



Government of Balochistan

WHITE PAPER

BUDGET 2021-22

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BUDGET 2021-22



MESSAGE FROM THE CHIEF MINISTER

White Paper is a narrative of the Budget which provides brief overview of the estimated revenues and expenditures of the provincial government for upcoming year with an analysis of the previous years' budget.

Meagre Revenues on one side and snowballing of salary and pension expenditures of the government on the other side have been consistent challenge to the budget making since long. The prime challenge in this regard has been to align allocations with priorities of the government keeping in view the public interest.

Keeping in mind the above, the provincial government has been focused on curtailing its non-development expenditure to provide sufficient space for development programs to generate economic activity in the province by supplementing the health, education, infrastructure, agriculture and livestock sectors as well as supporting the poorest through various programs and creating jobs by various interventions through development and non-development budget allocations.

Successful accomplishment of the targets will surely require pace, audacity, and preciseness of the decisions during the upcoming year at a speed that is a departure from business-as-usual. For effective service delivery and wise utilization of public money, both the government and opposition are required to think beyond their traditional roles to ease out the way towards making things happen.

The government has been striving to strengthen the Public Financial Management in the province; enactment of Public Finance Management Act 2020 is one of most significant steps of the government towards better financial management. The development Budget 2021-22 of the province is centered around projects with a potential to drive essential services, generate employment and create economic activities in the province.

Jam Mir Kamal Khan Alyani



MESSAGE FROM THE FINANCE MINISTER

Like previous years, this year too budget making remained a herculean task. Rapid increase in expenditures year after year as compared to revenue generation has made it crucial to taking extensive steps in this regards, we are targeting higher Provincial Own Revenues for 2021-22, this is for the first time that we have aimed to achieve higher targets of revenues because of the reason that wide-ranging measures have been crafted through automation and strengthening of revenue generating entities to get the things done.

We believe in welfare of our people hence we are making sure our hospitals and health facilities have the latest equipment, schools provide quality education, production sectors perform positively and our revenue generating entities are at par with latest technology to increase tax net.

The budget 2021-22 reflects strong record of investment in the province, with major new funding provided for regional services and infrastructure development, water management, food security and to combat disasters. The 2021-22 Budget is continuation of government's commitments to the people of Balochistan made during the 2018 elections. It delivers these commitments within a framework of financial responsibility, while tackling our biggest challenges investing in the services, infrastructure development and other priority sectors that matter to the people of Balochistan.

We are committed to transforming the economy through reviewing existing policies, strategies and programmes. Our priority is to emphasizing on improved service delivery, creating sustainable jobs, fighting corruption, attracting local and international investors, improving education sector, ensuring quality health care in order to create an inclusive economy

Mir Zahoor Ahmed Buledi



MESSAGE FROM THE SECRETARY FINANCE

Every government is accountable to its citizens for what they do with public money and how they do it. All the policies and plans of the government should mirror the priorities and requirements of the people. The government should make it clear to the common-man that what it has done to materialize those policies and plans together with the outcomes of its efforts. Citizens have also a responsibility to question their government for the policies and budgetary allocations

Most of the government documents are legal and technical in nature and it is not sufficient to simply make technical documents available but it's direly needed to make these documents understandable for common –man and that could be done through Citizens' Budget. For last five years, taking the issue as priority, the government of Balochistan, Finance Department with the technical support of the European Union Funded Project PFM-II has introduced Citizens Budget Book which contains all details of the upcoming budget in very simple and easy- to- understand way. All details of federal receipts, their further bifurcations and basis for provincial share are mentioned in the book. The details of provincial own receipts are also incorporated in the Book to let the people understand where the money comes from. Current expenditures of the government having details of salary, pension and other expenses are also made part of the Book, most importantly, initiatives of the government along with development budget and other priorities of the government are mentioned in the Book in a very simple way so that every individual is aware of income and expenditures of the government.

Benefits of the Citizens Budget are manifold; it can become a tool for the government to supplement public information about the budget and also a medium through which the government can link its viewpoint about the budget to the general public. Hence the Citizens Budget can become helpful medium to pledge dialogue and interaction between government and citizens.

Passand Khan Buledi

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ABBREVIATIONS

GOB	Government of Balochistan
NFC	National Finance Commission
MMBTU	One Million British Thermal Units
PSDP	Public Sector Development Program
PCF	Provincial Consolidated Fund
FBR	Federal Board of Revenue
BRA	Balochistan Revenue Authority
E&T	Dept. Excise and Taxation Department
SBP	State Bank of Pakistan
GST	Gross Sales Tax
GDS	Gas Development Surcharge
BOR	Board of Revenue
COA	Chart of Accounts
CGA	Controller General Accounts
FY	Financial Year
BC	Balochistan Constabulary
TA/DA	Traveling Allowance and Dearness Allowance
POL	Petroleum, oil and lubricant allowance
PDMA	Provincial Disaster Management Authority
NEC	National Economic Council
GDP	Gross Domestic Product
FX	Foreign Exchange
Hubco	Hub Power Company
BEEF	Balochistan Education Endowment Fund

EXECUTIVE SUMMARY

The current government kick started its tenure focusing on effective and efficient service delivery across the province, additional funds were injected in sectors which were previously neglected but efforts of the government received major setback due to the Pandemic COVID-19 which devastated the world economy and health systems, the virus put both our economy and health care system under enormous pressure. It was not done with when locust struck in and devastated Agriculture Sector. Though the locust was countered wisely and effectively but COVID went on damaging economy severely.

The Balochistan's revenues mostly depend on federal transfers and for the upcoming financial year, federal receipts including Federal Development grants have been increased to PKR 355.935 billion which is encouraging. The provincial receipts unlike previous trends have also been targeted higher from PKR 46.40 billion to PKR 103.2 billion due to prudent measures taken by the government towards automation and transparency of receipts collection. Hence for the upcoming FY, the entire provincial receipts including cash carry over of federal and foreign funded projects amount, have been pitched at PKR 499.4 billion, compared to last year's receipts considerable enhancement is estimated in the overall revenues.

For FY 2021-22, current expenditure of the government has been estimated at PKR 346.86 billion, major portion of it i.e. PKR 220.90 billion goes to Salaries and Pension, PKR 56.97 billion is estimated to

be spent on running of civil government and PKR 68.99 billion for grants and investments. Current Expenditure has gone up by 12% as compared to previous year mainly due to increase in salary and pensions of the employees which was inevitable to opt for as even last year no increase was offered in these areas. Pension liabilities pose immense financial threat to provincial budget as it has been increasing vigorously, during FY 2020-21 pension liabilities were PKR 38.17 billion which have estimated to grow up to PKR 46.69 billion and to manage pension expenditures government has established Balochistan Pension Investment Fund to ease out future risks.

The Government has formulated post COVID-19 Strategy for investing more in development sectors to generate economic activities as well as helping in creation of jobs. For the upcoming FY, total size of the provincial development budget has been increased to PKR 237.2 billion and funds have been allocated for various sectors with special emphasis on social and economic functions.

The government intends to improve Health Care services in the province and to make the things happen Health Department has been bifurcated in to two administrative departments for effective and efficient service delivery, more funds are injected in health sector to improve basic health care services in the province and simultaneously cogent steps taken to ensuring regulatory role of the government on private healthcare providers in the province.

Education is thought to be foundation for

developing future of a nation and government intends to develop effective method to reducing dropout rate from schools. Infrastructure is being improved, missing facilities developed and given the need of the areas new primary schools are established and upgradation of schools being considered on need basis.

Local Government is given due emphasis to ensure transparency and accountability. The local government regulatory framework is being strengthened and grant for the local council is being increased to engage local government and its lower tiers in provision of effective municipal services.

Sectors like social protection and water resource management are also on priority. To satisfy drinking water issues of Gwadar in particular and rest of the country in general special measures are part of the budget.

Long-term liabilities and debt management of the government have also been included in this book. Balochistan government has not initiated any loans so far, though after 18th Constitutional Amendment province can do so. All the loan agreements with

international organization have been made by the federal government and debt management is managed by the province, facts and figures of loans and debt management have been included.

For better management of various public sector entities, letting them deliver and operate autonomously government intends to enhance their capacity by strengthening their legal framework and fiscal responsibility so that they generate their own revenues, perform functions as per law and are no more burden on government.

For better management and reducing future risks on exchequer various investment funds have been created; targeted interventions are put in place to establishing various funds like; Balochistan Pension Investment Fund ,Group Insurance Fund, General Provident Fund , Awami Endowment Fund and also investments made in Stocks (share in HubCo) , Joint Venture with Pakistan Petroleum limited in Bolan Mining Enterprises and subsidiary investment for Balochistan Education Endowment Fund and most importantly during FY 2021-22 Government has taken initiative to establish Bank of Balochistan.

CHAPTER

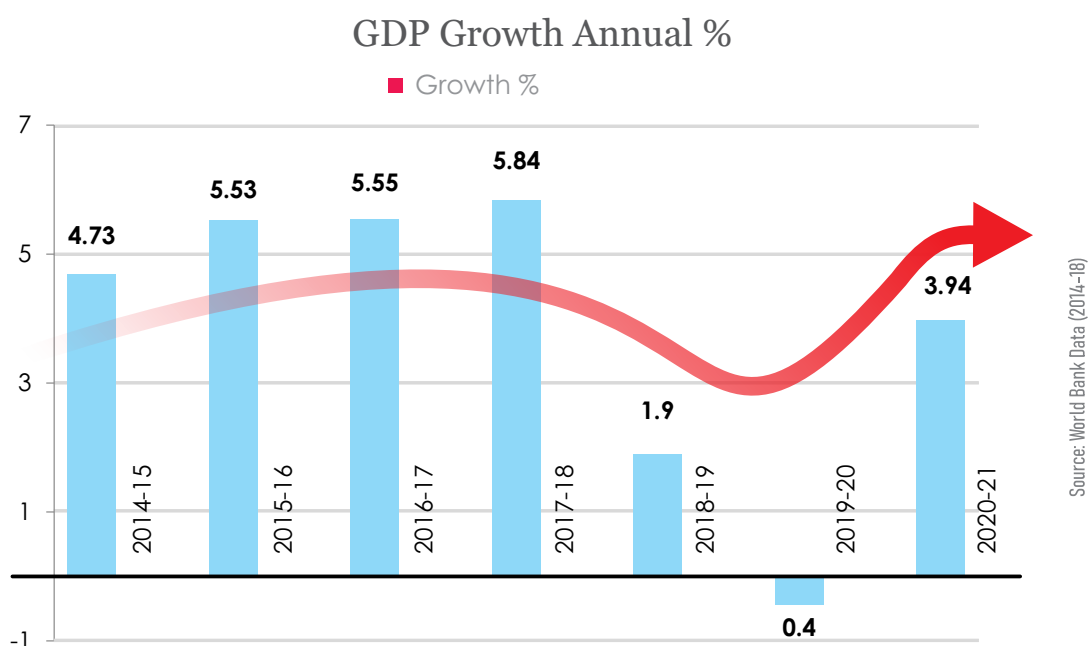
1

MACROECONOMIC OUTLOOK AND CHALLENGES

MACROECONOMIC OUTLOOK AND CHALLENGES

Pakistan's economy has been growing slowly over the past two decades with an average annual per capita growth of 2 percent. It started shrinking sharply during the fiscal year 2018-19 when it dropped to 1.9 per cent, from a decade-high 5.8 per cent the previous year. Following the COVID pandemic, the GDP growth rate for FY 2019-20 was -0.4 per cent, first ever negative in 7 decades. Pakistan's economy has returned to

growth during the FY 2020-21 and performed beyond expectations with all major macroeconomic indicators showing positive trend, resulting in a 3.94 per cent economic growth rate. The growth projections of International Monetary Fund (IMF), Moody's and World Bank were far below ranging 1.3% to 1.5%.



The COVID 19 has badly affected the earning of middle and lower middle classes. The pandemic has not only increased poverty, but also worsen the depth and severity of poverty among the already poor. According to World Bank, results indicate that poverty in FY 2020-21, as measured at the official national poverty line, might have increased by 2.3 percentage points, which translates into 5.8 million additional people falling into poverty as a result of the pandemic. The severe food insecure population which stood at 3% prior to COVID rose to 10% during the lockdown phase. The third and deadly wave of the pandemic, complete and partial lockdown have started again aiming to save human lives. As the economy contracted, one supposedly

positive consequence was the decrease in Pakistan's balance of payments and trade deficit due to less demand for imported goods and fall in oil prices.

The Government is determined to pull economy out of stagnation caused by Covid-19 to sustainable and inclusive growth in medium term by measured enforcement of targets set in Macroeconomic rolling plan. To make Pakistan one of the major economic players in the region and Asia, the national roadmap for stability and growth envisages the following steps:

- 1. Lowering the revenue-expenditure gap:** by reforms in improved revenue collection, strengthening the tax structure, aligning tax

¹ Pakistan Bureau of Statistics (evaluating the socio-economic impact of coronavirus)

² http://www.finance.gov.pk/A_Roadmap_for_Stability_and_Growth_April_8.pdf

policy with economic policy etc.

2. Streamlining government expenditure; by Strengthening budgeting and public financial management, fortifying treasury single account, strengthening fiscal management, reforming state owned enterprises etc.

3. Narrowing the export-import gap; by reducing energy gap, revamping exchange rate management, plan for strengthening manufacturing and exports and enhanced productivity in agriculture sector.

4. Bridging the saving-Investment gap; by promotion of savings, enhancing the ease of doing business, financial inclusion etc.

The present Government has special focus on making a right balance between revenues and expenditures so as to reduce/ end reliance on external sources which often come with strict conditions for compliance. As part of tax reforms, the Federal Board of Revenue has been struggling to bridge tax gap through automation and tax intelligence system. To withdraw tax exemptions or curtail them through tax credit, the Government has agreed to IMF to make amendments in the Income Tax Ordinance 2001 referred as “Tax Laws (second Amendment) Ordinance 2021”.

To achieve sustainable and inclusive growth in tax collection, the government is focused to broaden tax net, reduce tax exemptions, rationalization of subsidies, market determined exchange rate, structural changes in public sector entities and increase investment in production sector to generate jobs and other economic activities. Initially the FBR tax collection target for FY 2020-21 was PKR 4.963 trillion, which was later scaled down to PKR. 4.717 trillion owing to adverse effects of COVID-19 and challenging task. For the coming FY 2021-22, the FBR tax collection target is aimed at PRK 5.829 trillion, an increase of gigantic PKR 1.112 trillion. Further, the medium term FBR collection is set at PKR 10.5 trillion by 2023-24, a cumulative increase of PKR 6.564 trillion in five years. As such the tax-to-GDP ratio will soar to 15.3 percent from 10.4 percent this year.

