



# WHITE PAPER

## 2023-2024

**Finance Department**

Government of Khyber Pakhtunkhwa

# FOREWORD

## **Message from Advisor to Chief Minister for Finance**

Change is never easy, and the past year has been one of the most uncertain in the history of Khyber Pakhtunkhwa. What was initially foreseen as a short transitory phase between elections, ended up being a protracted journey into uncharted territories – a caretaker setup forced to extend its tenure past the constitutionally mandated 90 days due to extenuating circumstances, and subsequently the onset of a second successive caretaker regime necessitated by the passing away of the incumbent caretaker Chief Minister while in office.

Of course, political uncertainty breeds financial uncertainty, and these were the most testing of times. Local dynamics coupled with bearish global economic trends – the COVID-19 pandemic followed by the Ukraine War and resulting commodity super-cycle had resulted in unprecedented inflation throughout Pakistan, which was further exacerbated by currency devaluation and the perennial concerns of potential default on sovereign debt.

In spite of all of these challenges, the provincial government steadied the ship and ensured that the province’s economy didn’t grind to a halt. Channelling its focus on creating fiscal space despite limited room for revenue mobilization, expenses were kept in check and value for money with the maximum impact towards efficient service delivery was prioritized. The combined energy of the caretaker government was directed towards improving the province’s account balances, avoiding overdraft and the resulting interest payments, and ensuring that service delivery continued uninterrupted. All the while, the improving account position allowed for paying down liabilities of the provincial government while guaranteeing that the incoming elected regime would have the financial resources available to execute its manifesto.

And after a turbulent 13-month ride, our province is finally at that stage – on the cusp of reigniting the vision of an Islamic welfare state in line with the manifesto of the Pakistan Tehreek-e-Insaf. The initial decisions taken by the incoming elected government soon after its formation indicate the direction that we intend to steer Khyber Pakhtunkhwa towards; a state that empathizes with and cares for every last citizen; a state that doesn’t restrict the benefits of economic growth to an elite handful; a state that empowers its entire populace to participate in the provincial economy and provides opportunity to every household to do so.

I can proudly say that within its very first month, our government has made tremendous headway in bringing our Founder Chairman Imran Khan’s promise to fruition. While there is a long way to go, in the same breath I can also commit that we will surely get there soon, with the grace, mercy and support of Almighty Allah.

**Muzammil Aslam**  
**Advisor to Chief Minister for Finance**

## **Message from The Finance Secretary**

Management of public finances comes with its own unique set of challenges, and the ongoing financial year was no different. While the political dynamic had changed as a caretaker setup had been formed in anticipation of elections, many of the usual debates remained in vogue. Whether to prioritize expenditure on the current or development budget, what areas to target for enhancement of provincial revenues, how to overcome the handicap of lower than budgeted federal transfers, whether to take on additional debt through loan-based projects or not.

During the past year, the outstanding difference was in approach, even as the province was treading into new waters and faced with constitutional issues. A focus on proactive cash management, forecasting inflows and outflows, and creating the requisite fiscal space for uninterrupted development expenditure during previous years slowly evolved into a new normal: prioritizing spending that was matched with enhanced revenue generation, utilizing fiscal space towards retirement of liabilities and addressal of payables, and focusing on development expenditure that was duly funded, while minimizing unfunded expenditure, whether it was on the current or development side.

The above measures paired with a renewed push towards financial responsibility and frugal utilization of ways & means advances and domestic debt ensured that a surplus budget could be achieved in the most trying of circumstances. This gradually allowed our team to shore up the provincial account balances and ensure that the provincial kitty was nursed back to health. It gives me great pride to helm a dedicated team that drew the best out of limited resources to improve the financial position of the province, as we navigated the challenges of interim budget-making for short-term periods during the caretaker setup and set the ground for a more financially prosperous province under the leadership of the freshly elected public representatives.

**Amer Sultan Tareen**  
**Finance Secretary**

# LIST OF ACRONYMS

ADB	Asian Development Bank
ADP	Annual Development Program
AJK	Azad Jammu Kashmir
BCC	Budget Call Circular
BE	Budget Estimates
BOK	Bank of Khyber
BTR	Budget Transparency Review
C&W	Communication and Works
CBO	Community Based Organization
CDL	Cash Development Loans
CDLD	Community Driven Local Development
CCI	Council of Common Interest
CVT	Capital Value Tax
DGCD	District Governance and Community Development
DRM	Disaster Risk Management
E&SE	Elementary and Secondary Education
FD	Finance Department
FATA	Federally Administered Tribal Areas
GB	Gilgit Baltistan
GPIF	General Provident Investment Fund
GST	General Sales Tax
HDF	Hydel Development Fund
IDS	Integrated Development Strategy
IPD	Inverse Population Density
IDA	International Development Association
KCM	Kazi Committee Methodology
KPFM	Khyber Pakhtunkhwa Funds Management
KPOGCL	Khyber Pakhtunkhwa Oil & Gas Company Limited
KPRA	Khyber Pakhtunkhwa Revenue Authority
KPPRA	Khyber Pakhtunkhwa Public Procurement Authority
KWh	Kilowatt hour
LGA	Local Government Act
LIBOR	London Inter Bank Offered Rate
MCR	Minimum Capital Requirement
MGCL	Mari Gas Company Limited
MMBTU	Million Metric British Thermal Units
MOL	Magyar OLaj
MPCL	Mari Petroleum Company Limited
MTBF	Medium Term Budgetary Framework
NEC	National Economic Council
NEPRA	National Electric Power Regulatory Authority
NFC	National Finance Commission
NHP	Net Hydel Profit
NSS	National Saving Scheme
O&M	Operation and Maintenance
OGDCL	Oil & Gas Development Company Limited
OGRA	Oil and Gas Regulatory Authority

OPL	Ocean Pakistan Limited
PAC	Public Accounts Committee
PRC	Purchase Reserves Center
PEDO	Pakhtunkhwa Energy Development Organization
PF	Pension Fund
PEPCO	Pakistan Electric Power Company
PFM	Public Financial Management
PIBS	Pakistan Investment Bonds
PPL	Pakistan Petroleum Limited
PSDC	Petroleum Social Development Committee
RBDC	Retirement Benefit & Death Compensation
RE	Revised Estimates
ROA	Return on Assets
ROE	Return on Equity
SNGPL	Sui Northern Gas Pipeline Limited
SDPF	Strategic Development Partnership Framework
SME	Small & Medium Enterprises
SSGCL	Sui Southern Gas Company Limited
SYFA	System of Funds Administration
T-Bills	Treasury Bills

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# Chapter 1 – Overview

## Budget for 2023-24

Despite facing significant challenges such as geopolitical tensions, a difficult financial environment, and high inflationary pressures, the Government of Khyber Pakhtunkhwa has passed an all-time high budget for the fiscal year (FY) 2023-24. The global economic landscape, marred by various uncertainties, has posed considerable risks to Pakistan's economy, compounded by devastating floods and political unrest. Nonetheless, the country managed an odd-defying growth rate of 6.1 percent witnessed in FY 2022-23, with Khyber Pakhtunkhwa successfully contributing to achieving the milestone. This year, Khyber Pakhtunkhwa remains steadfast in its commitment to charting a path towards economic stability and growth.

In this context, the total expenditure of KP Government is estimated at a budget of **Rs. 1,360.4 billion**, including **Rs. 1,167.5 billion** in the settled districts, and **Rs. 192.9 billion** in the Merged Districts (MDs). Expenditure in the Merged Districts includes a **Rs. 6 billion** grants from the provincial government out of its own resources for the Accelerated Implementation Plan (AIP), in line with the decision taken for all provinces to contribute **3%** of the total divisible pool share to the development of merged districts.

This year's total estimated receipts are **Rs. 1,456.7 billion**. Federal Transfers including Federal Tax Assignment, 1% War on Terror, and Straight Transfers are budgeted at a total of **Rs. 986.9 billion**.

**Rs. 85.0 billion** is estimated against Net Hydel Profits (NHP) and Provincial Own Receipts are projected at **Rs. 85 billion**. Grants from the Federal Government for Merged Districts are estimated at **Rs. 173.9 billion**. Finally, Foreign Project Assistance is budgeted at **Rs. 114.4 billion**.

Tables 1a, 1b and 1c show a summary of budgeted expenditure and receipts for the fiscal year (FY) 2022-23 for the entire province. Compared to last year, this year's receipts reflect an increase of **9.4%** over last year's budgeted receipts of **Rs. 1,332.1 billion**, and an expenditure of **Rs. 1,360.4 billion** reflects an increase of **2%** of last year's budgeted expenditure of **Rs. 1,332.1 billion**.

In a remarkable display of resilience and fiscal prudence, the Government of Khyber Pakhtunkhwa has unveiled a record **surplus budget of Rs. 96.3 billion** for FY 2023-24. Despite grappling with a myriad of challenges ranging from geopolitical tensions to a challenging financial environment and soaring inflation, Khyber Pakhtunkhwa has demonstrated its unwavering commitment to economic stability and growth. Building upon the momentum of the previous fiscal year's impressive growth rate of 6.1 percent, the province continues to play a pivotal role in driving Pakistan towards its economic milestones.

### Key Initiatives of the Government:

Given the inherent challenges posed by geographical disadvantages, along with limitations in securing financing from banks and financial institutions, as well as deficiencies in infrastructure and essential utilities such as power, telecommunication, and gas across various prospective regions, the hurdles to development are evident. To address these challenges, the Government of Khyber Pakhtunkhwa (KP) has mandated the proposal of multiple hydropower projects (HPP) in the Annual Development Plan (ADP). These initiatives are anticipated to serve as pivotal drivers in stimulating industrial growth within the province.

Following the 18th Constitution Amendment, the provincial government took proactive steps by establishing a Transmission and Dispatch Company. Building upon this foundation, the current administration has commenced the necessary procedures for establishing a Provincial Regulator and Distribution Company, aimed at supplying electricity directly to industries.

The Energy & Power Department is in the process of proposing the establishment of a hydrogen plant, representing a strategic move towards a sustainable and resilient future. By embracing this opportunity, Khyber Pakhtunkhwa aims to position itself as a leader in the clean energy transition, contributing to a healthier planet and unlocking economic potential. Moreover, the inclusion of other revenue-generating projects is also part of the next year's project proposal.

The present government plans to enhance the allocation of funds for the revenue-generating department, especially the Energy & Power Department, which was previously allocated only 1.5% of the total developmental fund.

The Provincial Government's seven hydropower projects are currently generating a total of 161 MW of electricity, contributing significantly to the region's energy supply. This substantial output translates to an impressive annual revenue generation of Rs. 4.3 billion, showcasing the projects' economic viability and positive impact on the local economy.

The Energy & Power Department aims to add 62 MW by June 2024, generating an annual revenue of Rs. 3.0 billion. Additionally, it plans to add 153 MW by December 2025, with these projects generating revenue of Rs. 8.0 billion per year.

The Provincial Government is also planning to complete 600 MW of energy by 2028 from the Asian Development Bank (ADB) and World Bank (WB) assisted projects with an approximate revenue generation of Rs. 35 billion.

In order to boost local industry and revive sick units in Khyber Pakhtunkhwa, the Provincial Government is selling power to the industry from the 18 MW Pehur HPP to Gadoon industrial state through a wheeling arrangement. The supply of energy to industrial zones from hydropower projects completed by PEDO through a wheeling arrangement is benefiting the industry by providing cheap energy and will also boost industrialization in the province and create new job opportunities. Wheeling from the 18 MW Pehur HPP is the first-ever project from where the energy generated has been supplied to industrial units in KP through a wheeling regime.

In Phase-II of the wheeling arrangement, the initiative extends to all existing hydropower stations, including Malakand-III, Daral Khwar, Ranolia, Jabori, and Machai HPP 148MW. This expansion aims to replicate the successful model implemented at the Pehur HPP. Through open competition, this approach ensures transparency and fairness, ultimately serving the best interests of the public.



Table 1a.

**Summary: Revenue**

Unit: Rs. Bn

Head	REVENUES							
	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total Revenues</b>	<b>513.9</b>	<b>615.4</b>	<b>811.9</b>	<b>1,027.5</b>	<b>1,332.1</b>	<b>1,300.0</b>	<b>1,184.8</b>	<b>1,456.7</b>
<b>Federal Transfers</b>	<b>393.0</b>	<b>401.2</b>	<b>444.8</b>	<b>590.5</b>	<b>670.5</b>	<b>699.2</b>	<b>698.7</b>	<b>986.9</b>
Federal Tax Assignment	327.9	336.3	373.2	498.6	570.9	585.1	586.4	764.6
1 % for War on Terror	39.4	40.3	44.8	59.9	68.6	70.3	70.5	91.9
Straight Transfers	25.7	24.6	26.7	32.0	31.0	43.7	41.8	130.5
<b>Profit from Hydro Electricity (NHP)</b>	<b>20.0</b>	<b>16.0</b>	<b>47.0</b>	<b>21.0</b>	<b>62.0</b>	<b>4.9</b>	<b>4.9</b>	<b>85.0</b>
Net Hydel Profit (Current Year)	6.9	4.1	10.2	12.0	29.7	0.0	0.0	31.5
Reconciled Arrears	0.0	0.0	36.8	9.0	11.1	4.9	4.9	22.7
Unreconciled Arrears (Indexation)	13.1	11.9	-	-	21.1	0.0	0.0	30.7
NHP as per AGN Kazi formula (KCM)	-	-	-	-	0.1	0.0	0.0	0.1
<b>Provincial Own Receipts</b>	<b>31.8</b>	<b>42.3</b>	<b>59.4</b>	<b>62.2</b>	<b>85.0</b>	<b>95.3</b>	<b>66.8</b>	<b>85.0</b>
Provincial Tax Receipts	19.9	25.4	33.5	41.8	52.7	53.1	41.7	56.5
Sales Tax on Services (KPRA)	10.4	17.2	20.8	27.5	35.0	32.0	30.7	32.0
Other Provincial Tax Receipts	9.5	8.2	12.7	14.3	17.7	21.1	11.1	24.5
Provincial Non-Tax Receipts	11.9	16.8	25.9	20.3	32.3	42.1	25.1	28.5
<b>Other Receipts</b>	<b>21.0</b>	<b>12.3</b>	<b>74.5</b>	<b>174.5</b>	<b>204.6</b>	<b>292.0</b>	<b>246.1</b>	<b>0.3</b>
Recovery from Designated Accounts	0.0	0.0	-	-	10.0	10.0	10.0	0.0
Recovery of Investment & loans	0.1	12.3	0.2	0.1	0.3	0.3	0.1	0.3
Domestic Loan	0.0	0.0	6.0	0.0	50.0	0.0	0.0	0.0
Withdrawal of profit from Pension Fund for payment of pensions	0.0	0.0	-	20.3	10.0	0.0	10.0	0.0
Profit from GPI Fund for interest to the Subscribers	-	-	-	-	10.0	0.0	0.0	0.0
Other Revenue Sources	20.9	0.0	-	-	50.0	0.0	0.0	0.0
Savings from operational shortfall	0.0	0.0	-	-	49.3	0.0	0.0	0.0
Ways & Means Advance Facility from Fed. Govt.	0.0	0.0	68.3	154.1	25.0	281.8	226.0	0.0
<b>Grants from Federal Govt. (MDs)</b>	<b>0.0</b>	<b>97.9</b>	<b>121.2</b>	<b>110.8</b>	<b>208.6</b>	<b>99.9</b>	<b>99.9</b>	<b>173.9</b>
Grants for Current Budget	0.0	60.5	74.5	66.0	60.0	60.0	60.0	66.0
Additional Financing Demand for Current Budget	0.0	0.4	-	-	64.0	0.0	0.0	50.9
Development Grant (ADP + AIP)	0.0	37.0	46.7	44.8	50.0	39.9	39.9	57.0
Additional Financing Demand for Development Budget	-	-	-	-	0.0	0.0	0.0	0.0
3% NFC Share - Punjab	-	-	-	-	21.0	-	0.0	-
3% NFC Share - Sindh	-	-	-	-	9.9	-	0.0	-
3% NFC Share - Balochistan	-	-	-	-	3.7	-	0.0	-
<b>Foreign Project Assistance (FPA)</b>	<b>40.1</b>	<b>33.3</b>	<b>44.9</b>	<b>37.5</b>	<b>93.2</b>	<b>98.6</b>	<b>58.3</b>	<b>114.4</b>
FPA Settled Districts	40.1	33.3	-	-	88.9	97.6	57.1	110.6
FPA MDs	0.0	0.0	-	-	4.3	1.0	1.1	3.8
<b>PSDP allocations for provincially executed projects</b>	<b>7.9</b>	<b>12.4</b>	<b>20.1</b>	<b>31.0</b>	<b>8.4</b>	<b>10.1</b>	<b>10.1</b>	<b>11.3</b>

Table 1b.

