for low income groups in Khyber Pakhtunkhwa and construct official residences in PHA housing Scheme. Besides that land will be acquired for Expressway to Model Town, Motorway City and Hangu Town ship. An allocation of **Rs. 540.00** Million has been made for total of **16** projects out of which **07** are ongoing with allocation of **Rs. 431.999** Million and **09** are new with allocation of **Rs.108.001** Million. The following major targets will be achieved in this sector:

- Purchase of Private Land for Hangu Townships, Hangu (1755 Kanals).
- Khpal Kor (2K)-Low Cost Housing in ll Districts of Khyber Pakhtunkhwa
- Launching of Housing Scheme on 187 Kanal Government land at Dheri Zardad Charsadda
- Land Acquisition for Aboha Hosing Scheme District Swat 1500 Kanal
- F/S, Planning and Designing of Apartments and Shopping Complex on 5 Kanal and 11 Marlas at Warsak Road, Peshawar
- F/S Planning and Designing of Apartments and Shopping Complex on 13 Kanal at Warsak Road Peshawar.

INDUSTRIES**Vision**

To support growth of locally and internationally competitive industries, generating employment and technological up-gradation. To advocate sustained growth in export, government revenues and industrial and service sector profits.

Policy

- Public sector to ensure creation of business enabling environment for the private sector to come forward, grow and prosper.
- Business primarily to be left to the private sector.
- Ensuing economic activity and growth will lead to increased employment opportunities leading to poverty reduction and increase in earning and income.
- Public Sector to facilitate provision of state of the art infrastructure

A Vibrant industrial sector is imperative for economic growth and employment generation. Revitalization of the Industrial sector, thus, is an important agenda of the Provincial Government. Provision of enabling and facilitative business environment and infrastructure coupled with provision of technically qualified and skilled manpower is hallmark of the revitalization strategy of the present Government. Industrialization has gained more importance for uplift of the province of Khyber Pakhtunkhwa.

The Provincial Government has established Khyber Pakhtunkhwa Economic Zones Development and Management Company to focus on modernizing the long neglected Industrial sector, as well as development of the same as a prime zone for employment opportunities.

The Industrialists and investors both local and international have highly praised the incentives offered under KP Industrial Policy 2016. Capitalizing on opportunities, the provincial government has planned 17 economic zones across the province which have been planned to be converted into Special Economic Zones allowing for federal tax incentives. An allocation of **Rs. 1641.00** Million has been made for total of **25** projects out of which **17** are ongoing with allocation of **Rs. 1590.394** Million and **08** are new with allocation of **Rs. 50.606** Million. The following major targets will be achieved in this sector:

- Awareness of Consumer Rights through “Advertisement, Media, Workshops and Seminars
- F/S and Establishment of Campuses of Khyber Pakhtunkhwa University of Technology at Swabi and Charsadda
- Support to Khyber Pakhtunkhwa Board of Investment and Trade (KP-BOIT)
- F/S and Purchase of Land for Establishment of Industrial Estate at the Border of Karak and Kohat (Phase-I)
- Purchase of Land for 2nd Industrial Estate at Peshawar.

INFORMATION**Vision**

To provide factual and broad based projections of socio-economic, political and religious affairs of the province to the general masses in the print and electronic and social media. Information and Public Relation Department has a vital role to perform when it comes to

attainment of a secure, just and prosperous society. It bridges the gap between the government and the public thereby contributing towards promoting good governance in the province.

Policy

- To act as a bridge between the government & public in general.
- Expanding the existing net of media coverage by establishing new FM Radios in the province.
- Promoting positive values amongst the educated youth of KP in order to channelize their energies for the socio-economic uplift of the province and the country.
- Publicity of the provincial government's initiatives, public service messages and programmes etc through mass media.
- Issuance of government advertisements to the media.
- Journalistic affairs
- Management of newspapers, books, magazines, printing presses etc under the law.
- Production and broadcasting/distribution of films and documentaries of general interests with consultation of departments concerned.
- Encouraging telecast of documentaries for the projection of culturally enriched province.
- To act as a point of interface vis-à-vis the Right of information as provided in Article 19(a) of the constitution.

The provincial government in consonance with requirements of the speedy media of the current era has established a state of the art Press Briefing Studio at the Directorate with financial assistance of the Khyber Pakhtunkhwa Governance Program (KPG) at a cost of Rs. 28.134 Million during the financial year 2016-17. The Press Briefing Studio will be used for holding press conferences, media briefings and online "Khuli-Kacherhries" etc.

Media plays an important role in disseminating information, changing perceptions and moulding public opinion. Public Relation Department provides support to the media persons in the shape of grants-in-aid and establishing press clubs and colonies to enable them to perform their professional responsibilities in best possible manner. An allocation of **Rs. 180.000** Million has been made for total of **04** projects out of which **03** are ongoing with allocation of **Rs. 140.000** Million and **01** are new with allocation of **Rs. 40.000** Million. The following major targets will be achieved in this sector:

- Independent Reporting System in the Directorate of Information Khyber Pakhtunkhwa
- Construction of Newspaper Market for Hawkers in all Districts
- Establishment of Creative Wing in the Directorate of Information.
- Media Training Academy in the Directorate of Information and Smart Phone App "Incredible KP" to brand KP at National and International Level

LABOUR

Vision

To promote healthy labour management practices for greater socio-economic progress and social justice in the work place by means of worker's rights protection occupational safety and ensuring industrial peace.

Policy

- Recognizing the importance of adequate and fair wages, workers health and welfare, and under taking special measures including health care coverage for families, education and housing.
- Improvement of working conditions and environment
- Discouraging and combating bonded labor and child labor in the province
- Promotion of welfare of industrial and commercial workers
- Strengthening of Labor management relations.
- Exploring new avenues to absorb skilled labor of the province

Labour Department, Govt. of Khyber Pakhtunkhwa is the custodian of the guaranteed rights of the workers ranging from minimum age to minimum wages and occupational safety and health at the workplace to right to organize and collective bargaining. It ensures social security of working community by providing medical facilities and cash benefits to them. In addition, it ensures welfare of the workers through quality education, residential colonies, marriage grant and death grants to the workers families.

The devolution thus necessitated steps to make for the capacity gapes. Additionally, in order to meet the challenge and contribute to honour the commitment of the government, the Labour Department proposed schemes for inclusions in the Annual Development programme (ADP). An allocation of **Rs. 85.00** Million has been made for **05** projects out of which **03** are ongoing with allocation of **Rs.68.000** Million and **02** are new with allocation of **Rs.17.000** Million. The following major targets will be achieved in this sector:

- Land Acquisition and Construction of Office Building for Directorate of Labour.
- Strengthening Govt. Efforts to Combat Child Labour Through Child Labour Survey in Khyber Pakhtunkhwa
- Modernization of checking facilities and mobilization of inspecting staff of weights and Measures Cell

LAW & JUSTICE**Vision**

To ensure access to affordable, timely and equitable justice

Policy

- Improved infrastructure for judicial officers
- Capacity building of relevant stakeholders of the legal justice system
- Research and Development

In this sector, schemes pertaining to Law department & Peshawar High court are considered. The law department deals with the human rights & Government Pleaders office while the Peshawar High Court mainly encompasses the judiciary process across the province. An allocation of **Rs. 1365.000** Million has been made for total of **33** projects out of which **25** are ongoing with allocation of **Rs.1170.000** Million and **08** are new with allocation of **Rs. 195.000** Million. The following major targets will be achieved in this sector:

- Construction of Judicial Complex Bannu
- Construction of Judicial Complex Haripur
- Construction of Hostel in Judicial Academy
- Construction of Peshawar High Court Abbottabad Bench
- Strengthening of P&D Section in Peshawar High Court
- Construction of Judicial Complex Nowshera
- Construction of Bar Rooms at Swat and Abbottabad.

LOCAL GOVERNMENT

Vision

Enhance the Local Government's ability to generate revenue and optimally utilize the available resources while meeting the needs of their respective administrative units, including the ability to deliver municipal services and provide infrastructure facilities.

Policy

- To enable cities and towns in the Province to become engines of economic growth
- To create efficient mechanisms for governance of urban and rural areas that can facilitate the flow of goods and services
- To address inter-jurisdictional and intra-jurisdictional issues between cities, towns and villages
- To build the capacity of local governments to provide municipal infrastructure, facilities and services

The Local Government, Elections and Rural Development Department, is mandated with administration and management of the local government institutions in the province. Different entities including the Administrative Department, the Directorate General, LG&RD, the Local Councils Board. 12 numbers of the Local Area Authorities, more than 70 Tehsil Municipal Administrations and 3000 Village Councils/Neighborhood Councils) constitute the strength of the Department. The Department is responsible to look after the Regional Development (Local Development) and Urban Development Sectors of the Annual Development Programme.

Major functions of the LGRDD includes provision of local governance system which provides municipal services including drinking water supply, sanitation and sewerage, firefighting, streets, roads, parks and street lights provision etc. Besides, it is also mandated to coordinate the housing and population census, local government and general elections, delimitation of local council. An allocation of **Rs.4508.000** Million has been made for total of **35** projects out of which **26** are ongoing with allocation of **Rs. 2368.534** Million and **09** are new with allocation of **Rs. 2139.466** Million. The following major targets will be achieved in this sector:

- Development Package for Kumrat and Barawal Valley
- Purchase of Land/Construction and Installation of Sewerage Treatment Plant Mansehra
- Family and Children Park Naran (PC-II cost)
- Rehabilitation of Flood Damaged Infrastructure in Madyan, Bahrain and Mingora District Swat and Chitral

- Sewerage System and Treatment Plant at Kalabat Township
- Special Package for Development Initiatives in Khyber Pakhtunkhwa (SDG)
- Priority Projects in Khyber Pakhtunkhwa (SDG)
- District Development Initiatives (SDG)

MINES & MINERALS

Vision

To increase Mineral sector's contribution to the GDP by promoting large scale private sector investment.

Policy

- Formulation of an efficient and suitable policy framework for the province.
- Formulation of a competitive regulatory framework based on international best practices
- Having proper institutional arrangements in place for efficient management of the Mineral sector and implementation of the Mineral Policy.

The Khyber Pakhtunkhwa, Province is rich in all known and precious mineral resources. Plans are in the pipeline for exploration, production, marketing and utilization of the same through modern technology and knowhow. This will on the one hand help the department contribute a share of 10-15% to the National 'GDP and on the other will result lowering the graph of poverty by creating more job opportunities through increasing exports and flourishing other associated industries.

Khyber Pakhtunkhwa Mineral Sector Governance Act, 2016 and 2017 Rules made there under have been promulgated/notified, while, online applications have already been started in November, 2016. The department is contributing a major chunk of revenue to the exchequer and for the new financial year 2017-18, a receipt target of Rs. 2.4 Billion is given by the Finance Department. An allocation of **Rs. 622.00** Million has been made for total of **17** projects out of which **09** are ongoing with allocation of **Rs. 499.400** Million and **08** are new with allocation of **Rs. 122.600** Million. The following major targets will be achieved in this sector:

- Study and Establishment of Gems and Gemology Centre in Peshawar
- Land Acquisition and Construction of District Office of Mines and Minerals at Chitral
- Establishment of Mining Cadastral System
- Geological Mapping of KP
- Reserve Estimation of Minerals in KP

MULTI SECTORAL DEVELOPMENT

Vision

To promote strategic and output based planning to integrate sectoral plans into a coherent policy framework.