The public debt of Government of Pakistan reached to 87.2 percent of GDP at the end of December, 2020, an increase from 85.6 percent in 2019. According to State Bank of Pakistan, the current account in three quarters of FY 2020-21 has remained in surplus of \$959 million, the same was in a deficit of \$4.14 billion during the corresponding period last year. During the period, the country's exports stood at \$18.7 billion, while the imports were recorded at \$ 37.3 billion.

Owing to distinct social, geographical and economic landscape, Balochistan's economy has different dynamics as compared to the rest of the country. The majority of provincial GDP is aggregated by services sector which comprise of transportation and wholesale etc. followed by agriculture sector, while the important industrial sector remains the least contributor. During FY 2013-14, Balochistan produced 4.1% of the national agriculture sector, 3.8% and 2.4% in industry and services sectors respectively. These contributions are insignificant looking at the endowment of minerals, vast lands and much untapped blue economy potential that Balochistan is bestowed with. The contributors remain stagnant and do not grow as the value addition processes have not been enabled. Most of the minerals are transported to other province or abroad for further processing.

Apart from demand driven consumption characteristics in the economy, the public spending is one of the largest contributors in provincial economy. Through public spending, the government targets to provide basic civic facilities to the general masses and also to increase the economy's productive capacity. The public investment increases both; the private consumption and private investment; and works as stimulator for potential economic areas requiring government support in providing the basic infrastructure essential for operations. But since most of the input used in development projects is being imported from other provinces therefore, the effectiveness degree of multiplier

is less even reverse in some cases which should be ideally positive with backward and forward linkages. This is evident as the Government of Balochistan budget has been increasing and has witnessed major hike in public spending post 7th National Finance Commission (NFC). The aggregate demand in provincial economy has increased but the supply is largely being met through import from other provinces, thus reliance for job mostly remains on government exchequer. The traditional sectors in Balochistan such as Livestock, Agriculture and Fisheries could not generate new economic avenues owing to lack to investment, modern technologies and skilled labor force.

CHAPTER

2

ESTIMATES OF RECEIPTS

ESTIMATES OF RECEIPTS

Balochistan massively depends on Federal Receipts coming from Federal Divisible Pool, Straight Transfers and Grants. Federal Divisible Pool accounts for 72% of the total receipts and is protected under 18th amendment of the Constitution 1973 of the Islamic Republic of Pakistan. The Provincial own receipts are scarce, making only around 15% of the entire receipts. The Non-development expenditure of Government, such as pensions, have been piling up with an increasing pace and the government is keen to maximize mobilization of its own revenues by exploring new avenues for increasing tax net and tax base. During the FY 2020-21, total revenue of the province were estimated at PKR 377.914 billion which have

revised to PKR 336.48 billion, with a shortfall of PKR 30.56 billion or 8% of original estimates. The negative trend is attributed as failure to meeting revenue targets; mainly owing to not crediting the Gas lease extension bonus amounting to PKR 19.00 billion, followed by FPA loan and Federal Development Grant. The accuracy rate in Federal receipts has been encouraging over the years. During the FY 2020-21, the financial commitments have been achieved as planned.

Following table lists the Budget Estimates of financial year 2020-21, Revised Estimates 2020-21 and Budget Estimates of Financial Year 2021-22

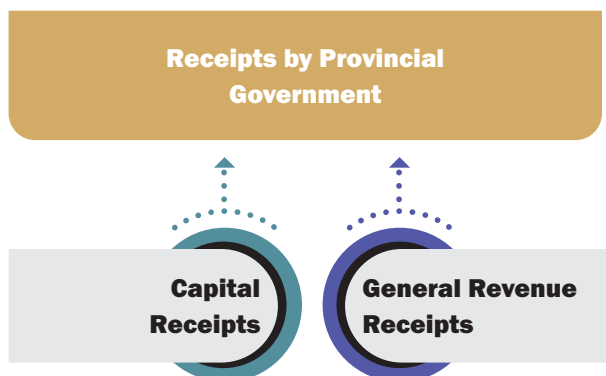
2.1

PARTICULARS	BE 2020-21	RE 2020-21	BE 2021-22
Federal Transfer	275,054.04	275,948.11	323,395.61
Divisible Pool	251,663.64	251,663.64	295,728.38
Straight Transfers	13,390.40	14,184.46	17,567.23
Grants (GDS Arrears and others)	10,000.00	10,100.00	10,100.00
FPA Grants	3,538.11	1,148.27	6,053.30
Federal Development Grants	27,850.42	26,365.48	32,540.01
Provincial own Receipts	46,409.62	28,371.61	103,210.317
Tax	20,926.07	21,781.08	34,208.93
Non Tax	25,483.55	6,590.54	69,001.39
Capital Receipts	10,047.93	2,010.75	13,202.32
Foreign Aided Projects (Loan)	8,662.50	1,949.65	11,300.00
Recoveries of loans/advances from Govt Servants / Investments	1,385.43	61.1	1,902.32
State Trading - Food	4,648.15	3,137.04	5,475.00
Cash Carry Over (Federal & Foreign Projects)	10,366.00		15,485.28
Grand Total	377,914.26	336,981.27	499,363.42

(PKR in Million)

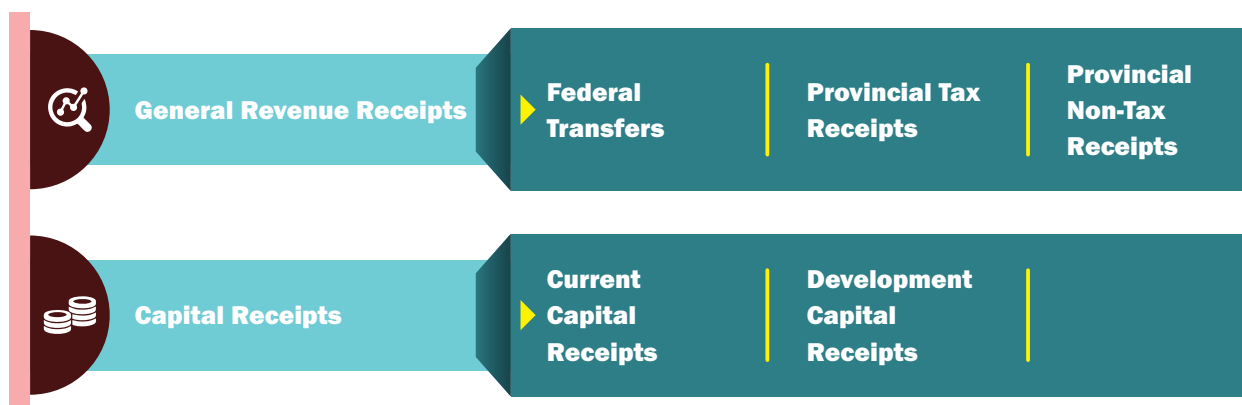
This Chapter addresses a comprehensive review of the revenues of Balochistan for the fiscal year 2020-21 and anticipated receipts for the financial year 2021-22. The Receipts of the provincial government are classified into two broad categories; General Revenue Receipts and Capital Receipts described as follows:

Classification of Receipts by the Provincial Government



Receipts of Provincial Government are; General Revenue Receipts and Capital Receipts

Provincial Consolidated Funds



General Revenue Receipts

These are sub classified as Federal Revenue Receipts and Provincial Own Revenues.

Federal Revenue Receipts

Main sources of General Revenue Receipts coming from Federal Transfers are as under;

a. Federal Divisible Pool: Major portion of provincial receipts come from the Federal Divisible Pool in accordance with the 7th National Finance Commission (NFC) Award which include Income Taxes, the Capital Value Taxes, Sales Tax

on Goods and Wealth Taxes. On the basis of revenue targets set by the Federal government 9.09 % of provincial share of revenues come into the pocket of Balochistan Government.

As described above the share in Federal Divisible Pool is directly proportional to the revenue targets set by the FBR which is further correlated

with the National Macroeconomic indicators and some other external factors such as conditions agreed with the IMF.

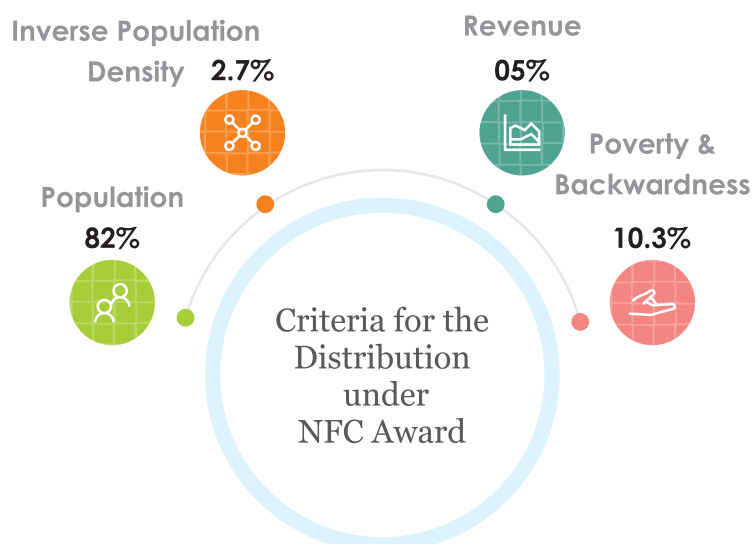
During the FY 2020-21, the Government of Balochistan received an amount of PKR 251.664 billion under the Federal Divisible Pool which stood 65% of overall provincial receipts and was 11% less than the receipts of FY 2019-20. For the upcoming FY 2021-22, an amount of PKR 295.728

billion is expected to be received under the subject category with an increase of PKR 44.06 billion as compared to the financial year 2020-21. The growth is 17.5% owing to higher target of tax collection by the FBR set at PKR 5.825 trillion as compared to PKR 4.7 trillion (revised) for the financial year 2020-21. The table below provides a snapshot of Federal Divisible Pool and its contributors

2.2

Federal Divisible Pool	BE 2020-21	RE 2020-21	BE 2021-22
Taxes on Income	103,283.55	103,283.55	110,133.80
Capital Value Tax	155.78	155.78	28.79
Sales Tax (excluding GST on Services)	98,166.97	98,166.97	128,242.10
Federal Excise (Excl: Excise Duty on N/Gas)	17,723.49	17,723.49	17,623.65
Customs (Excl: Export Dev: Surcharge)	32,333.85	32,333.85	39,700.04
Grand Total	251,663.64	251,663.64	295,728.38

(PKR in Million)



b. Straight Transfers: Another category of federal transfers is Straight Transfers. It is distributed among the provinces under the provision of Article 161 of the Constitution and 7th NFC Award against the royalties on Crude Oil and Natural Gas, and net proceeds of the Federal

Excise Duty on natural gas and Gas Development Surcharge. Earlier, the well-head price of the Sui gas was amongst the lowest in the country. However, with the efforts of the government it was enhanced to PKR 163.13 MMBTU during the year 2009-10 which resulted in increased

receipts under this head.

Gas Development Surcharge is the difference between consumer price and prescribed price. Consumer price is paid by the end-user while prescribed price comprises elements including cost of gas, Excise Duty of PKR 5.09 per MMBTU, transmission and distribution expenditure, depreciation on fixed assets and minimum return to gas companies etc. GDS is being collected by gas companies under Natural Gas (Development Surcharge) Rules, 1996. As recommended through NFC Award, net proceeds of GDS are being distributed to the provinces in accordance

with their percentage share in the total production of gas after deduction of collection charges.

The trend in Straight Transfer receipts has been stagnant over the past three years. For the FY 2021-22, 31% increase has been projected due to an addition of net proceeds on account of Surcharge on Natural Gas with an increase of additional amount of PKR 5.56 billion to the provinces' share. The budget estimates for FY 2021-22 is set to PKR 17.56 billion against PKR 13.38 of FY 2020-21 with an increase of 31%.

2.3

(PKR in Million)

Straight Transfers	BE 2020-21	RE 2020-21	BE 2021-22
Excise Duty on Natural Gas	2,196.18	1,764.00	2,027.62
Gas Development Surcharge	0	2,417.59	5,560.23
Royalty on Natural Gas	11,189.67	10,001.23	9,977.80
Royalty on Crude Oil	0	1.64	1.58
Grand Total	13,385.85	14,184.46	17,567.23

c. Arrears of Gas Development Surcharge: As stated earlier the well-head price of the Sui Gas was amongst the lowest in the country. Under the Aghaz-e-Haqooq Balochistan, the well-head price of the gas was enhanced to PKR 163.13 MMBTU during the year 2009-10 and the claim of government of Balochistan to provide arrears of PKR 120.00 billion was agreed to be provided in 12 tranches at the rate of PKR 10.00 billion each year. So far the Government of Balochistan has received an amount of PKR 110.00 billion in lieu of GDS arrears. The arrears will exhaust after FY 2021-22 affecting overall revenue position in forthcoming FYs.

provincial government as the grants are received for committed projects on the expenditure side. During the year 2020-21, the Federal Development Grants were estimated at PKR 27.850 billion from Federal PSDP whereas PKR 3.538 billion were set for foreign aided projects. For the forthcoming financial year, the Federal Development Grants as reflected in federal budget 2021-22 will be PKR 32.540 billion along-with PKR 6.053 billion for foreign aided projects. Table below shows the budget estimates and revised estimates of the year 2020-21 and budget estimates for financial year 2021-22 under these heads;

d. Federal Development Grants: the Government of Balochistan receives grants from Federal PSDP as well as budget support from the foreign development partners. These grants do not have any impact on the revenues of the province except for increase in the overall volume of the total revenues and expenditure position of

(PKR in Million)

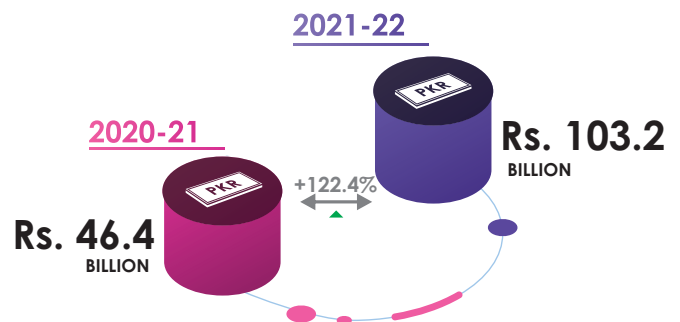
BE 2020-21	RE 2020-21	BE 2021-22
FPA-Grant		
3,538.11	1,148	6,053.30
Federal Development Grant		
27,850.42	26,365	32,540.01

Provincial Receipts

The second component of the General Revenue Receipts is Provincial Own Revenues, broadly divided into Tax and Non-Tax Receipts. The government collects different types of Direct and Indirect Taxes through its own departments / authorities. The pool of Provincial Tax Revenues, largely comprises of Sales Tax on Services, Balochistan Infrastructure Cess, Motor Vehicle Tax and Property Tax while the regulatory functions performed by the Provincial Government and rates and fees charged for the provision of certain social and economic services constitute the Non-Tax Revenue. However, for the purpose of clarity, grants received from federal government, foreign funded and development surcharges on Gas and Royalties on Oil and Gas are shown above separately. Thus are excluded from of Provincial Non-Tax Revenue.