**Summary: Expenditure**

Unit: Rs. Bn

Head	EXPENDITURES							
	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total Expenditure</b>	<b>520.8</b>	<b>635.2</b>	<b>814.0</b>	<b>1,076.9</b>	<b>1,332.1</b>	<b>1,237.3</b>	<b>1,116.8</b>	<b>1,360.4</b>
<b>Current Revenue Expenditure</b>	<b>377.8</b>	<b>464.9</b>	<b>599.8</b>	<b>817.3</b>	<b>913.9</b>	<b>1,017.1</b>	<b>970.4</b>	<b>1,059.4</b>
<b>Salary</b>	<b>215.0</b>	<b>278.5</b>	<b>287.0</b>	<b>346.4</b>	<b>448.1</b>	<b>429.5</b>	<b>426.4</b>	<b>560.9</b>
Settled - Provincial	71.6	77.8	77.4	93.9	179.4	165.5	164.3	216.8
Settled - Devolved	129.1	145.5	147.0	177.5	170.0	184.2	182.3	233.3
Medical Teaching Institutions ( MTIs )	14.4	14.5	19.4	22.9	23.0	18.1	18.1	28.2
MDs - Provincial	0.0	19.1	20.3	24.7	45.8	34.7	34.6	45.6
MDs - Devolved	0.0	21.6	22.8	27.5	30.0	27.1	27.1	37.0
<b>Pension</b>	<b>67.5</b>	<b>70.1</b>	<b>83.6</b>	<b>91.9</b>	<b>107.1</b>	<b>112.3</b>	<b>112.3</b>	<b>138.3</b>
Pension expenditure funded from taxpayer proceeds	67.5	70.0	82.7	90.6	96.0	109.7	109.7	134.0
Pension expenditure funded from Pension Fund profit	0.0	0.0			10.0	0.0	0.0	0.0
MDs	0.0	0.1	0.9	1.3	1.1	2.6	2.6	4.3
<b>Non-Salary</b>	<b>95.3</b>	<b>116.3</b>	<b>229.2</b>	<b>379.0</b>	<b>358.7</b>	<b>475.3</b>	<b>431.7</b>	<b>360.2</b>
Settled - Provincial O&M and Contingency	58.9	68.1	92.9	123.9	169.4	113.7	115.0	188.2
Settled - Devolved	10.2	9.8	19.7	17.5	30.4	12.9	12.9	24.0
MDs - Provincial	0.0	13.7	15.4	11.0	37.3	6.5	6.7	20.9
MDs - Devolved	0.2	2.8	2.6	2.5	9.9	2.2	2.2	9.0
Subsidy	2.9	2.9	9.9	10.0	10.3	5.0	5.0	31.7
Viability Gap Funding	0.0	0.0	0.0	0.0	5.0	0.5	0.0	0.0
Investment & Committed Contribution	0.0	3.8	0.0	1.1	3.0	0.5	0.5	22.0
Interest Payments	10.3	1.6	18.6	14.1	16.0	23.7	23.7	28.3
Grants to Local Councils	4.0	3.5	4.3	9.1	8.4	6.5	6.4	10.4
COVID-19 Contingency	0.0	0.0	0.0	0.0	1.0	0.1	0.1	0.3
Polio Eradication Programme					1.0	0.0	0.0	0.0
Pro-Poor Initiatives for Food Support	0.0	0.0	0.0	0.0	26.0	0.5	0.5	0.0
Capital Expenditure (Debt Principal Repayment)	8.8	10.1	65.8	189.8	16.0	21.3	21.3	25.4
Repayment of Ways & Means Advance to Fed. Govt.	0.0	0.0			25.0	281.8	237.5	0.03
<b>Development Expenditure</b>	<b>143.0</b>	<b>170.3</b>	<b>214.2</b>	<b>259.5</b>	<b>418.2</b>	<b>220.3</b>	<b>146.3</b>	<b>301.1</b>
ADP (Provincial - Settled Districts)	83.7	93.1	109.8	151.1	185.0	89.7	89.8	86.0
ADP (Devolved - Settled Districts)	17.0	3.4	7.9	1.8	37.0	1.1	1.2	17.2
ADP (Provincial - Merged Districts)	0.0	38.0	19.2	15.9	20.0	6.4	6.5	26.0
ADP (Devolved - Merged Districts)	0.0	0.0	27.5	36.5	4.0	0.0	0.0	5.2
Accelerated Implementation Plan (AIP - Funded)	0.0	0.0	0.0	0.0	36.0	11.5	11.5	41.0
Accelerated Implementation Plan (AIP - Unfunded)	0.0	0.0	0.0	0.0	34.6	0.0	0.0	0.0
<b>Foreign Project Assistance (FPA)</b>	<b>40.1</b>	<b>22.4</b>	<b>38.1</b>	<b>17.9</b>	<b>93.2</b>	<b>98.6</b>	<b>24.8</b>	<b>114.4</b>
FPA Settled Districts	40.1	22.3	38.1	17.9	88.9	97.6	23.6	110.6
FPA Merged Districts	0.0	0.1			4.3	1.0	1.1	3.8
<b>PSDP expenditure for provincially executed projects</b>	<b>2.2</b>	<b>13.4</b>	<b>11.7</b>	<b>36.4</b>	<b>8.4</b>	<b>13.0</b>	<b>12.6</b>	<b>11.3</b>

Table 1c.

**Summary: Expenditure**

Rs. Bn

Head	Settled Districts	Merged Districts	Total
<b>Total Expenditure</b>	<b>1,167.5</b>	<b>192.9</b>	<b>1,360.4</b>
<b>Current Expenditure</b>	<b>942.5</b>	<b>116.9</b>	<b>1,059.3</b>
Salary	478.2	82.6	560.9
Pension	134.0	4.3	138.3
Subsidy	31.7		31.7
Investment & Committed Contributions	22.0		22.0
Interest Payments	28.3		28.3
Non-Salary	222.9	25.8	248.6
TDP		4.2	4.2
Capital Expenditure (debt principal repayment)	25.4		25.4
<b>Total Current Expenditure</b>			
<b>Development Expenditure</b>	<b>103.2</b>	<b>31.2</b>	<b>134.4</b>
ADP (Provincial)	86.0	26.0	112.0
ADP (Devolved)	17.2	5.2	22.4
<b>AIP - Funded</b>	<b>0.0</b>	<b>41.0</b>	<b>41.0</b>
AIP (Federally Funded)		41.0	41.0
AIP (KP Share)			0.0
<b>AIP - Unfunded</b>		<b>0.0</b>	<b>0.0</b>
AIP (Punjab Share)			0.0
AIP (Sindh Share)			0.0
AIP (Balochistan Share)			0.0
FPA	<b>110.6</b>	<b>3.8</b>	<b>114.4</b>
Provincially Executed PSDP Expenditure	11.3	-	11.3
<b>Total Development Expenditure</b>	<b>225.1</b>	<b>76.0</b>	<b>301.1</b>

## Structure of this White Paper

**Chapter 2** provides the estimates for revenue receipts in the FY 2023-24. The total estimated revenue is **Rs. 1,456.7 billion** with the largest share being of Federal Receipts, Straight Transfers and NHP. Furthermore, to keep following this growth trajectory, targets for this year have been stretched for both non-tax and tax collecting organizations under provincial own source receipts.

**Chapter 3** deals with the provincial expenditure. This year's total expenditure is budgeted at **Rs. 1,360.4 billion** which is **2%** higher than last year's budgeted figures.

**Chapter 4** deals with the National Finance Commission (NFC) and the share of Khyber Pakhtunkhwa. The last NFC award i.e. the 7<sup>th</sup> award was in 2010 with the share of provinces being 57.5% of the divisible pool. After the merger of Khyber Pakhtunkhwa with ex-FATA, the province was supposed to receive 3% of the national divisible pool to bring the historically underfunded Merged Districts (MDs) at par with the rest of the country. However, this remains an ongoing challenge with other provinces not meeting their commitment. This chapter gives thorough details on the NFC award.

**Chapter 5** has a detailed description with timelines and proposed solutions for the Net Hydel Profits and other issues related to hydroelectricity. The revenue inflow and accumulation of arrears in Net Hydel Profits has been consistently an issue, which needs the Federal Government's attention for resolution.

**Chapter 6** discusses the narrative of the Government of Khyber Pakhtunkhwa regarding the merger with Ex-FATA districts. The total size of the budget for Merged Districts is **Rs. 192.9 billion**. While the development of Merged Districts is a national responsibility, in which the Government of Khyber Pakhtunkhwa has played its' part by contributing its' own share, the commitment of other provinces leaves a lot to be desired.

## Chapter 2 – Revenue Estimates

The Receipts, or Revenue of the Province of Khyber Pakhtunkhwa includes three kinds of receipts:

1. General Revenue Receipts
2. Capital Receipts
3. Development Receipts

For FY 2023-24, total receipts are estimated at **Rs. 1,456.7 billion** for the entire province of Khyber Pakhtunkhwa. This includes **Rs. 764.6 billion** as Federal Tax Assignment, **Rs. 85 billion** as Provincial Own Revenue Receipts, **Rs. 85 billion** as Net Hydel Profits, **Rs. 91.9 billion** as 1% War on Terror transfer, and **Rs. 173.9 billion** as grants from the Federal Government (to fund the budget of the Merged Districts, prior to the settlement of the NFC award).

**Total budgeted receipts of Rs. 1,456.7 billion** are **9.4%** higher than last year's budgeted figure of **Rs. 1,332.1 billion**.

Table 1d.  
Summary: Revenue  
Unit: Rs. Bn

Head	REVENUES							
	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total Revenues</b>	<b>513.9</b>	<b>615.4</b>	<b>811.9</b>	<b>1,027.5</b>	<b>1,332.1</b>	<b>1,300.0</b>	<b>1,184.8</b>	<b>1,456.7</b>
Federal Tax Assignment	327.9	336.3	373.2	498.6	570.9	585.1	586.4	764.6
1 % for War on Terror	39.4	40.3	44.8	59.9	68.6	70.3	70.5	91.9
Straight Transfers	25.7	24.6	26.7	32.0	31.0	43.7	41.8	130.5
Profit from Hydro Electricity (NHP)	20.0	16.0	47.0	21.0	62.0	4.9	4.9	85.0
Provincial Own Receipts	31.8	42.3	59.4	62.2	85.0	95.3	66.8	85.0
Other Receipts	21.0	12.3	74.5	174.5	204.6	292.0	246.1	0.3
Grants from Federal Govt. (MDs)	0.0	97.9	121.2	110.8	208.6	99.9	99.9	173.9
Foreign Project Assistance (FPA)	40.1	33.3	44.9	37.5	93.2	98.6	58.3	114.4
PSDP allocations for provincially executed projects	7.9	12.4	20.1	31.0	8.4	10.1	10.1	11.3

## 2.1 General Revenue Receipts

The General Revenue Receipts consist of Federal Transfers, Net Hydrel Profits (NHP), and Provincial Own Receipts. For the fiscal year 2023-24 the General Revenue Receipts are budgeted at **Rs. 1,156.9 billion**, compared to **Rs. 817.5 billion** for 2022-23.

Of the total, federal transfers are budgeted at **Rs. 986.9 billion**, profits from Net Hydrel Profits (NHP) are budgeted at **Rs. 85 billion**, and provincial own-source revenue at **Rs. 85 billion**.

Table 1e.  
General Revenue Receipts  
Unit: Rs. Bn

Head	REVENUES							
	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total Revenues</b>	<b>444.8</b>	<b>459.4</b>	<b>551.2</b>	<b>673.6</b>	<b>817.5</b>	<b>799.4</b>	<b>770.4</b>	<b>1,156.9</b>
Federal Transfers	393.0	401.2	444.8	590.5	670.5	699.2	698.7	986.9
Profit from Hydro Electricity (NHP)	20.0	16.0	47.0	21.0	62.0	4.9	4.9	85.0
Provincial Own Receipts	31.8	42.3	59.4	62.2	85.0	95.3	66.8	85.0

## 2.1.1 Federal Transfers

Transfers from the Federal Government consist of the following:

1. Khyber Pakhtunkhwa's share of the National Finance Commission (NFC) Award
2. Profits from hydroelectricity, more commonly known as Net Hydel Profits (NHP)
3. Revenue from Oil & Gas

Together, these transfers constitute **74%** of the total Revenue Receipts of the Province.

Table 2

### Federal Transfers to Khyber Pakhtunkhwa

Unit: Rs. Bn

Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total Federal Transfers</b>	<b>413</b>	<b>417</b>	<b>492</b>	<b>611</b>	<b>732</b>	<b>704</b>	<b>704</b>	<b>1,072</b>
<b>Federal Tax Assignment</b>	<b>328</b>	<b>336</b>	<b>373</b>	<b>499</b>	<b>571</b>	<b>585</b>	<b>586</b>	<b>765</b>
Taxes on Income	125	129	137	183	210	230	267	343
Custom Duties	57	49	60	80	85	88	77	99
Sales Tax	126	134	154	210	242	230	212	280
Capital Value Tax (CVT)	0	0	0	0	0	0	1	0
Federal Excise	20	23	22	25	34	37	29	43
<b>1% of Divisible Pool for WoT</b>	<b>39</b>	<b>40</b>	<b>45</b>	<b>60</b>	<b>69</b>	<b>70</b>	<b>70</b>	<b>92</b>
<b>Straight Transfers</b>	<b>26</b>	<b>25</b>	<b>27</b>	<b>32</b>	<b>31</b>	<b>44</b>	<b>42</b>	<b>130</b>
Royalty on Crude Oil	16	14	15	21	16	27	27	24
Royalty on Natural Gas	8	9	8	7	11	12	12	10
Gas Development Surcharge	0	0	3	3	1	2	1	2
Excise Duty on Natural Gas	2	1	2	1	2	2	1	2
Receivables from Federal Government (Windfall Levy on Crude Oil, CPPA-G etc.)	-	-	-	-	-	-	-	92
<b>Profits from Hydro-Electricity</b>	<b>20</b>	<b>16</b>	<b>47</b>	<b>21</b>	<b>62</b>	<b>5</b>	<b>5</b>	<b>85</b>
Net Hydel Profit (Current Year)	7	4	10	12	30	0	0	32
Reconciled Arrears	0	0	37	9	11	5	5	23
Unreconciled Arrears (Indexation)	13	12	-	-	21	0	0	31
NHP as per AGN Kazi formula (KCM)	-	-	-	-	0	0	0	0

## 2.1.1a The National Finance Commission

The NFC, through which each province is given its share from the overall divisible pool of resources generated federally, is governed by Part-VI Chapter-1 of the Constitution of Pakistan, which provides a framework for the distribution of resources between the Federal Government and the provinces. An amount of **Rs. 856.5 billion** is expected to be transferred from the Federal Government to the Government of Khyber Pakhtunkhwa during the financial year 2023-24, under the head of the NFC award. The inclusion of Merged Districts in the total divisible pool remains unresolved and will be further explained in chapter 4 of the white paper.

Table 3

### Share of Provinces in the Divisible Pool as per 7th NFC Award

Units: Rs Bn

Province	% Share in the 6 <sup>th</sup> Award	% Share in 7 <sup>th</sup> NFC Award			Budget Estimate 2023-24
		Horizontal Share	1% for War on terror*	Grant for Compensation on account of OZ&T	
Federal Share	62.5	42.5			
Provinces	37.5	57.5			
Punjab	53.2	51.74			
Sindh	24.96	24.55			
<b>Khyber Pakhtunkhwa</b>	<b>14.78</b>	<b>14.62</b>	<b>1.80</b>	<b>16.42</b>	<b>856.5</b>
Balochistan	7.05	9.09			

\*The grant for the 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



## 2.1.2b Net Hydel Profits (NHP)

The total NHP budgeted for FY 2023-24 is **Rs. 85 billion**. This is split into 4 categories i.e., collection under Net Hydel Profit, reconciled arrears of Net Hydel Profits, unreconciled Net Hydel Profits, and NHP as per the AGN Kazi formula.<sup>1</sup>

Table 4

### Profits from Hydro-Electricity

Unit: Rs. Bn

Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total</b>	<b>20.0</b>	<b>16.0</b>	<b>47.0</b>	<b>21.0</b>	<b>62.0</b>	<b>4.9</b>	<b>4.9</b>	<b>85.0</b>
Net Hydel Profit (Current Year)	6.9	4.1	10.2	12.0	29.7	0.0	0.0	31.5
Reconciled Arrears	0.0	0.0	36.8	9.0	11.1	4.9	4.9	22.7
Unreconciled Arrears (Indexation)	13.1	11.9			21.1	0.0	0.0	30.7
NHP as per AGN Kazi formula (KCM)	-	-	-		0.1	0.0	0.0	0.1

\*\* Net Hydel Profit (Current Year) is budgeted at the increased rates of Rs. 1.441/unit as per the 2016 MoU between the Federal Government and Government of Khyber Pakhtunkhwa.

A more detailed analysis of the importance of NHP to the province of Khyber Pakhtunkhwa is explained in Chapter 5.

<sup>1</sup> Article 161 (2) of the Constitution

## 2.1.1c Revenue from Oil and Gas

In consonance with Article 161 of 1973 Constitution, the Government of Khyber Pakhtunkhwa is entitled to receive revenues on account of the following:

1. Royalty on Oil & Gas<sup>2</sup>
2. Gas Development Surcharge
3. Excise Duty on Gas
4. Excise Duty on Oil
5. Petroleum Development Levy

The status of actual receipts from the Federal Government over the last 5 years and figures budgeted for this year are shown in the table below:

Table 5  
Actual Receipts from Federal Government on account of Oil & Gas  
Units: Rs. Bn

Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total</b>	<b>25.7</b>	<b>24.6</b>	<b>26.7</b>	<b>32.0</b>	<b>31.0</b>	<b>43.7</b>	<b>41.9</b>	<b>130.3</b>
Royalty on Crude Oil	16.1	14.0	14.7	20.9	16.4	27.2	27.2	23.5
Royalty on Natural Gas	7.9	9.2	7.8	6.9	11.3	12.3	12.3	10.2
Gas Development Surcharge	0.2	0.1	2.7	2.7	1.3	2.1	1.0	2.4
Excise Duty on Natural Gas	1.5	1.3	1.5	1.5	2.0	2.1	1.4	2.4
Receivables from Federal Government (Windfall Levy on Crude Oil, CPPA-G etc.)	-	-	-	-	-	-	-	91.8

**Royalty on Oil and Gas:** According to 7<sup>th</sup> NFC Award, the share of Khyber Pakhtunkhwa, in the net proceeds of total royalties on crude oil in a year, is the proportion of crude oil produced in Khyber Pakhtunkhwa out of the total national production of crude oil in that year. Royalty on Oil and Gas is payable by the exploration and production companies to the Government at the rate of 12.50% of the wellhead value, 2% of which is retained by the Federal Government and the rest is paid to the Provincial Government. It is payable monthly within a period not exceeding 45 days of the end of the month of production in question, which if delayed beyond this stipulated period would attract fine at the rate of the London Inter Bank Offered Rate (LIBOR) plus two percent as may be determined as per Rule 38 (3) of The Pakistan Onshore Petroleum (Exploration & Production) Rules, 2013. The wellhead value is determined by the Government of Pakistan, after every six months.

**Gas Development Surcharge:** 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 the 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 wellhead price of gas, excise duty at wellhead, operation and maintenance cost, depreciation, and 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 7<sup>th</sup> 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 the average rate per MMBTU of

<sup>2</sup> Article 161(1) of the Constitution of Pakistan

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”.

**Excise Duty on Gas:** Excise Duty on Gas is collected by the Federal Board of Revenue, and the proceeds so collected are reported to Finance Division on monthly basis for onward transfer to provinces. Excise Duty on Gas is currently being given at the rate of Rs.10 per MMBTU. Presently ten companies are working in Khyber Pakhtunkhwa that show promising prospects for oil and gas exploration in the province. Khyber Pakhtunkhwa is the first province to have established a Provincial Oil & Gas Company (KPOGCL) in 2013, under the administrative control of the Energy & Power Department for carrying out fast-track exploration and production of oil and gas.

**Excise Duty on Oil:** Excise duty on oil is not paid to the province, as the rate has not been determined yet. Khyber Pakhtunkhwa produces more than 50% of the national oil production which means it absorbs the highest loss from the unavailability of this duty.

**Petroleum Development Levy:** The Federal Government collects Petroleum Development Levy on different petroleum products. This collection is not distributed among the provinces as it is excluded from the Federal Divisible of the NFC, which is a violation of the rights of the provinces. Also, despite multiple efforts, excise duty on oil is not determined despite constitutional provision.