Policy

- Improve delivery of public services
- Enhancing the productivity sectors
- Reducing poverty, inequality and addressing vulnerability
- Enhancement of private sector participation through Public Private Partnership
- Ensuring balanced urban, regional and gender development
- Accelerated and balanced economic growth

An allocation of **Rs. 3312.000** Million has been made for total of **44** projects out of which **30** are ongoing with allocation of **Rs.2388.994** Million and **14** are new with allocation of **Rs. 923.006** Million. The following major targets will be achieved in this sector:

- Special Development Package, District Torghar (Phase-II)
- Strengthening of District Setup P&D
- Provision for Contractors Decretal Accrued Liabilities and Uncashed Cheques
- Community Resilience in Malakand (UNDP Assisted)

POPULATION WELFARE

Vision

To promote a healthy and industrious population through smart family planning

Policy

- Market and Employability for Peace and Stability
- Area Development and Community Support Programme Kohistan
- Special Development Package District Torghar (Phase-II)
- Strengthening of District Setup P&D
- Establishment of Strategic Support Unit in the Office of Chief Minister, Khyber Pakhtunkhwa
- Provision for Contractors Decretal accrued Liabilities and Uncashed Cheque

To address 26% unmet need of Family Planning/Reproductive Health Service in the province, and to achieve FP-2020, SDGs and Medium Term objectives of the Population Policy an allocation of **Rs. 230.00** Million has been made for total of **04** projects out of which **03** are ongoing with allocation of **Rs. 182.000** Million and **01** is new with allocation of **Rs. 48.000** Million. The following major targets will be achieved in this sector:

- Involvement of Imam/Khateeb/Religious Scholars for promotion/Advocacy of Population Welfare Program
- Establishment of 418 Family Welfare Centers in Khyber Pakhtunkhwa
- Establishment of Population Information and Resource Center (PIRC) and Solarization in newly constructed office of Directorate General Population Welfare
- Innovative scheme through innovative financing/cost sharing basis with donors PPP, NGOs and CSOs for achievementFP2020 and SGs goals/targets

RELIEF & REHABILITATION**Vision**

Development of safer communities through an effective system for management and prevention of emergencies and disasters. Safe human life in Khyber Pakhtunkhwa and Develop sense of safety in any kind of emergency among the mass

Policy

- Development of a safer and resilient community through proactive approach towards emergencies and disaster management, community awareness and training
- to have positive socio-economic impact on the society by reducing disabilities and deaths due to injuries

The provincial government's endeavors in creating Relief, Rehabilitation & Settlement department in fact indicates the paradigm shift in its approach from the traditional post disaster response and rehabilitation measures to development of a plausible roadmap to address pre-disaster measures such as mitigation, preparedness and response. The Department being first responder provide the services of Pre-hospital Medical Service, Fire Fighting Service, Urban Search and Rescue Services and Water Born Search and Rescue, Establishment of Ware Houses, Preparation of Monsoon Contingency Plan, district & community based Disaster Management Strategies, Capacity building of relevant stakeholders throughout the province etc. An allocation of **Rs.2215.000** Million has been made for total of **30** projects out of which **22** are ongoing with allocation of **Rs.1592.761** Million and **08** are new with allocation of **Rs.622.239** Million. The following major targets will be achieved in this sector:

- Establishment of Emergency Rescue Service (Rescue 1122) in District Tank
- Establishment of Emergency Rescue Service (Rescue 11022) in District Lakki Marwat
- Establishment of Emergency Rescue Service (Rescue 11022) in District Karak
- Establishment of Emergency Rescue Service (Rescue 11022) in District Hangu
- Establishment of Emergency Rescue Service (Rescue 11022) in District Kohistan
- Purchase of Land for Establishment of Khyber Pakhtunkhwa Emergency Services Academy and Construction of Boundary Wall
- Re-fabrication/Up-gradation of Emergency Rescue Vehicles and Equipment
- Construction of Warehouses in District Kohistan, Chitral and Dir Upper
- Establishment of Gender and Child Cell in PDMA
- Strengthening of PDMA

ROADS**Vision**

Up-gradation and maintenance of modern road network under optimal and efficient development and management regimes.

Policy

- Enhance road densities through construction and upgrading of existing network
- Rehabilitation of roads that have outlived their designed life
- Construction of missing road links
- Preparing Asset Management Plan for the Provincial Road Sector
- Developing secondary arteries linking national motorways and trade corridors to promote economic growth
- Improving Road Safety and undertaking improvements in road design and specifications
- Dualization of main arteries and improving geometry of existing roads

An efficient communication system and network contributes to the economic growth by lowering domestic production costs, enhancing economies of scale in the production process and creating process and creating economic opportunities. Road transport is the main communication mode within Khyber Pakhtunkhwa and predominantly used for inter provincial transport being an easy and affordable facility with better accessibility to remote concerns of the province. An allocation of **Rs. 13730.000** Million has been made for total of **349** projects out of which **305** are ongoing with allocation of **Rs. 12936.193** Million and **44** are new with allocation of **Rs.793.807** Million. The following major targets will be achieved in this sector:

- Construction of RCC Bridges at Swausar Kasai, Gulibagh and Sromanzai Dir Upper
- Realignment and Black Topping of Garam Chashma Road from Shaghore to Mough including bridges District Chitral
- Construction of Dual Carriageway from Chamkhani to Badaber via Surezai with a link to Peshawar Ring Road. SH: Peshawar Ring Road to Badaber via Surezai (16 KM) (Phase-I), District Peshawar
- Design and Construction of Swabi Bypass Road (12 KM)
- F/S, Design and Construction of Flyover from Kanju Bridge to Mingora, District Swat
- Construction of Swat Motorway SH: Provincial Equity (VGF) Phase-II
- Construction of New RCC Bridge at Kazana Bypass over River Panjkora District Lower Dir (SDG)

SOCIAL WELFARE & WOMEN EMPOWERMENT**Vision**

To develop an integrated and comprehensive social protection system for general population of KPK especially women, deprived, poor and the most vulnerable segments of the society

Policy

- Build strategies that reduce poverty, protect household consumption and support capacity building and productive inclusion
- Build healthy living facilities for the most vulnerable groups including , base of the pyramid women and children and destitute senior age group citizens
- Capacity building of the vulnerable groups by imparting skills to make them contributory members of the society while earning livelihood for themselves
- Work on eradicating drug menace; and medico-legal protection of women, children and Persons with Disabilities (PWDs).
- To invest in women development to reduce gender disparity

In social Welfare and Women Empowerment sector, focus will be laid upon providing social cushion to the deprived and marginalized segments of society especially, women. In the proposed development plan, the department will mainly continue its ongoing projects which include schemes for the wellbeing and safeguarding of destitute women, orphans, beggars, drug addicts and special persons.

An allocation of **Rs. 460.000** Million has been made for total of **33** projects out of which **21** are ongoing with a proposed allocation of **Rs. 385.996** Million and **12** are new with allocation of **Rs. 74.004** Million. The following major targets will be achieved in this sector:

- Establishment of Schools for Deaf and Dumb Children at Charsadda
- Purchase of Land/Construction of Drug Addicts Detoxification and Rehabilitation Center at Swat.
- Upgradation/Construction of one Special Education Institute upto Secondary level in each Division of Khyber Pakhtunkhwa
- Establishment of Skill Development and Rehabilitation Centre for Transgender at Peshawar
- Purchase of equipment and furniture for various ADP completed schemes
- Establishment of Social Welfare Complex at D.I.Khan
- Establishment of Bolo Helpline Center for Gender Based Violence (GBV) at Peshawar
- Establishment of Darul Aman at Chitral
- Establishment of Seven (07) Vocational Centers one each in District Nowshera, Mardan, Haripur, Shangla and three in District Charsadda

SPECIAL INITIATIVES

The Government is focusing on poor and marginalized sections of society in order to develop their socio-economic conditions. An allocation of **Rs. 642.000** Million has been allocated for **2** New Projects.

SPORTS, TOURISM, CULTURE AND MUSEUMS

A. Sports

Vision

Develop a competitive advantage in sports through state of the art facilities and infrastructure, accessible to all citizens of the province

Policy

- Promotion of sports through various interventions at gross root level
- Restoration, up-gradation and creation of state of the art infrastructure
- Research and Development
- Development of state of the art infrastructure with cutting edge sports facilities.

B. TOURISM**Vision**

Promote Khyber Pakhtunkhwa as a preferred tourist destination, nationally in the short-to-medium term and globally in the long term Policy

Policy

- Develop a Tourism Policy for KP Province
- Develop a Public-Private Partnership (PPP) Framework for Increased private sector investment in KP tourism sector
- Increase tourist traffic in the province by at least 10% every year over the next five years
- Ensure maximum investment (domestic and foreign) in the tourism sector over the next five years

Performance of Tourism sector is interconnected with the Law & Order situation, better infrastructure and performance of other sectors. Considering these factors, the government is committed in promoting this sector on priority basis. An allocation of **Rs.3144.000** Million has been made for total of **54** projects out of which **42** are ongoing with allocation of **Rs. 2523.999** Million and **12** are new with allocation of **Rs. 620.001** Million. The following major targets will be achieved in this sector:

- Exploration excavation and publication of archaeological sites and promotion of archaeological activities in Khyber Pakhtunkhwa
- Promotion, Preservation and Development of Kalash Culture
- Establishment of Art Academy at Peshawar and Culture Complexes at Divisional level
- Culture Endowment Fund
- Upgradation of football ground at Qayyum Stadium at Peshawar
- Provision of Hockey Turf at D.I.Khan, Swat, Kohat and Charsadda
- Promotion/Holding of competitions in Khyber Pakhtunkhwa
- Establishment of Directorate of Tourists Services, Khyber Pakhtunkhwa

SCIENCE AND INFORMATION TECHNOLOGY**INFORMATION TECHNOLOGY****Vision**

Organize Knowledge Community a step towards Knowledge Society to Support the Government of Khyber Pakhtunkhwa in making the Shift from resource based economy to Knowledge based economy.

Policy

- Human Resource Development
- Launching of R&D Program and up-gradation of its infrastructure.
- Restructuring of R&D Organization.
- Industrial Development.
- Strengthening of Policy, coordination and management structure.

- Funding and project implementation mechanism.
- To promote usage of Science & Technology by awarding Scholarship, awards, certificates, holding of seminars, workshops in service training and acquiring higher education.
- To promote the education of Science and Information Technology Projects in all the educations in phases.
- To initiate Science and Information Technology Projects in the Province in Agriculture, Housing, Industry, Health, Education, Forestry, Energy, Pharmaceuticals and small cottage Industry including pilot plant studies.

The ST&IT Department is using its technical capabilities to bring a constant attention towards implementation of such policies which cover the gap between local and international demands. To achieve such goal the ST&IT Department endeavours various initiatives for the information Technology in Khyber Pakhtunkhwa. An allocation of **Rs.610.000** Million has been made for total of **21** projects out of which **16** are ongoing with allocation of **Rs. 547.000** Million and **05** are new with allocation of **Rs. 63.000** Million. The following major targets will be achieved in this sector:

- ICT base Camp for Youth of KP
- S&T Endowment Fund
- Propagation of Sythetic Biology in KP (Phase-II)
- S&T Policy

TRANSPORT

Vision

To alleviate the vehicular and commuter traffic congestion issues by providing an alternative urban transport system which is fast, comfortable and is easily accessible.

Policy

- To ensure safe, affordable, comfortable, reliable and time efficient transport system based on modern technology through institutional framework of Khyber Pakhtunkhwa Urban Mobility Authority (KPUMA) and Trans Peshawar for regulating and devising the policies and projects pertaining to Urban transport and Mass transit System (Bus Rapid Transit-BRT)
- To introduce new and improve existing public transport system
- To ensure convenient, safe and time efficient transport based on modern technology
- To provide jobs and alleviate poverty

The aim of the Transport Department is to provide safe, reliable, affordable and environment friendly transport system and ensure efficient mobility of people and goods for the welfare of the people through economic growth and poverty education. Keeping in view the transport and traffic issues. An allocation of **Rs. 176.000** Million has been made for total of **09** projects out of which **05** are ongoing with allocation of **Rs.150.997** Million and **04** are new with allocation of **Rs. 25.003** Million. The following major targets will be achieved in this sector:

- Establishment of Transport Inspection Stations in Khyber Pakhtunkhwa
- F/S for Greater Peshawar Region Rail Based Mass Transit System (CPEC)

URBAN DEVELOPMENT**Vision**

To make cities the engines of economic growth

Policy

- To improve the overall governance structures/systems of major cities
- To promote participatory approaches to urban planning, management and development
- To enable urban infrastructure and service providers to deliver high quality infrastructure, facilities and services to inhabitants
- To induct the private sector in service delivery in order to reduce the financial burden on public sector agencies
- To improve the regime for land tenure, delivery of municipal services and access to urban markets
- To standardize the formulation and implementation of planning practices in urban areas
- To improve the credit worthiness of cities and to enable public private partnerships in the planning, management and development of urban infrastructure, facilities and services
- To provide optimally designed Mass Transit Systems in the major cities of the Province.