The total revenues of provincial own receipts for the year 2020-21 were estimated to PKR 46.407 billion making around 13% of the overall receipts of the province which were revised to PKR 28.371 billion. The revenue target for the FY 2021-22 is estimated to PKR 103.2 billion which makes 21% of the overall budget.

Growth of Total Provincial Receipts

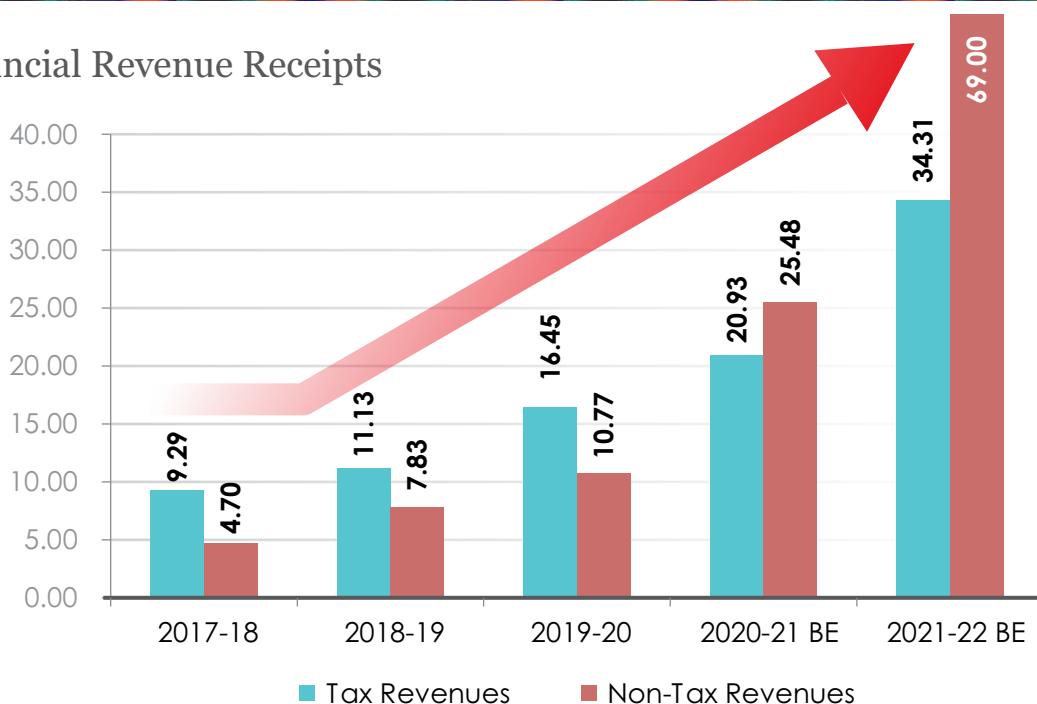


2.4

(PKR in Million)

Description	BE 2020-21	RE 2020-21	BE 2021-22
Tax Receipts	20,926.07	21,781.08	34,208.93
Non-tax Receipts	25,483.55	6,590.53	69,001.39
Total	46,409.62	28,371.61	103,210.32

Provincial Revenue Receipts



Provincial Tax Receipts:

The tax collection by the government estimated for FY 2020-21 was comparatively on higher side at PKR 20.926 billion as compared with budget Estimates of FY 2019-20 of PKR 14.756 billion due to incredible performance of the Board of Revenue and Balochistan Revenue Authority by surpassing targets at the close of financial years 2019-20. A growth of 248% has been observed in the provincial tax collection from PKR 6.6 billion in the FY17-18 to PKR16.4 in FY 2020-21. This

positive trend of the provincial own tax collections over the year is a very healthy sign for the struggling provincial economy. Keeping in view the positive trend of the provincial tax collections and couple of measures taken regarding automation and transparency in tax collection target for the upcoming year 2021-22 is estimated to be PKR 34.209 billion with an enormous increase of 63% compared to estimates of PKR 20.926 billion in FY 2020-21.

Excise and Taxation
Motor Vehicle Tax, Provincial Excise, Professional Tax etc.



Balochistan Revenue Authority
Sales Tax on Services, BIDC



Transport Department
Root Permit Fee, Registration etc.



TAX REVENUE GENERATING DEPARTMENTS

Energy Department
Electricity Duty



Board of Revenue
Agriculture Income Tax, Stamp Duty, Land Revenue etc.



Balochistan Revenue Authority (BRA):

Following the 7th NFC Award, all the provinces have been delegated to collect their own tax on services. Balochistan Revenue Authority was established in 2014, since then it has been collecting Tax on Services. BRA is currently collecting the major part of the overall provincial taxes from different service providers. The authority has performed outstandingly by increasing the collections for the province from PKR 8.805 billion in the year 2018-19 to PKR 17.40 billion (Revised Estimate) in the year 2020-21. Given the positive trend, the government intends

to increase target of BRA for the upcoming financial year by expanding its tax base, easing up the payment method of tax and focusing on capacity enhancement of BRA simultaneously. For the FY 2021-22 the target for BRA is raised by 58 % earmarking the estimate at PKR 26.00 billion against the estimates of PKR 16.50 billion of FY 2020-21. The allocation of targeted amount for financial year 2021-22 includes PKR 22.00 billion for Sales Tax on Services and PKR 4.00 billion against collections from Balochistan Infrastructure Development Cess.

2.6

Balochistan Revenue Authority	BE 2020-21	RE 2020-21	BE 2021-22
Sales Tax on Services	13,500.10	14,500.00	22,000.00
BIDC	3,000.00	2,900.00	4,000.00
Total	16,500.10	17,400.00	26,000.00

Board of Revenue:

(PKR in Million)

BOR collects Agriculture Income Tax, Property Tax, Land Revenue, Capital Value Tax on Immoveable Property and Stamp Duty. In the financial year 2020-21 the total target estimate for Board of Revenue was PKR 1.906 billion which was 4.11% of the total provincial revenues. Considering its performance in the previous financial year and so far collection for the year 2020-21, the target has been raised to PKR 2.504 billion for the financial year 2021-22 which is 31%

higher than FY 2020-21. Majority of the revenue of Board of Revenue (BOR) comes from sale of Stamp Duty, Land Revenue (Mutation fee / Charges etc.), Capital Value Tax and Property Tax. The Agricultural Income Tax continues to pose challenges due to undocumented nature of agrarian economy and practical difficulties of implementing assessment-based taxation regime.

2.7

Board of Revenue & Administration	BE 2020-21	RE 2020-21	BE 2021-22
Taxes on Income	40.05	39.25	63.28
Property Tax	702.85	703.35	364.72
Land Revenue	490.89	490.90	891.36
Capital Value Tax on Immoveable Property	157.12	157.12	254.72
Stamp Duty	515.61	516.02	930.81
Total	1,906.52	1,906.64	2,504.89

Excise & Taxation

(PKR in Million)

The Excise and Taxation Department collects levies and taxes such as Professional Tax, Motor Vehicle Tax, Provincial Excise, and other indirect taxes. The E&T Department's collection has always remained lesser than the estimated targets; however, there has been some variation (negative and positive) recorded in the department's collection trends over the years. During the FY 2020-21, due to effective interventions of the provincial government, so

far the collections of the department are satisfactory. Given the significant short fall in collections against the estimated targets of Financial Year 2020-21, record collection of PKR 1.56 have been booked which is 16 % higher than total collections of FY 2019-20. For the budget 2021-22, a target of PKR 5.013 billion is estimated by increasing 64%, as compared with the FY 2020-21 budget estimates, which shows optimistic approach of the government towards

enhancement of potential revenue generating sectors. The Provincial Government, through effective implementation of policies and tax

reform measures, aims to achieve higher targets set for collection of taxes falling under the purview of Excise & Taxation Department.

2.8

(PKR in Million)

Provincial Excise	BE 2020-21	RE 2020-21	BE 2021-22
Property Tax	221.50	221.50	475.12
Tax on Profession, Trades and Callings	32.70	32.70	70.14
Provincial Excise	893.36	893.36	1,914.83
Motor Vehicles	1,088.01	1,091.26	2,528.13
Other Indirect Taxes	11.90	11.90	25.19
Total	2,247.47	2,250.72	5,013.41

Transport and Energy

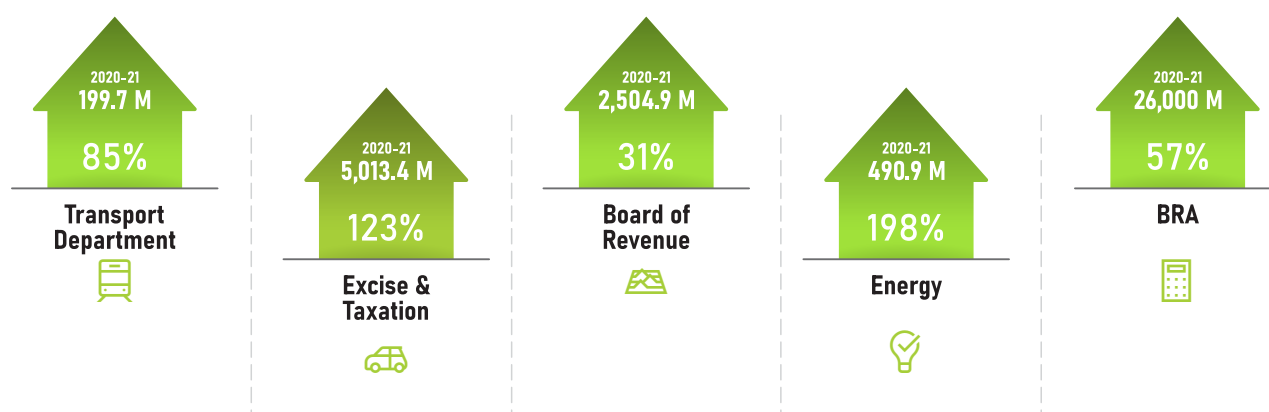
The Energy and Transport departments are assigned with responsibility to collect indirect taxes, on account of electricity duty and motor vehicle tax. Though the volume of collected taxes are meagre, both collectively making less than one percent of the total provincial receipts. The provincial government is committed to introduce

reforms and apply checks in the collection process. Owing to the intended measures the collection for the FY 2021-22 have been estimated to PKR 625 million. The tax collection made by Transport and Energy departments is depicted in the table below:

2.9

(PKR in Million)

Particular	BE 2020-21	RE 2020-21	BE 2021-22
Transport Department	107.57	117.17	199.72
Motor Vehicles	107.57	117.17	199.72
Energy Department	164.41	106.56	490.91
Other Indirect Taxes	164.41	106.56	490.91
Total	271.98	223.73	690.63



Provincial Non-Tax Receipts:

Non-Tax Revenue is the recurring income earned by the government from sources other than taxes. The Provincial Non-Tax Receipts are categorized as under:

- Receipts from Civil Administration and other functions, income from publicly owned property and enterprises,
- Miscellaneous receipts from Toll, Fee, Cess etc. collected by the departments of provincial government (excluding Federal Grants, Development Surcharges and royalties),
- Extraordinary Receipts

The recovery of estimated amount of PKR 19.00 billion against the recovery on account of lease extension bonus could not be materialized in CFY 2020-21 which resulted in a huge shortfall in collections of revenue targets under the non-tax revenue sources. However, government is keen to address the issue in upcoming year; hence recovery / collection target under this head has been re-allocated at PKR 55.00 billion for the FY 2021-22. Overall non-tax revenues of FY 2020-21 were set as PKR 25.48 billion and were revised as PKR 6.59 billion, resulting 74% decline in the estimated target.

Targets for upcoming FY 2021-22 under non-tax revenues are estimated to PKR 69.00 billion,

mainly contributed of PKR 55.00 billion for bonus against lease extension, PKR 8.02 billion on account for Royalties received against different mineral resources of the province

Setting higher targets show positive line and seriousness of the current government to enhancing provincial own receipts. These will be possible due to several significant measures taken regarding revision of rates and most importantly automation of the collection system. Similarly, the Agriculture Tax and other taxes collected by Board of Revenue need effective management and several other interventions like, use of automated systems in order to maximize the revenue generation.

Function wise revenue estimates for budget 2020-21 and 2021-22 of various departments are presented as under.

Economic Affairs Function

This function includes the amount estimated for lease extension bonus and the royalties of different mineral resources, hence is the largest function of provincial government's non-tax revenue source. The target for the FY 2021-22 has been increased by 175% at PKR 64.34 billion against the target of PKR 23.38 billion of the FY 2020-21.

2.10

(PKR in Million)

Economic Affairs	Budget Estimates 2020-21	Budget Estimates 2021-22
Roads Department	79.54	38.85
Higher Education	0	0.67
Manpower & Labour Management	18.47	25.11
Food	1.94	4.34
Agriculture	457.87	538.62
Land Revenue	0.04	0.08

Economic Affairs	Budget Estimates 2020-21	Budget Estimates 2021-22
Animal Husbandry	118.27	143.82
Forestry	214.56	214.82
Fisheries	22.7	100
Cooperative	0.12	0.12
Irrigation	98.2	153.79
Industries	47.84	70.67
Mineral Resources (Scientific Deptt)	3,320.88	8,025.38
Transport Department	0.07	200
Energy Department	1,900.9	55,000.95
Building, Physical Planning & Housing	0	22.63
Grand Total	23,381.46	64,340.12

General Public Service

Estimated target for this function for FY2020-21 was PKR 1.14 billion which has been enhanced to PKR 3.538 billion for the FY 2021-22. The Board of Revenue Department is the major contributory

department in the General Public Service function sharing 73% of total target of this function.