## 2.1.2 Provincial Own Receipts

Provincial Own Source Revenue (OSR) consists of a tax component and a non-tax component, which includes all provincial taxes, fees, and fines collected by departments, for taxation and regulatory purposes. The Government of Khyber Pakhtunkhwa made a concerted effort to augment and revive the overall revenue generation to enhance its own receipts. For this year, an even more aggressive target of **Rs. 85 billion** has been set, with the philosophy that stretched target setting will maximize revenue generation and push departments towards better performance. However, the government also conducts periodic third-party surveys to make sure there's no coercion in terms of tax collection to achieve targets.

### 2.1.2a Provincial Tax Receipts

Direct Taxes include taxes on Agriculture Income/Land, Urban Immovable Property (UIP) Tax, Tax on Transfer of Property Registration, Land Revenue & Profession, Trade, and Callings, etc. Indirect Taxes, a major component of tax receipts, comprises Sales Tax on Services, Provincial Excise, Motor Vehicle Tax, Stamp Duties, Cess of all types, Electricity Duty, etc.

The budgeted collection for FY 2023-24 is **Rs. 56.2 billion**, which is **7%** higher than last year's budgeted figure. The Provincial Tax Receipts budgeted figures for FY 2022-23 are given in the table below.

Table 6

#### Provincial Tax Collection

Unit: Rs. Bn

Tax Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Net Total</b>	<b>20.0</b>	<b>25.1</b>	<b>33.5</b>	<b>43.4</b>	<b>52.6</b>	<b>53.1</b>	<b>33.3</b>	<b>56.2</b>
<b>Total Direct Taxes</b>	<b>5.3</b>	<b>4.4</b>	<b>6.0</b>	<b>4.7</b>	<b>8.4</b>	<b>8.4</b>	<b>2.9</b>	<b>9.4</b>
Land Revenue Fee	2.9	2.4	3.38	2.89	4.4	4.4	1.2	5.4
Property & Wealth Tax	1.3	0.9	1.62	1.47	3.0	3.0	1.3	3.0
Registration Fee	0.2	0.3	0.07	0.09	0.1	0.1	0.0	0.1
CVT Fee	0.5	0.4	0.08	0.02	0.0	0.0	0.0	0.0
Agriculture Income Tax	0.1	0.1	0.09	0.12	0.1	0.1	0.1	0.1
Professional Tax	0.4	0.3	0.73	0.13	0.8	0.8	0.2	0.8
<b>Total Indirect Taxes</b>	<b>15.0</b>	<b>22.6</b>	<b>28.4</b>	<b>38.6</b>	<b>44.2</b>	<b>44.6</b>	<b>30.5</b>	<b>46.8</b>
Sale Tax on Services (GST)	10.4	17.0	19.4	27.5	32.0	32.0	21.8	32.0
Motor Vehicle Tax	1.1	1.1	1.7	1.5	1.3	1.3	1.0	1.3
Stamp Duties Fee	1.5	1.7	3.6	4.9	4.4	4.9	2.3	4.4
Electricity Tax	0.5	1.9	1.9	1.4	2.5	2.5	1.7	5.1
PTA (Route Permit under MVT)	0.6	0.3			0.4	0.4	0.3	0.4
Tobacco Development Cess	0.4	0.4	0.4	0.4	0.5	0.5	0.3	0.5
Infrastructure Development Cess	0.1	0.2	1.5	2.9	3.0	3.0	3.0	3.0
Motor Vehicle Fitness (MVT)	0.1	0.1			0.1	0.1	0.1	0.1
Others	0.1	0.1			0.0	0.0	0.0	0.0

## 2.1.2b Provincial Non-Tax Receipts

Non-Tax revenue consists of major heads such as Receipts from General Administration, Economic Services, and Social Services receipts. The total non-tax receipts for FY 2023-24 are estimated at **Rs. 28.5 billion**.

Table 7

### Provincial Non-Tax Revenues

Unit: Rs. Bn

Department	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total</b>	<b>11.9</b>	<b>15.0</b>	<b>25.9</b>	<b>20.3</b>	<b>32.3</b>	<b>42.1</b>	<b>34.1</b>	<b>28.5</b>
Mines & Minerals	2.4	3.4	5.2	6.3	7.7	7.6	6.6	7.7
Energy and Power	1.1	2.7	2.3	0.0	2.6	2.6	0.0	0.0
Police	1.7	1.7	1.8	1.6	3.5	3.5	1.8	3.6
Finance	0.6	0.9	2.3	1.2	1.5	11.4	10.1	0.9
Home	0.5	0.5	0.9	1.0	1.6	1.6	1.4	1.6
Health	0.8	0.8	0.8	0.7	0.9	0.9	0.5	0.9
Others	4.9	5.0	12.7	9.5	14.5	14.5	13.7	13.9

## 2.2 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.

Total general capital receipts for FY 2023-24 are Rs. 0.3 billion.

Table 8

### General Capital Receipts

Unit: Rs. Bn

Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total</b>	<b>21.0</b>	<b>12.3</b>	<b>74.5</b>	<b>174.5</b>	<b>204.6</b>	<b>292.0</b>	<b>246.1</b>	<b>0.3</b>
Recovery from Designated Accounts	0.0	0.0	-		10.0	10.0	10.0	0.0
Recovery of Investment & loans	0.1	12.3	0.2	0.1	0.3	0.3	0.1	0.3
Domestic Loan	0.0	0.0	6.0	0.0	50.0	0.0	0.0	0.0
Withdrawal of profit from Pension Fund for payment of pensions	0.0	0.0	-	20.3	10.0	0.0	10.0	0.0
Profit from GPI Fund for interest to the Subscribers				-	10.0	0.0	0.0	0.0
Other Revenue Sources	20.9	0.0	-	-	50.0	0.0	0.0	0.0
Savings from operational shortfall	0.0	0.0	-	-	49.3	0.0	0.0	0.0
Ways & Means Advance Facility from Fed. Govt.	0.0	0.0	68.3	154.1	25.0	281.8	226.0	0.0

## 2.3 Development Receipts

Development Receipts consist of grants received for Merged Districts and the Public Sector Development Programme (PSDP).

Amounts received under each head of Development Receipts are depicted in the table below.

Table 9  
Development Grants for NMAs & PSDP  
Unit: Rs. Bn

Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total Development Grants</b>	<b>7.9</b>	<b>110.3</b>	<b>141.3</b>	<b>141.9</b>	<b>216.9</b>	<b>110.0</b>	<b>110.0</b>	<b>185.2</b>
<b>Grants from Federal Govt. (MDs)</b>	<b>0.0</b>	<b>97.9</b>	<b>121.2</b>	<b>110.8</b>	<b>208.6</b>	<b>99.9</b>	<b>99.9</b>	<b>173.9</b>
Grants for Current Budget	0.0	60.5	74.5	66.0	60.0	60.0	60.0	66.0
Additional Financing Demand for Current Budget	0.0	0.4	-	-	64.0	0.0	0.0	50.9
Development Grant (ADP + AIP)	0.0	37.0	46.7	44.8	50.0	39.9	39.9	57.0
Additional Financing Demand for Development Budget	-	-	-	-	0.0	0.0	0.0	0.0
3% NFC Share - Punjab	-	-	-	-	21.0	-	0.0	-
3% NFC Share - Sindh	-	-	-	-	9.9	-	0.0	-
3% NFC Share - Balochistan	-	-	-	-	3.7	-	0.0	-
<b>PSDP allocations for provincially executed projects</b>	<b>7.9</b>	<b>12.4</b>	<b>20.1</b>	<b>31.0</b>	<b>8.4</b>	<b>10.1</b>	<b>10.1</b>	<b>11.3</b>

In the year 2022-23, the Federal Government has **reduced** the grant for current budget of MDs as compared to the previous year. This has happened for the **first time since the merger** of erstwhile FATA in 2018 following the successful passage of the 25th amendment. The total allocation for the current grants of MDs has been reduced to Rs. 60 billion, which is wholly composed of salary and non-salary, with **zero allocation** for TDPs. The actual expenditure incurred for the year was Rs. 73 billion, Rs. 13 billion more than the budgeted allocation – putting an additional burden on the province.

For the upcoming year 2023-24, the Federal Government has **increased** the grant for current budget of MDs as compared to the previous year. The total allocation for the current grant of MDs has been increased to Rs. 66 billion, which is wholly composed of salary and non-salary, with **zero allocation** for Temporarily Displaced Persons (TDPs). The Rs. 66 billion allocation is **insufficient** to meet the basic salary and pension needs of MDs as the previous year's actual current side expenditure was Rs. 73 billion.

In FY 2023-24, the Federal Government's allocation increased only 10% (From Rs. 60 billion to Rs. 66 billion) while basic pay increased 35%/30% and pension increased 17.5%. Coupled with soaring inflation amidst an economic downturn, these factors will severely burden the provincial exchequer as the allocation by Federal Government is insufficient.

## 2.4 State Trading in Food (Account-II)

The state trading of the Provincial Government covers wheat procurement and is kept separate from all other transactions of the Provincial Government. Receipts and expenditure on state trading in wheat are 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 the procurement of wheat are normally obtained from commercial banks and guaranteed by the Government. The last three years of budget estimates and actuals are shown below.

Table 10

### Account II (Food) - including MDs

Unit: Rs. Bn

Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total</b>	<b>13.9</b>	<b>34.6</b>	<b>63.9</b>	<b>65.7</b>	<b>97.7</b>	<b>67.0</b>	<b>67.0</b>	<b>103.1</b>
State Trading (Account-II)	13.9	34.6	63.9	65.7	97.7	67.0	67.0	103.1
Cash Credit Accommodation (Floating Debt)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0



## Chapter 3 – Expenditure Estimates

The Expenditure of the Province of Khyber Pakhtunkhwa includes four kinds of expenses:

1. Current Revenue Expenditure
2. Current Capital Expenditure
3. Development Revenue Expenditure
4. Development Capital Expenditure

For FY 2023-24, total expenditure is estimated at **Rs. 1,360.4 billion** for the entire province of Khyber Pakhtunkhwa. This includes **Rs. 1,059.3 billion** as Current Expenditure and **Rs. 301.1 billion** as the total Development Expenditure.

In Current Expenditure of **Rs.1,059.3 billion**, **Rs. 699.2 billion** are the pensions and provincial and district salaries.

The total expenditure of **Rs. 1,360.4 billion** is **2%** greater than last year's budgeted figure of **Rs. 1,332.1 billion**. The overall salary bill will rise by **25%**, as compared to last year's budgeted figures. Similarly, the pension bill will increase by **29%**.

In order to drive the economic recovery forward, the Government of Khyber Pakhtunkhwa has allocated record funds for development this year.

The breakdown of provincial expenditure under both current and development heads is given below.

Table 11  
Details of Provincial (Settled) Expenditure  
Unit: Rs. Bn

Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total</b>	<b>520.8</b>	<b>635.2</b>	<b>814.0</b>	<b>1,076.2</b>	<b>1,332.1</b>	<b>1,237.3</b>	<b>1,116.8</b>	<b>1,360.4</b>
Current Expenditure	377.8	464.9	599.8	816.7	913.9	1,017.1	970.4	1,059.3
Development Expenditure	143.0	170.3	214.2	259.5	418.2	220.3	146.3	301.1

A worrying trend for the Government of Khyber Pakhtunkhwa as for all governments in Pakistan, is the unsustainable increase in current expenditure, specifically driven by wages and pensions. The growth in salary and pensions is at a pace that is higher than the increase of overall funds available for expenditure.

### 3.1 Current Expenditure

Current expenditure includes both salary and non-salary, as well as debt servicing and pension payments.

The table below shows the detailed breakdown of current expenditure as well as actual figures for FY 2021-22 and FY 2022-23. The total sanctioned staff strength of the Provincial Government is now **upwards of 685,144<sup>3</sup>**, with a total salary bill amounting to Rs. 426.4 billion in FY 2022-23. This is approximately 98% increase in the salary bill since FY 2018-19 from Rs. 215 billion.

The pension bill in FY 2023-24 is budgeted at Rs. 138.3 billion, including Rs. 4.3 billion for MDs. Together with salary, they form the bulk of the expenditure for the provincial government and the significant rate of increase in these heads comes at the cost of squeezing the development budget, as well as non-salary expenditure, which funds infrastructure improvements, textbooks for children in school and essential medicine for patients.

Table 12  
Current Expenditure  
Unit: Rs. Bn

Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total</b>	<b>282.5</b>	<b>348.6</b>	<b>370.6</b>	<b>438.3</b>	<b>555.2</b>	<b>541.8</b>	<b>538.7</b>	<b>699.2</b>
<b>Salary</b>	<b>215.0</b>	<b>278.5</b>	<b>287.0</b>	<b>346.4</b>	<b>448.1</b>	<b>429.5</b>	<b>426.4</b>	<b>560.9</b>
Settled - Provincial	71.6	77.8	77.4	93.9	179.4	165.5	164.3	216.8
Settled - Devolved	129.1	145.5	147.0	177.5	170.0	184.2	182.3	233.3
Medical Teaching Institutions (MTIs)	14.4	14.5	19.4	22.9	23.0	18.1	18.1	28.2
MDs - Provincial	0.0	19.1	20.3	24.7	45.8	34.7	34.6	45.6
MDs - Devolved	0.0	21.6	22.8	27.5	30.0	27.1	27.1	37.0
<b>Pension</b>	<b>67.5</b>	<b>70.1</b>	<b>83.6</b>	<b>91.9</b>	<b>107.1</b>	<b>112.3</b>	<b>112.3</b>	<b>138.3</b>
Pension expenditure funded from taxpayer proceeds	67.5	70.0	82.7	90.6	96.0	109.7	109.7	134.0
Pension expenditure funded from Pension Fund profit	0.0	0.0	0.0		10.0	0.0	0.0	0.0
MDs	0.0	0.1	0.9	1.3	1.1	2.6	2.6	4.3

<sup>3</sup> March 2024 figures from Finance Department, KP

### 3.1.1 Revenue Transferred to Local Governments

Clause (i) of Article 37 of the Constitution of the Islamic Republic of Pakistan 1973 requires decentralization of Government administration to; facilitate expeditious disposal of businesses, bring convenience and meet essential requirements of the public at the grass root level. To achieve this, local government institutions were established in the province of Khyber Pakhtunkhwa through the Local Government Act (LGA), 2013. Later, the Local Government System was established and notified as a result of enforcement of Section 120 of LGA, 2013 on 5<sup>th</sup> June 2015 (as amended in 2017).

The Provincial Finance Commission in its **12<sup>th</sup> meeting** held on **02 June 2020**, discussed and determined the allocable share(s) for local governments out of the provincial net divisible pool. The horizontal distribution, as recommended by the Commission, enables local governments to meet their expenditure on account of salary, non-salary, grants to local councils and development expenditure. Based on the recommendations of the said Commission, table 13 shows the proposed budget containing shares/grants to Local Governments for Financial Year 2023-24.

Under current expenditure, the local government's share for FY 2023-24 is **Rs 266.2 billion** vs. **Rs. 208.9 billion budgeted** in FY 2022-23. Subcomponents for FY 2023-24 include **Rs. 233.3 billion** for salary, **Rs. 24.0 billion** for non-salary expenditure and **Rs. 8.9 billion** as grants to local councils (for settled districts).

Table 13  
Share of Local Government in Current Expenditure (Settled)  
Unit: Rs. Bn

Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total</b>	<b>144.7</b>	<b>158.8</b>	<b>171.0</b>	<b>204.1</b>	<b>208.9</b>	<b>203.6</b>	<b>201.6</b>	<b>266.2</b>
Salary	129.1	145.5	147.0	177.5	170.0	184.2	182.3	233.3
Non Salary	11.6	9.8	19.7	17.5	30.4	12.9	12.9	24.0
Grant to Local Councils	4.0	3.5	4.3	9.1	8.4	6.5	6.4	8.9

### 3.2 Capital Expenditure

The Government of Khyber Pakhtunkhwa (GoKP) aims for prudent debt management to bolster the accelerated growth trajectory of the province via focused financing of productive sectors. Pursuant to Article 167 (4) of 1973 Constitution, the borrowing limit for GoKP is fixed at **Rs. 44 billion** as previously communicated by the National Economic Council (NEC). The NEC channels external finances through the Economic Affairs Division (EAD) of the Federal Government. The Capital Expenditure of GoKP primarily consists of loans and advances to Provincial Government employees and **debt principal repayment** as Capital Expenditure for the financial year 2023-24, shown in the table below.

Table 14  
Expenditure on Capital Accounts  
Unit: Rs. Bn

Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Total</b>	<b>8.8</b>	<b>10.1</b>	<b>12.0</b>	<b>14.9</b>	<b>16.3</b>	<b>21.3</b>	<b>21.3</b>	<b>25.4</b>
Loans & Advances to Provincial Government Employees.	0.2	0.2	1.3	2.7	0.3	0.3	0.3	0.3
Capital Expenditure (Debt Principal Repayment)	8.6	9.9	10.6	12.2	16.0	21.0	21.0	25.1

### 3.2.1 Debt Servicing

The Khyber Pakhtunkhwa Government (GoKP) is striving to manage its debt wisely, with the aim of propelling the province's rapid growth. This will be accomplished by specifically investing in sectors that play a crucial role in the economy.

#### Domestic Debt

There is no domestic debt liability against the Provincial Government as on 1<sup>st</sup> July 2023.

#### Foreign Debt

The outstanding loan liability of the province on 1<sup>st</sup> July 2023 was **Rs. 530.7 billion**.

Foreign currency loans are used for the financing of specified developmental projects and programs under an agreement between GoKP and the Federal Government. The Provincial Government receives these foreign loans under the same terms and conditions originally agreed upon between the Federal Government and the foreign lenders.

Table 15a  
Units: Rs. Bn

Description	Outstanding Debt 30 <sup>th</sup> June 2022	Principal Repayments during 2022-23	Disbursements during 2022-23	Outstanding Debt 30 <sup>th</sup> June 2023
Foreign Loans (PKR)	359.3	(20.9)	70.2	530.7
Exchange Rate (USD/PKR)	186.0			249.0

The province's outstanding debt portfolio has surged by 47.70%, primarily influenced by two key factors:

1. Increase in net receipts (disbursements less principal repayments) was **Rs. 49.23 billion** which is an increase of **13.70%**.
2. Increase in foreign currency exchange rates from 186 to 249 which had a weighted average impact of **33.87%**

Details of Principal repayment and Interest payment are as under:

Table 15b  
Units: Rs. Bn

Nomenclature	(BE) 2022-23	(RE) 2022-23	(BE) 2023-24
Principal	16.0	21.0	25.1
Interest	4.2	6.5	13.0
Debt Servicing	20.2	27.5	38.1

### 3.3 Development Expenditure

Development expenditure is perhaps the most critical component of this government's budget. The Government of Khyber Pakhtunkhwa is dedicated to not only spending a sizable amount on the development of the province but also to structure it in a systematic way. Efforts have been made over the past three and a half years, to rationalize and augment Annual Development Programme (ADP) allocations. These reforms included multiple initiatives such as introducing a new ADP policy, issuing new ADP guidelines, reducing the throw-forward through ADP rationalization, and issuing a new release policy, that ensured spending was done in a more responsible manner across the year.