In this sector various developmental activities will be undertaken to improve infrastructure in the urban area of the province. Urban areas are important to the national economy as these are considered the focal points for trade, commerce and governance. Moreover, bridges, flyovers, extension & widening of roads, will be constructed for an effective load management of traffic in the city. An allocation of **Rs.6163.000** Million has been made for total of **30** projects out of which **24** are ongoing with allocation of **Rs.5622.999** Million and **06** are new with allocation of **Rs.540.001** Million. The following major targets will be achieved in this sector:

- Feasibility Study of Hospital Wastes (HW) ofr Both Public and Private) and Safe Disposal/Methodology in D.I.Khan, Mingora, Abbottabad, Mardan, Charsadda, Nowshera, Swabi, Haripur, Bannu, Kohat
- Introducing Traffic Calming Measures in the Vicinity of Schools and Hospitals in Peshawar City.
- Parking Provision in Divisional Headquarters
- Establishment of Multipurpose Park and along the River Swat (Between Ayub Bridge and Phiza Ghat Park)
- LED lights on various Urban roads in Peshawar.
- Development of Civic Centre Hayatabad Phase-II under CPEC
- Establishment of Health City in Regi Model Town
- Upgradation/Development of Surrounded areas of Ring Road from Pajjagi Road to Warsak Road Peshawar
- Construction of CPEC Tower
- Construction of Northern Section of Ring Road (Missing Link) from Warsak Jamrud Road

WATER

Vision

To enhance Agricultural productivity by ensuring requisite, equitable and reliable irrigation supplies to cultivable lands of KPK.

Policy

- Sustainable development of irrigation infrastructure with focus on holistic management and institutional reforms.
- Transparent and sustainable management of water resources
- Improving irrigation service delivery
- Improving on-farm water management

Water is one of the resource that can't be generated, however it can be preserved for future requirements. Developed nations try to conserve each and every drop of water available to them because they are aware of the fact that if this commodity is not prudently preserved and used, the human survival itself would be jeopardized and future wars would be fought for its possession and control.

Agriculture is the backbone of economy contributing 25% to DGP and 44% of the labour force is employed as such any investment in water sector helps in poverty alleviation. For bringing green revolution in economy of the province, the provincial government has given top priority to the water sector and enhanced the budget allocation. An allocation of **Rs. 7050.000** Million has been made for total of **209** projects out of which **192** are ongoing with allocation of **Rs.6954.878** Million and **17** are new with allocation of **Rs.95.122** Million. The following major targets will be achieved in this sector:

- Improvement and Upgradation of Roads along canal and Drainage Systems in Khyber Pakhtunkhwa
- Construction and Improvement of Flood Protection Works, improvement of Channels and Rehabilitation of Canal Roads Southern Districts.
- Improvement and remodeling of existing irrigation and drainage infrastructure including feasibility studies and detailed designing for new irrigation and drainage infrastructure in Khyber Pakhtunkhwa
- Remodeling of Warsak Canal System in Peshawar and Nowshera Districts (Provincial Share) ECNEC

ANNEXURES

DETAIL OF PREMATURE DEBT RETIREMENT

(Rs. In Million)

Financial Year	S.No	Name of Loans	Rate of Markup	Amount Retired Prematurely	Saving Per Annum
2002-03	i	SAP Tied 1995-96	15.94%	195.917	
	ii	SAP Tied 1998-99	17.71%	1,375.200	
	iii	Scarp 1996-97	16.31%	540.944	
	iv	Scarp 1997-98	18.03%	809.000	
	v	Scarp 1998-99	17.71%	1,148.305	
	vi	CDL 1996-97	16.31%	420.299	
	vii	CDL 1998-99	17.71%	1,197.126	
Total (a)				5,686.791	1,074.817
2003-04	i	CDL 1989-90	15.93%	1,866.387	
	ii	SAP Tied 1995-96	15.94%	125.447	
	Total (b)				1,991.834
2004-05	i	CDL 1986-87	14.66%	1,160.866	
	ii	CDL 1987-88	15.28%	649.213	
	iii	Scarp 1989-90	15.93%	249.335	
	iv	Scarp 1987-88	15.28%	230.964	
	v	Scarp 1986-87	14.66%	167.094	
Total (c)				2,457.472	449.246
2006-07	i	CDL 1981-82	13%	13.707	
	ii	CDL 1982-83	13%	148.105	
	iii	CDL 1983-84	13%	237.824	
	iv	CDL 1984-85	15%	466.135	
	v	CDL 1985-86	15%	661.222	
	vi	CDL 1988-89	14.84%	637.413	
	vii	Scarp 1981-82	13%	3.154	
	viii	Scarp 1982-83	13%	35.718	
	ix	Scarp 1983-84	15%	129.564	
	x	Scarp 1984-85	15%	92.863	
	xi	Scarp 1985-86	15%	180.402	
	xii	Scarp 1986-87	14.66%	12.174	
	xiii	Scarp 1988-89	14.84%	130.504	
Total (d)				2,748.785	872.101
2007-08	i	CDL 1990-91	15.93%	1,922.752	
	ii	Scarp 1990-91	15.93%	359.661	
	iii	Scarp 1991-92	14.51%	249.115	
	iv	Scarp 1992-93	15.24%	421.081	
Total (e)				2,952.609	626.720
2010-11	i	CDL 1991-92	14.51%	1,319.117	
	ii	CDL 1992-93	15.24%	1,378.172	
	iii	Scarp 1993-94	15.94%	367.338	
	iv	Scarp 1994-95	15.59%	381.541	
	v	Scarp 1995-96	15.94%	591.059	
Total (f)				4,037.227	1,027.552
2013-14	i	CDL 1993-94	15.94%	721.399	
	ii	CDL 1994-95	15.59%	366.559	
	iii	CDL 1999-2000	11.21%	252.075	
	iv	SAP Tied 1992-93	15.24%	50.675	
	v	SAP Tied 1993-94	15.94%	534.417	
	vi	SAP Tied 1994-95	15.59%	218.775	
	vii	SAP Tied 1999-2000	11.21%	353.652	
	viii	Scrap 1998-99	17.71%	2.448	
Total (g)				2,500.000	691.316
2015-16	i	Cash Development Loan 1997-98	8.50%	1,202.942	
	ii	SAP Tied Loan 1999-2000	11.21%	417.196	
	iii	SCARP Tubewell Loan 1999-2000	11.21%	810.197	
	iv	SCARP Tubewell Loan 2000-2001	11.70%	647.078	
	v	SCARP Tubewell Loan 2001-2002	10.72%	374.666	
	vi	SCARP Tubewell Loan 2002-2003	7.42%	182.584	
	vii	SCARP Tubewell Loan 2003-2004	7.20%	10.548	
	viii	SCARP Tubewell Loan 2005-2006	9.79%	294.830	
	ix	SCARP Tubewell Loan 2007-2008	10.14%	607.980	
	x	SCARP Tubewell Loan 2008-2009	13.80%	96.138	
Total (h)				4,644.159	939.860
Grand Total (a+b+c+d+e+f+g+h)				27,018.877	6,065.696

FOREIGN EXCHANGE LOAN LIABILITIES AS ON 01-07-2017

(Figures in Million)

S.No	Description	Rate of Interest	No. of Installments	First Installment	Balance as on 1.7.2017
1	IDA-678-Pak (3rd Education Project)	0.75%	80 half yearly	15-2-1987	*0.193
2	IDA-683-Pak (Flood Damages Restoration Project)	0.75%	80 half yearly	15-5-1987	*0.732
3	IDA-755-Pak (Hazara Forestry Project)	0.75%	80 half yearly	1-4-1998	*0.123
4	IDA-877-Pak (Salinity Control & Reclamation Project Mardan)	0.75%	80 half yearly	1-4-1989	*7.654
5	IDA-892-Pak (4th Primary Education Project)	0.75%	80 half yearly	1-9-1989	*0.435
6	IDA-1113-Pak (Bannu Leather Goods Services Control Project)	0.75%	80 half yearly	1-8-1991	*0.365
7	IDA-1163-Pak (On-Farm Water Management Project)	0.75%	80 half yearly	1-12-1991	*0.860
8	IDA-1239-Pak (Irrigation System Rehab: Project)	0.75%	80 half yearly	1-10-1992	*1.218
9	IDA-1487-Pak Command Water Mangt Project	0.75%	80 half yearly	15-6-1994	*1.666
10	IDA-1499-Pak (Small Industries Dev. Board Project)	0.75%	80 half yearly	15-1-1995	*0.079
11	IDA-1602-Pak (2nd Primary Education Project)	0.75%	80 half yearly	1-11-1995	*6.750
12	IDA-1603-Pak (On-Farm Water Mangt. Project)	0.75%	80 half yearly	1-11-1995	*1.615
13	IDA-1888-Pak (2nd Irrigation System and Rehabilitation Project)	0.75%	50 half yearly	1-8-1998	*1.447
14	IDA-2003-Pak (1988 Flood Damages Restoration Project)	0.75%	50 half yearly	15-9-1999	*1.043
15	IDA-2154-Pak (2nd Agriculture Research Project)	0.75%	50 half yearly	1-11-2000	*1.650
16	IDA-2240-Pak (Family Health Project)	0.75%	50 half yearly	1-11-2001	*6.400
17	IDA-2245-Pak (On-Farm Water Management Project)	0.75%	50 half yearly	15-9-2001	*2.065
18	IDA-2383-Pak (Environmental Protection and Resource Conservation Project)	0.75%	50 half yearly	15-11-2002	*1.553
19	IDA-2468-Pak (1992 Flood Damages Restoration Project)	0.75%	50 half yearly	15-3-2003	*1.314
20	IDA-2593-Pak (Social Action Program)	0.75%	50 half yearly	1-8-2004	*3.058
21	IDA-2687-Pak (Primary Education Project)	0.75%	50 half yearly	15-8-2005	*57.777
22	IDA-2999-Pak (National Drainage Programme)	0.75%	50 half yearly	15-11-2007	*1.292
23	IDA-3050-Pak (Social Action Program-II)	0.75%	50 half yearly	15-9-2008	*5.566
24	KP Structural Adjustment Credit (SAC I)	0.75%	50 half yearly	15-12-2012	**4997.269
25	IDA-3776-Pak (Provincial HIV AIDS Control)	0.75%	50 half yearly	15-6-2013	*3.071
26	IDA-3906-Pak (Second KP Community Infrastructure Project)	0.75%	50 half yearly	15-9-2014	*34.539
27	IDA-3932-Pak KP Structural Adjustment Credit (SAC II)	0.75%	50 half yearly	15-9-2014	*83.250
28	IDA-3932-I Pak KP Structural Adjustment Credit (SAC II)	0.75%	50 half yearly	15-9-2014	*46.250
29	IDA-4177-Pak (Developmental Policy Credit-I)	0.75%	50 half yearly	15-9-2006	*90.713
30	IDA-4316-Pak (Developmental Policy Credit-II)	0.75%	50 half yearly	29-9-2007	*129.359

FOREIGN EXCHANGE LOAN LIABILITIES AS ON 01-07-2017

(Figures in Million)