2.11

General Public Service	Budget Estimates 2020-21	Budget Estimates 2021-22
General Administration	117.9	102.46
Provincial Excise	2,247.49	5,013.45
Stamps	0.05	0.05
Pensions	166.94	290.14

(PKR in Million)

General Public Service	Budget Estimates 2020-21	Budget Estimates 2021-22
Stationery & Printing	23.49	150
Chief Minister Secretariat	12.3	50.17
Board Of Revenue & Administration	2,466.01	5,072.51
Finance Department	16,738.91	26,249.42
Urban Planning & Development Department	14.28	20.06
Planning & Development Department	0.47	100.45
Inter Provincial Coordination Department	0.08	0.08
Chief Minister's Inspection Team	0.88	0.9
Governor's Secretariat (Voted)	0.29	0.29
Provincial Assembly (Voted)	4.22	4.4
Governor Secretariat (Charged)	0.1	0.23
Provincial Assembly (Charged)	0.62	0.5
Grand Total	21,794.02	37,055.11

Public Order and Safety Affairs Function

Police, Courts and the Home department are the major contributing Departments of receipts in the function of Public Order Safety Affairs. The revenues mostly collected under this function are

from fee, fines and recoveries. The total target for financial year 2021-22 is estimated to PKR 561 million which 11 % higher than the estimates of PKR 504 million of financial year 2020-21

2.12

(PKR in Million)

Public Order And Safety Affairs	BE 2020-21	BE 2021-22
General Administration	0.29	0.23
Administration Of Justice	82.03	96.16
Police	338.08	318.54
Levies	3.27	31.52

Public Order And Safety Affairs	BE 2020-21	BE 2021-22
Jails & Detention Places	18.73	19
Civil Defence	0.3	0.5
Prosecution Department	0.4	1.6
Legal Services & Law Affairs	0.3	1.01
Women Development Department	0.01	0.01
Balochistan Constabulary	17.07	26.07
Provincial Ombudsman	0.45	0.45
Home Department	28.45	51.75
Administration Of Justice	14.81	14.84
Grand Total	504.18	561.67

Health Function

Though this function is meant for providing free services to the public however, it comes fourth in terms of revenue generating function for government under the non-tax revenue receipts. The major collection of this function is made from educational fees, health receipts, rents and recoveries of overpayment of salaries and

pension. The percentage of targets of FY 2021-22 against total non-tax revenues is tiny due to be reason that government intends to offering free OPD slip for general public in government hospitals, however, total revenue has increased to PKR 218 million for FY 2021-22

2.13

Function / Department	Budget 2020-21	Budget 2021-22
Health	198.34	218.36
Total	198.34	218.36

(PKR in Million)

Education Affairs, Housing and community Amenities, Environment, Recreation, Culture & Religion and Social Protection function

commonly contributes PKR 259.59 million in the non-tax pool of the provincial revenue. Targets

for the forthcoming year 2021-22 are raised by 33% at PKR344.4 million

2.14

(PKR in Million)

Particulars	Budget Estimates 2020-21	Budget Estimates 2021-22
Education Affairs And Services	170.07	191.68
Higher Education	32.75	32.75
Archaeology, Museums & Libraries	1.29	1.31
Social Security & Social Welfare	0.01	0.13
Secondary Education	129.4	135.86
Spcialized Health Care & Med: Edu: Deptt	6.63	21.64
Housing And Community Amenities	44.92	55.62
Public Health Engineering	44.23	50.74
Social Security & Social Welfare	0.45	0.51
Local Govt. & Rural Development	0.25	4.37
Environment Protection	23.69	71.09
Environment Control Department	23.69	71.09
Recreational, Culture And Religion	12.47	16.89
Admn. Sports & Recreation Facilities	3.11	7.11
Religious Affairs Department	0.44	0.71
Culture Services	7.39	7.53
Information Technology Department	0.84	0.84
Information Department	0.66	0.66
Minorities Affairs Department	0.05	0.06
Social Protection	8.45	9.13
Population Welfare	2.8	2.8
Social Security & Social Welfare	4.78	4.84
Religious Affairs Department	0.62	0.99
Women Development Department	0.25	0.5
Grand Total	259.6	344.41

Current Capital Receipts

The Capital Receipts of the government of Balochistan include all those receipts credited into Account-I received from all loans borrowed or raised by the provincial government, recoveries of loans granted to provincial entities / authorities / financial institutions / or provincial employees and receipts received from withdrawal of an investment.

The Budget estimates for the financial year 2020-21 was PKR 10.048 billion which included PKR 8.663 billion Loans raised by the government on account of foreign aided projects (as pass-through amount for committed projects), and PKR 1.385 billion were forecasted to be received from the recoveries of loans and advances / investments of provincial own sources. The estimates for the FY 2021-22 are set at PKR 13.202 billion with the break-up of PKR 11.300 billion for foreign aided projects and PKR 1.9 billion against the recoveries of domestic loans & advances / investments.

Another type of Capital Receipts of government of Balochistan are the transactions relating to

state trading in food commodities by the Food Department which are credited into Account-II (Food Account) The limit of Cash Credit Accommodation set by the Federal Government allowed the Provincial Government to raise loans through consortia of banks for food commodity operations also makes the part of these receipts. Food Account of the Province is maintained with the State Bank of Pakistan like Account No. I.

During FY 2020-21, an amount of PKR 4.648 billion is estimated to be received for commodity operations compared to the amount of PKR 2.816 billion realized during FY 2019-20. The estimate of amount projected to be received from the state trading operations for financial year 2021-22 is set to PKR 5.475 billion.

The following table presents the details of Provincial Current Capital Receipts for A/C-I (Non-Food) and A/C-II (Food Account) for the FY 2021-22 in comparison with Budget estimates 2020-21 and revised estimates 2020-21 (PKR in Million):

2.15

Particulars	Budget Estimates 2020-21	Revised Estimates 2020-21	Budget Estimates 2021-22
Capital Account-I	10,047.93	20,10.75	13,202.32
Recoveries of loans/advances from Govt. Servants / Investments	1,385.43	61.10	1,902.32
Loans for Foreign Aided Projects	8,662.50	1,949.65	11,300.00
Capital Acct. - II (Food Account)	4,648.15	3,137.04	5,475.00
State Trading	4,648.15	3,137.04	5,475.00
Total Capital Receipts (Account-I+II)	14,696.08	5,147.79	18,677.32

(PKR in Million)

CHAPTER

3

ESTIMATES OF EXPENDITURES

ESTIMATES OF EXPENDITURES

The Estimates of expenditure sets out details of the government's annual formal requests for the operating and capital spending which requires approval of the Legislature. Under Article 118 of the Constitution of Pakistan 1973, the total expenditures of the Provincial Government are classified as Provincial Consolidated Fund and Public Account. Further, the expenditures (broadly divided into Development and Current / Non-Development Expenditure) incurred under the Consolidated Fund are defined in Article 121 of the Constitution of Pakistan 1973.

The Current Expenditure is further sub-classified into Current Revenue Expenditure and Current Capital Expenditure and the balance remaining is the net surplus available for Development Expenditure. The allocation of budget is aimed at striking balance between Current and Development expenditure without compromising the essential requirements of current budget allocations and enhancing public

welfare through adequate allocation for current budget demands.

Component of Government Expenditure

- Current / Non-development Expenditure; Enables government to maintain current level of service delivery
- Development Expenditure Strengthens the capacity of the government to provide services to citizens
- Capital Expenditure: Repayment of loans, making advances to employees, contributions to making separate funds for meeting long term liabilities

Article 118

1. Provincial Consolidated Fund:

- All the revenue received by the provincial government; all the loan raised by that government, and all money received by it in repayment of any loan, shall form part of a consolidated fund, to be known as Provincial Consolidated Fund

2. Public Account;

- All other moneys received, (a) by or on behalf of the provincial government, or (b) received by or deposited with the High Court or any other court established under the authority of the province shall be credited to the Public Account of the Province

Current Expenditure

Sub classification of Current Expenditure;

i. Current Revenue Expenditure

Current Revenue Expenditures contains all Expenditures incurred in a day-to-day conduct, administration of business and are short-termed expenses used in the current period or within one year. It includes expenditure on regulatory functions of the government and provision of services to the general public. Accounts are prepared and promulgated by the Controller General of Accounts (CGA) based on functional classification as per Chart of Accounts (COAs).

ii. Current Capital Expenditure

Expenditures which results in acquisition of permanent assets for the purpose of generating revenues is termed as Current Capital Expenditures. These expenditures of provincial government are incurred from both Account No. I and Account No. II (Food Account), which are maintained with State Bank of Pakistan.

Currently the Government is incurring capital expenditure of the following natures:

Account No I Expenditures include;

- Principal Repayment of Domestic Loans and Foreign Market Debt.
- Advances and Loan made to corporate bodies and employees of Government of Balochistan.

Account No. II Expenditures include;

- Expenditures incurred on state trading operations of the government through Food Department for purchase of Food, especially procurement of wheat and also repayment of loans taken from State Bank for state trading operation

Development Expenditure

Development expenditure refers to the expenditure of the Government allocated for Public Sector Development Program (PSDP)/Annual Development Program which is financed out of receipts of the Provincial Government, Foreign Project Assistance (Grant, Loan) and Federal Grants through Federal PSDP.

These expenditures are collectively known as the Development Expenditure of the province. The primary raison d'être of these projects is to develop and improve infrastructure, to create new assets and to extend the lifespan of current assets as well as to support Human Resource Development programs.

Expenditure Budget Estimates 2021-22

The following sections provide an overview of Balochistan's expenditures for the financial year 2020-21 and also predict expenditures for the financial year 2021-22.

The total outlay of the provincial Government for FY 2020-21 was estimated at PKR 465.528 billion which included PKR 309.03 billion for current / non-development budget estimates and PKR 156.49 billion for Development estimates. The Current Expenditure estimates are further distributed into Current Revenue Expenditure with the allocation of PKR 294.124 billion and current capital expenditure including state trading of PKR 14.86 billion for the FY 2020-21.

The estimated allocations under current budget demand for the FY 2021-22 are pitched at PKR 346.86 billion which constitutes PKR 319.45 billion for current revenue expenditure and PKR 27.41 billion for capital expenses of the provincial government including operations of food account. Moreover, the development budget for the FY 2021-22 is set at PKR 237.2 billion with the break-up of PKR 172.5 provincial PSDP, PKR 48 billion, and PKR 16.7 billion for projects reflected in Federal PSDP and for foreign aided projects (as pass-through expenses only) respectively. The details of development budget of Balochistan for FY 2020-21, revised budget, and budget for upcoming FY 2021-22 are illustrated in the table below:

3.1 Abstract Expenditure Budget Estimates 2021-22

(PKR in Million)

Classification	B.E 2020-21	R.E 2020-21	B.E 2021-22
A. Current Revenue Expenditure			
General Public Service	63,834.49	57,814.97	68,567.42
Public Order and Safety	48,620.24	46,323.30	52,789.28
Economic Affairs	51,815.86	45,029.70	52,483.53
Environment Protection	450.54	334.11	538.47
Housing and Community Affairs	19,179.12	18,807.44	26,131.68
Health Affairs	31,405.36	29,414.98	38,530.59
Recreational, Culture and Religion	3,140.08	3,173.75	3,718.84
Education Affairs and Services	70,358.25	63,199.72	71,903.67
Social Protection	5,319.72	4,915.37	4,787.60
B. Current Capital Expenditure			
Repayment of Principal Loan	5,835.84	5,717.98	4,663.67
Investment	3,000.00	3,000.00	14,050.00
State Trading (Wheat) A/C-II	4,409.50	4,289.50	5,679.50
Repayment of Commercial Bank Loans (A/C-II)	1,663.13	350	3,017.50
C. Development Expenditure			
Provincial PSDP/ADP	106,079.47	72,415.65	172,534.00
FPA (Loan and Grant)	12,200.61	8,084.44	16,661.97
Federal Development Grants	38,215.93	24,145.36	48,025.30

Budget Allocation under Major Objects

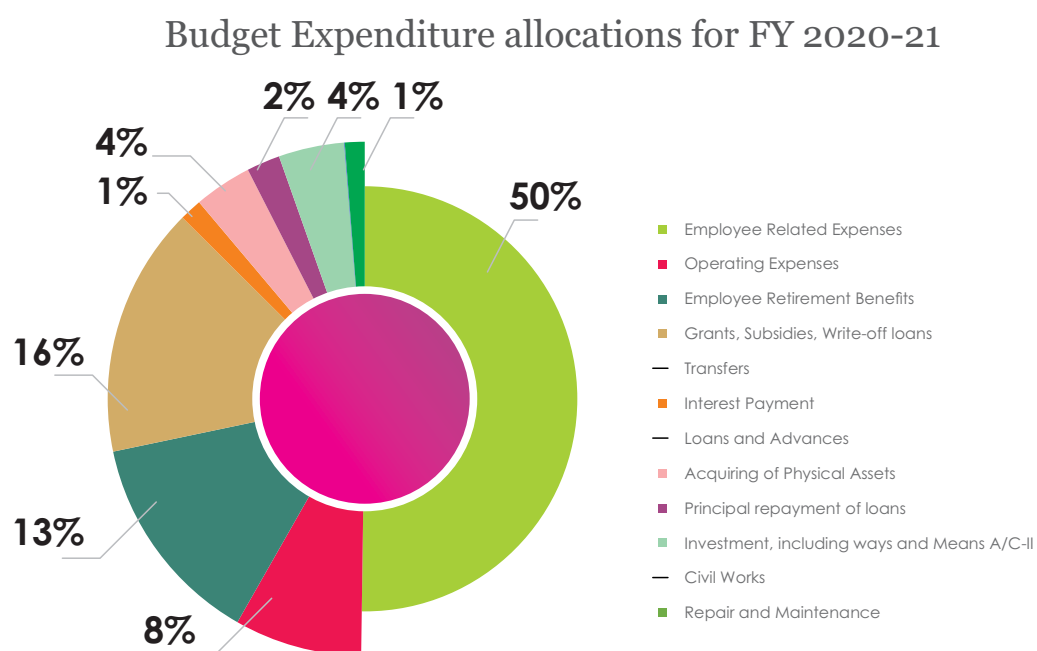
Budget Expenditure under Major Objects for FY 2020-21 and FY 2021-22 are detailed in the following table:

3.2

Major Object Description	Budget 2020-21	Revised Budget 2020-21	Budget 2021-22
Employee Related Expenses (Salary)	168.75	150.16	174.21
Operating Expenses	23.8	23.59	27.83
Employee Retirement Benefits (Pension, Gratuity)	38.17	39.61	46.69
Grants, Subsidies, Write-off loans	44.34	38.74	54.62
Transfers (Scholarships, Entertainments Etc)	2.84	1.54	1.26
Interest Payments	3.33	3.35	3.6
Loans and Advances	2	0.25	0
Acquiring of Physical Assets (Purchases)	12.07	12.35	12.61
Principal repayment of loans (domestic and foreign)	7.05	5.72	7.28
Investment, including ways and Means A/C-II	3	3.2	14.3
Civil Works	0.1	0.21	0.16
Repair and Maintenance	3.57	3.65	4.31
Total	309.03	282.37	346.86

(PKR in Million)

The following pie chart explains the percentage allocation of funds under the above-mentioned head/major objects of Current Expenditure.