The development budget for the FY 2023-24 has been budgeted at a record high Development Expenditure of **Rs. 301 billion**. The core focus in FY 2023-24 is to accelerate the economic recovery, generate employment, uplift the Human Development Index, and prioritize service delivery.

**Rs. 76 billion** has been set aside for merged districts' development that includes Annual Development Programme, FPA, and Accelerated Implementation Plan (AIP).

Table 16.

**Development Expenditure**

Unit: Rs. Bn

Head	Actuals 2018-19	Actuals 2019-20	Actuals 2020-21	Actuals 2021-22	Budget 2022-23	Revised 2022-23	Actuals 2022-23	Budget 2023-24
<b>Development Expenditure</b>	<b>143.0</b>	<b>170.3</b>	<b>214.2</b>	<b>259.5</b>	<b>418.2</b>	<b>220.3</b>	<b>146.3</b>	<b>301.1</b>
<b>Annual Development Program + Annual Implementation Program</b>	<b>100.7</b>	<b>134.5</b>	<b>164.4</b>	<b>205.3</b>	<b>316.6</b>	<b>108.7</b>	<b>109.0</b>	<b>175.4</b>
ADP (Provincial - Settled Districts)	83.7	93.1	109.8	151.1	185.0	89.7	89.8	86.0
ADP (Devolved - Settled Districts)	17.0	3.4	7.9	1.8	37.0	1.1	1.2	17.2
ADP (Provincial - Merged Districts)	0.0	38.0	19.2	15.9	20.0	6.4	6.5	26.0
ADP (Devolved - Merged Districts)	0.0	0.0	27.5	36.5	4.0	0.0	0.0	5.2
Accelerated Implementation Plan (AIP - Funded)	0.0	0.0	0.0	0.0	36.0	11.5	11.5	41.0
Accelerated Implementation Plan (AIP - Unfunded)	0.0	0.0	0.0	0.0	34.6	0.0	0.0	0.0
<b>Foreign Project Assistance (FPA)</b>	<b>40.1</b>	<b>22.4</b>	<b>38.1</b>	<b>17.9</b>	<b>93.2</b>	<b>98.6</b>	<b>24.8</b>	<b>114.4</b>
FPA Settled Districts	40.1	22.3	38.1	17.9	88.9	97.6	23.6	110.6
FPA Merged Districts	0.0	0.1			4.3	1.0	1.1	3.8
<b>PSDP expenditure for provincially executed projects</b>	<b>2.2</b>	<b>13.4</b>	<b>11.7</b>	<b>36.4</b>	<b>8.4</b>	<b>13.0</b>	<b>12.6</b>	<b>11.3</b>

## Chapter 4 – The National Finance Commission

The National Finance Commission finalized the 7<sup>th</sup> NFC Award on 18<sup>th</sup> March 2010, in which the Federal Government reduced the Federal Board of Revenue's collection charges from 5% to 1%, which significantly benefited the provinces. The share of provinces in vertical distribution also increased from 49% to 56% for 2010-11 and to 57.5% for the remaining years of the 7<sup>th</sup> Award. Under clause 3(A) of Article 160 of the Constitution of the Islamic Republic of Pakistan, inserted through the 18<sup>th</sup> Constitutional Amendment, the share of the provinces in each future Award of the National Finance Commission shall not be less than the share given to the provinces in the previous Award.

The Multiple-Criteria Formula was used for the first time as part of the 7<sup>th</sup> NFC Award. According to the NFC formula, the following weightages are assigned to each parameter:

1. 82% to population,
2. 10.3% to poverty and backwardness,
3. 5% to revenue collection/generation
4. 2.7% to Inverse Population Density (IPD).

Realizing the central role of Khyber Pakhtunkhwa in the War on Terror, 1% of the Gross Divisible Pool was also assigned to it in addition to its otherwise share. A comparison of horizontal distribution shares of Provinces in 7<sup>th</sup> NFC Award and the previous NFC Award is given in the table below.

Table 17.  
Share of Provinces in the Divisible Pool as per 7<sup>th</sup> NFC Award  
Units: Rs Bn

Province	% Share in the 6 <sup>th</sup> Award	% Share in 7 <sup>th</sup> NFC Award			Budget Estimate 2023-24
		Horizontal Share	1% for War on terror*	Grant for Compensation on account of OZ&T	
Federal Share	62.5	42.5			
Provinces	37.5	57.5			
Punjab	53.2	51.74			2,724.9
Sindh	24.96	24.55			1,292.9
<b>Khyber Pakhtunkhwa</b>	<b>14.78</b>	<b>14.62</b>	<b>1.80</b>	<b>16.42</b>	<b>856.5</b>
Balochistan	7.05	9.09			478.7

Ever since the 7<sup>th</sup> NFC Award, there has been a stalemate between the Federal and Provincial Governments over its successor Award. The 8<sup>th</sup> NFC constituted on 21<sup>st</sup> July, 2010 and 9<sup>th</sup> NFC constituted on 24<sup>th</sup> April, 2015, and reconstituted on 10<sup>th</sup> January, 2019 ended their respective five-year terms without making any recommendations. The 7<sup>th</sup> NFC Award took effect from 1<sup>st</sup> July, 2010, and it remains in vogue today.

In the inaugural meeting of the 10<sup>th</sup> NFC held on 18<sup>th</sup> February, 2021 it was decided to set up seven (7) Sub-Groups including Sub-Group-V & VII assigned to Khyber Pakhtunkhwa. The task of Sub-Group-V is to make recommendations to the Commission for the development of erstwhile FATA whereas Sub-Group-VII has been assigned the task of recommendations for funding of pension liabilities of the Federal and Provincial Governments. This group will also deliberate on items (d), (e), and (f) of the terms of reference of the 10<sup>th</sup> NFC and submit its recommendations to the Commission.

Of paramount importance to the province of Khyber Pakhtunkhwa in a fresh award is:

1. A recalculation of the provincial share on the basis of the 2023 census.
2. The integration of the demographics of the Merged Districts into the province, particularly the 2.94% share of the national population as per 2023 census.
3. A permanent settlement of the issue of Net Hydel Profits determination in line with the Constitution under Article 161, and demand for a constitutional right for the imposition of Federal Excise Duty on Oil as per Article 161 (b) of the Constitution.

This necessitates a recalculation of the horizontal share of Khyber Pakhtunkhwa under any new formula for horizontal distribution to be finalized by the 10<sup>th</sup> NFC. The Prime Minister of Pakistan has also pledged 3% of the NFC share of Federal Government, Punjab and Khyber Pakhtunkhwa to be given to fund the development needs of Merged Districts for the next 10 years, as per the Tribal Decade Strategy. The Government of Khyber Pakhtunkhwa will continue to comprehensively approach the next NFC Award for the realization of optimal share of the province inclusive of the Merged Districts and press upon all other federating units to honor their commitments, in order to ensure that the war-afflicted region enters the mainstream and integrates smoothly with the rest of the province.



## Chapter 5 – Net Hydrel Profits

Net Hydrel Profits (NHP) are a provision of the 1973 Constitution of the Islamic Republic of Pakistan that safeguard the use of provincial water as a natural resource for power generation. It defines NHP as profits from the bulk generation of power at a hydroelectric station.

This is in line with the international practice and royalty on water is given to affected regions in countries like the United States, China, Brazil, Canada.

Khyber Pakhtunkhwa is in a disadvantageous geographic position due to its land-locked position and proximity to war-torn Afghanistan, and while there remains potential to amplify returns once peace is established in Afghanistan and trade routes open up to Central Asia, it remains a perennial challenge as stability remains elusive. Compared to KP, Punjab has a large population base with fertile agricultural land as well as a strong industrial base, while Sindh and Baluchistan have port cities promoting trade and commerce. This requires KP to leverage natural resources to its advantage for economic growth and industrial investments.

Despite protection by the constitution to hydro royalties, NHP has been in dispute since 1991. The framework and formula to calculate annual NHP was conceived by a committee headed by the then Deputy Chairman of Planning Commission Mr. A.G.N. Kazi. The committee submitted a unanimous report which was endorsed by the NFC and approved by the Council of Common Interests in 1991. Khyber Pakhtunkhwa, then NWFP, received NHP for the first time in FY 1992 according to the AGN Kazi formula but got capped at Rs. 6 billion afterwards, despite multiple approvals and guarantees of the Federal Government to implement Kazi formula. NHP finally got uncapped in FY 2016 after 24 years according to an interim solution proposed by a technical committee and signed off through an MoU between the Government of Pakistan and the Government of Khyber Pakhtunkhwa. This MoU was endorsed in the same year by CCI. Both the frameworks were formulated to calculate NHP but did not define any modalities regarding mode of payment, penalties in case of late payment or conflict resolution.

NHP has always been portrayed incorrectly as an additional tax or levy to be paid by the consumers over and above the electricity tariff. However, this is not the case and it is not calculated in this way by the Kazi formula. According to Kazi committee methodology, NHP is the net profit for each hydroelectric station in a province after deduction of transmission cost, distribution cost, generation cost, operator's overhead, and reserves. This makes it based on actual generation and costs and does not charge anything extra to the consumer.

A committee has been constituted by the Federal Government to work out a solution regarding payment mode according to Kazi formula but till then payments will be made in line with the MoU. The MoU has also been breached by NEPRA unilaterally by reversing its decision of 5% indexation, taken in 2015 and endorsed by CCI. The Government of Khyber Pakhtunkhwa filed a review petition with NEPRA and pleaded its case with facts. NEPRA allowed the indexation with the condition to get it approved by CCI again. The summary for getting approval from the Council of Common Interests has been submitted and will be followed rigorously to safeguard the province's right.

WAPDA has always paid randomly and minimally to GoKP resulting in huge liabilities. Finance department under the leadership of the Finance Minister has recently engaged rigorously with the previous Federal Government, to ensure regular monthly transfers of NHP. The results have been fruitful resulting in Rs. 3 billion transfers every month since November

2020 and a tranche of Rs. 25 billion in July 2021. However, NHP transfers were regular until March 2022. After that, transfers have remained sporadic, and the province has received a meagre Rs. 4.9 billion in NHP during FY 2022-23 in three separate tranches.

Khyber Pakhtunkhwa's stance is clear and demands the following:

1. Solution on how to pay NHP to provinces according to AGN Kazi formula.
2. Till then, implementation of 2016 MoU in letter and spirit including annual indexation of 5%.
3. Institutionalizing monthly NHP payments to Khyber Pakhtunkhwa by delinking it with WAPDA.

## **Chapter 6 – Merged Districts**

The 25<sup>th</sup> Constitutional Amendment officially merged the Federally Administered Tribal Areas (FATA) into Khyber Pakhtunkhwa (KP). This essentially meant full political, administrative, and fiscal integration and mainstreaming of Merged Districts with KP. Accordingly, the National Assembly unanimously approved the 26<sup>th</sup> Amendment to the Constitution allowing an increase from 6 to 12 seats in the National Assembly and 16 to 24 in the Khyber Pakhtunkhwa Assembly's seats for the Merged Districts.

The administrative merger was successfully completed during 2018-19 through the integration of all Directorates of Merged Districts Civil Secretariat with respective Administrative Departments of KP. Financial Integration was also successfully achieved through the presentation of an integrated 2019-20 Budget for Khyber Pakhtunkhwa, marking a historic moment in our history.

At the time of the merger, the development of FATA was acknowledged as a collective national responsibility, and all provinces promised that a due contribution of 3% from the divisible pool will be diverted towards the growth and prosperity of the Merged Districts (MDs). This 3% was promised to bring MDs at par with other regions in terms of economic development. However, the commitment of the other provinces failed to materialize, with KP the only province fulfilling its mandate of diverting its own settled district resources to stimulate economic activity in the Merged Districts.

## 6.1 Budget Numbers 2023-24 for Merged Districts

The overall current and development expenditure of the Merged Districts is around **Rs. 189.1 billion (excluding FPA)**. Current expenditure is expected to be around **Rs. 116.9 billion**, against a budgeted amount of **Rs. 124.0 billion** from last year. The development expenditure is budgeted at **Rs. 72.2 billion** which was around **Rs. 98.9 billion** for the last fiscal year.

Table 18a

### Expenditure of Merged Districts

Unit: Rs. Bn

HEAD	B.E 2023-24
<b>Total Expenditure</b>	<b>192.9</b>
<b>Current Expenditure</b>	<b>116.87</b>
Salary	82.63
Non-Salary - O&M and Contingencies	34.24
<b>Development Expenditure</b>	<b>72.20</b>
ADP (Provincial - MDs)	26.00
ADP (Devolved - MDs)	5.20
Accelerate Implementation Plan (AIP - Funded)	41.00
Accelerate Implementation Plan (AIP - Unfunded)	0.00
<b>FPA</b>	<b>3.79</b>

For the upcoming year 2023-24, the Federal Government has **increased** the grant for current budget of MDs as compared to the previous year. The total allocation for the current grant of MDs has been increased to Rs. 66 billion, which is wholly composed of salary and non-salary, with **zero allocation** for TDPs. The Rs. 66 billion allocation is **insufficient** to meet the basic salary and pension needs of MDs as the previous year's actual current side expenditure was Rs. 73 billion.

Table 18b.

## Department Wise Current Budget Estimates for Merged Districts 2023-24

Units: Rs. Bn

DEMAND NO	DEPARTMENTS	B.E.	R.E.	POSTS 2023-24	B.E. 2023-24		
		2022-23	2022-23		SALARY	NON SALARY	TOTAL
<b>Total</b>		<b>124.00</b>	<b>73.03</b>	<b>115,255</b>	<b>82.63</b>	<b>34.24</b>	<b>116.87</b>
61	GENERAL ADMINISTRATION	0.20	0.10	100	0.05	0.12	0.17
61	TREASURIES	0.11	0.07	117	0.11	0.01	0.12
61	FINANCE	9.41	0.11	78	1.06	4.21	5.27
61	PLANNING & DEVELOPMENT	0.08	0.19	292	0.29	0.02	0.31
61	BUREAU OF STATISTICS	0.01	0.00	10	0.01	0.00	0.01
61	REVENUE & ESTATE	0.01	0.03	9	0.01	0.03	0.04
61	EXCISE AND TAXATION DEPARTMENT	0.05	0.03	105	0.04	0.01	0.05
61	HOME & TRIBAL AFFAIRS	0.74	0.54	539	0.61	0.09	0.70
61	JAILS & CONVICTS SETTLEMENT	0.40	0.42	591	0.38	0.03	0.41
61	ADMINISTRATION OF JUSTICE	1.28	0.81	998	0.82	0.10	0.92
61	HIGHER EDUCATION, ARCHIVES & LIBRARIES	2.77	1.52	2,337	2.33	0.06	2.39
61	HEALTH	17.27	9.52	13,971	9.13	4.97	14.10
61	COMMUNICATION & WORKS	1.93	1.34	2,613	1.56	0.11	1.67
61	ROADS HIGHWAYS & BRIDGES (REPAIR)	0.18	0.00		0.00	0.17	0.17
61	BUILDINGS & STRUCTURES (REPAIR)	0.13	0.08		0.00	0.13	0.13
61	PUBLIC HEALTH ENGINEERING	1.14	1.35	2,623	1.18	0.27	1.46
61	LOCAL GOVERNMENT	0.09	0.06	59	0.06	0.01	0.08
61	AGRICULTURE	0.35	0.22	484	0.32	0.07	0.38
61	ANIMAL HUSBANDRY	0.37	0.53	151	0.11	0.32	0.43
61	FORESTRY (WILDLIFE)	1.16	0.80	2,001	1.21	0.10	1.31
61	FISHERIES	0.05	0.05	78	0.05	0.01	0.06
61	IRRIGATION	0.28	0.22	314	0.26	0.05	0.32
61	INDUSTRIES	0.02	0.02	56	0.03	0.00	0.04
61	MINERAL DEVELOPMENT AND INSPECTORATE OF MINES	0.15	0.10	286	0.12	0.02	0.13
61	POPULATION WELFARE	0.03	0.02	15	0.01	0.02	0.03
61	TECHNICAL EDUCATION AND MANPOWER	0.28	0.34	398	0.35	0.02	0.37
61	LABOUR	0.05	0.01	95	0.03	0.00	0.04
61	INFORMATION & PUBLIC RELATIONS	0.02	0.02	38	0.04	0.01	0.04
61	SOCIAL WELFARE, SPECIAL EDUCATION & WOMEN EMPOWERMENT	0.11	0.09	100	0.08	0.34	0.42
61	ZAKAT & USHER	0.01	0.03	67	0.03	0.00	0.03
61	SPORTS, CULTURE, TOURISM & MUSEUMS	0.04	0.02	42	0.04	0.00	0.04
61	ENERGY & POWER	0.00	0.02	28	0.02	0.00	0.02
61	TRANSPORT & MASS TRANSIT DEPARTMENT	0.05	0.00	104	0.02	0.00	0.02
61	ELEMENTARY & SECONDARY EDUCATION	0.94	1.17	280	0.26	0.98	1.25
61	RELIEF REHABILITATION AND SETTLEMENT	17.34	1.01	1,970	0.96	4.36	5.32
61	POLICE	24.96	19.66	36,560	24.03	1.37	25.41
61	GRANT TO LOCAL COUNCILS	0.98	0.57		0.00	1.43	1.43
61	PENSION	1.08	2.58		0.00	4.30	4.30
61	TEHSIL SALARY	30.00	27.07	47,746	37.00	0.00	37.00
61	TEHSIL NON SALARY	9.86	2.17		0.00	9.00	9.00
61	SUBSIDIES	0.00	0.00		0.00	1.50	1.50
61	STATE TRADING IN FOOD GRAINS AND SUGAR	0.06	0.15		0.00	0.00	0.00

## 6.2 Development in Merged Districts

Development funding has grown massively in the MDs after its merger with Khyber Pakhtunkhwa. However, FY 2022-23 saw an unprecedented decline. For FY 2022-23, the total allocation for the development grant was projected to increase to Rs. 95.6 billion (including Rs. 34.618 billion as the 3% NFC share from other provinces and Rs. 6 billion as KP's share.) from Rs. 60 billion in the previous year. Yet, the Federal Government chose to renege on its commitment to the Tribal Decade Strategy and slashed development funding to erstwhile FATA.