S.No	Description	Rate of Interest	No. of Installments	First Installment	Balance as on 1.7.2017
31	IDA-3516-1 Pak (Investment Programme-I)	1%	50 half yearly	15-12-2015	*9.744
32	ADB-433-Pak (Aquaculture Dev: Project)	0.75%	60 half yearly	1-5-1990	*0.037
33	ADB-495-Pak (On Farm Water Mangt. Project)	1%	60 half yearly	15-5-1991	*0.449
34	ADB-723-Pak (Chashma Command Area Development Project)	1%	60 half yearly	15-12-1994	*10.870
35	ADB-758-Pak (Farm to Market Roads Project)	1%	50 half yearly	1-4-1996	*0.834
36	ADB-759 Pak (Science Education for Secondary School Project)	1%	60 half yearly	15-5-1996	*0.583
37	ADB-838-Pak (Chitral Area Dev. Project)	1%	60 half yearly	15-12-1997	*8.626
38	ADB-850-Pak (3rd Health Project)	1%	50 half yearly	1-3-1998	*2.955
39	ADB-851-Pak (Fruit and Vegetable Marketing Project)	1%	50 half yearly	15-4-1998	*0.325
40	ADB-874-Pak (Chashma Right Bank Irrigation Project Stage-II)	1%	50 half yearly	15-4-1998	*2.155
41	ADB-916-Pak (2nd Aquaculture Dev: Project)	1%	50 half yearly	15-1-1999	*0.988
42	ADB-917-Pak (2nd Farm to Market Road Project)	1%	50 half yearly	1-2-1999	*5.736
43	ADB-957-Pak (1988-Flood Damages Restoration Project)	1%	50 half yearly	1-10-1999	*1.172
44	ADB-973-Pak (Livestock Development Project.	1%	50 half yearly	15-2-2000	*0.892
45	ADB-976-Pak (Swabi Salinity Control and Reclamation Project)	1%	50 half yearly	15-12-1999	*8.416
46	ADB-977-Pak (Primary Education Girls Project)	1%	50 half yearly	15-6-2000	*2.108
47	ADB-1004-Pak (2nd Urban Dev: Project)	1%	50 half yearly	15-6-2000	*24.750
48	ADB-1146-Pak (Chashma Right Bank Irr: Project Stage-III)	1%	50 half yearly	15-3-2002	*33.799
49	ADB-1179-Pak (Barani Area Dev. Project)	1%	50 half yearly	15-3-2003	*12.227
50	ADB-1185-Pak (Provincial Highway Project)	1%	50 half yearly	15-3-2003	*5.111
51	ADB-1200-Pak (Health Care Dev. Project)	1%	50 half yearly	15-3-2003	*1.613
52	ADB-1209-Pak (Flood Damages Restoration Sectors Project)	1%	50 half yearly	15-3-2003	*7.948
53	ADB-1210-Pak (Teacher Training Project)	1%	50 half yearly	15-2-2003	*3.147
54	ADB-1278-Pak (Middle School Project)	1%	50 half yearly	15-01-2004	*8.970
55	ADB-1294-Pak (Pehur High Level Canal Project)	1%	50 half yearly	15-05-2004	*73.370
56	ADB-1301-Pak Social Action Program-I	1%	50 half yearly	15-9-2004	*8.210
57	ADB-1373-Pak (Technical Edu: Project)	1%	50 half yearly	15-11-2005	*2.156
58	ADB-1401-Pak (Rural Access Road Project)	1%	50 half yearly	1-2-2006	*17.642
59	ADB-1403-Pak (Forestry Sector Project)	1%	50 half yearly	15-5-2006	*28.755
60	ADB-1454-Pak (Primary Education Girls Project-II)	1%	50 half yearly	1-1-2007	*2.628
61	ADB-1493-Pak Social Action Program-II	1%	50 half yearly	15-03-2007	*18.187
62	IFAD-18-Pak (4th Agriculture Dev. Project)	1%	80 half yearly	1-9-1989	*0.284
63	IFAD-558-PAK NWFP Barani Area Development Project	0.75%	60 half yearly	15-02-11	*7.456
64	IFAD-83-Pak (On-Farm Water Mangt. Project)	1%	80 half yearly	1-6-1992	*0.202
65	West German No.8267528 (Hospital Equipment in Khyber Pakhtunkhwa)	0.75%	80 half yearly	30-6-1994	***2.228

FOREIGN EXCHANGE LOAN LIABILITIES AS ON 01-07-2017

(Figures in Million)

S.No	Description	Rate of Interest	No. of Installments	First Installment	Balance as on 1.7.2017
66	West German No. 8267585 (Drinking Water Supply in Refugees Camps in Khyber Pakhtunkhwa).	0.75%	80 half yearly	30-6-1994	***3.196
67	ADB-1877 -Pak- Agriculture Sector Programme(ASPL-II)	1.50%	32 half yearly	03-01-10	*5.035
68	IBRD-3327-Pak (On-Farm Water Mangt. Project Phase-III)	0.75%	50 half yearly	15-9-2001	*1.035

(Figures in million)

Currency Name	Foreign Currency	Conversion rate for 2017-18	Pak Currency
U.S. Dollar	810.452	1US\$ = Rs. 105.500	85,502.686
Pak-Rupees			4,997.269
DM (German Marks)	5.424	1DM = Rs. 57.2375	310.456
Total			90,810.411

*US Dollar ** Pak-Rupees *** DM (German mark)

**DISBURSEMENT POSITION OF FOREIGN PROJECTS AS ON 30-06-2017
WHICH IS UNDER VERIFICATION WITH FEDERAL GOVERNMENT**

(Figures in Million)

S.No	Description	Rate of Interest	No. of Installments	First Installments due from	Allocated Share	Outstanding Amount disbursed upto 30-6-2017
1	IDA-2829-Pak (KP Community Infrastructure Project)	0.75%	50 half yearly	07-01-06	*16.662 SDR 10.617	*11.663
2	IDA 3516-Pak NWFP Emergency Rehabilitation Project	0.75%	50 half yearly	15-6-2011	SDR 16.600	*17.428
3	ADB – 1534 Pak Secondary Education Project	1%	50 half yearly	02-01-08	SDR 6.175 *8.197	*6.250
4	ADB – 1671 Pak Women Health Project	1.50%	50 half yearly	15-10-2005	*7.117	*3.996
5	ADB-1672 –Pak- Malakand Rural Dev:Project	1%	50 half yearly	1.9.2008	SDR 30.852 *41.808	*32.402
6	ADB-1787 –Pak- Barani Area Development Project Phase-II	1.50%	50 half yearly	15-05-2009	SDR 40.065 *52.000	*33.583
7	ADB-1854–Pak KP Urban Dev. Project	1.50%	50 half yearly	15-10-2008	SDR 3.038	*3.207
8	ADB-1900 –Pak- Reproductive Health Project	1.5%	48 half yearly	15-05-2010	SDR 3.812	*0.230
9	ADB-2103 –Pak- WFP Road Dev. Project	Libor + 0.60%	40 half yearly	02-01-10	**17750.229	**9726.632
10	ADB-2104-Pak Road Dev: Sector	1.50%	48 half yearly	02-01-13	SDR 3.404	*1.881
11	ADB-2135 –Pak Restructuring and Vocational Training System Project	1.50%	48 half yearly	15-05-2013	SDR 7.339	*1.575
12	ADB-2286-Pak Renewable Energy Development Sector	Libor + 0.60%	40 half yearly	15-12-2011	**12508.650	**3811.981
13	ADB-2287-Pak Renewable Energy Development Sector	1.50%	48 half yearly	15-12-2014	SDR 6.793	*2.561

(Figures in million)

Currency Name	Foreign Currency	Conversion rate for 2017-18	Pak Currency
U.S. Dollar	114.776	1 US \$=Rs. 105.500	12,108.868
Japanese Yen	13,538.613	1 ¥ =Rs. 0.9316	12,612.572
Total			24,721.440

* US Dollar

** Japanese Yen

GENERAL REVENUE RECEIPTS

(Rupees in Million)

Description	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
I-PROVINCAL TAX RECEIPTS	18,171.145	18,204.345	22,306.875
GST on Services	10,000.000	10,000.000	13,653.000
Agriculture Income Tax	88.000	88.000	88.000
Urban Immoveable Property Tax (net)	218.000	150.000	180.000
Registration (Transfer of Property)	150.000	189.000	189.000
Land Revenue	1,850.000	2,012.100	2,012.100
Tax on Professions	264.000	264.000	300.000
Provincial Excise	41.800	41.800	41.800
Stamp Duties	890.000	890.000	900.000
Receipts under Motor Vehicles Acts, Route Permit & Fitnesses	1,802.350	1,802.350	2,000.000
Tobacco Development Cess	697.070	697.070	697.070
Infrastructure Development Cess	1,100.000	1,100.000	1,100.000
Electricity Duty	625.105	632.105	780.905
Fee for Real Estate Dealrs	13.970	13.970	15.000
Electronic Media	7.900	6.000	8.000
Hotel Tax	37.950	37.950	42.000
Urban Capital Value Tax	385.000	280.000	300.000
II- NON-TAX RECEIPTS	31,335.855	14,263.655	22,908.125
Income from Property & Enterprises	4,644.116	4,819.668	4,766.356
Interest	116.356	116.356	116.356
Dividends	894.329	1,069.881	1,016.569
Return on Assets Transferred to WAPDA	3.431	3.431	3.431
Hydel Power Own Generation	3,630.000	3,630.000	3,630.000
RECEIPTS FROM CIVIL ADMINISTRATION & LAW AND ORDER	1,784.200	2,438.473	2,304.097
Fees from Public Service Commission	60.000	60.000	70.000

GENERAL REVENUE RECEIPTS

(Rupees in Million)

Description	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Receipt in aid of Superannuation	50.000	50.000	50.000
Weights and Measures	37.900	37.900	39.500
Penalty Imposed by SBP on NBP	-	169.314	-
Local Fund Audit	90.000	101.500	10.651
Administration of Justice	266.800	266.800	282.610
Jails and Convict Settlement	17.000	18.000	25.000
Police & Others	1,262.500	1,734.959	1,826.336
Receipts from Community Services	1,050.000	1,159.000	1,204.800
Buildings and Communications	730.000	730.000	735.000
Public Health Engineering	320.000	411.000	450.000
Local Government	-	18.000	19.800
Receipts from Social Services	1,227.913	1,301.779	1,450.386
Higher Education Archives & Libraries	378.268	378.268	428.464
Elementary & Secondary Education	60.000	60.000	60.000
Technical Education	15.200	14.600	15.200
Health	541.005	560.471	638.182
Museums and Tourist Deptt.	28.000	83.000	103.100
Stationery and Printing	205.440	205.440	205.440
Receipts from Economic Services	9,228.700	3,824.950	12,801.100
Agriculture	211.950	211.950	211.950
Fisheries	55.000	60.000	70.000
Wildlife	28.000	28.000	30.000
Animal Husbandry	132.850	132.850	132.850
Forestry	6,000.000	500.000	850.000
Irrigation	559.700	559.700	574.700

GENERAL REVENUE RECEIPTS

(Rupees in Million)

Description	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Manpower Management	1.000	0.950	1.000
Industries	36.700	27.900	37.950
Industrial Safety Explosives (Min: Dev)	2,203.500	2,303.600	2,677.650
Housing	-	-	8,215.000
Miscellaneous Receipts	13,400.926	719.785	381.386
Provincial Receipts (I + II)	49,507.000	32,468.000	45,215.000
III-FEDERAL TAX ASSIGNMENT	293,694.328	286,140.443	326,000.854
Taxes on Income	125,500.729	111,234.359	128,665.333
Custom Duties	33,548.830	39,989.915	47,344.976
Sales Tax	118,195.761	118,915.292	132,013.741
Capital Value Tax (CVT)	189.255	194.610	225.013
Central Excise	16,259.753	15,806.267	17,751.791
IV-Straight Transfers	17,199.980	23,024.965	24,682.290
Royalty on Crude Oil	6,270.138	8,849.106	10,857.185
Royalty on Natural Gas	5,811.155	4,956.174	9,574.963
Gas Dev: Surcharge	3,202.787	7,677.929	2,518.444
Excise Duty on Natural Gas	1,915.900	1,541.756	1,731.698
V-Net Profit from Hydel Power Generation	18,704.000	18,704.000	20,785.000
VI-Arrears of Net Hydel Profit	15,000.000	15,000.000	15,000.000
VII-1% of Divisible Pool for War on Terror	35,289.471	34,381.819	39,171.330
VIII-Incentive on Surplus Cash	300.000	-	-
IX-Extra Budgetary Grant (Non-Dev)	-	50.000	-
Total General Revenue Receipts (I to IX)	429,694.779	409,769.227	470,854.474