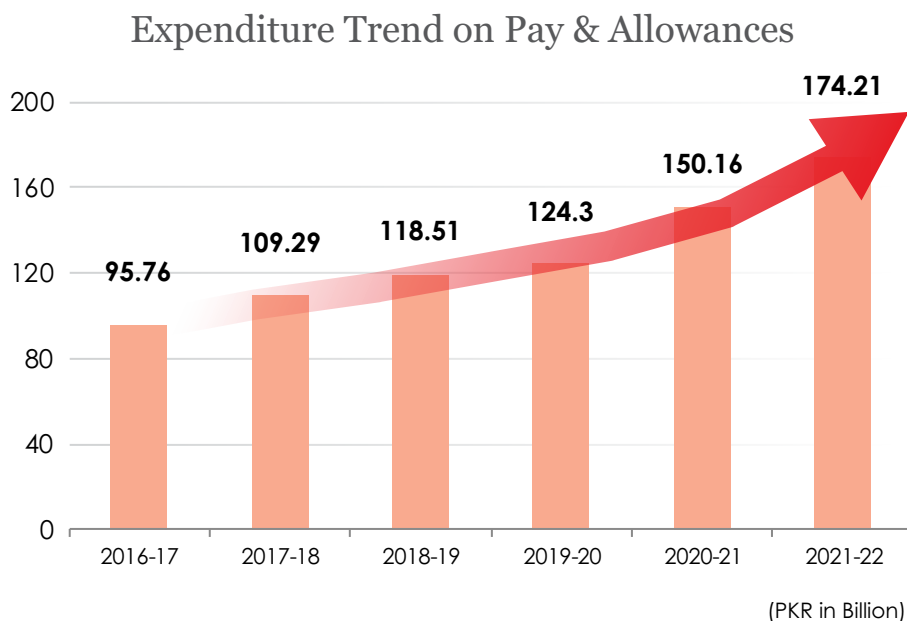
The following are the highlights of the Budget 2021-22 by object

Pay and Allowances

Pay and Allowances account for a large portion of the Current Revenue Expenditure. During the FY 2020-21, it accounted for 55% of the total non-development/current expenditure. The government has decided to increase salaries to a certain percentage for the FY 2021-22. The impact of rise in salaries combined with creation of seven thousand new positions will adversely affect the overall resources and expenditure balances. Expenditure against pay and allowances has been on a steady rise since the past eight years. A steep increase was observed from FY 2016-17 to 2020-21, owing to creation of a large number of new vacancies and grant of various allowances to the various categories of government officials.

The Budget Estimates under the major object of employees related expenses for the forthcoming FY 2021-22 is estimated at PKR 174.21 billion against the Budget Estimates of FY 2020-21 of PKR 168.75 billion. The Revised Estimates for the FY 2020-21 are fixed at PKR 150.16 billion which declined by PKR 18.59 billion against Budget Estimates of the year mainly due to vacant positions of different categories in various departments. In terms of percentage, the Pay & Allowances makes roughly 50% of the total Current Revenue Expenditure for FY 2021-22 as compared to 54% in the preceding FY 2020-21.

Expenditure trend of Pay & Allowances for past few years is explained in the figure below:



Operation Expenditures

The Operating Expenditures of the province for the FY 2021-22 are estimated to be PKR 27.83 billion which has increased by 73% from the allocation of FY 2018-19. Regardless, it still makes only 8% of total Current Expenditure. However, the allocation for FY 2021-22 is increased by 18% from FY 2020-21 keeping in view the needs of the government functionaries. It is worth mentioning

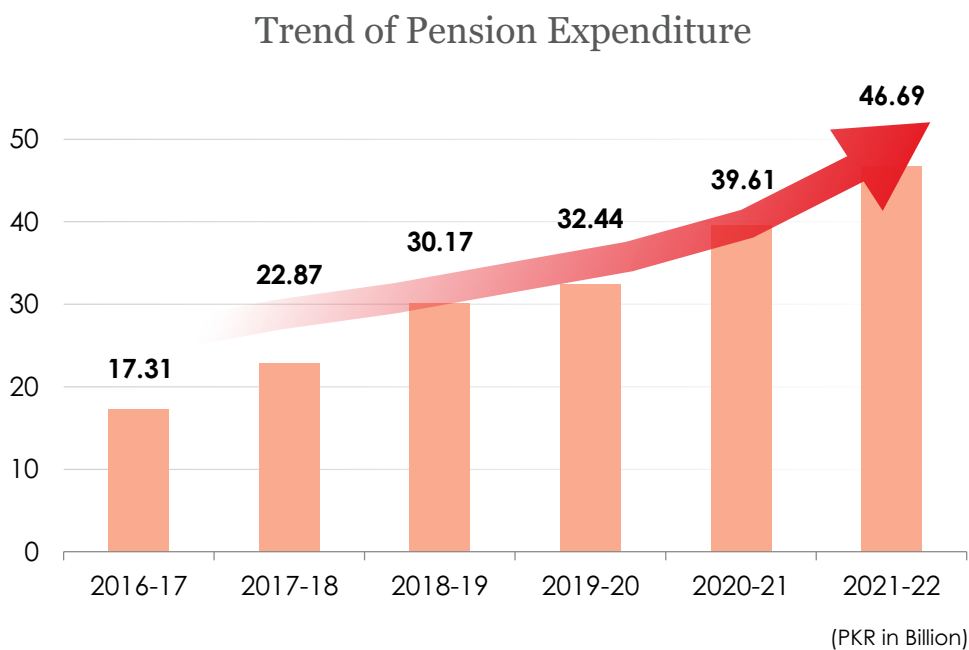
that the allocation under this object also includes fund reserved for purchases of consumable items of all departments. Allocations of around PKR 6.00 billion are allotted for the purchase of drugs and medicines for the health, livestock, social welfare departments and etc.

Pension Expenditure

Snow balling of Pension Bill of the province has been a major point of concern for the government in the recent past as it has been increasing at an alarming pace. The average annual increase of the pension expenditure since FY 2017-18 has remained 22% on average with the maximum rate of 32% in the FY 2017-18 and minimum of 7% in the FY 2019-20. To rid the burden over the provincial consolidated fund, the government has established pension fund in recent few years and for the FY 2021-22, an amount of PKR 1 billion is proposed to be added in the total pension investments.

For FY 2020-21, budget estimates under the funds head of Pension were set at PKR 38.17 billion but due to high payments to the pensioners, the same is revised at PKR 39.6 billion. The projected allocation for the upcoming year is PKR 46.7 billion which is 22% higher than the allocation of FY 2020-21.

The figure below shows the pension expenditure trend for the past few years showing exorbitant increase:



Grants and Subsidies

In the recent past, the expenditures under the major object of Grants & Subsidies have been increased dramatically. The major contribution under this object is the allocation of grant for local bodies amounting to PKR. 16.8 billion (PKR 10.00 billion for annual development program of local bodies), followed by PKR 5.55 billion for Health Insurance Scheme, PKR 4.00 billion as subsidy for Agriculture Tube wells, and PKR 2.00 billion for Sarsabz Balochistan Scheme (Solarisation of subsidized Agriculture Tube Wells).

Principal Repayment of Loan (External Loan) and Interest Payment

Repayment of loans and interest payment has risen, owing primarily to the depreciation of Pakistani currency against foreign currencies. For FY 2020-21, expenditure of repayment of loans was PKR 5.835 billion. Government is taking serious measures to examine the currency status of the country and taking effective steps towards the management of loans repayment. The budget allocation for repayment of loan for the following year 2021-22 is PKR 4.7 billion.

Acquiring of Physical Assets (Purchases)

The budget estimates on Purchases for the FY 2020-21 for different Departments was set at PKR 12.069 billion initially which included PKR 4.4 billion for state trading's of the provincial government. However, the amount allocated for for the acquisition of assets has been revised to PKR 12.3 billion for the FY 2020-21 with the break-up of PKR 8 billion for regular purchases of the assets and PKR 4.3 billion for state trading's. For the forthcoming FY 2021-22, the estimates under this object are set at PKR 12.6 billion reserving PKR 6.9 billion on account of purchases for provincial government and PKR 5.7 billion for operations of Food Account.

Investments

To control the financial burden of different variables of the province's future expenditures and to provide different social service to the masses, the government has taken prudent measures or steps by making investments in a variety of areas, with the following investments projected to be made in FY 2021-22:

- KUMAK-Special Person's Support Fund – PKR 2 billion
- Apna Ghar (Balochistan Employees Housing Finance Fund – PKR 3 billion
- Balochistan Minority Communities Welfare Fund – PKR 500 million
- Women Economic Empowerment Fund – PKR 500 million
- Balochistan Food Security Revolving Fund – PKR 1 billion
- Balochistan Awami Endowment Fund – PKR 2 billion
- Balochistan Education Endowment Fund – PKR 1 billion
- Balochistan Pension Fund – PKR 1 billion
- Fishermen Welfare Endowment Fund – PKR 1 billion
- Balochistan Enterprise Development Fund – PKR 2 billion
- Balochistan Lawyers Welfare Endowment Fund – PKR 50 Million

Repair and Maintenance

Pursuant to the Section-18 of the Balochistan Public Financial Management Act 2020, the Government must make sure that adequate allocation are set aside for various departments under different objects for Repair & Maintenance purposes. This is precisely why the allocation for Repair & Maintenance is increased by 22% for the FY 2021-22 by allocating PKR 4.3 billion as compared to PKR 3.6 billion for the FY 2020-21.

Demand for Grant-wise Budget Allocations for FY 2020-21:

Article 122 makes it mandatory for the Provincial Government to get the budget estimates approved by the provincial legislation. After getting approved from the legislative body the demands for grants are made available to the Principal Accounting Officers for expenditure during the current year. Each demand for grants falls under various major functions depending on departmental workings and nature of expenditure. In the following paras each demand for grants falling in Major functions for the FY 2020-21 and the allocations of FY 2021-22 are discussed in detail.

Article 122, Clause-2

- (1) So much of the Annual Budget Statement as relates to "expenditure charged upon the Provincial Consolidated Fund may be discussed in, but shall not be submitted to the vote of the Provincial Assembly.
- (2) So much of the Annual Budget Statement as relates to other expenditure shall be submitted to the Provincial Assembly in the form of demands for grants, and that Assembly shall have power to assent to, or to refuse to assent to, any demand, or to assent to any demand subject to a reduction of the amount specified therein:
- (3) No demand for a grant shall be made except on the recommendation of the Provincial Government.

Given below is the Demand/Grant-wise detail of Current Expenditure falling under various Major Functions for the FY 2021-22 against Budget Estimates and Revised Estimates of 2020-21.

Public Order and Safety

The Function of Public Order and Safety Affairs mainly consists of departments dealing with the Law & Order of the Province and the Courts. The total allocation under this function for FY 2020-21 was PKR 48.36 billion which is revised at PKR 46.06 billion. The allocation for FY 2021-22 is estimated to be PKR 52.46 billion with a growth of

8% compared to FY 2020-21. In the overall budget for FY 2021-22, the share of Public Order & Safety Function is 15% which was 14% in the year 2020-21. The Police Department is the major contributory of this function with allocation of PKR 23.35 billion for the FY 2021-22 making 45% of the function, followed by the Balochistan Levies with the allocation of PKR 12.95 billion and Balochistan Constabulary with the amount of PKR 5.80 billion.

3.3

(PKR in Million)

Public Order and Safety Affairs	BE 2020-21	RE 2020-21	BE 2021-22
Administration of Justice (Voted)	2,514.88	3,148.01	2,752.10
Police	22,177.60	19,400.89	23,348.61
Levies	12,453.74	10,462.21	12,957.57
Jails & Detention Places	1,473.64	1,509.95	1,880.96
Civil Defence	170.85	154.88	219.24
Prosecution	387.3	370.87	439.31
Legal Services & Law Affairs	535.11	548.99	644.16
Balochistan Constabulary	5,239.02	4,648.56	5,803.21
Provincial Ombudsman	230.66	243.65	293.56
Home Department	2,067.63	4,439.23	2,814.84
Administration of Justice (Charged)	1,113.70	1,136.48	1,304.69
Grand Total	48,364.12	46,063.73	52,458.24

GENERAL PUBLIC SERVICE

The General Public Service function makes 25% of the total current budget including the demands of Investment, Public Debt, Pension, Provincial Assemblies (Charged and Voted), Finance Department and the General Administrative Departments. For the upcoming year 2021-22, allocations under the demands of Pension and Investment are prominent in this function with the estimates of PKR 48.68 billion and PKR 14.05 billion respectively. Overall, 20% growth in FY 2021-22 has been noted compared

to FY 2020-21, whereas the funds for the demand of Investment have also seen increase of 368% followed by 22% for demand of Pension. In terms of percentages the demand expenditure under the of Pension stands at first making 53% of the total function, while 16% of the allocation comes from the demand of Investment. The allocation for meeting the debt obligations of the province combined with the repayment of principal amount of loan is estimated to be PKR 7.86 billion which were PKR 8.71 billion in the year 2020-21.