Moreover, exacerbating the situation, releases for the year **fell short by Rs. 15.15 billion** compared to the allocated development grant for FY 2022-23 of **Rs. 55 billion**. This reduction in funding severely hampers the progress and development initiatives in the MDs, which have seen significant growth in development funding since their merger with Khyber Pakhtunkhwa. Despite the decreased allocation for development for the fiscal year, the shortfall in releases undermines the government's commitment to development in MDs and jeopardizes crucial development projects in the region. The decline in funding signals a concerning setback in the efforts to address the developmental needs of the MDs and underscores the urgency for the Federal Government to honor its commitments towards their socio-economic upliftment.

Continuing the trend of reduced allocation for development, the Federal Government has allocated Rs. 57 billion for FY 2023-24. With this diminished funding, the MDs are at risk of falling further behind in crucial infrastructure projects, education, healthcare, and other essential services. The stark contrast between the allocated budget and the actual developmental requirements of the MDs highlights the pressing need for increased attention and support from the Federal Government to ensure the sustainable development and prosperity of these regions.

During the merger, Rs. 100 billion was committed annually for 10 years as part of the Tribal Decade Strategy, in addition to the current grant and merged area annual development plan allocations. **Out of the Rs. 400 billion committed for the Accelerated Implementation Program, only Rs. 92.5 billion has been received, resulting in a shortfall of Rs. 307.5 billion from 2018-19 to 2022-23.**

### Key Principles for Utilizing Merged Areas Development Plan Funds

The Government of Khyber Pakhtunkhwa realizes the special status of Merged Districts for not just the province but all of Pakistan which is why it has set itself the following principles for utilizing funds earmarked for Merged Districts.

- Funds to be outside of the annual development plan, so they can be used flexibly.
- Spend with a direct impact on people to be prioritized; as opposed to procuring land, building offices, etc.
- The primary focus is to spend in the social sectors i.e., health, education, jobs, and wealth creation – and programs that have a rapid impact.
- A second focus is on improving infrastructure for Merged Districts, and on projects with economic impact; roads; electricity infrastructure.
- Planning to consider that Merged Districts is now an integrated part of Pakhtunkhwa; implications are significant; for example, East-West connectivity is more important than North-South connectivity.

- One Fund concept; assuming Merged Districts business as usual funding is protected until the new NFC decision, and adequate funding is guaranteed, the money can be used on projects that may be federal in nature – e.g., building the electricity grid; Torkham Railway line, etc.

## Annexures

### Budget Estimates 2023-24 (Current Expenditure)

D NO	DEPARTMENTS	BUDGET ESTIMATES 2022-23	REVISED ESTIMATES 2022-23	POSTS 2023-24	BUDGET ESTIMATES 2023-24		
					SALARY	NON-SALARY	TOTAL
1	PROVINCIAL ASSEMBLY	1,828,160,000	1,587,741,000	713	1,720,211,000	395,013,000	2,115,224,000
2	GENERAL ADMINISTRATION	5,356,146,000	4,609,501,000	3,102	3,721,003,000	2,536,393,000	6,257,396,000
3	FINANCE, TREASURIES AND LOCAL FUND AUDIT	4,192,570,000	2,404,723,000	1,572	1,808,363,000	1,460,819,000	3,269,182,000
4	PLANNING & DEVELOPMENT AND BUREAU OF STATISTICS	895,308,000	739,710,000	708	918,083,000	205,552,000	1,123,635,000
5	INFORMATION TECHNOLOGY	1,332,868,000	754,993,000	143	141,295,000	1,082,822,000	1,224,117,000
6	REVENUE & ESTATE	1,188,991,000	1,324,285,000	1,517	1,347,854,000	1,041,206,000	2,389,060,000
7	EXCISE, TAXATION & NARCOTICS CONTROL	1,352,092,000	1,038,449,000	1,623	1,194,019,000	257,387,000	1,451,406,000
8	HOME & TRIBAL AFFAIRS	1,769,542,000	1,979,353,000	1,908	1,769,021,000	835,403,000	2,604,424,000
9	JAILS & CONVICTS SETTLEMENT	3,795,911,000	4,621,400,000	6,460	3,506,801,000	2,925,547,000	6,432,348,000
10	POLICE	67,064,326,000	64,835,064,000	99,705	72,620,154,000	15,790,269,000	88,410,423,000
11	ADMINISTRATION OF JUSTICE	9,785,589,000	11,285,087,000	9,076	11,176,222,000	2,785,767,000	13,961,989,000
12	HIGHER EDUCATION, ARCHIVES & LIBRARIES	23,140,381,000	18,729,048,000	19,736	20,666,424,000	3,835,751,000	24,502,175,000
13	HEALTH	160,938,335,000	114,761,772,000	62,053	83,246,052,000	80,912,535,000	164,158,587,000
14	COMMUNICATION & WORKS	3,966,093,000	3,891,714,000	6,913	4,256,987,000	571,071,000	4,828,058,000
15	ROADS HIGHWAYS & BRIDGES (REPAIR) AND BUILDINGS & STRUCTURES (REPAIR)	4,777,500,000	1,832,686,000	-	-	5,474,876,000	5,474,876,000
16	PUBLIC HEALTH ENGINEERING	9,614,499,000	10,949,398,000	12,465	6,836,728,000	6,702,155,000	13,538,883,000
17	LOCAL GOVERNMENT *	12,559,710,000	7,162,264,000	198	241,003,000	7,716,401,000	7,957,404,000



18	AGRICULTURE	5,026,039,000	2,609,492,000	3,954	2,979,883,000	1,710,201,000	4,690,084,000
19	ANIMAL HUSBANDRY	2,550,001,000	2,839,941,000	2,856	1,966,443,000	1,288,350,000	3,254,793,000
20	CO-OPERATION	44,619,000	37,226,000	44	40,962,000	17,790,000	58,752,000
21	ENVIRONMENT & FORESTRY	4,225,804,000	3,105,851,000	6,989	3,779,484,000	518,764,000	4,298,248,000
22	FORESTRY (WILDLIFE)	1,315,549,000	939,776,000	1,703	1,106,630,000	275,261,000	1,381,891,000
23	FISHERIES	306,718,000	256,217,000	511	281,114,000	97,229,000	378,343,000
24	IRRIGATION	6,055,715,000	6,543,944,000	8,097	4,886,471,000	3,151,445,000	8,037,916,000
25	INDUSTRIES	973,932,000	690,897,000	743	614,524,000	196,426,000	810,950,000
26	MINERAL DEVELOPMENT AND INSPECTORATE OF MINES	935,193,000	863,246,000	1,404	813,079,000	970,423,000	1,783,502,000
27	STATIONERY AND PRINTING	239,123,000	263,541,000	235	135,792,000	184,811,000	320,603,000
28	POPULATION WELFARE	695,481,000	515,034,000	345	367,489,000	229,861,000	597,350,000
29	TECHNICAL EDUCATION AND MANPOWER	2,567,777,000	2,274,956,000	2,592	2,154,304,000	896,717,000	3,051,021,000
30	LABOUR	605,328,000	502,816,000	658	466,950,000	202,915,000	669,865,000
31	INFORMATION & PUBLIC RELATIONS	1,410,442,000	786,544,000	375	350,871,000	270,538,000	621,409,000
32	SOCIAL WELFARE, SPECIAL EDUCATION & WOMEN EMPOWERMENT	3,124,989,000	1,607,853,000	1,214	1,221,280,000	2,859,954,000	4,081,234,000
33	ZAKAT & USHER	380,844,000	271,026,000	375	340,812,000	71,404,000	412,216,000
34	PENSION	106,000,000,000	109,726,903,000	-	-	134,000,000,000	134,000,000,000
35	SUBSIDIES	10,300,000,000	5,002,640,000	-	-	47,753,013,000	47,753,013,000
36	GOVERNMENT INVESTMENT & COMMITTED CONTRIBUTION	3,000,000,000	500,000,000	-	-	22,000,000,000	22,000,000,000
37	AUQAF, RELIGIOUS, MINORITY & HAJJ AFFAIRS	3,057,439,000	1,752,433,000	49	64,542,000	2,413,671,000	2,478,213,000

38	SPORTS, CULTURE, TOURISM & MUSEUMS	1,932,155,000	714,299,000	530	448,022,000	172,586,000	620,608,000
39	TEHSIL GOVERNMENT NON-SALARY	30,449,123,000	12,903,429,000	-	-	24,000,000,000	24,000,000,000
40	GRANT TO LOCAL COUNCILS	8,422,937,000	6,513,877,000	-	-	8,922,936,000	8,922,936,000
41	HOUSING	154,941,000	55,332,000	49	75,159,000	121,634,000	196,793,000
42	TEHSIL GOVERNMENT SALARY	170,000,000,000	184,186,000,000	297,255	233,295,000,000	-	233,295,000,000
43	INTER PROVINCIAL COORDINATION	65,279,000	58,646,000	56	70,364,000	11,725,000	82,089,000
44	ENERGY AND POWER	526,938,000	488,371,000	225	220,716,000	133,711,000	354,427,000
45	TRANSPORT & MASS TRANSIT	4,993,402,000	3,288,644,000	660	459,771,000	1,547,806,000	2,007,577,000
46	ELEMENTARY & SECONDARY EDUCATION	9,052,094,000	6,223,781,000	1,282	2,938,821,000	16,368,833,000	19,307,654,000
47	RELIEF REHABILITATION AND SETTLEMENT	8,572,649,000	7,771,543,000	7,439	3,898,138,000	4,401,853,000	8,299,991,000
62	COVID-19 CONTINGENCIES	1,000,003,000	126,000,000	-	-	300,000,000	300,000,000
63	INSAF FOOD CARD	26,000,000,000	500,000,000	-	-	-	-
64	VIABILITY GAP FUND	5,000,000,000	500,000,000	-	-	10,000,000	10,000,000
65	TOURISM	-	318,603,000	790	391,129,000	509,046,000	900,175,000
--	DEBT SERVICING (INTEREST PAYMENT )	16,000,000,000	23,747,351,000	-	-	28,300,000,000	28,300,000,000
<b>TOTAL (REVENUE BUDGET)</b>		<b>748,542,535,000</b>	<b>640,993,400,000</b>	<b>568,322</b>	<b>478,537,970,000</b>	<b>438,437,870,000</b>	<b>916,975,840,000</b>
<b>CAPITAL EXPENDITURE</b>							
48	LOANS AND ADVANCES	300,000,000	300,000,000	-	-	300,000,000	300,000,000
--	DEBT SERVICING (LOAN FROM FEDERAL GOVT.DISCHARGED)	41,000,000,000	302,750,545,000	-	-	25,132,824,000	25,132,824,000
<b>TOTAL (Capital Budget)</b>		<b>41,300,000,000</b>	<b>303,050,545,000</b>	<b>-</b>	<b>-</b>	<b>25,432,824,000</b>	<b>25,432,824,000</b>

<b>GRAND TOTAL (Revenue + Capital)</b>		<b>789,842,535,000</b>	<b>944,043,945,000</b>	<b>568,322</b>	<b>478,537,970,000</b>	<b>463,870,694,000</b>	<b>942,408,664,000</b>
<b>NEWLY MERGED AREAS (MDs)</b>							
61	PROVINCIAL	83,102,182,000	43,065,988,000	67,509	45,630,766,000	23,806,427,000	69,437,193,000
61	DISTRICT	39,859,270,000	29,232,920,000	47,746	37,000,000,000	9,000,000,000	46,000,000,000
61	GRANT TO LOCAL COUNCILS	980,000,000	573,667,000	-	-	1,430,031,000	1,430,031,000
61	STATE TRADING IN FOOD GRAINS AND SUGAR	58,548,000	153,803,000	-	-	-	-
<b>TOTAL NMAs</b>		<b>124,000,000,000</b>	<b>73,026,378,000</b>	<b>115,255</b>	<b>82,630,766,000</b>	<b>34,236,458,000</b>	<b>116,867,224,000</b>
<b>GRAND TOTAL (Provincial + MDs)</b>		<b>913,842,535,000</b>	<b>1,017,070,323,000</b>	<b>683,577</b>	<b>561,168,736,000</b>	<b>498,107,152,000</b>	<b>1,059,275,888,000</b>
<b>CAPITAL EXPENDITURE - FOOD (ACCOUNT-II)</b>							
49	STATE TRADING IN FOOD GRAINS AND SUGAR	97,679,000,000	67,003,329,000	1,447	753,261,000	102,082,734,000	102,835,995,000
66	STATE TRADING IN FOOD GRAINS AND SUGAR	-	-	120	88,277,000	156,200,000	244,477,000
<b>TOTAL Capital Budget (Account-II)</b>		<b>97,679,000,000</b>	<b>67,003,329,000</b>	<b>1,567</b>	<b>841,538,000</b>	<b>102,238,934,000</b>	<b>103,080,472,000</b>

\*Local Government Department is Administrative Department by service delivery institutions like TMA, VCS/NCs etc. These institutions are funded from multiple funding such as PFC Award, Grant to Local Councils and UIPT share.

## **Funds Management**

The Government of Khyber Pakhtunkhwa (GoKP) has promised fixed-nature retirement benefits to its employees and hence, wanted to pre-fund such growing liabilities. For this purpose, the GoKP has established four funds using separate acts/ordinance of the Khyber Pakhtunkhwa (KP) legislative assembly, namely:

1. The Khyber Pakhtunkhwa Pension Fund Act, 1999
2. The Khyber Pakhtunkhwa General Provident Investment Fund Act, 1999
3. The Khyber Pakhtunkhwa Hydel Development Fund Ordinance, 2001
4. The Khyber Pakhtunkhwa Retirement Benefit and Death Compensation Act, 2014

These funds are separate pools of monies, sponsored by GoKP, legally owned by the trust (the four legal bodies), and controlled by their respective Boards for the welfare of its member beneficiaries. The fund accounts are required to be audited through Director General (commercial) audit and optionally through reputed chartered accountants' firms.

The professional staff of Khyber Pakhtunkhwa Fund Management (KPFM), Finance Department is responsible for efficiently managing the province's pension and development funds.

### **Objective & Strategy**

The funds strive to achieve a long-term rate of return (LTRR) at a prudent level of risk. The LTRR should exceed risk-free rate and where a benchmark is specified, should meet or exceed such benchmark. To achieve this, the KPFM aims at investing primarily in longer-duration assets across diversified asset classes.

### **Asset Allocation**

Currently, KPFM invests entirely in fixed income space; primarily in the Government of Pakistan Treasury-Bills (T-Bills), Pakistan Investment Bonds (PIBs), Bank Deposits, and National Savings Schemes (NSS). With time, and with more capacity and skill, KPFM would move towards greater diversification among asset classes.

Following is a brief on each fund

#### **1- General Provident Investment Fund (GPIF)**

GoKP had established GPIF in the year 1991-92 with an initial allocation of Rs. 200 million as equity. Now, total Fund size is Rs. 90,448 million out of which Rs.28,428 million is contributed by the Government of Khyber Pakhtunkhwa. The fund is governed by an Act and Rules made thereunder for running the affairs of the Fund.

GPIF is controlled by a Board, which, currently is composed of seven members. The Board is dominated by five ex-officio members; out of which, four come from GoKP; namely Secretary Finance, Secretary Administration, representative of subscribers, and the Chief Secretary as chairman. Three members are from private sector: namely Chief Manager State Bank of Pakistan Peshawar, and two representatives from corporate sector/financial institutions, and stock market/academia.

Moreover, the Board operates through various committees, out of which the prominent one is the Investment Committee. This committee is chaired by the Finance Secretary and is mandated to work out investments and recommend such to the Board. The fund receives injections from the GoKP in addition to the fund returns. Although provident contributions are deducted from the provincial government employees, such are transferred only in varying amounts to GPIF. GoKP is deemed the sole sponsor and liable for the funded status of this fund. As per Section 4 (2) of GPF Act, 1999, Rs.10,000 million has transferred from GPIF to Provincial Government for payment of General Provident Fund to Government Employees during Financial Year 2022-23. The GPIF size has grown over time and the following table presents an overall position:

#### **GP Fund**

Units: Rs. Bn

<b>Year</b>	<b>Opening Balance</b>	<b>Government Equity</b>	<b>Profit Earned</b>	<b>Closing Balance</b>
Till 30.06.2013	18.5	6.9	2.2	27.7
2013-14	27.7	5.5	3.0	36.2
2014-15	36.2	0.0	4.3	40.5
2015-16	40.5	2.0	4.5	47.0
2016-17	47.0	3.0	3.7	53.7
2017-18	53.7	4.2	3.7	61.6
2018-19	61.3	0.0	6.2	67.4
2019-20	69.0	0.0	8.5	77.5
2020-21	77.5	0.0	7.1	84.6
2021-22	84.6	0.0	8.3	92.9
2022-23	92.9	0.0	2.9	95.8

## **2- Pension Fund (PF)**

GoKP had established PF in the year 1997-98 with an initial allocation of Rs. 150 million as equity. Now, total fund size is Rs.41,770 million (approximately) out of which Rs.22,847 million contributed by the Government of Khyber Pakhtunkhwa. The fund is governed by an Act and Rules made there under for running the affairs of the fund.

PF is controlled by a Board, which is similar to GPIF Board except for the difference of one member. Instead of representative of subscribers, the PF's Board has a representative of Peshawar High Court (PHC) nominated by the Chief Justice, PHC. Moreover, similar to GPIF, the Board operates through various committees, out of which the prominent one is the Investment Committee, which again is chaired by the Finance Secretary and is mandated to work out investments and recommend such to the Board.