CURRENT REVENUE EXPENDITURE

(Rupees in Million)

Classification	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
General Public Service	222,057.755	220,264.703	247,876.706
Executive and Legislative Organs, Financial and Fiscal Affairs (Voted)	45,747.408	52,388.478	59,236.803
Executive and Legislative Organs, Financial and Fiscal Affairs (Charged)	13,891.471	8,518.196	9,032.900
Transfers	159,671.968	157,016.534	175,986.116
General Services	2,717.126	2,313.973	3,591.783
General Public Services not elsewhere defined	29.782	27.522	29.104
Civil Defence	15.091	58.819	107.341
Public Order and Safety Affairs	41,962.879	45,890.821	49,806.195
Law Courts (Voted)	3,387.809	4,067.862	3,933.817
Law Courts (Charged)	1,339.385	1,374.200	1,382.036
Police	33,743.411	36,546.549	40,576.155
Prison Administration and Operation	1,796.333	1,676.054	2,024.515
Administration of Public Order	1,695.941	2,226.156	1,889.672
Economic Affairs	18,341.036	17,121.235	21,774.249
General Economic, Commercial and Labour Affairs	426.549	419.583	420.801
Agriculture, Food, Irrigation, Forestry and Fishing	12,154.529	11,997.563	13,255.453
Fuel and Energy	168.226	101.933	190.574
Mining and Manufacturing	826.796	679.009	933.650
Construction and Transport (Voted)	4,697.320	3,858.369	6,863.187
Construction and Transport (Charged)	4.015	4.015	4.015
Other Industries	63.601	60.763	106.569
Environment Protection	89.802	85.124	114.535
Housing and Community Amenities	4,306.177	4,273.495	6,782.061
Housing Development	38.291	33.762	38.712
Community Development	4,000.000	4,000.000	2,319.566
Water Supply	267.886	239.733	4,423.783

CURRENT REVENUE EXPENDITURE

(Rupees in Million)

Classification	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Health	19,755.476	22,750.293	26,897.941
Medical Product, Appliances & Equipment	5.430	51.304	124.837
Hospital Services	18,912.088	21,962.902	25,864.078
Public Health Services	34.698	26.019	39.572
Health Administration	803.260	710.068	869.454
Recreation, Culture and Religion	1,006.244	879.340	1,069.659
Recreation and Sporting Services	88.759	86.951	128.485
Cultural services	279.122	167.082	248.107
Broad Casting and Publishing	265.163	268.514	200.490
Religious Affairs	312.156	311.723	334.559
Administration of Information, Recreation and Culture	61.044	45.070	158.018
Education Affairs and Services	19,520.363	21,696.799	27,554.816
Pre-primary and Primary Education Affairs and Services	439.940	407.422	372.585
Secondary Education Affairs and Services	166.210	170.068	108.930
Tertiary Education Affairs and Services	16,706.183	18,576.014	21,040.530
Subsidiary Services to Education	200.014	367.468	324.496
Administration	2,008.016	2,175.827	5,708.275
Social Protection	5,945.177	5,580.371	6,016.497
Administration	5,040.831	4,818.654	5,090.189
Other	904.346	761.717	926.308
Total Current Revenue Expenditure	333,000.000	338,601.000	388,000.000

DEVELOPMENT BUDGET BY SECTOR FOR THE YEAR 2016-17 & 2017-18

(Rs. in Million)

DEVELOPMENT PROGRAMME	2016-17		Budget Estimates 2017-18		
	Budget Estimates	Revised Estimates	Annual Dev: Program	Foreign Project Assistance	Total
ANNUAL DEVELOPMENT PROGRAMME					
Agriculture	6,201.926	3,089.417	3,991.000	1,298.811	5,289.811
Auqaf, Hajj & Minority Affairs	366.000	197.689	620.000	-	620.000
Board of Revenue	637.000	637.000	637.000	-	637.000
Building	1,439.000	1,126.522	1,439.000	-	1,439.000
CPEC/Chinese Investment Project	-	-	1.000	-	1.000
Drinking Water & Sanitatioin	4,150.010	5,670.659	5,160.000	0.101	5,160.101
Elementary & Secondary Education	16,915.468	17,614.121	14,000.000	6,294.412	20,294.412
Energy and Power	298.620	538.775	40.000	789.684	829.684
Environment	57.000	43.999	57.000	-	57.000
Excise, Taxation & Norcotics	234.000	100.000	312.000	-	312.000
Finance	1,613.000	2,097.051	1,591.000	5.000	1,596.000
Food	732.000	164.979	732.000	-	732.000
Forestry	2,007.000	2,207.000	2,007.000	-	2,007.000
Health	17,479.114	14,396.039	12,000.000	4,474.710	16,474.710
Higher Education	4,784.000	5,794.020	6,320.000	419.120	6,739.120
Home	5,713.765	4,586.567	2,420.000	1,741.620	4,161.620
Housing	540.000	301.318	540.000	-	540.000
Industries	1,975.008	2,613.780	1,641.000	2,369.560	4,010.560
Information	180.000	726.200	180.000	-	180.000
Labour	125.000	16.771	85.000	40.000	125.000
Law & Justice	1,449.240	1,949.640	1,365.000	48.484	1,413.484
Local Government	9,414.920	10,432.754	4,508.000	3,952.001	8,460.001
Mines and Mineral	622.001	256.760	622.000	-	622.000
Multi Sectoral Development	8,281.078	7,631.702	3,312.000	7,850.879	11,162.879
Population Welfare	230.000	117.575	230.000	-	230.000
Pro-Poor Initiatives	1,900.000	1,479.344	642.000	-	642.000
Relief & Rehabilitation	2,215.000	1,762.279	2,215.000	-	2,215.000
Roads	14,563.840	28,578.365	13,730.000	5,846.618	19,576.618
Social Welfare	460.000	312.000	460.000	100.000	560.000
Sports, Tourism, Archaeology & Youth Affairs	3,113.010	2,530.182	3,144.000	0.010	3,144.010
ST & IT	610.000	610.000	610.000	-	610.000
Transport	6,176.000	961.088	176.000	45,386.880	45,562.880
Urban Development	5,587.000	5,174.865	6,163.000	80.010	6,243.010
Water	7,030.000	9,668.240	7,050.000	1,302.100	8,352.100
Total ADP (I)	127,100.000	133,386.701	98,000.000	82,000.000	180,000.000
DISTRICT ADP (II)	33,900.000	33,961.380	28,000.000	-	28,000.000
Total (I+II)	161,000.000	167,348.081	126,000.000	82,000.000	208,000.000

DEVELOPMENT BUDGET BY SECTOR FOR THE YEAR 2016-17 & 2017-18

(Rs. in Million)

DEVELOPMENT PROGRAMME	2016-17		Budget Estimates 2017-18		
	Budget Estimates	Revised Estimates	Annual Dev: Program	Foreign Project Assistance	Total
SPECIAL PROGRAMME (PSDP)					
Elementary & Secondary Education	-	259.178	-	-	-
Health	-	2,374.475	-	-	-
Forestry	-	30.265	-	-	-
Roads	-	100.000	-	-	-
Water	-	1,659.533	-	-	-
Access to Justice Program	-	10.577			
PAK MDGs	-	314.290			
Total PSDP (III)	-	4,748.318	-	-	-
Total Annual Development Programme (I+II+III)	161,000.000	172,096.399	126,000.000	82,000.000	208,000.000

DEVELOPMENT BUDGET

(Rs. in Million)

PARTICULARS	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
A-EXTERNAL RESOURCES			
I-FOREIGN LOANS			
ADB	6,561.620	737.499	52,052.464
Purchase of land and PMU Balakot	-	-	0.001
Constructon of Balakot HPP	-	-	0.001
Development of Renewable Energy in Khyber Pakhtunkhwa	186.620	311.014	132.152
Detailed Design and Construction of Pehur High level Canal Extension District Swabi	100.000	111.035	1,302.000
Detailed Engineering Design PDA of Peshawar	1,000.000	315.450	684.550
Provincial Roads Rehabilitation Project	200.000	-	5,240.750
Access to Energy - construction of MHP on Rivers and Tributeries	25.000	-	46.800
Access to Energy - construction of MHP on Canals	25.000	-	18.200
Access to Energy - solarization of schools and BHUs	25.000	-	22.500
Construction of Peshawar Mass Transit System (Bus Rapid Tranist)	5,000.000	-	44,605.510
IDA	-	-	0.160
Kalkot Barikot patrak HPP Dir Upper	-	-	0.010
Capicity Building in Infrastrucutre under Urban Dev sector	-	-	0.010
Improvement & remodling of existing irrigation and drainage infrastucture including feasibility studies and detailed designing for new irrigation and drainage infrastructure in KP	-	-	0.100
Integrated Tourism Area Dev Programme	-	-	0.010
Patrak -Shringal HPP Dir Upper	-	-	0.010
Gabral-Kalam HPP	-	-	0.010
KP Irrigated Agriculture improvement project	-	-	0.010
WORLD BANK	5.000	-	5.000
own source revenue generation	5.000	-	5.000
JAPANESE / JICA	2,553.840	1,784.520	500.000
Emergency Rural Road Rehabilitation Project	2,553.840	1,784.520	500.000
Sub Total (I) Forelgn Loans	9,120.460	2,522.019	52,557.624
II-FOREIGN GRANTS			
ADB	1,000.000	21.820	82.995
Feasibility Study for Project Preparatory and Technical Assistance for Provincial road Rehabilitation Project	1,000.000	21.820	82.995
UNDP	1,138.290	926.546	1,304.101
Strengthening Rule of Law Project	219.570	219.570	250.000
SDG Unit in KP	150.000	30.000	100.000
Community Resilience in Malakand	520.000	520.000	
Youth and social cohesion project	218.719	137.072	33.280
Strengthening Local Governance in KP	0.001	-	0.001
Khyber Pakhtunkhwa Economic Development Project	-	-	900.000
Establishment of Forensic Science Laboratory (FSL) at Peshawar	-	-	1.000
Sustainable Land Management Programme to combat Desertification and land Degradation in KP	30.000	19.904	19.820
SDC	252.426	278.820	262.146
Water and energy security through microhydles in the Hindukush	-	-	120.000
Livelihood Programme Hindukush	68.690	68.690	-
Market and Empolyability for Peace and Stability	-	-	85.000
Water for Livelihoods	183.736	210.130	57.146
NAS/INL	1,702.440	1,289.500	520.663
F/S strengthening of Security Crescent Around Peshawar	800.000	580.000	220.000
Kala Dhaka Area Development Project	29.500	29.500	-
Additional Works in Joint Police Training Center at Nowshera	88.700	80.000	9.000

DEVELOPMENT BUDGET

(Rs. in Million)