3.4

(PKR in Million)

General Public Service	BE 2020-21	RE 2020-21	BE 2021-22
Investment	3,000.00	3,000.00	14,050.00
Public Debt (Discharged)	5,835.84	5,717.98	4,663.63
General Administration (Voted)	3,015.48	3,535.70	3,432.88
Provincial Excise	1,110.50	1,060.27	1,298.48
Stamps	53.52	52.75	53.06
Pensions	38,169.29	39,589.35	46,684.80
Stationery & Printing	184.25	95.97	154.3
Chief Minister Secretariat	698.68	814.53	732.77
Board of Revenue & Administration	4,797.22	3,941.77	4,179.06
Finance Department	8,896.07	1,769.47	5,080.48
Urban Planning & Development Department	291.56	262.16	317.95
Planning & Development Department	1,285.34	1,707.42	1,381.62
Inter Provincial Coordination Department	70.02	54.87	65.75
Chief Minister's Inspection Team	145.14	178.07	225.81
Governor's Secretariat (Voted)	49.18	48.71	47.87
Provincial Assembly (Voted)	171.78	141.23	189.53
Debt Servicing & Other Obligations	2,880.15	2,998.12	3,195.76
Governor Secretariat (Charged)	256.65	298.22	246.99
Provincial Assembly (Charged)	1,968.13	1,491.61	1,562.76
Grand Total	72,878.81	66,758.19	87,563.47

ECONOMIC AFFAIRS

The Economic Affairs Function consists of eighteen demands, which stands at fourth making up 18% of the total current expenditure. The overall growth of 6% has been observed with an allocation of PKR 61.18 billion in FY 2021-22 against the budget of PKR 57.88 billion for the FY 2020-21. There is negative growth of 70% and 40% in the demands of Subsidies and Civil Works respectively owing to non-utilization of funds of

subsidies and bifurcation of the demand of Civil Works into Road and Building departments. The provincial government has allocated PKR 8.9 billion for State Trading (Wheat Procurement) for FY 2021-22 against the last FY budget of PKR 5.07 billion. The funds amounting to PKR 3.0 billion are proposed for State Trading (Charged) for the repayment of loans to consortia of commercial banks obtained for the purpose of commodity operations.

3.5

(PKR in Million)

Economic Affairs	BE 2020-21	RE 2020-21	BE 2021-22
State Trading (Voted)	4,409.50	4,289.50	5,679.50
State Trading (Charged)	1,663.13	350	3,017.50
Civil Works (including Estt: Charges)	11,397.81	10,431.93	6,747.67
Manpower & Labour Management	2,258.75	1,928.45	2,308.63
Food	743.58	687.32	721.27
Agriculture	11,071.97	9,377.54	10,594.73
Land Revenue	293.27	273.06	330.23
Animal Husbandry	4,592.08	3,639.09	4,526.25
Forestry	1,605.08	1,249.31	1,540.19
Fisheries	1,232.53	1,102.64	1,167.56
Cooperation	207.04	143.86	204.39
Irrigation	3,723.87	3,375.09	3,153.49
Industries	1,762.66	1,638.53	1,921.32
Mineral Resources (Scientific Depts.)	3,624.07	4,083.73	3,767.32
Subsidies	2,300.00	0	684.51
Transport Department	149.77	169.09	509.23
Energy Department	6,851.80	6,849.36	7,259.84
Building, Physical Planning & Housing Department	0	79.21	7,045.34
Grand Total	57,886.89	49,667.72	61,178.97

ENVIRONMENT PROTECTION

Under the Major Function of “Environment Protection”, only the demand of Environment Control Department is reflected, the budget of which is increased by 20% with an allocation of 3.6

PKR 538.47 million. To promote awareness regarding pure and clean environment, PKR 5.0 million have been allocated for the upcoming year.

Environment Protection	BE 2020-21	RE 2020-21	BE 2021-22
Environment Control Department	450.54	334.11	538.47
Grand Total	450.54	334.11	538.47

(PKR in Million)

HOUSING AND COMMUNITY AFFAIRS

The overall growth in the function of Housing and Community Affairs is 37%, increasing from PKR 18.75 billion to PKR 25.67 billion. The demand for grant of “Rural Development” contains an amount of PKR 18.26 Billion allocation taking major chunk constituting 71% out of the total

allocation. The demand contains PKR 16.7 billion allocation as grant-in-aid for local councils of Balochistan for FY 2021-22 compared to PKR 11.4 billion of the year 2020-21. The enhancement in the grant is due to increase in the Annual Development Program of the Local bodies from PKR 5.00 billion to PKR 10 billion.

3.7

(PKR in Million)

Housing and Community Amenities	BE 2020-21	RE 2020-21	BE 2021-22
Public Health Services	4,553.70	4,350.60	5,751.96
Works Urban - B-WASA	1,205.34	1,355.34	1,657.53
Rural Development	12,995.68	12,730.34	18,261.42
Grand Total	18,754.72	18,436.29	25,670.91

HEALTH AFFAIRS

The Health Department has always been the major focus of the Government of Balochistan and takes large chunk out of the total provincial budget. During the FY 2016-17, the budget allocation for Health Affairs stood at PKR 17.37 billion which has raised to PKR 44.69 billion in the FY 2021-22, with an overall increase of by 157%. For the better administrative control and for provision of health facilities to the masses, the Health Department is bifurcated into Primary & Secondary Healthcare Department and Specialized Healthcare & Medical Education Departments. For the FY 2021-22 cumulative increase of PKR. 7.3 billion has been observed in

the health function against the budget of FY 2020-21 by allocating PKR 19.6 billion for primary health care and PKR 25.09 billion for Secondary and Specialized healthcare. Overall, this Function makes 13% of the total Current Expenditure of the province for FY 2021-22. Following are the main features of the budget FY 2021-22

- a.** The amount of PKR 5.38 billion is allocated for the purchase of drugs and medicines for the FY 2021-22
- b.** The allocation of PKR 200 million is estimated for purchase of consumable Lab Kits
- c.** PKR 350 million is allocated for the purchase of vaccines for EPI
- d.** PKR 414 million grant is proposed for

Balochistan Institute of Child Health Service Quetta.

e.PKR 700 million has been proposed for emergency use during Covid-19 pandemic.

f.PKR 5.55 billion has been allocated for medical insurance scheme to support

Government employees.

g.PKR 524 million have been for Telemedicine Centers and Telehealth Centers in BHUs

3.8

(PKR in Million)

Health	BE 2020-21	RE 2020-21	BE 2021-22
Health	31,405.36	29,414.98	19,600.70
Medical Education	5,982.43	4,808.52	25,092.86
Grand Total	37,387.79	34,223.50	44,693.56

RECREATIONAL, CULTURE AND RELIGION

Salient features of the Budget 2021-22 under the Major Function "Recreational, Culture and Religion" are as follows:

a.The total allocation of the FY 2021-22 is proposed at PKR 4.26 billion with a growth of 13% compared to the budget of 2020-21.

b.The sports Department stands at the top in this function with an allocation of PKR 1.49 billion which has been increased 43% from the budget of previous financial year.

c.PKR 300 million have been reflected for 34th National Games.

d.PKR 200 million have been proposed for the establishment of Artists Welfare fund.

3.9

(PKR in Million)

Recreational, Culture and Religion	BE 2020-21	RE 2020-21	BE 2021-22
Admn. Sports & Recreation Facilities	1,041.79	1,034.59	1,494.87
Culture Service	465.85	401.41	491.22
Information Technology	398.02	557.36	457.25
Information Department	656.9	666.04	674.85
Minorities Affairs Department	283.92	276.95	295.59
Auqaf	915.07	749.54	846.91
Total	3,761.54	3,685.88	4,260.69

EDUCATION AFFAIRS AND SERVICES

The budget allotted for Education function makes up 19% of the total current budget and it consists of Secondary Education, Higher Education and Archives departments. Medical Education Department also contributed in this function to a certain extent. However, for the purpose of

clarity the budget of the medical education has been merged and discussed in Health function above.

The budget of Education function is set at PKR 65.5 billion with major contribution going towards Secondary Education Department by an allocation of PKR 53.25 billion followed by Higher Education by allocation of PKR 11.73 billion.

3.10

(PKR in Million)

Education Affairs and Services	BE 2020-21	RE 2020-21	BE 2021-22
Education	11,783.08	11,293.97	11,736.43
Archives	424.75	318.67	560.36
Secondary Education	51,873.18	46,525.19	53,256.38
Grand Total	64,081.01	58,137.84	65,553.18

SOCIAL PROTECTION

PKR 4.9 billion have been proposed for the social protection function out of the total current budget with the following main features:-

a. The negative growth of 10% in overall function has been observed mainly due to the reduction of budget under demand of

Natural Calamities and other disasters. The funds are transferred to the districts for provision of quick response in case of any emergency through the district administration.

PKR 2.2 billion or 45% out of this major function goes to Social Welfare Department making it the Major benefactor.

3.11

(PKR in Million)

Social Protection	BE 2020-21	RE 2020-21	BE 2021-22
Population Welfare	1,191.62	1,090.19	1,225.30
Social Security & Social Welfare	2,268.18	1,988.92	2,226.36
Natural Calamities & Other Disasters (Re	1,670.00	1,762.41	1,180.00
Women Development Department	336.9	222.06	312.55
Grand Total	5,466.70	5,063.58	4,944.21

CHAPTER

4

PUBLIC SECTOR DEVELOPMENT PROGRAM

PUBLIC SECTOR DEVELOPMENT PROGRAM

National Development Outlay 2021-22

National development outlay amounting to PKR 1,900 billion has been agreed for next budget 2021-22, compared to last year's budgeted outlay of PKR 1,300 billion with an increase of PKR 600 billion. Out of total national development outlay, the Federal Public Sector Development Program has been set at PKR 900 billion while the provincial development outlay is estimated at PKR 1,000 billion. The Federal

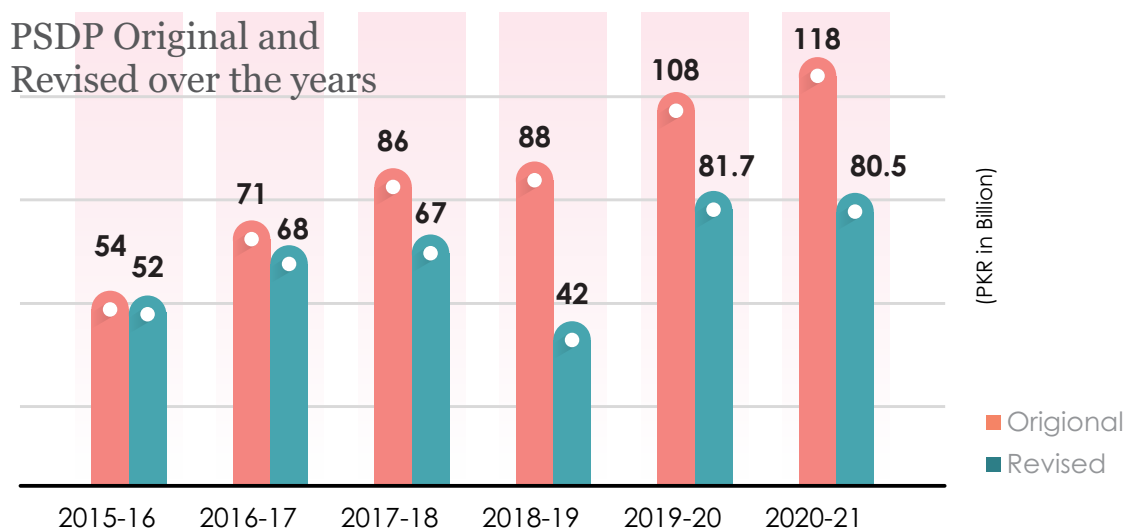
Government has earmarked 9.42% of total funds for development budget. In development budget, the infrastructure sector has been the priority sector with an allocation of PKR 565 billion or 63% of total PSDP, while health sector got PKR 30 billion or 3.3% and education sector PKR 50 billion or 5.5% of the federal development budget.

Overview of Provincial PSDP 2020-21

During last three years, the Government of Balochistan has done its best for compilation of accurate and public friendly fiscal budgets. Decade old sick projects have been completed for early public service delivery. Many long lingering and abundant projects have been capped due to no more economic benefits.

The Public Sector Development Program (PSDP) has been focused on sectors having potential to contribute in socio economic uplift of the province. The Government remained cautious of wastage of funds and tried to launch small, medium and long-term projects/ schemes for effective utilization of development funds for the betterment of general masses according to their needs with special focus to trigger the production sector of the economy.

The Government of Balochistan continues to endorse the significance of incorporating evidence based feedback in formulation of Provincial PSDP. For the purpose, it has adopted a "bottom-up approach" where the general public identify the problems and propose solutions to be undertaken through provincial budget. For the purpose Pre-Budget Seminars at different universities and sub national levels were conducted involving academia, civil society, businessman and other segments of society. For evidence based policy making, Citizen's Participatory Budget Form was strewn to know about sectoral and intra-sectoral preferences, social media campaigns and surveys were conducted to know about priorities of general public.



Over the years, the revised PSDP has been lesser as compared to original PSDP owing to budget deficit, limited utilization capacity of the department, large number of unapproved projects and cumbersome processes in PC-I approvals, release processes and procurement procedures. The year 2018-19 was an extraordinary year when the PSDP was at-halt due to litigation, the overall expenditure declined below 50% of the budgeted amount.

The PSDP 2020-21 was planned at PKR 118.26

billion with the distribution of local component equalling PKR 106.08 billion and foreign project assistance (FPA) amounting to PKR 12.18 billion. The PSDP comprised 2568 projects, out of which 934 projects were on-going carried forward from previous years, allocation for these projects was PKR 60.87 billion, 51% of the overall provincial development outlay. The new projects numbered 1634 with total cost of PKR 113.156 billion, allocation for these projects was PKR 57.38 billion while generating almost same amount as throw-forward;

4.1 PSDP 2020-21 Abstract (Original)

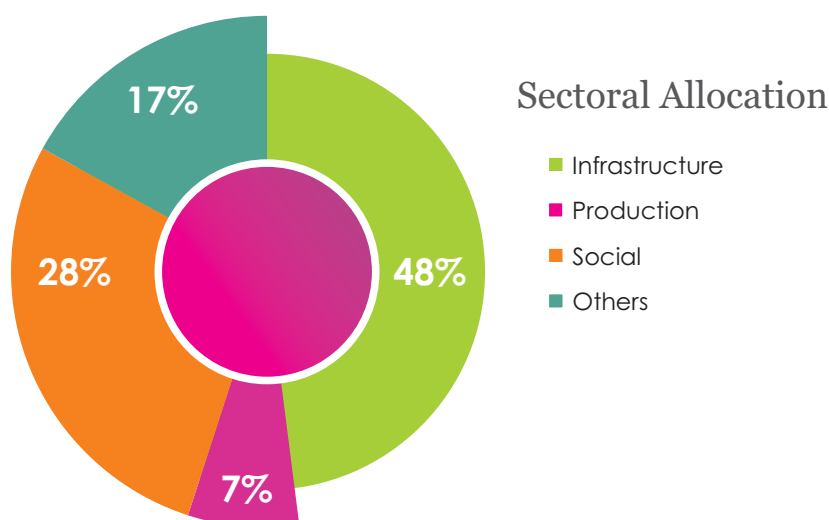
S#	Category	No. of Schemes	Est: Cost	Expens: Upto June 2020	Alloc: 2020-21	Throw-forward
1	On-going	934	336.933	123.217	60.87	164.226
2	New	1634	113.156	0	57.38	56.566
Total		2568	450.089	123.217	118.25	220.792

(PKR in Billion)

Sectoral distribution of funds

Majority of funds; almost 49% of total were allocated to infrastructure sector, within the sector the communication subsector was the leading shareholder holding almost 48% of the sectoral allocation. The second leading sector

was social sector with an allocation of PKR33 billion (28%), followed by “others Sector” (Foreign Aid, others, Federal Co-Sharing projects) with 17%.