Despite promised pension benefits, GoKP does not deduct contributions from the provincial government employee's salaries and hence is the sole contributor to the PF. As such GoKP becomes exclusively liable for the funded status of this fund, too. As per Section 4 (2) of Pension Fund Act, 1999, Rs.16,000 million was transferred from Pension Fund to Provincial Government for payment of Pension to Government Employees during Financial Year 2020-22. Keeping in view the Section *ibid*, Rs.10,000 million has transferred from Pension Fund to

support Provincial Government pension payment during current Financial Year (2022-23). The PF size has also grown over time and the following table presents an overall position:

#### **Pension Fund**

Units: Rs. Bn

<b>Year</b>	<b>Opening Balance</b>	<b>Government Equity</b>	<b>Profit Earned</b>	<b>Closing Balance</b>
Till 30.06.2013	13.0	2.0	1.6	16.6
2013-14	16.6	3.0	1.9	21.5
2014-15	21.5	2.5	2.6	26.5
2015-16	26.5	2.0	2.7	31.1
2016-17	31.1	3.0	2.3	36.4
2017-18	36.4	3.5	2.6	42.5
2018-19	42.5	0.0	3.8	46.4
2019-20	46.4	3.0	5.4	54.7
2020-21	54.7	0.0	6.1	53.7
2021-22	53.7	0.0	4.6	48.3
2022-23	48.3	0.0	6.4	44.7

### **3- Hydel Development Fund (HDF)**

GoKP had established HDF in 1992 with an initial allocation of Rs. 50 million. The fund is governed by an Act and Rules made there under for running the affairs of the fund. Unlike, GPIF and PF, which are meant to fund GoKP burgeoning pension liabilities, HDF has a different mandate. The objective of HDF is to develop hydel electricity generation capacity of the Khyber Pakhtunkhwa province, which it primarily does through funding projects executed by Pakhtunkhwa Energy Development Organization (PEDO).

HDF is controlled by a Board, which, currently is composed of ten members. The Board is dominated by nine ex-officio members; out of which, eight come from GoKP. Two members are from private sector; namely Managing Director Bank of Khyber, and one provincial chief of public sector bank or development financial institution, stationed at Peshawar. The Chief Minister Khyber Pakhtunkhwa is the chairman of the Board. Similar to GPIF and PF, the HDF also has an investment committee, but headed by the Chief Secretary, Khyber Pakhtunkhwa. The HDF is funded from the GoKP's own resources and as such the fund do not receive automatic deductions / tax receipts. Its size, inflows, and outflows over time are presented in the table below:

**HDF**

Units: Rs. Bn

Year	Opening Balance	Government Equity	Profit Earned	Fund Utilized	Closing Balance
Till 30.06.2013	20.2	3.0	2.3	2.0	23.6
2013-14	23.6	3.0	2.3	5.3	23.6
2014-15	23.6	3.0	2.4	2.8	26.2
2015-16	26.2	10.2	2.0	15.0	23.3
2016-17	23.3	16.5	2.3	27.7	14.4
2017-18	14.4	15.0	0.9	7.3	23.0
2018-19	25.0	0.0	2.1	7.1	20.0
2019-20	20.0	0.0	1.7	9.2	12.6
2020-21	12.6	2.0	1.2	9.6	6.2
2021-22	6.2	3.3	0.3	10.2	30.0
2022-23	30.0	7.2	0.4	5.4	2.2

**4- Retirement Benefit and Death Compensation Fund (RBDC)**

Initially, RBDC fund was managed in project-mode with close cooperation of KPFM, however, with subsequent regularization of RBDC project employees through enactment of the Khyber Pakhtunkhwa Employees (Regularization of Services) Act, 2018; this fund is now managed by a separate wing within the Finance Department.

RBDC scheme offers another layer of social protection and enhances benefits from only death compensation to both death and retirement compensation for employees of the GoKP. The fund is governed by the Khyber Pakhtunkhwa Civil Servants Retirement Benefits and Death Compensation Act, 2014 and Rules made thereunder for running the affairs of the fund. Unlike other three funds, which are funded by the GoKP on behalf of subscribers, here in RBDC similar to benevolent fund, contributions from the provincial government employees are deducted and directly deposited. Such deposits have started from October 2016.

Here again, the Board controls overall affairs and is headed by the Chief Secretary. The Board is the largest of all-four fund Boards, comprising of 12 members; out of which 10 are ex-officio members and two are representatives of the civil servants. There is also a management committee, chaired by the Secretary Finance, for speedy disposal of the benefit claims. RBDC fund's size, inflows, and outflows over time are presented in the table.

**Retirement Benefit and Death Compensation**

Units: Rs. Bn

<b>Year</b>	<b>Opening Balance</b>	<b>Released during the year</b>	<b>Total</b>	<b>Profit Earned</b>	<b>Fund Utilized</b>	<b>Cumulative Total</b>
2016-17	-	-	-	-	-	0.0
2017-18	0.0	3.4	3.4	0.1	1.3	2.2
2018-19	3.1	4.2	7.3	0.5	1.7	6.0
2019-20	6.0	3.8	9.9	0.8	1.3	9.3
2020-21	9.3	3.5	12.7	0.7	2.9	10.6
2021-22	10.6	3.5	14.1	1.0	2.7	12.4
2022-23	12.4	3.5	15.9	2.1	2.7	15.2



## Chronological Annexures

### General Revenue and Receipts

Unit: In Rs. Mn

Year	Provinci al Tax Receipts	Provinci al Others Receipts	Total Provincial Own Receipts		Federal Tax Assignment	Net Profits	Grants from Federal Govt.	Total Provincial Receipts	Current Revenue Expenditure	Deficit/Su r plus Revenue Account	Non- Obligat ory Grant	Receiva ble as per Arbitrati on 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	862.2	(-) 188.2	138.2	50
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	1,149.10	(-) 434.1	398.7	35.4
R.E	93.4	119.4	212.8	14.8	426.9	---	107.6	762.1	1,137.00	(-) 374.9	352.6	22.3
78-79												
B.E	96.8	135.5	232.3	12.7	461.8	---	104.8	811.6	1,314.30	(-) 502.7	456.8	45.9
R.E	96.6	201.3	297.9	(-)10.8	512.3	---	108.5	907.9	1,391.20	(-) 483.3	468.4	14.9
79-80												
B.E	101.3	162.8	264.1	11.2	562.8	---	104.8	942.9	1,557.10	(-) 614.2	566.9	47.3
R.E	123	209.9	332.9	14.8	736.9	---	104.8	1,189.40	1,674.80	(-) 485.4	475	10.4
80-81												
B.E	127.4	250	377.4	12.3	881.3	---	104.8	1,375.80	1,877.60	(-) 501.8	445.8	56
R.E	143.2	260.7	403.9	13.2	1,060.40	---	107.3	1,584.80	2,031.80	(-) 447.0	447	---
81-82												
B.E	154.4	276.6	431	12.3	1,203.10	---	104.7	1,751.10	2,292.90	(-)541.8	531.6	10.2
R.E	174.7	282.6	457.3	37	1,132.60	---	106.4	1,733.30	2,538.90	(-) 805.6	805.6	---
82-83												
B.E	188.7	296.2	484.9	16.6	1,223.60	---	104.8	1,829.90	2,714.70	(-) 884.8	874.8	10
R.E	212	308	520	24.8	1,223.60	---	105.4	1,873.80	2,989.70	(-) 1115.9	1,115.90	---
83-84												
B.E	212	340.2	552.2	16	1,364.30	---	104.8	2,037.30	3,454.30	(-) 1417.0	1,396.00	21
R.E	238.3	374.6	612.9	50.7	1,374.60	---	116.6	2,154.80	3,705.20	(-) 1550.4	1,550.40	---
84-85												
B.E	257.5	375.4	632.9	66.8	1,537.40	---	104.8	2,341.90	4,334.70	(-)1992.8	1,992.80	---
R.E	264.3	395.9	660.2	70.1	1,457.00	---	119.3	2,306.60	4,512.10	(-) 2205.5	2,205.50	---
85-86												
B.E	288.9	412.3	701.2	75	1,622.00	---	104.7	2,502.90	5,201.00	(-) 2698.1	2,698.10	---
R.E	284.1	414.1	698.2	51.8	1,622.00	---	130.7	2,502.70	5,453.70	(-) 2951.0	2,951.00	---
86-87												
B.E	307.2	430.2	737.4	52.8	1,622.00	---	104.8	2,517.00	6,466.30	(-) 3949.3	3,949.30	---
R.E	303.6	434.5	738.1	34.6	1,615.60	---	130.3	2,518.60	6,811.80	(-) 4293.2	4,293.20	---
87-88												
B.E	309.3	466.1	775.4	34.6	1,831.30	---	104.7	2,746.00	7,382.90	(-) 4636.9	4,636.90	---
R.E	338.6	619.5	958.1	72.5	1,988.60	---	111.4	3,130.60	7,997.10	(-) 4866.5	4,866.50	---
88-89												
B.E	369.2	531.1	900.3	74.6	2,204.50	---	104.8	3,284.20	8,685.10	(-) 5400.9	5,400.90	---
R.E	374.7	556.3	931	174.8	3,030.50	---	136.9	4,273.20	8,607.40	(-) 4334.2	4,022.60	311.6
89-90												
B.E	369.3	581.8	951.1	159.6	3,330.20	---	104.8	4,545.70	9,291.20	(-) 4745.5	3,735.80	1,009.70
R.E	405.6	714.5	1,120.10	197.4	3,934.00	---	134.8	5,386.30	9,385.60	(-) 3999.3	3,574.70	424.6
90-91												
B.E	391.6	691.6	1,083.20	202.4	4,356.00	---	104.8	5,746.40	10,558.70	(-) 4812.3	3,475.60	1,336.70
R.E	430.5	759.8	1,190.30	72.8	4,301.60	---	132	5,696.70	10,281.70	(-) 4585.0	4,029.70	555.3
91-92												
B.E	440.3	799.7	1,240.00	25.4	6,582.40	5,987.50	204.8	14,040.10	12,732.30	(+) 1307.8	---	---
R.E	435.7	864.3	1,300.00	20.7	6,444.10	5,999.90	402.5	14,154.80	12,737.30	(+) 1417.5	---	926.4
92-93												
B.E	527.2	972.8	1,500.00	19.6	7,304.00	6,800.00	204.8	15,828.40	14,370.80	(+) 1457.6	---	---
R.E	688.8	958.8	1,647.60	19.7	7,366.00	5,680.00	205.2	16,038.50	14,579.00	(+) 1459.5	---	1,938.90
93-94												
B.E	639	1,031.00	1,670.00	9.3	8,277.20	7,500.00	204.8	17,661.30	16,511.30	(+) 1150.0	---	---
R.E	634.2	1,040.80	1,675.00	9.3	9,392.10	5,482.00	209.5	17,785.90	16,635.90	(+) 1150.0	---	2,898.80
94-95												
B.E	686.4	1,128.00	1,814.40	11.7	11,139.00	7,800.00	4.8	20,769.90	19,189.90	(+) 1580.0	---	---
R.E	724.3	1,272.70	1,997.00	17.6	11,454.70	6,500.00	10	21,279.30	19,404.50	(+) 1874.8	---	2,718.90

95-96 B.E	875.8	1,236.00	2,111.80	12.8	13,873.10	7,970.00	4.7	23,972.40	21,972.40	(+) 2000.0	---	---
R.E	810.2	1,487.30	2,297.50	13.9	14,345.10	6,000.00	4.8	24,631.30	23,564.00	(+) 1067.3	---	4,140.80
96-97 B.E	803.3	1,596.30	2,399.60	15.2	16,226.70	8,500.00	4.8	27,146.30	26,862.00	(+) 284.3	---	---
R.E	1,006.70	1,754.10	2,760.80	629.1	16,134.50	6,000.00	4.8	28,029.10	25,800.00	(+) 2229.1	---	5,154.90
97-98 B.E	1,407.90	1,867.10	3,275.00	(-) 775.0	15,064.00	9,423.00	3,310.00	30,297.00	30,058.50	(+) 238.5	---	---
R.E	1,167.70	1,714.10	2,881.80	(-) )381.8	14,086.40	6,000.00	3,327.60	29,337.00	29,451.00	(-) 114.0	---	6,270.40
98-99 B.E	1,472.80	2,124.90	3,597.70	(-) 752.3	16,018.60	10,466.00	3,674.00	33,004.00	33,004.00	---	---	---
R.E	1,389.30	2,262.80	3,652.10	(-) )646.6	14,579.50	6,000.00	3,675.30	31,726.30	32,004.00	(-) 277.7	---	7,497.40
99-2000 B.E	1,705.40	2,336.50	4,041.90	(-) )830.2	16,867.70	11,624.00	4,078.00	35,781.40	35,493.00	(+) 288.4	---	---
R.E	1,592.70	2,336.00	3,928.70	(-) )827.9	16,613.60	6,000.00	4,057.30	35,395.70	35,263.50	(+) 132.2	---	8,847.20
2000-01 B.E	1,740.90	2,509.10	4,250.00	(-) 955.0	21,227.50	12,899.00	4,310.70	41,732.20	39,132.20	(+) 2600.0	---	---
R.E	1,381.80	2,207.70	3,589.50	(-) 648.2	19,217.80	6,000.00	3,827.60	31,986.70	33,673.30	(-) 1038.4	---	10,331.90
2001-02 B.E	1,862.30	2,096.10	3,958.40	(-) 776.2	21,552.20	14,328.00	4,258.60	44,067.30	45,040.40	(-) 973.13	---	---
R.E	2,020.10	1,943.40	3,963.50	(-) )953.5	19,411.80	6,000.00	3,898.00	32,323.20	34,623.00	(-) 559.845	---	1,195.10
2002-03 B.E	1,987.90	2,089.90	4,077.90	(-) )1262.9	22,728.30	15,904.00	3,898.00	46,767.10	48,564.00	(-) 1796.9	159	---
R.E	2,140.40	2,103.40	4,243.80	(-) 1,047.00 9	22,872.20	6,000.00	3,898.00	37,039.30	36,171.60	(+) 867.7	221	13,761.60
2003-04 B.E	2,148.50	2,009.80	4,158.30	(-) 1,788.00 5	25,750.40	17,653.00	3,898.00	51,459.70	47,114.70	(+) 4345.1	---	---
R.E	2,019.10	1,999.80	4,018.90	(-) 3,125.00 2	25,660.30	6,000.00	3,898.00	39,577.20	38,400.00	(+) 1177.2	---	15,737.70
2004-05 B.E	2,278.70	2,149.40	4,428.10	(-) 3,132.00 0	29,344.10	8,000.00	4,500.00	46,272.20	42,650.00	(+) 3622.2	---	---
R.E	2,339.80	2,210.70	4,550.50	(-) ---	30,215.00	6,000.00	45,000.00	45,265.50	42,650.00	(+) 2615.5	---	17,911.50
2005-06 B.E	2,528.50	2,365.50	4,894.00	(-) 3,132.00 0	35,458.20	8,000.00	10,000.00	58,352.20	51,062.00	(+) 7290.2	---	---
R.E	2,633.90	2,555.20	5,189.10	(-) ---	36,805.10	6,000.00	5,000.00	65,462.80	60,693.00	(-) 8799.6	12,473.00 2	20,302.60
2006-07 B.E	3,053.60	2,741.40	5,795.00	(-) ---	44,034.50	8,000.00	9,712.50	67,542.00	54,500.00	(+) 13042.0	---	---
R.E	3,049.50	2,682.30	5,731.80	(-) ---	44,645.10	6,000.00	9,765.30	66,142.20	55,173.60	(+) 10968.5	---	22,932.90
2007-08 B.E	3,809.10	3,172.70	6,981.80	(-) ---	55,690.10	6,000.00	11,907.80	80,579.70	61,000.00	(+) 19579.7	---	---
R.E	3,904.60	3,075.20	6,979.80	(-) ---	55,954.20	6,000.00	11,349.10	80,283.10	61,450.00	(+) 18833.1	0.5	25,826.20
2008-09 B.E	4,737.30	3,473.40	8,210.70	(-) ---	71,445.80	6,000.00	14,432.20	100,088.70	67,300.00	(+) 32788.7	---	---
R.E	3,749.20	3,425.50	7,174.70	(-) ---	69,965.70	6,000.00	13,183.30	96,323.70	75,600.00	(+) 20723.7	1,682.00	29,008.80
2009-10 B.E	5,991.90	3,655.70	9,647.60	(-) ---	83,218.50	6,000.00	14,822.50	113,688.60	80,000.00	(+) 33688.6	---	---
R.E	3,497.00	4,711.80	8,208.80	(-) ---	93,998.70	16,000.00	15,207.40	133,414.90	109,000.00	(+) 24414.9	11,506.00 6	32,509.00
2010-11 B.E	15,559.50	3,155.20	19,556.70	(-) 182,29	173,033.60	31,000.00	---	198,590.30	127,958.00	(+) 70632.3	---	---
R.E	4,135.60	5,583.20	9,718.80	(-) 4.2	155,939.50	31,000.00	4,047.00	200,705.30	139,500.00	(+) 61205.3	---	---
2011-12 B.E	4,529.20	6,014.40	10,543.60	(-) ---	191,245.00	31,000.00	---	232,788.30	149,000.00	(+) 83788.3	---	---
R.E	12,571.50	6,345.70	18,917.20	(-) ---	189,058.40	31,000.00	2,264.30	241,239.90	161,000.00	(+) 80239.9	---	---
2012-13 B.E	13,862.50	6,238.50	20,101.00	(-) ---	228,391.00	31,000.00	---	279,492.00	191,600.00	(+) 87892.0	---	---
R.E	8,164.90	6,235.30	14,400.20	(-) ---	231,525.40	31,000.00	---	245,925.60	195,000.00	(+) 50925.6	---	---
2013-14 B.E	10,287.60	6,632.90	16,920.50	(-) ---	250,065.60	31,000.00	---	297,986.10	211,000.00	(+) 86986.1	---	---
R.E	12,637.80	8,007.50	20,645.30	(-) ---	243,076.10	31,000.00	---	294,721.40	222,000.00	(+) 72721.4	---	---
2014-15 B.E	19,452.80	9,327.90	28,780.70	(-) ---	284,152.00	44,272.30	---	357,205.00	250,000.00	(+) 107205.0	---	---
R.E	19,832.00	10,573.00	30,405.00	(-) ---	264,548.10	9,400.00	3,021.60	307,374.70	255,000.00	(+) 52374.7	---	---