PARTICULARS	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Construction of Police Lines Daggar, District Buner	400.000	600.000	43.179
Joint police training centre (phase-I) at Hakim Abad Nowshera	-	-	200.000
Construction of Joint Police Training Centre at Nowshera	300.000	-	-
Directorate of Human Rights and its District based Resource Centres with integrated facilities for Public Prosecutors, Govt Pleaders, and Probation Officers, Govt of KP	84.240	-	48.484
JICA / JAPAN ASSISTED.	59.330	34.027	209.709
Construction of Boundary Walls in Govt Schools of KP through Tameer-e-School Program	0.010	-	204.000
Gravity Flow Water Supply Scheme, Mingora District Swat	-	-	0.001
Gravity Flow Water Supply Scheme, Mansehra.	0.010	-	0.100
Promotion of Carp Fisheries in KP	32.640	1.400	5.608
Project for Strengthening Routine Immunization	26.670	32.627	-
UK/DFID/GAVI	8,817.826	5,489.900	10,853.886
Khyber Pakhtunkhwa Immunization Support Program	3,427.800	8.600	215.710
Integration of Health Services Delivery with special focus on MNCH, LHW, EPI and Nutrition Programme	-	-	3,732.615
Khyber Pakhtunkhwa Education Sector Programme (School Furniture, stipend to Secondary Girls school and Continuous Capacity of PTC)	-	-	4,835.632
Multi Year Humanitarian Programme	-	-	500.000
Peace Building Initiative for Khyber Pakhtunkhwa Project	449.591	544.608	-
Bridges of Malakand Division SH; construction of Abutments/Approaches and Launching of Steel Bridges to be provided by DFID under Flood Damages Restoration Project in district Swat, Chitral, Dir Lower & Dir Upper phase-II	12.000	24.576	22.873
AAWAZ Voice and Accountability Program	400.350	399.000	208.000
Provision of Stipends to Secondary Schools Girls	1,200.000	1,131.812	
Continuous Capacity Development of Parent Teachers Councils	262.458	66.120	
Schools Infrastructure in Khyber Pakhtunkhwa	1,000.000	879.184	1,150.000
Sub-National Governance Programm	65.627	436.000	189.056
Schools furniture project in Khyber Pakhtunkhwa	2,000.000	2,000.000	
MDTF	1,327.368	1,320.482	2,293.743
Southern Area Development Project	681.379	945.197	729.963
Economic Revitalization in Khyber Pakhtunkhwa	332.008	272.780	1,260.000
Governance and Policy Reforms program	300.980	100.000	303.780
Governance Support Programme - Establishment of PCNA Support Unit	13.000	2.505	-
Institutional Support for Value Addition, Skills Dev.& Employment Generation in Marble & Granite Sector	0.001	-	-
USAID	3,496.937	2,419.263	7,003.971
Agriculture Technology Enhancement Activities (ATEA) in KP	-	-	100.000
US-Pakistan Centre for advanced studies	-	-	419.120
schools supplies for KP reconstruction programme	-	-	104.780
Gomal Zam Dam Command Area Development and On-Farm Water Management for high value and high efficiency Agriculture Project	2,193.286	1,004.180	1,193.193
Skill for Youth Project	-	-	209.560
KP reconstruction programme (KPRP)	-	-	1,000.000
KP Health Initiative	-	-	220.038
Establishment of Urban Policy Unit	35.000	23.000	80.000
Municipal Service Delivery Project	1,000.000	1,000.003	2,500.000
Khyber Pakhtunkhwa Governance Project	268.651	392.080	1,177.280

DEVELOPMENT BUDGET

(Rs. in Million)

PARTICULARS	Budget Estimates 2016-17	Revised Estimates 2016-17	Budget Estimates 2017-18
Italian Debt Swap	0.010	17.182	-
Archaeology Community Tourism Field School Project	0.010	17.182	-
World Bank/dfid	3,000.000	3,000.010	-
Integration of Health Services Delivery with special focus on MNCH, LHW, EPI and Nutrition Programme	3,000.000	3,000.010	
UNICEF/UN	1,869.165	1,406.614	1,975.834
Strengthening Govt. Efforts to Combat Child Labour through Child Labour Survey in KP	40.000	-	40.000
Multiple Initiative under one UN Programme	1,829.165	1,406.614	1,935.834
GTZ	87.954	-	-
Establishment of Safe Blood Transfusion Centers in Khyber Pakhtunkhwa	87.954	-	
KFW	895.690	336.205	831.347
Reconstruction of women and children liaqat memorial teaching hospital Kohat through RAHA	125.000	-	
Infrastructure Support to Khyber Pakhtunkhwa	500.000	65.515	525.000
Establishment of Safe Blood Transfusion project phase-II	-	-	127.127
Social Health Protection Initiative for Khyber Pakhtunkhwa	270.690	270.690	179.220
EUROPEAN UNION	3,232.104	2,951.053	2,907.161
KP District Governance & Community Dev. Program	2,414.919	2,389.000	1,452.000
Citizen Engagement for Responsive and Accountable Governance	-	-	20.000
Strengthening Rule of Law for Citizens Justice and Peace	387.637	387.000	550.000
Programme for economic advancement and community empowerment	-	-	450.000
Pakistan Action to Counter Terrorism with Special reference to Khyber Pakhtunkhwa UNODC	251.966	-	251.966
Technical assistance for implementation of citizens justice and peace program	177.582	175.053	183.195
UNOPS	-	-	96.820
Project for Developing Transport Services for Women	-	-	96.820
SFD	-	-	1,000.000
Saudi Fund for Development Projects	-	-	1,000.000
AUS AID	-	-	100.000
project for womens economic empowerment in KP	-	-	100.000
Sub-Total (II) Foreign Grants	26,879.540	19,491.422	29,442.376
A-Total External Resources (I + II)	36,000.000	22,013.441	82,000.000
B-Provincial Contribution	125,000.000	145,334.640	126,000.000
C-Public Sector Development Programme (PSDP)	-	4,748.318	-
Total Development Resources (A+B+C)	161,000.000	172,096.399	208,000.000

**ANNUAL DEVELOPMENT PROGRAMME
SINCE 1973-74**

(Rs. In Million)

Year	Size of ADP	Revised Size of ADP
1973-74	300.000	285.133
1974-75	400.000	500.000
1975-76	576.700	601.366
1976-77	546.800	640.928
1977-78	617.000	687.642
1978-79	669.000	720.581
1979-80	767.000	702.850
1980-81	818.000	838.350
1981-82	980.850	1,002.323
1982-83	1,228.000	1,174.275
1983-84	1,176.500	1,191.500
1984-85	1,244.700	1,245.424
1985-86	1,697.000	1,912.787
1986-87	2,131.250	2,131.250
1987-88	2,472.250	2,471.050
1988-89	2,164.235	2,164.235
1989-90	2,197.625	2,198.649
1990-91	2,506.171	2,851.434
1991-92	4,813.715	4,881.569
1992-93	6,575.385	5,002.873
1993-94	4,959.000	4,764.638
1994-95	6,963.974	7,349.212
1995-96	7,665.634	8,081.917
1996-97	8,711.517	5,659.089
1997-98	4,884.740	5,498.215
1998-99	6,072.386	7,771.653
1999-00	5,745.220	8,057.541
2000-01	9,212.509	7,272.140
2001-02	7,986.220	8,710.147
2002-03	13,673.261	11,289.186
2003-04	14,696.006	12,882.982
2004-05	16,195.025	15,365.249
2005-06	21,000.000	24,397.398
2006-07	26,630.432	26,542.103
2007-08	39,462.372	32,913.949
2008-09	41,544.935	39,000.603
2009-10	51,156.956	46,330.546
2010-11	69,283.682	64,977.526
2011-12	85,141.000	84,473.628
2012-13	97,458.000	88,130.610
2013-14	118,000.000	104,847.616
2014-15	139,805.000	134,737.328
2015-16	174,884.000	135,098.645
2016-17	161,000.000	172,096.399*
2017-18	208,000.000	

(*Includes PSDP of Rs. 4,748.318 million)

GROWTH IN REVENUE RECEIPTS & CURRENT REVENUE BUDGET SINCE 1975-76

(Rupees In Million)

Year	Provincial Tax Receipts	Provincial Others Receipts	Total Provincial Own Receipts	Net Capital Receipts	Federal Tax Assignment	Net Profits	Grants from Federal Govt.	Total Provincial Receipts	Current Revenue Expenditure	Deficit/Surplus Revenue Account	Non-Obligatory Grant	Receivable as per Arbitration Award
75-76 B.E	51.6	104.9	156.5	7.1	305.3	—	110.7	579.6	699.5	(-) 119.9	—	119.9
R.E	72.2	113.1	185.3	7.9	329.3	—	151.3	673.8	705.4	(-) 31.6	31.6	—
76-77 B.E	74.5	120.1	194.6	6.9	367.7	—	104.8	674.0	862.2	(-) 188.2	138.2	50.0
R.E	83.7	93.1	176.8	2.2	373.6	—	123.3	675.9	955.9	(-) 280.0	223.6	56.4
77-78 B.E	88.7	127.2	215.9	(-) 6.8	401.1	—	104.8	715.0	1,149.1	(-) 434.1	398.7	35.4
R.E	93.4	119.4	212.8	14.8	426.9	—	107.6	762.1	1,137.0	(-) 374.9	352.6	22.3
78-79 B.E	96.8	135.5	232.3	12.7	461.8	—	104.8	811.6	1,314.3	(-) 502.7	456.8	45.9
R.E	96.6	201.3	297.9	(-)10.8	512.3	—	108.5	907.9	1,391.2	(-) 483.3	468.4	14.9
79-80 B.E	101.3	162.8	264.1	11.2	562.8	—	104.8	942.9	1,557.1	(-) 614.2	566.9	47.3
R.E	123.0	209.9	332.9	14.8	736.9	—	104.8	1,189.4	1,674.8	(-) 485.4	475.0	10.4
80-81 B.E	127.4	250.0	377.4	12.3	881.3	—	104.8	1,375.8	1,877.6	(-) 501.8	445.8	56.0
R.E	143.2	260.7	403.9	13.2	1,060.4	—	107.3	1,584.8	2,031.8	(-) 447.0	447.0	—
81-82 B.E	154.4	276.6	431.0	12.3	1,203.1	—	104.7	1,751.1	2,292.9	(-)541.8	531.6	10.2
R.E	174.7	282.6	457.3	37.0	1,132.6	—	106.4	1,733.3	2,538.9	(-) 805.6	805.6	—
82-83 B.E	188.7	296.2	484.9	16.6	1,223.6	—	104.8	1,829.9	2,714.7	(-) 884.8	874.8	10.0
R.E	212.0	308.0	520.0	24.8	1,223.6	—	105.4	1,873.8	2,989.7	(-) 1115.9	1,115.9	—
83-84 B.E	212.0	340.2	552.2	16.0	1,364.3	—	104.8	2,037.3	3,454.3	(-) 1417.0	1,396.0	21.0
R.E	238.3	374.6	612.9	50.7	1,374.6	—	116.6	2,154.8	3,705.2	(-) 1550.4	1,550.4	—
84-85 B.E	257.5	375.4	632.9	66.8	1,537.4	—	104.8	2,341.9	4,334.7	(-)1992.8	1,992.8	—
R.E	264.3	395.9	660.2	70.1	1,457.0	—	119.3	2,306.6	4,512.1	(-) 2205.5	2,205.5	—
85-86 B.E	288.9	412.3	701.2	75.0	1,622.0	—	104.7	2,502.9	5,201.0	(-) 2698.1	2,698.1	—
R.E	284.1	414.1	698.2	51.8	1,622.0	—	130.7	2,502.7	5,453.7	(-) 2951.0	2,951.0	—
86-87 B.E	307.2	430.2	737.4	52.8	1,622.0	—	104.8	2,517.0	6,466.3	(-) 3949.3	3,949.3	—
R.E	303.6	434.5	738.1	34.6	1,615.6	—	130.3	2,518.6	6,811.8	(-) 4293.2	4,293.2	—
87-88 B.E	309.3	466.1	775.4	34.6	1,831.3	—	104.7	2,746.0	7,382.9	(-) 4636.9	4,636.9	—
R.E	338.6	619.5	958.1	72.5	1,988.6	—	111.4	3,130.6	7,997.1	(-) 4866.5	4,866.5	—
88-89 B.E	369.2	531.1	900.3	74.6	2,204.5	—	104.8	3,284.2	8,685.1	(-) 5400.9	5,400.9	—
R.E	374.7	556.3	931.0	174.8	3,030.5	—	136.9	4,273.2	8,607.4	(-) 4334.2	4,022.6	311.6
89-90 B.E	369.3	581.8	951.1	159.6	3,330.2	—	104.8	4,545.7	9,291.2	(-) 4745.5	3,735.8	1,009.7
R.E	405.6	714.5	1,120.1	197.4	3,934.0	—	134.8	5,386.3	9,385.6	(-) 3999.3	3,574.7	424.6