In sectoral allocation of PSDP 2020-21, the Communication Sector was given preference with 23% allocation followed by Education, PHE

and Water (Irrigation) sectors with 11.7%, 11.3% and 8.4% respectively.

4.2

(PKR in Billion)

S. No	Sector	No of Projects	Allocation	% share
1	Agriculture	40	4121.36	3.49%
2	Livestock	32	949.361	0.80%
3	Forestry	11	321.585	0.27%
4	Fisheries	11	827	0.70%
5	Food	5	382.945	0.32%
6	Pop: Welfare	1	20	0.02%
7	Industries	15	524.38	0.44%
8	Minerals	12	534.5	0.45%
9	Manpower	4	61	0.05%
10	Sports	84	5,340.85	4.52%
11	Culture	20	591	0.50%
12	Tourism	8	350	0.30%
13	PP&H	118	6211.70	5.25%
14	Communication	642	27,662.14	23.39%
15	Water	203	15,006.79	12.69%
16	IT	14	869.754	0.74%
17	Education	284	9,107.451	7.70%
18	Health	156	7,050.053	5.96%
19	Public Health Eng:	535	9,011.165	7.62%
20	Social welfare	39	1,004.53	0.85%
21	Environment	2	200	0.17%

S. No	Sector	No of Projects	Allocation	% share
22	Local Govt;	179	4,184.272	3.54%
23	Women Dev:	8	420	0.36%
24	Urban P&D	13	1,434.25	1.21%
25	Power	80	2,518.20	2.13%
26	Other Schemes	12	6,955.11	5.88%
27	Federal Co-funding	18	7,271.65	6.15%
28	Foreign Aid	22	5,325.87	4.50%
	Total	2568	118,256.89	100

The Government of Balochistan is committed to shift the focus from physical capital development to economic governance and human capital. The

share allocation of sector such as Agriculture, Livestock, Minerals, sports, I.T and Women Development increased in PSDP 2020-21.

Major Milestones achieved during FY 2020-21

The Government of Balochistan has promulgated the Public Finance Management Act, 2020 with effect from 1st July, 2020. Chapter-III of the Act exclusively deals with the development budget. In accordance with the provisos of the Act, the P&D Department started PSDP 2021-22 activities in September 2020, calling for concept papers. For the first time, large number of new projects have already been accorded technical approval prior to inclusion in demand for grants.

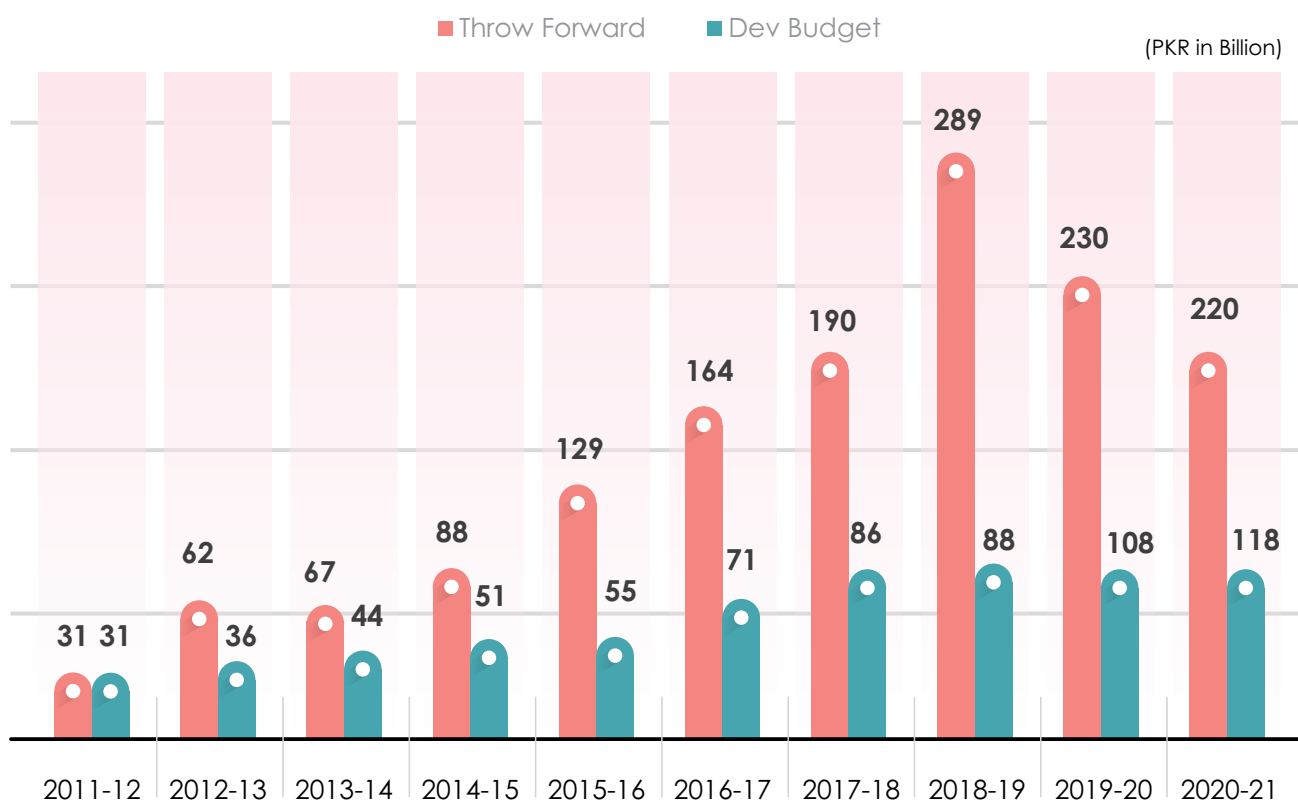
The PSDP 2020-21 was implemented with utmost success. 98% of new projects were approved in three quarters (July 2020-March 2021) and PKR 77.24 billion were released for provincial development projects despite financial constraints.

The P&D Department has improved the Monitoring and Evaluation mechanism. During the year 551 projects were physically monitored.

Apart from physical monitoring and evaluation, the quarterly progress review meetings were conducted on regular basis providing a forum for all stakeholders to coordinate and resolve development related issue. Further, the departments have started submitting overlooked but important project documents PC-III, PC-IV and PC-V which will further support improving the Public Investment Management processes in the province and add lessons learnt in policy framing.

Huge PSDP throw-forward has been a major issue with reference to development budget leaving less space for new projects also causing thin distribution of funds among competing projects. The present government has successfully reduced the throw-forward to PKR 220.00 billion from PKR 280.00 billion within two financial years.

Throw-forward of PSDP over the years



Revised PSDP 2020-21

The PSDP 2020-21 has been revised at PKR 80.50 billion. The provincial share has been reduced to PKR 72.42 billion from PKR 106.08 billion with a reduction of PKR 33.66 billion (32%) and foreign

project assistance (FPA) revised at PKR 8.084 billion from budgeted amount of PKR 12.18 billion (34%). The revised abstract of PSDP 2020-21 depicted in table _____:

S.No	Sector	GoB	FPA	Total Allocation	ONo of Schemes	% Allocation
1	AGRICULTURE	3638.02	0	3638.02	41	4.52%
2	LIVESTOCK	649.509	0	649.509	34	0.81%
3	FORESTRY	208.914	0	208.914	12	0.26%
4	FISHERIES	271.356	0	271.356	12	0.34%
5	FOOD	213.046	0	213.046	5	0.26%
6	POP: WEL:	20	0	20	1	0.02%
7	INDUSTRIES	904.21	0	904.21	17	1.12%
8	MINERALS	144.502	0	144.502	14	0.18%
9	MANPOWER	87.5	0	87.5	5	0.11%
10	SPORTS	2595.071	0	2595.071	98	3.22%

S.No	Sector	GoB	FPA	Total Allocation	ONo of Schemes	% Allocation
11	CULTURE	276.822	0	276.822	27	0.34%
12	TOURISM	713.692	0	713.692	10	0.89%
13	INFORMATION	9	0	9	2	0.01%
14	P.P.&H.	4926.452	0	4926.452	122	6.11%
15	COMMUNICATION	21577.576	0	21577.576	671	26.77%
16	WATER	6443.394	1757.5	8200.894	220	10.18%
17	INFORMATION TECH:	333.312	0	333.312	14	0.41%
18	EDUCATION	7983.132	0	7983.132	295	9.91%
19	HEALTH	4110.36	365.12	4475.48	160	5.55%
20	PUBLIC HEALTH ENG:	6934.204	0	6934.204	597	8.60%
21	SOCIAL WELFARE	593.138	0	593.138	41	0.74%
22	ENVIRONMENT	2	0	2	3	0.00%
23	LOCAL GOVT:	2948.415	0	2948.415	181	3.66%
24	WOMEN DEVELOPMENT	307.142	0	307.142	8	0.38%
25	URBAN PLANNING & DEVELOPMENT	838.08	0	838.08	13	1.04%
26	POWER	1515.477	0	1515.477	97	1.88%
27	OTHER SCHEMES	2472.267	0	2472.267	13	3.07%
28	FEDERAL CO-FUNDING	1534.197	0	1534.197	18	1.90%
29	FOREIGN AID	164.867	5961.82	6126.687	20	7.60%
	Total	72415.647	8084.44	80500.087	2742	

PSDP 2021-22

The Planning and Development started budget activities for the upcoming financial year in September, 2020. The departments were asked to submit concept papers keeping in view certain guidelines. The departments submitted concept papers with detailed proposals. The concept papers were discussed in concept clearance committees and viable projects were shortlisted for preparation of PC-I and likely inclusion in PSDP.

As a milestone the Government of Balochistan has already approved large number of approved

projects for inclusion in PSDP with approved status which used to be almost zero in past. Inclusion of approved projects will ensure proper project costing, enable release of funds at the beginning of financial year and have enough time for implementation of projects. Apart from inclusion of approved project, the P&D Department has developed robust mechanism for feasibility and appraisal mechanism for development project prior to consideration for inclusion in PSDP.

The PSDP 2021-22 amounts Rs 189.12 billion, out

of which Rs 172.5 billion is provincially funded whereas the quantum of FPA is Rs 16.66 billion. The overall cost of PSDP has increased by 60% as compared to original PSDP 2020-21. The PSDP contains 3811 number of projects out of which 1525 are ongoing projects with an allocation of Rs 112.5 billion while 2286 projects are new for

which allocation is Rs 76.65 billion. The ratio between ongoing and new project has 60:40 as compared to 51:49 for the previous year.

The sector-wise breakup of PSDP 2021-22 is as under:

4.4

S#	Department	Total Allocation			Total Schemes	% of total alloc:
		GOB	FPA	Total		
1	AGRICULTURE	9,545.769	0	9,545.769	63	5.05 %
2	BALUCHISTAN DEVELOPMENT AUTHORITY	1,970.59	0	1,970.59	18	1.04 %
3	BOARD OF REVENUE	873.658	0	873.658	14	0.46 %
4	COMMUNICATION & WORKS	44,850.96	844.67	45,695.63	873	24.15 %
5	CULTURE, TOURISM & ARCHIVES	1,541.998	0	1,541.998	58	0.82 %
6	ENERGY	3,922.717	0	3,922.717	119	2.07 %
7	ENVOIREMENT	217.118	0	217.118	5	0.11 %
8	EXCISE, TAXATION	60	0	60	1	0.03 %
9	FINANCE	0.1	0	0.1	1	0.00 %
10	FISHIRIES	3,502.307	800	4,302.307	24	2.27 %
11	FOOD	384.056	0	384.056	11	0.20 %
12	FOREST & WILDLIFE	1,990.781	0	1,990.781	23	1.05 %
13	GWADAR DEVELOPMENT AUTHORITY	900	0	900	2	0.48 %
14	HEALTH	11,883.7	0	11,883.7	191	6.28 %
15	HIGHER EDUCATION	9,469.7	0	9,469.7	166	5.01 %
16	HOME & TRIBAL AFFAIRS	1,545.091	0	1,545.091	34	0.82 %
17	INDUSTRIES & COMMERCE	1,065.155	0	1,065.155	26	0.56 %
18	INFORMATION	290	0	290	10	0.15 %
19	IRRIGATION	12,025.79	8,000	20,025.79	262	10.58 %
20	LABOUR & MANPOWER	384.669	0	384.669	7	0.20 %
21	LIVESTOCK & DAIRY DEVELOPMENT	2,101.304	0	2,101.304	61	1.11 %
22	LOCAL GOVERNMENT & RURAL DEVELOPMENT	4,357.993	0	4,357.993	213	2.30 %