2015-16										(+)		
B.E	22,594.50	31,830.30	54,424.80	---	315,452.20	68,873.00	2,000.00	425,750.00	298,000.00	127750.0	---	---
R.E	14,319.90	11,161.10	25,481.00	---	301,262.20	34,000.00	7,401.70	368,144.90	280,903.80	(+)		
										87241.2	---	---
2016-17										(+)		
B.E	18,171.10	31,335.90	49,507.00	---	346,163.80	33,704.00	300	429,694.80	333,000.00	96694.8	---	---
R.E	18,204.30	14,263.70	32,468.00	---	343,547.20	33,704.00	50	409,769.20	338,601.00	(+)		
										71168.2	---	---
2017-18										(+)		
B.E	22,306.90	22,908.10	45,215.00	---	389,854.50	35,785.00	---	470,854.50	388,000.00	82854.5	---	---
R.E	19,405.00	14,852.00	34,257.00	---	381,031.90	63,050.90	---	478,339.80	389,000.00	(+)		
										89339.8	---	---
2018-19										(+)		
B.E	23,823.00	17,439.00	41,262.00	---	426,095.50	65,277.90	---	532,635.30	430,000.00	(+)102635.	---	---
R.E	19,765.00	14,875.00	34,640.00	---	403,958.60	54,491.80	---	493,090.40	410,000.00	3		
										(+)		
										83,090.4		
2019-20										(+)		
B.E	33,022.60	20,381.50	53,404.10	---	533,261.50	55,674.80	79,000.00	721,340.40	526,300.00	195,040.4	---	---
R.E	27,583	19,238	46,821	---	379,097.30	512,70	66,000	543,188.30	532,550	(+)10,638.		
										3		
2020-21										(+)		
B.E	28,147	21,087	49,234.00	---	477,518.60	58,288.40	88,000.00	673,019.00	593,129	(+)79,890	---	----
R.E	31,779	20,623	52,402	---	456,129	58,266	83,800	650,597	619,345	(+)		
										31,252	----	----
2021-22										(+)		
B.E	43,189	31,811	75,000	---	559,257	74,701	99,000	807,958	747,240	60,718	----	----
R.E	44,580	32,420	77,000	---	591,512	42,220	94,590	805,322	894,090	(-)88,768		
2022-23												
B.E	52,667	32,333	85,000	---	670,451	61,800	124,000	941,251	913,843	(+)27,408		
R.E	53,148	42,147	95,295		699,170	4,900	60,000	859,365	1,017,070			
2023-24												
B.E	56,490	28,511	85,001		895,145	84,961	116,867	1,181,974	1,059,276			

## Annual Development Programme Since 1973/74

Unit: in Rs Mln

Year	Size of ADP	Revised Size of ADP
1974-75	400	500
1975-76	576.7	601.4
1976-77	546.8	640.9
1977-78	617	687.6
1978-79	669	720.6
1979-80	767	702.9
1980-81	818	838.4
1981-82	980.9	1,002.30
1982-83	1,228.00	1,174.30
1983-84	1,176.50	1,191.50
1984-85	1,244.70	1,245.40
1985-86	1,697.00	1,912.80
1986-87	2,131.30	2,131.30
1987-88	2,472.30	2,471.10
1988-89	2,164.20	2,164.20
1989-90	2,197.60	2,198.60
1990-91	2,506.20	2,851.40
1991-92	4,813.70	4,881.60
1992-93	6,575.40	5,002.90
1993-94	4,959.00	4,764.60
1994-95	6,964.00	7,349.20
1995-96	7,665.60	8,081.90
1996-97	8,711.50	5,659.10
1997-98	4,884.70	5,498.20
1998-99	6,072.40	7,771.70
1999-00	5,745.20	8,057.50
2000-01	9,212.50	7,272.10
2001-02	7,986.20	8,710.10
2002-03	13,673.30	11,289.20
2003-04	14,696.00	12,883.00
2004-05	16,195.00	15,365.20
2005-06	21,000.00	24,397.40
2006-07	26,630.40	26,542.10
2007-08	39,462.40	32,913.90
2008-09	41,544.90	39,000.60
2009-10	51,157.00	46,330.50
2010-11	69,283.70	64,977.50
2011-12	85,141.00	84,473.60
2012-13	97,458.00	88,130.60
2013-14	118,000.00	104,847.60
2014-15	139,805.00	134,737.30
2015-16	174,884.00	135,098.60
2016-17	161,000.00	172,096.40

2017-18	208,000.00	150,158.80
2018-19	180,000.00	175,599.56
<b>2019-20</b>	319,000.00	220,130.70
<b>2020-21</b>	317,857.00	249,992.00
<b>2021-22</b>	371,074.60	420,907.00
<b>2022-23</b>	418,157.50	*220,283.92
<b>2023-24</b>	301,094.50	
<b>(*Includes PSDP)</b>		

## KP Foreign Loans

Units: In Foreign Currency

S. No.	Loan ID	Loan Projects	Currency	Outstanding FC in Million 1 July 2023
1	IDA678	3rd Education Project	USD	70.98
2	IDA683	Flood damages restoration Project	USD	269.70
3	IDA755	Hazara Forestry Project	USD	52.82
4	IDA877	Salinity Control & Reclamation Project Mardan	USD	3,660.53
5	IDA892	4th Primary Education Project	USD	217.26
6	IDA1113	Bannu Leather goods services control Project	USD	208.80
7	IDA1163	On-Farm Water Management Project	USD	491.28
8	IDA1239	Irrigation System Rehab: Project	USD	730.52
9	IDA1487	Command Water Management Project	USD	1,059.91
10	IDA1499	Small Industries Dev. Board Project	USD	51.75
11	IDA1602	2nd Primary Education Project	USD	4,500.29
12	IDA1603	On-Farm Water Management Project	USD	1,076.40
13	IDA1888	2nd Irrigation System & Rehab: Project	USD	-
14	IDA2003	1988 Flood Damages Restoration Project	USD	148.94
15	IDA2154	2nd Agriculture Research Project	USD	412.59
16	IDA2240	Family Health Project	USD	2,133.39
17	IDA2245	On-Farm Water Management Project	USD	688.24
18	IDA2383	Environmental Protection and resource conservation Project	USD	621.39
19	IDA2468	1992 Flood Damages Restoration Project	USD	563.04
20	IDA2593	Social Action Program	USD	1,528.94
21	IDA2687	Primary Education Project	USD	31,110.89
22	IDA2829	KP Community Infrastructure Project	USD	6,664.61
23	IDA2999	National Drainage Programme	USD	774.90
24	IDA3050	Social Action Program II	USD	3,590.78
25	IDA35161	Investment Programme-I)/KP water farm management project	USD	8,205.07
26	IDA3516	NWFP Emergency Rehabilitation Project	USD	13,006.07
27	IDA3687	KP Structural Adjustment SAC I	PKR	3,997,815.01
28	IDA3776	Provincial HIV AIDS Control	USD	2,508.40
29	IDA3906	Second KP Community Infrastructure Project	USD	28,938.03
30	IDA39321	KP Structural Adjustment Credit SAC II	USD	38,750.00
31	IDA3932	KP Structural Adjustment Credit SAC II	USD	69,750.00
32	IDA4177	Development Policy Credit-I	USD	76,757.40
33	IDA4316	Development Policy Credit-II	USD	109,955.55
34	IDA5786	National Immunization Support Project	USD	3,224.50
35	IDA6421	KP Revenue Mobilization and Public Resource Management	USD	88,818.57
36	IDA6456	KP Irrigated Agriculture	USD	92,830.00
37	IDA6462	KP Integrated Tourism Development Project	USD	35,665.97
38	IDA6872	Spending Efficiently for Enhanced Development	USD	198,991.93
39	IDA6779	KP Hydropower and Renewable Energy Development	USD	5,934.87
40	IDA6714	KP Human Capital Investment Project	USD	11,014.52
41	IDA6590	Pandemic response effectiveness in Pakistan (Federal loan with KP Share)	USD	5,000.00
42	IDA6270	KP Economic Corridor (KPEC)	USD	2,202.22
43	IDA7149	National Health Support Project	USD	10,963.40
44	IDA7143	KP Rural Accessibility Project	JPY	-
45	IFAD18	4th Agriculture Dev. Project	USD	142.11
46	IFAD83	On-Farm Water Mgt: Project	USD	118.41
47	IFAD558	NWFP Barani Area Development Project	USD	5,592.33
48	IFADRETTP	KP Rural Economic Transformation Project (RETTP)	Euro	-
49	ADB723	Chasma Command Area Development Project	USD	1,552.92
50	ADB758	Farm to Market Roads Project	USD	245.43
51	ADB759	Science Education for Secondary School Project	USD	171.56
52	ADB838	Chitral Area Dev. Project	USD	3,450.40
53	ADB850	3rd Health Project	USD	-

54	ADB851	Fruit and Vegetable Marketing Project	USD	-
55	ADB874	Chasma Right Bank Irrigation Project Stage II	USD	-
56	ADB916	2nd Aquaculture Dev: Project	USD	75.99
57	ADB917	2nd Farm to Market Road Project	USD	441.27
58	ADB957	1988-Flood Damages Restoration Project	USD	167.39
59	ADB973	Livestock Development Project	USD	178.35
60	ADB976	Swabi Salinity Control and Reclamation Project	USD	1,202.32
61	ADB977	Primary Education Girls Project	USD	421.60
62	ADB1004	2nd Urban Dev: Project	USD	4,950.00
63	ADB1146	Chasma Right Bank Irr: Project Stage III	USD	12,452.36
64	ADB1179	Barani Area Dev: Project	USD	5,240.04
65	ADB1185	Provincial Highway Project	USD	2,190.44
66	ADB1200	Healthcare Dev: Project	USD	691.46
67	ADB1209	Flood Damages Restoration Sectors Project	USD	3,406.25
68	ADB1210	Teacher Training Project	USD	1,348.72
69	ADB1278	Middle School Project	USD	4,290.04
70	ADB1294	Pehur High Level Canal Project	USD	35,090.00
71	ADB1301	Social Action Program-I	USD	4,105.22
72	ADB1373	Technical Edu: Project	USD	1,160.84
73	ADB1401	Rural Access Road Project	USD	9,801.35
74	ADB1403	Forestry Sector Project	USD	15,975.00
75	ADB1454	Primary Education Girls Project-II	USD	1,540.42
76	ADB1493	Social Action Program-II	USD	10,661.38
77	ADB1534	Second Science Education Project	USD	3,893.54
78	ADB1671	Women's Health Project	USD	2,220.22
79	ADB1672	Malakand Rural Dev. Project	USD	20,904.21
80	ADB1787	Barani Areas Dev. Project	USD	20,583.34
81	ADB1854	NWFP Urban Dev Sector Project	USD	2,040.57
82	ADB1877	Agriculture Sector Program II	USD	1,480.75
83	ADB1900	Reproductive Health Project	USD	146.49
84	ADB2103	Pak WFP Road Dev. Project	JPY	6,482,842.24
85	ADB2104	KP Road Development Structural Credit	USD	1,302.23
86	ADB2135	Restructuring of the Technical and Vocational Training System Project	USD	1,090.19
87	ADB2286	Renewable Energy Dev Sector Investment Program project	JPY	2,772,709.24
88	ADB3470	Pehur High level Canal Ext. Project	USD	33,183.09
89	ADB3543	Peshawar Sustainable Bus Rapid Transit	USD	327,362.62
90	ADB3476	Access to Energy	USD	124,132.08
91	ADB2287	Renewable Energy Development Sector Investment Program Project-1	USD	1,829.24
92	ADB3601	KP Provincial Roads Improvement	USD	102,631.31
93	ADB3602	KP Provincial Roads Improvement	USD	17,856.93
94	ADB3756	Additional financing for KP Provincial Roads Improvement Project- Dualization of Mardan Swabi Road	USD	47,735.82
95	ADB6015	KP Cities Improvement Project	USD	5,323.34
96	ADB4160	Cities Improvement Project	Euro	45,146.57
97	ADB6042	Cities Improvement Project Preparation	USD	1,548.18
98	ADB4057	Balakot Hydropower Project	USD	68,321.09
99	ADB4222	Health Systems Strengthening Project	USD	25,000.00
100	ADB6049	KP Water Resource Development Project	USD	-
103	ADB4279	Emergency Flood Assistance	USD	-
104	IBRD3327	On-Farm Water Mgt. Project Phase-III	USD	345.00
105	IBRD9164	KP Hydropower and Renewable Energy Development Project	USD	1,678.89
106	G7528	Hospital Equipment in KP- German	DM	1,417.50
102	G7585	Drinking Water Supply in Refugees Camps in KP-German	DM	2,068.00
101	PK62	KP Emergency Road Rehabilitation Project	JPY	13,352,977.81
107	AFD1045	Additional Financing for BRT Peshawar	Euro	80,056.17
108	AIIBBalakot	Balakot Hydropower Project	USD	5,824.49
109	AIIBCIP	Cities Improvement Project	Euro	11,093.68
110	IDA678	3rd Education Project	USD	70.98

Units: Mln

<b>Currency</b>	<b>Outstanding FC</b>	<b>Ex Rate</b>	<b>Outstanding</b>
USD	1,806.242	249.000	449,754
Euro	136.296	266.810	36,365
JPY	22,608.529	1.775	40,130
PKR	3,997.815	1.000	3,998
DM	3.486	136.366	475
<b>Total</b>			<b>530,723</b>



## **The Bank Of Khyber**

### **On The Road To Transformation**

The Bank of Khyber ('BOK' or 'the Bank') was established in 1991 through an Act of the Provincial Assembly of Khyber Pakhtunkhwa (formerly N.W.F.P.). The Bank started its commercial operations in November 1991 and became a scheduled Bank with the State Bank of Pakistan in 1994. The Bank was listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Ltd) in 2006.

The Bank of Khyber has embarked upon a transformation journey and investing in strengthening of its foundations, deepening of products & services offering, building of network and digital capacity in order to achieve strong and sustainable profit growth. The core objective of this journey is to serve all the stakeholders including our customers and patrons with an agile, accessible, and accelerated banking experience.

### **Economic Review**

During the year domestic economy faced severe challenges coupled with political instability, high international fuel & commodity prices, and bludgeoning trade deficit exerted immense pressure on foreign exchange reserves resulting in significant depreciation of PKR against USD which in turn contributed towards high inflation. Delay in reaching an agreement with the IMF for release of the next tranche resulted in major uncertainty about Pakistan's ability to meet its foreign financial obligations.

Apart from the above, the year 2023 remained volatile for the country, with persistent inflationary pressures, driven by factors such as rising food and energy prices, currency depreciation, supply chain disruption, and structural inefficiencies, High inflation eroded purchasing power, particularly low-income households. The economy has struggled with a fiscal deficit where government expenditures exceeded revenue which led to reliance on borrowing, both domestically and externally contributing to growing debt levels.

In the backdrop of this scenario, the Bank of Khyber remained committed to its role of a progressive bank by providing customers with innovative and value-added financial products and services in Conventional and Islamic banking.

### **Performance Review**

Under the challenging and competitive operating environment owing to the delicate economic activities, the Bank sustained its focus towards a long-term multi-pronged strategy, driven towards continuous augmentation of innovative technology-based service offerings to customers through enhancing digital platforms, strengthening risk management, and optimizing operating efficiencies.

The Bank in these hard times has managed to demonstrate healthy financial performance however, the fragile economic conditions, and subdued business activities resulted in impaired repayment capacity of certain businesses and obligors which in turn, deteriorated the infection ratio. In order to control the portfolio infection, management has put in place strong risk management policies and procedures and making strenuous recovery efforts against NPLs.

The Bank's profit before tax was recorded at Rs. 6,702 million against Rs. 920 million in the previous year thereby registered significant growth of 629%. Profit after tax for the same year stood at Rs. 3,481 million against Rs. 455 million last year which translates into earnings per share of Rs. 3.16 against Rs. 0.41 in 2022.

With a sizeable increase, the net mark-up / interest income during FY-2023 stood at Rs. 13,893 million as compared to Rs. 7,149 million in the corresponding year. Non-markup / interest income increased due to increase in foreign exchange income and stood at Rs. 2,109 million as compared to Rs. 1,385 million in the previous year.

At the year-end, total deposits stood at Rs. 289,292 million in comparison with Rs. 248,906 million as of December 31, 2022. Investments have been re-profiled and stood at Rs. 223,348 million as compared to Rs. 173,669 million as of December 31, 2022.

The asset base of the Bank increased as compared to the previous year amount of Rs. 344,984 million and stood at Rs. 383,186 million as of December 31, 2023.

Taking cognizance of the fact that the outreach of the branch network has direct implications on the services, the Bank focused on concentrating and broadening its services through the extended branch network to provide efficient banking services to its valued customers. Our branch network is also catering to the banking needs of the people in the merged districts of the erstwhile FATA as well.

To satisfy the needs of the diverse range of clientele, the Bank has also taken concrete measures through the augmentation of digital banking and conventional banking services across Pakistan.

### **Go Green Initiatives**

As a socially responsible financial institution, we are committed to play our due role in the efforts to the reduction of emissions and promoting awareness through environment friendly practices and social media outreach on significant occasions related to environment protection. At BOK, we prioritize activities related to Corporate Social Responsibility, which encompasses social, economic, and environmental concerns. Throughout 2023, we placed considerable emphasis on promoting important social media campaigns for various international events, including World Wetlands Day, Global Recycling Day, International Day of Forests, World Water Day, Solar Appreciation Day, Earth Day, World Biodiversity Day, World Environment Day, World Nature Conservation Day, Zero Emissions Day, Wildlife Conservation Day.

In line with our commitment to environmental protection, BOK has launched a Global Warming and Green Awareness campaign aimed at educating our employees and customers on the importance of environmental and climate protection.

### **Green Banking Initiatives**

In a bid to reduce its carbon footprint, the Bank has introduced solar power systems across its branches and ATMs. Thirteen branches have been completely converted to run solely on renewable energy, particularly solar power. Moreover, the Bank has successfully shifted its branches and Head Office from manual to digital operations by adopting a core banking system. Additionally, the Bank of Khyber has rolled out digital and internet banking services,

enabling customers to conveniently conduct fund transfers and utility payments. Recently, the Head Office has relocated to a new building equipped with a centralized cooling and heating system, along with energy-efficient LED lighting, aimed at optimizing energy consumption and preservation. Furthermore, the Bank has instituted stringent energy conservation guidelines for the Head Office, emphasizing efficient usage of lighting and electronic devices. It also encourages its staff to reduce paper usage by fostering a paperless environment.

### **Responsible/Green Financing**

We are committed to promote innovative and environment friendly financing solutions as part of its ongoing efforts. The Bank's modified customer business models and innovative financing solutions are proving to be attractive to retail, small, medium, and corporate market players alike. Notably, the Bank has also provided financing facilities worth Rs. 194.8 million under renewable energy to various Corporate & SME borrowers. This financing support is part of the Bank's efforts to change their business models and shift their reliance from fossil fuel-based generators to solar-powered, clean, and renewable energy systems. We provide environmentally friendly customized solutions to meet the specific requirements of our customer business models. Some of the financing solutions we offer include:

- Solar Tube well Loan Scheme
- Rainwater Harvest Loan Scheme
- Irrigation Loan Scheme (Drip & Sprinkle)
- Roshan Ghar
- Raast Roshan Ghar
- Raast Green Energy Financing
- SBP Renewable Energy Refinance Schemes

As we progress, our dedication to our Corporate Social Responsibility (CSR) endeavors remains unwavering, with a keen anticipation of fostering constructive change within society. At BOK, we understand that the success of our business is linked with the success of the community we serve. Consequently, we pledge to persistently prioritize our CSR initiatives in the future, as we endeavor to play our part in shaping a brighter and more inclusive future for all.