GROWTH IN REVENUE RECEIPTS & CURRENT REVENUE BUDGET SINCE 1975-76

(Rupees In Million)

Year	Provincial Tax Receipts	Provincial Others Receipts	Total Provincial Own Receipts	Net Capital Receipts	Federal Tax Assignment	Net Profits	Grants from Federal Govt.	Total Provincial Receipts	Current Revenue Expenditure	Deficit/Surplus Revenue Account	Non-Obligatory Grant	Receivable as per Arbitration Award
90-91 B.E	391.6	691.6	1,083.2	202.4	4,356.0	—	104.8	5,746.4	10,558.7	(-) 4812.3	3,475.6	1,336.7
R.E	430.5	759.8	1,190.3	72.8	4,301.6	—	132.0	5,696.7	10,281.7	(-) 4585.0	4,029.7	555.3
91-92 B.E	440.3	799.7	1,240.0	25.4	6,582.4	5,987.5	204.8	14,040.1	12,732.3	(+) 1307.8	—	—
R.E	435.7	864.3	1,300.0	20.7	6,444.1	5,999.9	402.5	14,154.8	12,737.3	(+) 1417.5	—	926.4
92-93 B.E	527.2	972.8	1,500.0	19.6	7,304.0	6,800.0	204.8	15,828.4	14,370.8	(+) 1457.6	—	—
R.E	688.8	958.8	1,647.6	19.7	7,366.0	5,680.0	205.2	16,038.5	14,579.0	(+) 1459.5	—	1,938.9
93-94 B.E	639.0	1,031.0	1,670.0	9.3	8,277.2	7,500.0	204.8	17,661.3	16,511.3	(+) 1150.0	—	—
R.E	634.2	1,040.8	1,675.0	9.3	9,392.1	5,482.0	209.5	17,785.9	16,635.9	(+) 1150.0	—	2,898.8
94-95 B.E	686.4	1,128.0	1,814.4	11.7	11,139.0	7,800.0	4.8	20,769.9	19,189.9	(+) 1580.0	—	—
R.E	724.3	1,272.7	1,997.0	17.6	11,454.7	6,500.0	10.0	21,279.3	19,404.5	(+) 1874.8	—	2,718.9
95-96 B.E	875.8	1,236.0	2,111.8	12.8	13,873.1	7,970.0	4.7	23,972.4	21,972.4	(+) 2000.0	—	—
R.E	810.2	1,487.3	2,297.5	13.9	14,345.1	6,000.0	4.8	24,631.3	23,564.0	(+) 1067.3	—	4,140.8
96-97 B.E	803.3	1,596.3	2,399.6	15.2	16,226.7	8,500.0	4.8	27,146.3	26,862.0	(+) 284.3	—	—
R.E	1,006.7	1,754.1	2,760.8	629.1	16,134.5	6,000.0	4.8	28,029.1	25,800.0	(+) 2229.1	—	5,154.9
97-98 B.E	1,407.9	1,867.1	3,275.0	(-) 775.0	15,064.0	9,423.0	3,310.0	30,297.0	30,058.5	(+) 238.5	—	—
R.E	1,167.7	1,714.1	2,881.8	(-)381.8	14,086.4	6,000.0	3,327.6	29,337.0	29,451.0	(-) 114.0	—	6,270.4
98-99 B.E	1,472.8	2,124.9	3,597.7	(-) 752.3	16,018.6	10,466.0	3,674.0	33,004.0	33,004.0	—	—	—
R.E	1,389.3	2,262.8	3,652.1	(-)646.6	14,579.5	6,000.0	3,675.3	31,726.3	32,004.0	(-) 277.7	—	7,497.4
99-2000 B.E	1,705.4	2,336.5	4,041.9	(-)830.2	16,867.7	11,624.0	4,078.0	35,781.4	35,493.0	(+) 288.4	—	—
R.E	1,592.7	2,336.0	3,928.7	(-)827.9	16,613.6	6,000.0	4,057.3	35,395.7	35,263.5	(+) 132.2	—	8,847.2
2000-01 B.E	1,740.9	2,509.1	4,250.0	(-) 955.0	21,227.5	12,899.0	4,310.7	41,732.2	39,132.2	(+) 2600.0	—	—
R.E	1,381.8	2,207.7	3,589.5	(-) 648.2	19,217.8	6,000.0	3,827.6	31,986.7	33,673.3	(-) 1038.4	—	10,331.9
2001-02 B.E	1,862.3	2,096.1	3,958.4	(-) 776.2	21,552.2	14,328.0	4,258.6	44,067.3	45,040.4	(-) 973.13	398.5	—
R.E	2,020.1	1,943.4	3,963.5	(-)953.5	19,411.8	6,000.0	3,898.0	32,323.2	34,623.0	(-) 559.845	—	1,195.1
2002-03 B.E	1,987.9	2,089.9	4,077.9	(-)1262.9	22,728.3	15,904.0	3,898.0	46,767.1	48,564.0	(-) 1796.9	159.0	—
R.E	2,140.4	2,103.4	4,243.8	1,047.9	22,872.2	6,000.0	3,898.0	37,039.3	36,171.6	(+) 867.7	221.0	13,761.6
2003-04 B.E	2,148.5	2,009.8	4,158.3	1,788.5	25,750.4	17,653.0	3,898.0	51,459.7	47,114.7	(+) 4345.1	—	—
R.E	2,019.1	1,999.8	4,018.9	3,125.2	25,660.3	6,000.0	3,898.0	39,577.2	38,400.0	(+) 1177.2	—	15,737.7
2004-05 B.E	2,278.7	2,149.4	4,428.1	3,132.0	29,344.1	8,000.0	4,500.0	46,272.2	42,650.0	(+) 3622.2	—	—
R.E	2,339.8	2,210.7	4,550.5	—	30,215.0	6,000.0	45,000.0	45,265.5	42,650.0	(+) 2615.5	—	17,911.5

GROWTH IN REVENUE RECEIPTS & CURRENT REVENUE BUDGET SINCE 1975-76

(Rupees In Million)

Year	Provincial Tax Receipts	Provincial Others Receipts	Total Provincial Own Receipts	Net Capital Receipts	Federal Tax Assignment	Net Profits	Grants from Federal Govt.	Total Provincial Receipts	Current Revenue Expenditure	Deficit/Surplus Revenue Account	Non-Obligatory Grant	Receivable as per Arbitration Award
2005-06 B.E	2,528.5	2,365.5	4,894.0	3,132.0	35,458.2	8,000.0	10,000.0	58,352.2	51,062.0	(+) 7290.2	—	
R.E	2,633.9	2,555.2	5,189.1	—	36,805.1	6,000.0	5,000.0	65,462.8	60,693.0	(-) 8799.6	12,473.2	20,302.6
2006-07 B.E	3,053.6	2,741.4	5,795.0	—	44,034.5	8,000.0	9,712.5	67,542.0	54,500.0	(+) 13042.0	—	
R.E	3,049.5	2,682.3	5,731.8	—	44,645.1	6,000.0	9,765.3	66,142.2	55,173.6	(+) 10968.5		22,932.9
2007-08 B.E	3,809.1	3,172.7	6,981.8	—	55,690.1	6,000.0	11,907.8	80,579.7	61,000.0	(+) 19579.7		
R.E	3,904.6	3,075.2	6,979.8	—	55,954.2	6,000.0	11,349.1	80,283.1	61,450.0	(+) 18833.1	0.5	25,826.2
2008-09 B.E	4,737.3	3,473.4	8,210.7	—	71,445.8	6,000.0	14,432.2	100,088.7	67,300.0	(+) 32788.7		
R.E	3,749.2	3,425.5	7,174.7	—	69,965.7	6,000.0	13,183.3	96,323.7	75,600.0	(+) 20723.7	1,682.0	29,008.8
2009-10 B.E	5,991.9	3,655.7	9,647.6	—	83,218.5	6,000.0	14,822.5	113,688.6	80,000.0	(+) 33688.6		
R.E	3,497.0	4,711.8	8,208.8	—	93,998.7	16,000.0	15,207.4	133,414.9	109,000.0	(+) 24414.9	11,506.6	32,509.0
2010-11 B.E	15,559.5	3,155.2	19,556.7	—	173,033.6	31,000.0	—	198,590.3	127,958.0	(+) 70632.3	—	—
R.E	4,135.6	5,583.2	9,718.8	182,294.2	155,939.5	31,000.0	4,047.0	200,705.3	139,500.0	(+) 61205.3		
2011-12 B.E	4,529.2	6,014.4	10,543.6	—	191,245.0	31,000.0	—	232,788.3	149,000.0	(+) 83788.3	—	—
R.E	12,571.5	6,345.7	18,917.2	—	189,058.4	31,000.0	2,264.3	241,239.9	161,000.0	(+) 80239.9	—	—
2012-13 B.E	13,862.5	6,238.5	20,101.0	—	228,391.0	31,000.0	—	279,492.0	191,600.0	(+) 87892.0	—	—
R.E	8,164.9	6,235.3	14,400.2	—	231,525.4	31,000.0	—	245,925.6	195,000.0	(+) 50925.6	—	—
2013-14 B.E	10,287.6	6,632.9	16,920.5	—	250,065.6	31,000.0	—	297,986.1	211,000.0	(+) 86986.1	—	—
R.E	12,637.8	8,007.5	20,645.3	—	243,076.1	31,000.0	—	294,721.4	222,000.0	(+) 72721.4	—	—
2014-15 B.E	19,452.8	9,327.9	28,780.7	—	284,152.0	44,272.3	—	357,205.0	250,000.0	(+) 107205.0	—	—
R.E	19,832.0	10,573.0	30,405.0	—	264,548.1	9,400.0	3,021.6	307,374.7	255,000.0	(+) 52374.7	—	—
2015-16 B.E	22,594.5	31,830.3	54,424.8	—	315,452.2	68,873.0	2,000.0	425,750.0	298,000.0	(+) 127750.0	—	—
R.E	14,319.9	11,161.1	25,481.0	—	301,262.2	34,000.0	7,401.7	368,144.9	280,903.8	(+) 87241.2	—	—
2016-17 B.E	18,171.1	31,335.9	49,507.0	—	346,183.8	33,704.0	300.0	429,694.8	333,000.0	(+) 96694.8	—	—
R.E	18,204.3	14,263.7	32,468.0	—	343,547.2	33,704.0	50.0	409,769.2	338,601.0	(+) 71168.2	—	—
2017-18 B.E	22,306.9	22,908.1	45,215.0	—	389,854.5	35,785.0	—	470,854.5	388,000.0	(+) 82854.5	—	—

GRANT WISE GENERAL ABSTRACT OF CURRENT BUDGET FOR THE YEAR 2017-18

(Rs. in Million)

D.NO	DEPARTMENTS	BUDGET ESTIMATES 2016-17	REVISED ESTIMATES 2016-17	BUDGET ESTIMATES 2017-18			
				POSTS	SALARY	NON SALARY	TOTAL
1	PROVINCIAL ASSEMBLY	862.506	926.435	564	750.386	319.604	1,069.990
2	GENERAL ADMINISTRATION	3,551.698	3,373.696	2,804	2,060.322	2,596.731	4,657.053
3	FINANCE, TREASURIES, LOCAL FUND AUDIT	1,961.015	1,079.514	1,304	817.170	523.924	1,341.094
4	PLANNING & DEVELOPMENT DEPARTMENT & BUREAU OF STATISTICS	300.314	268.593	360	271.976	65.104	337.080
5	INFORMATION TECHNOLOGY DEPARTMENT	79.826	75.496	117	66.220	29.762	95.982
6	REVENUE & ESTATE DEPARTMENT	1,156.785	976.666	1,165	509.322	636.070	1,145.392
7	EXCISE AND TAXATION DEPARTMENT	619.310	655.087	1,371	570.022	503.582	1,073.604
8	HOME DEPARTMENT	1,535.153	2,097.127	1,422	852.324	802.145	1,654.469
9	JAILS & CONVICTS SETTLEMENT	1,796.333	1,676.054	4,219	1,312.492	712.023	2,024.515
10	POLICE	32,938.065	35,860.962	73,709	32,599.639	7,134.022	39,733.661
11	ADMINISTRATION OF JUSTICE	4,982.983	5,591.545	6,769	4,388.882	1,207.572	5,596.454
12	HIGHER EDUCATION, ARCHIVES & LIBRARIES	9,497.212	8,533.326	15,093	10,407.128	1,586.672	11,993.800
13	HEALTH	25,521.645	31,670.624	33,065	23,623.372	11,873.013	35,496.385
14	COMMUNICATION AND WORKS DEPARTMENT	995.018	930.165	7,349	2,586.520	300.260	2,886.780
15	ROADS HIGHWAYS & BRIDGES (REPAIR)	2,502.000	2,001.600	-	-	2,702.200	2,702.200
15	BUILDING & STRUCTURE (REPAIR)	966.000	732.800	-	-	1,015.302	1,015.302
16	PUBLIC HEALTH ENGINEERING	267.886	239.733	10,998	2,882.540	1,541.243	4,423.783
17	LOCAL GOVERNMENT DEPARTMENT	5,329.360	5,425.658	149	124.776	4,185.087	4,309.863
18	AGRICULTURE	2,432.447	2,044.387	3,535	1,488.126	1,241.418	2,729.544
19	ANIMAL HUSBANDRY	1,152.109	980.607	1,626	685.258	532.109	1,217.367
20	CO-OPERATION	39.559	28.207	50	25.635	11.365	37.000
21	ENVIRONMENT AND FORESTRY	1,996.922	2,069.000	4,338	2,059.646	313.074	2,372.720
22	FORESTRY (WILDLIFE)	395.280	425.000	1,214	382.779	96.201	478.980
23	FISHERIES	98.173	96.548	278	108.838	19.665	128.503
24	IRRIGATION	3,421.671	3,630.945	7,849	2,360.806	1,401.731	3,762.537
25	INDUSTRIES	469.011	394.809	667	380.254	123.952	504.206
26	MINERAL DEVELOPMENT AND INSPECTORATE OF	537.865	481.773	1,109	458.216	101.841	560.057
27	STATIONERY AND PRINTING	134.885	154.837	214	86.271	65.118	151.389
28	POPULATION WELFARE	455.215	322.235	321	180.541	336.288	516.829
29	TECHNICAL EDUCATION AND MANPOWER	1,971.434	1,824.579	2,942	1,612.604	638.503	2,251.107
30	LABOUR	343.546	309.476	573	277.077	128.183	405.260
31	INFORMATION & PUBLIC RELATIONS	326.207	313.584	313	191.129	167.379	358.508

GRANT WISE GENERAL ABSTRACT OF CURRENT BUDGET FOR THE YEAR 2017-18

(Rs. in Million)

D.NO	DEPARTMENTS	BUDGET ESTIMATES 2016-17	REVISED ESTIMATES 2016-17	BUDGET ESTIMATES 2017-18			
				POSTS	SALARY	NON SALARY	TOTAL
32	SOCIAL WELFARE, SPECIAL EDUCATION	719.781	713.012	216	141.231	493.844	635.075
33	ZAKAT & USHER DEPARTMENT	218.844	218.629	448	203.272	31.670	234.942
34	PENSION	40,905.310	48,107.701	-	-	53,000.000	53,000.000
35	SUBSIDIES	2,900.000	2,900.000	-	-	2,900.000	2,900.000
36	GOVT INVESTMENT & COMMITTED CONTRIBUTION	24,000.000	24,000.000	-	-	28,000.000	28,000.000
37	AUQAF, RELIGIOUS, MINORITY & HAJJ	93.312	93.094	46	26.314	73.303	99.617
38	SPORTS, CULTURE, TOURISM & MUSEUMS	480.409	525.000	874	307.132	266.518	573.650
39	DISTRICT NON SALARY	17,440.064	18,040.064	-	-	21,020.804	21,020.804
40	GRANT TO LOCAL COUNCILS	4,715.849	5,383.319	-	-	5,187.439	5,187.439
41	HOUSING DEPARTMENT	38.291	33.762	49	25.983	12.729	38.712
42	DISTRICT SALARY	112,584.605	108,852.690	304,258	121,377.873	-	121,377.873
43	INTER PROVINCIAL COORDINATION DEPTT	44.147	36.460	56	34.992	21.532	56.524
44	ENERGY AND POWER DEPARTMENT	68.226	72.712	147	71.011	19.563	90.574
45	TRANSPORT & MASS TRANSIT DEPARTMENT	238.317	197.820	483	198.778	64.142	262.920
46	ELEMENTARY AND SECONDARY EDUCATION	2,162.352	2,140.969	1,131	762.396	3,771.790	4,534.186
47	RELIEF REHABILITATION AND SETTLEMENT	4,753.060	4,493.700	1,430	730.747	4,225.523	4,956.270
-	DEBT SERVICING (INTEREST PAYMENT)	8,075.000	7,601.000	-	-	8,000.000	8,000.000
-	DEBT SER. (APPRO. FOR REDUCTION OR	4,925.000	-	-	-	-	-
TOTAL (REVENUE BUDGET)		333,000.000	338,601.000	494,625	218,000.000	170,000.000	388,000.000
CAPITAL EXPENDITURE							
48	LOANS AND ADVANCES	90.000	90.000	-	-	590.000	590.000
-	DEBT SERVICING (LOAN FROM FEDERAL GOVT.DISCHARGED)	10,910.000	6,200.000	-	-	6,410.000	6,410.000
TOTAL (Capital Budget)		11,000.000	6,290.000	-	-	7,000.000	7,000.000
GRAND TOTAL (Revenue + Capital)		344,000.000	344,891.000	494,625	218,000.000	177,000.000	395,000.000
CAPITAL EXPENDITURE - FOOD (ACCOUNT-II)							
49	STATE TRADING IN FOOD GRAINS AND SUGAR	86,905.000	23,644.674	1,415	475.785	86,451.686	86,927.471
-	DEBT SERVICING (FLOATING DEBT)	15,000.000	15,000.000	-	-	15,000.000	15,000.000
TOTAL Capital Budget (Account-II)		101,905.000	38,644.674	1,415	475.785	101,451.686	101,927.471

**GENERAL ABSTRACT OF DEVELOPMENT BUDGET
FOR THE YEAR 2017-18**

DEMAND NO.	MAJOR HEADS	BUDGET ESTIMATES 2016-17	REVISED ESTIMATES 2016-17	BUDGET ESTIMATES 2017-18
50	DEVELOPMENT	22,006,000,000	19,121,896,000	22,304,953,000
51	RURAL AND URBAN DEVELOPMENT	19,171,000,000	19,515,578,000	17,165,005,000
52	PUBLIC HEALTH ENGINEERING	4,150,000,000	5,670,659,000	5,160,003,000
53	EDUCATION AND TRAINING	17,237,000,000	19,331,025,000	20,320,019,000
54	HEALTH SERVICES	10,771,000,000	11,201,687,000	12,230,000,000
55	CONSTRUCTION OF IRRIGATION	6,967,000,000	9,784,966,000	7,090,011,000
56	CONSTRUCTION OF ROADS, HIGHWAYS AND BRIDGES	10,798,000,000	26,747,449,000	13,730,009,000
57	SPECIAL PROGRAMME	-	4,748,318,000	-
58	DISTRICT PROGRAMME	33,900,000,000	33,961,380,000	28,000,000,000
TOTAL		125,000,000,000	150,082,958,000	126,000,000,000
59	FOREIGN AIDED PROJECTS	36,000,000,000	22,013,441,000	82,000,000,000
GRAND TOTAL		161,000,000,000	172,096,399,000	208,000,000,000

Medium Term Fiscal Framework (2017-19)

PKR in Million

HEAD	BE	R.E	BE	Forecast	Forecast
	2016-17	2016-17	2017-18	2018-19	2019-20
Total Revenue	505,000	516,987	603,000	603,365	655,428
Federal Transfers	346,184	343,547	389,854	444,630	507,623
Federal Tax Assignment	293,694	286,140	326,001	374,901	431,136
1% for War on Terror	35,289	34,382	39,171	45,047	51,804
Straight Transfers	17,200	23,025	24,682	24,682	24,682
Provincial Tax & Non Tax Revenue	49,507	32,468	45,215	40,700	44,770
Provincial Tax Receipts	18,171	18,204	22,307	24,538	26,991
Property tax	218	150	180	198	218
General Sales Tax on services	10,000	10,000	13,653	15,018	16,520
Excise duties	42	42	42	46	51
Stamp duties	890	890	900	990	1,089
Motor vehicles tax	1,252	1,252	1,300	1,430	1,573
Infrastructure Dev Cess	1,100	1,100	1,100	1,210	1,331
Other	4,669	4,770	5,132	5,645	6,210
Provincial Non-Tax Receipts	31,336	14,264	22,908	16,162	17,779
Interest	116	116	116	128	141
Irrigation	560	560	575	632	695
Hydel Own Generation	3,630	3,630	3,630	3,993	4,392
Commercialization of Govt. Property	12,700	-	8,215	-	-
Others	14,330	9,958	10,372	11,409	12,550
Profits from Hydro electricity	18,704	18,704	20,785	20,785	20,785
Financing From HDF	15,000	15,000	15,000	-	-
Cash Balance/Savings	11,855	25,000	24,896	-	-
Expected Less Expenditure (Upto 30th June) Due to Austerity Measures	-	40,309	-	-	-
Grants	27,180	24,020	29,442	72,880	72,880
Incentive on Cash Balance	300	-	-	-	-
Other Non Development Grants from Federal	-	50	-	-	-
PSDP(Federal)	-	4,031	-	-	-
Foreign Grants (PDMA)	-	447	-	-	-
Foreign Grants (FPA)	26,880	19,491	29,442	72,880	72,880
Capital Receipts	21,570	2,940	62,808	9,370	9,370
Recovery of Investment & loans	250	418	250	250	250
Domestic Loan	12,200	-	10,000	-	-
Foreign Loans (FPA)	9,120	2,522	52,558	9,120	9,120
NHP arrears	15,000	15,000	15,000	15,000	-

Medium Term Fiscal Framework (2017-19)

PKR in Million

HEAD	BE	R.E	BE	Forecast	Forecast
	2016-17	2016-17	2017-18	2018-19	2019-20
Total Expenditure	505,000	516,987	603,000	603,365	655,428
Current Expenditure	333,000	338,601	388,000	416,789	448,553
Salary	76,415	77,139	96,622	98,414	100,291
Pension	40,905	48,108	53,000	58,475	64,524
Non-Salary O&M and Contingency	41,039	46,577	51,892	58,731	66,521
Subsidy	2,900	2,900	2,900	3,190	3,509
Investment & committed contribution	24,000	24,000	28,000	28,000	28,000
Interest Payments	13,000	7,601	8,000	8,800	9,680
Transfer to Local Government	134,741	132,276	147,586	161,179	176,028
Local Councils	4,716	5,383	5,187	5,754	6,384
District Salary	112,585	108,853	121,378	132,302	144,209
District Non Salary	17,440	18,040	21,021	23,123	25,435
Capital Expenditure	11,000	6,290	7,000	7,572	8,121
Domestic Debt	-	-	-	-	-
Federal Debt	4,710	-	-	-	-
Foreign Debt	6,200	6,200	6,410	6,923	7,407
Initiatives & Others	90	90	590	649	714
Fiscal Space	161,000	172,096	208,000	179,005	198,753
Development Expenditure	161,000	172,096	208,000	179,005	198,753
ADP(Provincial)	91,100	111,373	98,000	67,903	81,727
ADP(Districts)	33,900	33,961	28,000	29,101	35,026
PSDP	-	4,748	-	-	-
Foreign Project Assistance	36,000	22,013	82,000	82,000	82,000
Total Revenue	505,000	516,987	603,000	603,365	655,428
Total Expenditure	505,000	516,987	603,000	603,365	655,428
Surplus /Deficit	-	-	-	-	-