## Six years' operating and financial highlights

The six years highlights of operating and financial data is appended below.

	2018	2019	2020	2021	2022	2023
<b>Deposits</b>	171,168	182,168	203,072	221,876	248,906	<b>289,292</b>
<b>Advances (net)</b>	95,012	109,742	129,063	124,549	127,515	<b>101,588</b>
<b>Investments (net)</b>	94,233	146,911	113,479	184,399	173,669	<b>223,348</b>
<b>Total Assets</b>	223,095	306,305	288,300	358,606	344,984	<b>383,186</b>
<b>Capital &amp; Reserves</b>	13,809	14,982	16,605	16,219	16,657	<b>20,177</b>
<b>Profit before Tax</b>	707	2,261	3,806	1,680	920	<b>6,702</b>
<b>Profit after Tax</b>	466	1,306	2,152	1,104	455	<b>3,481</b>
<b>Return on Equity</b>	3.24%	9.07%	13.62%	6.72%	2.77%	<b>18.90%</b>

## Corporate Social Responsibility

At the Bank of Khyber, we persistently uphold our commitment to social responsibility, exemplified by our efforts to actively contribute to the betterment of the community and broader society. Recognizing that our business activities extend beyond mere financial profit, we acknowledge our obligation to exert a positive influence on society. Consequently, our Corporate Social Responsibility (CSR) initiatives are prioritized, reflecting our dedication to fostering a harmonious, collaborative, and equitable society. Through these initiatives, we strive to create a positive and lasting influence, fostering an environment where collaboration and mutual respect flourish for the betterment of all. In the year 2023, the bank undertook several Corporate Social Responsibility (CSR) initiatives covering a wide range of sectors, including education, sports, culture & heritage, tourism, women's empowerment, and environmental conservation. These CSR endeavors reflect our commitment to contributing to societal progress, and we are pleased to highlight some of the noteworthy initiatives we engaged in during this time.

- Supported Khalifa Gul Nawaz Medical Teaching Institute Bannu in promoting Sehat Sahulat Program.
- Backed UET Peshawar's Mechatronics Engineering Department for hosting the 5th IEE Conference on Robotics and Automation.
- Celebrated working women's achievements with Bint e Hawa Awards on International Women's Day.
- Organized a talent scouting program with Peshawar Zalmi to nurture young cricketing talents.
- Sponsored Khyber Medical University Sports Gala to promote campus culture and physical activity.
- Assisted Peshawar Development Authority in beautifying Hayatabad Town through plantation drives and wall painting.

- Collaborated with Pakistan Army to sponsor "Mohmand-Bajaur Peace Cycle Race" attracting cyclists nationwide.
- Hosted BOK Abasin Awards 2023 in collaboration with Abasin Art Council, celebrating regional creativity.
- Supported Shaheed Benazir Bhutto Women University in organizing a women's conference focused on empowerment.
- Provided commercial bins for Clean & Green Peshawar initiative in collaboration with WSSP.
- Distributed merit-based awards to students from class 5th to 10th at Peshawar Press Club.

### **Entity Rating**

VIS Credit Rating Company Limited (VIS) has maintained the medium to long term entity rating of the Bank at 'A+' (Single A Plus) and short-term rating at 'A1' (Single A One). The medium to long-term rating of 'A+' denotes good credit quality, with adequate protection factors. Outlook on the assigned rating is 'Stable'

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the medium to long term entity rating of the Bank at 'A+' (Single A Plus) and short-term entity rating at "A1" (Single A One). Outlook on the assigned rating is "Stable".

### **Future Outlook**

The Bank, being watchful of the economic conditions, would focus on maintaining the growth momentum and asset quality. The cornerstone of the Bank's philosophy would remain on improving service quality standards and providing state-of-the-art banking services through leveraging technology and trained human resources. Efforts are also underway to target new market segments and to improve efficiency and productivity in the Bank's overall performance.

The Bank would be focusing on enhancing revenue growth and profitability through cross selling various financial products, strengthening internal control's operational structure, capacity building, proficient customer services and optimizing branch banking platform. Emphasis will be on major cost rationalization initiatives through continuous improvement in automation and product innovations.

Furthermore, emphasis will be placed on increasing advances in all segments of the economy with a special focus on salary loans to public sector employees, SME, and the agriculture sector to improve the Bank's ADR and profitability.

The Bank is fully confident that the goals set for the ensuing year will be materialized and will contribute to the growth of the Bank.

The Bank is giving special attention to the Home Remittance business through the broadening of the product suite and utilization of bank's digital banking platform.

On the asset side, the bank intends to diversify its financing portfolio by focusing on lending to the good quality private sector for fresh loans with the potential of ancillary business and

trade finance opportunities. Besides, other target areas remain Consumer Financing, Agriculture, and SMEs to foster development and generate economic activity. Emphasis will be on boosting trade volumes and increasing penetration in cash management services. Simultaneously, investing in human capital and creating a caring culture, will remain a key priority.

To save energy for the future, the Bank of Khyber has adopted renewable energy options. 13 branches have successfully been converted to solar energy whereas more branches will be considered for conversion.

The Bank continues to play an active role in all Government and SBP initiatives aimed at improving the economic activities in the country. The Bank also continues to play an active role in extending interest free micro loans residents of newly merged districts of KP, SAAF scheme and PM Youth finance scheme.

The Bank supports gender diversity and offers equal employment opportunities to females and candidates belonging to minority groups across the country. The Bank has already inducted a batch of female Management Training Officers (MTOs) and Batch Trainee Officers (BTOs) and further inductions will be made in the future as well.

The Bank remains cognizant of the challenging business environment and stands committed to its strategy of steady growth through diversification in products, services and outreach. The Bank is also focusing on increasing its customer base and mobilizing cost effective deposit mix with an emphasis on prudent lending to maintain trend of stable profitability.

## List of Public Sector Companies and Autonomous Bodies

<b>Public Sector Companies (PSCs)</b>		
<b>S. No.</b>	<b>Entity Name</b>	<b>Department Name</b>
1	Khyber Pakhtunkhwa Oil and Gas Company Limited	Energy & Power
2	Bank of Khyber	Finance
3	Khyber Pakhtunkhwa Economic Zones Development and Management Company	Industries, Commerce, Technical Education
4	Sarhad Mineral (Private) Limited	Industries, Commerce, Technical Education
5	Water and Sanitation Services Company Peshawar	Local Government, Elections and Rural Development
6	Water and Sanitation Services Company Mardan	Local Government, Elections and Rural Development
7	Water and Sanitation Services Company Swat	Local Government, Elections and Rural Development
8	Water and Sanitation Services Company Kohat	Local Government, Elections and Rural Development
9	Water and Sanitation Services Company Dera Ismail Khan	Local Government, Elections and Rural Development
10	Water and Sanitation Services Company Abbottabad	Local Government, Elections and Rural Development
11	Water and Sanitation Services Company Bannu	Local Government, Elections and Rural Development
12	Trans Peshawar Company	Transport and Mass Transit
13	Khyber Pakhtunkhwa Skills Development Fund	Industries, Commerce, Technical Education
14	Khyber Pakhtunkhwa Transmission and Grid System Company (KPT&GSC)	Energy & Power

<b>Autonomous Bodies (ABs)</b>		
<b>S. No.</b>	<b>Entity Name</b>	<b>Department Name</b>
1	Khyber Pakhtunkhwa Highway Authority	Communication & Works
2	Khyber Pakhtunkhwa Text Book Board	Elementary & Secondary Education
3	Board of Intermediate and Secondary Education Peshawar	Elementary & Secondary Education
4	Board of Intermediate and Secondary Education Mardan	Elementary & Secondary Education
5	Board of Intermediate and Secondary Education Bannu	Elementary & Secondary Education
6	Board of Intermediate and Secondary Education Kohat	Elementary & Secondary Education
7	Board of Intermediate and Secondary Education D.I Khan	Elementary & Secondary Education
8	Board of Intermediate and Secondary Education Swat	Elementary & Secondary Education
9	Board of Intermediate and Secondary Education Abbottabad	Elementary & Secondary Education
10	Board of Intermediate and Secondary Education Malakand	Elementary & Secondary Education
11	Elementary and Secondary Education Foundation, Khyber Pakhtunkhwa	Elementary & Secondary Education
12	Abbottabad Public School	Elementary & Secondary Education
13	Akram Khan Durrani College Bannu	Elementary & Secondary Education



14	Bacha Khan Model School	Elementary & Secondary Education
15	Bacha Khan Model School	Elementary & Secondary Education
16	Jandool Model School	Elementary & Secondary Education
17	Swabi Model School	Elementary & Secondary Education
18	Mufti Mehmood Public School	Elementary & Secondary Education
19	Mansehra Model School	Elementary & Secondary Education
20	Peshawar Public School and College (Boys)	Elementary & Secondary Education
21	Peshawar public School and College (Girls)	Elementary & Secondary Education
22	Langland's School and College	Elementary & Secondary Education
23	Excelsior College	Elementary & Secondary Education
24	Fazl e Haq College Mardan	Elementary & Secondary Education
25	Residential Girls Primary-cum-Secondary Model School (Ecole Fatima Al Fehri)	Elementary & Secondary Education
26	Cadet College Kohat	Elementary & Secondary Education
27	Garrison Cadet College Kohat	Elementary & Secondary Education
28	Cadet College Swat	Elementary & Secondary Education

29	Kernal Sher Khan Cadet College Swabi	Elementary & Secondary Education
30	Girls Cadet College Mardan	Elementary & Secondary Education
31	Cadet College Razmak	Elementary & Secondary Education
32	Wapda Cadet College Tarbela	Elementary & Secondary Education
33	Pakistan Scouts Cadet College Batrasi Mansehra	Elementary & Secondary Education
34	Manjanbazam Cadet College Tarbela	Elementary & Secondary Education
35	Manjanbazam Cadet College Cherat	Elementary & Secondary Education
36	Khyber Pakhtunkhwa Private Schools Regulatory Authority	Elementary & Secondary Education
37	Khyber Pakhtunkhwa Education Monitoring Authority	Elementary & Secondary Education
38	Cadet College Warsak Peshawar	Elementary & Secondary Education
39	Bacha Khan Model School	Elementary & Secondary Education
40	Pakhtunkhwa Energy Development Organization	Energy & Power
41	Khyber Pakhtunkhwa Provincial Services Academy	Establishment & Administration
42	Right to Public Services Commission	Establishment & Administration
43	Khyber Pakhtunkhwa Right to Information Commission	Establishment & Administration

44	Khyber Pakhtunkhwa Public Procurement Regulatory Authority	Finance
45	Khyber Pakhtunkhwa Revenue Authority	Finance
46	Khyber Pakhtunkhwa Forest Development Corporation	Forestry, Environment & Wild Life
47	Khyber Pakhtunkhwa Environmental Protection Agency	Forestry, Environment & Wild Life
48	Khyber Pakhtunkhwa Food Safety and Halal Food Authority	Health
49	Post Graduate Medical Institute	Health
50	Lady Reading Hospital	Health
51	Khyber Teaching Hospital	Health
52	Hayatabad Medical Complex	Health
53	Ayub Teaching Hospital	Health
54	Mardan Medical Complex	Health
55	Qazi Hussain Ahmad Medical Complex	Health
56	Khalifa Gul Nawaz Teaching Hospital	Health
57	Mufti Mehmood Memorial Teaching Hospital	Health
58	Bacha Khan Medical Complex	Health

59	Peshawar Institute of Cardiology	Health
60	Saidu Medical College	Health
61	Timergara Medical College	Health
62	Pakistan Institute of Prosthetic & Orthotic Sciences	Health
63	Paraplegic Centre	Health
64	Khyber Pakhtunkhwa Health Care Commission	Health
65	Khyber Medical University	Health
66	Institute of Medical Sciences	Health
67	Khyber Pakhtunkhwa Medical Transplantation Regulatory Authority	Health
68	Khyber Pakhtunkhwa Health Foundation	Health
69	Khyber Pakhtunkhwa Faculty of Paramedical and Allied Health Sciences	Health
70	University of Peshawar	Higher Education, Archives and Library
71	Gomal University	Higher Education, Archives and Library
72	University of Engineering and Technology Peshawar	Higher Education, Archives and Library
73	Agriculture University	Agriculture

74	Kohat University of Science and Technology	Higher Education, Archives and Library
75	University of Malakand	Higher Education, Archives and Library
76	Hazara University	Higher Education, Archives and Library
77	Shaheed Benazir Bhutto Women University	Higher Education, Archives and Library
78	University of Engineering and Technology	Higher Education, Archives and Library
79	Islamia College University	Higher Education, Archives and Library
80	Abdul Wali Khan University	Higher Education, Archives and Library
81	Shaheed Benazir Bhutto University Sheringal	Higher Education, Archives and Library
82	University of Swat	Higher Education, Archives and Library
83	Bacha Khan University	Higher Education, Archives and Library
84	Khushal Khan Khattak University	Higher Education, Archives and Library
85	University of Haripur	Higher Education, Archives and Library
86	University of Swabi	Higher Education, Archives and Library
87	Abbottabad University of Science and Technology	Higher Education, Archives and Library
88	Women University Mardan	Higher Education, Archives and Library

89	Women University Swabi	Higher Education, Archives and Library
90	Shuhada-e- APS University of Technology	Industries, Commerce, Technical Education
91	University of Buner	Higher Education, Archives and Library
92	University of Chitral	Higher Education, Archives and Library
93	University of Engineering & Technology Mardan	Higher Education, Archives and Library
94	University of Agriculture D.I. Khan	Agriculture
95	University of Lakki Marwat	Higher Education, Archives and Library
96	Higher Education Regulatory Authority	Higher Education, Archives and Library
97	Edwardes College Peshawar	Higher Education, Archives and Library
98	Khyber Pakhtunkhwa Educational Testing and Evaluation Agency	Higher Education, Archives and Library
99	IMSciences	Higher Education, Archives and Library
100	Khyber Pakhtunkhwa Housing Authority	Housing
101	Khyber Pakhtunkhwa Board of Investment and Trade	Industries, Commerce, Technical Education
102	Khyber Pakhtunkhwa Board of Technical Education	Industries, Commerce, Technical Education
103	Khyber Pakhtunkhwa Technical Educational and Vocational Training Authority	Industries, Commerce, Technical Education

104	Khyber Pakhtunkhwa Child Protection and Welfare Commission	Social Welfare
105	Khyber Pakhtunkhwa Judicial Academy	Law, Parliamentary Affairs & Human Affairs
106	Peshawar Development Authority	Local Government, Elections and Rural Development
107	Galiyat Development Authority	Culture, Tourism, Archaeology & Museums Department
108	Bannu Development Authority	Local Government, Elections and Rural Development
109	Kohat Development Authority	Local Government, Elections and Rural Development
110	Dera Ismail Khan Development Authority	Local Government, Elections and Rural Development
111	Swat District Development Authority	Local Government, Elections and Rural Development
112	Kaghan Development Authority	Culture, Tourism, Archaeology & Museums Department
113	Abbottabad Development Authority	Local Government, Elections and Rural Development
114	Mansehra Development Authority	Local Government, Elections and Rural Development
115	Mardan Development Authority	Local Government, Elections and Rural Development
116	Swabi Development Authority	Local Government, Elections and Rural Development
117	Karak Development Authority	Local Government, Elections and Rural Development
118	Provincial Disaster Management Authority	Relief & Rehabilitation Department

119	Khyber Pakhtunkhwa Information Technology Board	Science & Technology and Information Technology
120	Khyber Pakhtunkhwa Culture and Tourism Authority	Culture, Tourism, Archaeology & Museums Department
121	Khyber Pakhtunkhwa Urban Mobility Authority	Transport and Mass Transit
122	Urban Area Development Authority (UADA) Haripur	Local Government, Elections and Rural Development
123	Upper Swat Development Authority	Culture, Tourism, Archaeology & Museums Department
124	Special Purpose Kumrat Development Authority	Culture, Tourism, Archaeology & Museums Department
125	Special Purpose Kalash Valleys Development Authority	Culture, Tourism, Archaeology & Museums Department
126	Merged Area, Elementary and Secondary Education Foundation	Elementary & Secondary Education
127	Fatima Jinah Model School Mansehra	Elementary & Secondary Education
128	Bacha Khan Model School Pabbi Nowshera	Elementary & Secondary Education
129	Cadet College Spinkai, South Waziristan	Elementary & Secondary Education
130	Cadet College Wana South Waziristan	Elementary & Secondary Education
131	Cadet College Mamad Gat Mohmand	Elementary & Secondary Education
132	Governer's Model School (Boys) Khar Bajaur	Elementary & Secondary Education
133	Governer's Model School (Girls) Khar Bajaur	Elementary & Secondary Education



134	Governer's Model School for (Boys) Ghallanai Mohamand	Elementary & Secondary Education
135	Governer's Model School for (Boys) Mamad Gat Mohmand	Elementary & Secondary Education
136	Governer's Model School for (Boys & Girls) Parachinar Kurram	Elementary & Secondary Education
137	Governer's Model School for (Boys&Girls) Sadda Kurram	Elementary & Secondary Education
138	Governer's Model School for (Boys) Miransha North Waziristan	Elementary & Secondary Education
139	Governer's Model School for (Boys) South Waziristan at Tank	Elementary & Secondary Education
140	Governer's Model School for (Boys) Wana South Waziristan	Elementary & Secondary Education
141	Small Industries Development Board	Industries, Commerce, Technical Education
142	Provincial Transport Authority Peshawar	Transport and Mass Transit
143	University of Engineering & Applied Sciences Swat	Higher Education, Archives and Library
144	University of Shangla	Higher Education, Archives and Library
145	FATA University	Higher Education, Archives and Library
146	Pak-Austria Fachhochschule Institute of Applied Sciences and Technology	Higher Education, Archives and Library
147	University of Agriculture Swat	Agriculture
148	University of Veterinary & Animal Sciences Swat	Livestock, Fisheries and cooperative department

149	Khyber Pakhtunkhwa Education Foundation	Higher Education, Archives and Library
150	Employees Education Foundation	Higher Education, Archives and Library
151	Khyber Pakhtunkhwa Center of Excellence on Countering Violent Extremism	Higher Education, Archives and Library
152	Khyber Pakhtunkhwa Trade Testing Board	Industries, Commerce, Technical Education
153	Employees Social Security Institution (ESSI)	Labour
154	Workers Welfare Board	Labour
155	Workers Children Education Board (WCEB)	Labour
156	Emergency Rescue Service (Rescue-1122)	Relief & Rehabilitation Department