S#	Department	Total Allocation			Total Schemes	% of total alloc:
		GOB	FPA	Total		
23	MINES & MINERALS	1,496.368	0	1,496.368	21	0.79 %
24	MINORITY AFFAIRS	711.5	0	711.5	38	0.38 %
25	MULTI-DEPARTMENTAL	10,704.83	4156	14,860.83	21	7.85 %
26	PHYSICAL PLANNING & HOUSING	6,972.099	0	6,972.099	113	3.69 %
27	PLANNING & DEVELOPMENT	682.205	2400	3,082.205	10	1.63 %
28	POPULATION WELFARE	100	0	100	1	0.05 %
29	PROVINCIAL DISASTER MANAGEMENT AUTHORITY	680.1	461.3	1,141.4	4	0.60 %
30	PROVINCIAL TRANSPORT AUTHORITY	140	0	140	2	0.07 %
31	PUBLIC HEALTH ENGINEERING	14,499.53	0	14,499.53	785	7.66 %
32	RELIGIOUS AFFAIRS & INTER FAITH HARMONY	334.386	0	334.386	23	0.18 %
33	SCIENCE & INFORMATION TECHNOLOGY	2,366.21	0	2,366.21	17	1.25 %
34	SECONDARY EDUCATION	8,462.748	0	8,462.748	340	4.47 %
35	SERVICES & GENERAL ADMINISTRATION DEPARTMENT	2,129.828	0	2,129.828	19	1.13 %
36	SOCIAL WELFARE	988.18	0	988.18	23	0.52 %
38	SPORTS	5,673.273	0	5,673.273	158	3.00 %
39	URBAN PLANNING & DEVELOPMENT	3,089.23	0	3,089.23	38	1.63 %
40	WOMEN DEVELOPEMENT	620.07	0	620.07	16	0.33 %
	Total	172,534	16,661.97	189,196	3,811	

CHAPTER

5

PUBLIC ACCOUNT OF THE PROVINCE

PUBLIC ACCOUNT OF THE PROVINCE

Background

Public Account came into existence more as an administrative convenience rather than an economic necessity. The reason for creation of Public Account was that in drawing the definition of Federal or Provincial Consolidated Funds, certain other funds were also lumped with it which was received by the Government but which were not the proceeds of taxes or loans etc., with the result that public money received by the government became subject to the Money Bill. Obviously, the withdrawal of money which should strictly not form part the Consolidated Fund cannot be made subject of the Money Bill. It was, therefore, necessary to enlarge the definition expressly of the Consolidated Fund and to separate the Consolidated Fund from other funds which go necessarily into the Public Account and in the Constitution a separate article was included to include Public Account. Briefly, these accounts comprise funds that do not belong to the Provincial Government, but which the Provincial Government holds in trust and manages on behalf of their owners who can be ordinary people or government contractors or anyone, and sometimes even the Government itself when it hold taxpayer's money outside the Provincial Consolidated Fund. Once some money/funds get parked in the Public Account, the legislative process of voting the appropriations and exercising control over the use those appropriations through examination of

Article 118

1. **PROVINCIAL CONSOLIDATED FUND:**
 - **ALL THE REVENUE RECEIVED BY THE PROVINCIAL GOVERNMENT; ALL THE LOAN RAISED BY THAT GOVERNMENT, AND ALL MONEY RECEIVED BY IT IN REPAYMENT OF ANY LOAN, SHALL FORM PART OF A CONSOLIDATED FUND, TO BE KNOWN AS PROVINCIAL CONSOLIDATED FUND**
2. **PUBLIC ACCOUNT;**
 - **ALL OTHER MONEYS RECEIVED, (A) BY OR ON BEHALF OF THE PROVINCIAL GOVERNMENT, OR (B) RECEIVED BY OR DEPOSITED WITH THE HIGH COURT OR ANY OTHER COURT ESTABLISHED UNDER THE AUTHORITY OF THE PROVINCE SHALL BE CREDITED TO THE PUBLIC ACCOUNT OF THE PROVINCE**

audit reports by the Public Accounts Committee cease to operate in respect of these funds. Some of these funds are interest bearing on whose balances the Government has to pay interest from the Consolidated Fund using taxpayer's money/funds while others may not carry any interest liability. It is, however, clarified here that both Consolidated Fund and Public Account stand merged in the cash balance of the Government – they lose their individual identities by being part of the cash balance which represents combined balances of Consolidated Fund and Public Account.

Regulation

The Public Account consists of those moneys/funds received by the Government for which it has a fiduciary/trust duty. In simple words, it accounts for those transactions where government is merely acting as a banker. Government is not at liberty to appropriate these funds for general services of Government, however, if an Act of Provincial Assembly or Rules made by the Governor allows such provision, then these funds may be used for general services of Government. Given that these funds do not belong to the Government and have to be paid back at some time in future to their rightful

owners i.e. the persons and authorities that deposited the funds, therefore, due to the nature of the Public Account, expenditures/payments from it are not required to be approved by the Parliament. However, when money/funds are withdrawn from the Consolidated Fund with the approval of Provincial Assembly and kept in the Public Account for expenditure for a specific purpose, it is submitted for a vote in the Provincial Assembly. The balance in the Public Account is carried forward at year end in order to be used for the specific purpose they are established. For federation, it is the account

defined under Article 78(2) of the Constitution, whereas, for the province its defined under article 118(2). Thus, the public account includes moneys/funds, other than Provincial Consolidated Fund, received by or on behalf of the Government or a Public Entity; moneys received by or deposited with the Supreme Court or any other court established; and moneys

received by a Public Entity as a trust account, conditional grant, contribution or donation from the general public or public servants, or from a foreign donor agency or organization and is payable on demand or fulfillment of an obligation on the part of the payee or the beneficiary, as the case may be.

Components

Finally, Public Account may consist Trusts/Special Deposits/General Provident Fund. Trusts are generally separate legal entities and as such have their own financial statements. Special deposit accounts are those which are established under the authority of Finance Department for a particular purpose but are not separate legal entities. These may include but are not limited to Savings bank accounts, National Deposit Accounts, National Deposit Certificates, Revenue Deposits, Court Deposits and Personal Deposits. Example of Trust accounts is General provident funds, Insurance funds, Benevolent funds, Relief

and welfare funds, Reserves held with State Bank of Pakistan. On the Financial Statements, it is shown as Receipts and Payments i.e. Receipts consist the amounts deposited against the Public Account through Bank or Treasury and Payments form those which are paid out of the Public Account; For example the payments made to Government officials against the General Provident Fund.

Tables below show receipts and payments in to public account of province under different heads in PKR Billions:

5.1 G01-Current Liabilities

(PKR in Million)

Description	Accounts		Budget Estimates		Budget Estimates		
	2019-20		2020-21		2021-22		
	Receipts	Payments	Receipts	Payments	Receipts	Payments	
G01 Current Liabilities							
G011 Cheque Clearing Account							
G01132	Cheque Payment Clearing Account (Non Food Account) SBP	119,291.3	119,291.3	131,220.4	131,220.4	144,342.4	144,342.4
G01147	Cheque Payment Clearing Account (Non Food Account)	122,718.6	119,585.5	134,990.5	131,544	148,489.5	0
G01191	Assignment Accounts Cheques	24,252.34	24,778.23	26,677.58	27,256.05	29,345.34	0
G01194	Works Cheques	49,921.99	47,332.8	54,914.19	52,066.08	60,405.61	0
G01196	Foreign Aid Assignment Account			2,193.338	837.448	2,193.338	0
G012 Others							
G01201	Outstanding Commitments	242,741	242,945.2	267,015.1	267,239.8	293,716.6	0

5.2 G05-Control Account

Description	Accounts		Budget Estimates		Budget Estimates		
	2019-20		2020-21		2021-22		
	Receipts	Payments	Receipts	Payments	Receipts	Payments	
G05 Control Accounts							
G051 Miscellaneous							
G05105	Wages Clearing Account	148,519.53	148,295.65	163,371.48	163,125.21	179,708.63	179,437.73
G05107	Adjusting Account between Federal and Provincial Govt:			269	269		
G05110	State Bank Suspense	5,908.498	5,504.985	0	0		

(PKR in Million)

5.3 G06-Trust Account - Fund

Description	Accounts		Budget Estimates		Budget Estimates		
	2019-20		2020-21		2021-22		
	Receipts	Payments	Receipts	Payments	Receipts	Payments	
G06 Trust Account Fund							
G061 Provident Fund							
G06103	General Provident Fund (Civil)	7,014.359	2,646.276	7,348.618	5,313.709	8,149.327	6,233.999
G062 Benevolent Fund							
G06214	Provincial Govt. Employees Benevolent Fund	2,170.627	1,808.236	2,603.218	2,603.218	2,863.54	2,863.64

(PKR in Million)

Description	Accounts		Budget Estimates		Budget Estimates			
	2019-20		2020-21		2021-22			
	Receipts	Payments	Receipts	Payments	Receipts	Payments		
G063	Welfare Fund							
	G06308	Staff Welfare Fund Balochistan Police	51.55	33.836	64.076	64.076	70.48	70.48
	G06320	Balochistan Levies Forces Welfare Fund			44.983	44.983	139	139
G064	Insurance Fund							
	G06408	Provincial Govt. Employees Group Insurance Fund	1,783.51	1,486.985	1,992.469	1,992.469	2,191.72	2,191.72

5.4 G06-Trust Account - Fund

(PKR in Million)

Description	Accounts		Budget Estimates		Budget Estimates			
	2019-20		2020-21		2021-22			
	Receipts	Payments	Receipts	Payments	Receipts	Payments		
G10	Trust Account others							
G101	Accounts of Others							
	G10107	Deposits of Department of Mineral Development	175.568		316.111		316.111	
	G10113	Public Works/Pakistan PWD Deposits	957.536	125.725	365.754	302.418	957.536	302.418
G103	Other Deposits and Reserves							
	G10304	Zakat Collection Account	509.953	4.89	552.951		602.717	7.336

5.5 G11-Special Deposit Investment

(PKR in Million)

Description	Accounts		Budget Estimates		Budget Estimates			
	2019-20		2020-21		2021-22			
	Receipts	Payments	Receipts	Payments	Receipts	Payments		
G11	Special Deposit							
G112	Other Deposit Account							
G11216	Civil and Criminal Court Deposits	Civil and Criminal Court Deposits	381.805	222.131	583.098	384.712	641.408	423.183
G11238	Security Deposits of Supply Cell		229.515	167.513	115.182	273.374	126.701	300.711
G11290	Securities Deposits from Contractor/Suppliers		7,163.429	3,952.691	3,872.144	5,205.738	4,259.738	5,726.311

5.6 G12-Special Deposit Fund

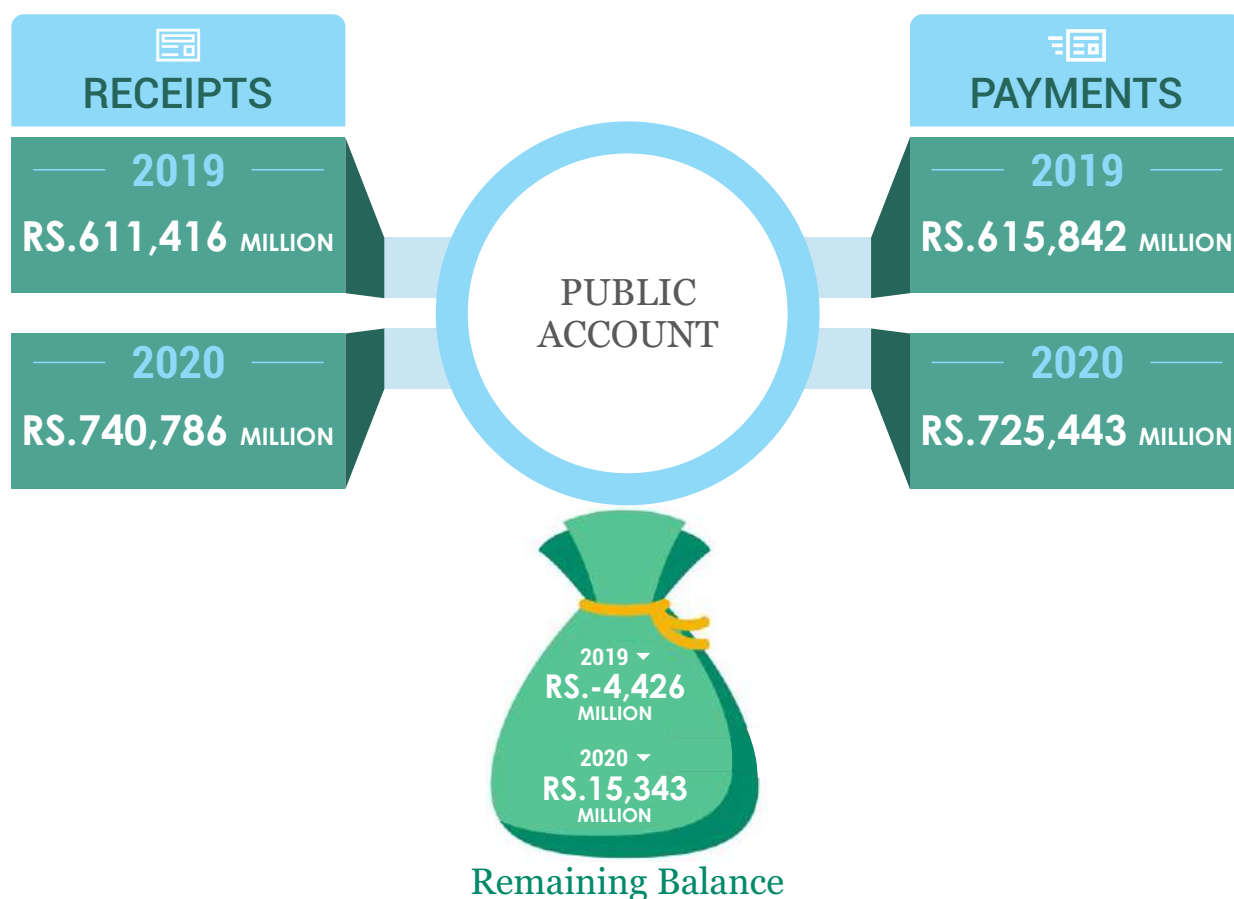
(PKR in Million)

Description	Accounts		Budget Estimates		Budget Estimates			
	2019-20		2020-21		2021-22			
	Receipts	Payments	Receipts	Payments	Receipts	Payments		
G12	Special Deposit Fund G121 Relief Funds							
G12160	Balochistan Corona Virus Emergency Fund		319.791	316.569	0.026	3.892		
G122	Welfare Fund							
G12224	Balochistan Police Foundation Fund		5.077	3.353	5.596	6.522	6.155	7.174
G127	Other Funds							
G12713	Income Tax Deduction from Salaries		1,530.88	1,496.437	1,815.29	1,815.29	1,996.819	1,996.819
G12714	Income Tax Deduction from Contractor		4,273.561	4,354.449	2,680.127	2,680.127	2,948.14	2,948.14
G12777	Sales Tax		468.896	508.133	225.658	225.685	248.223	248.223

5.7 Net Receipt of the Public Account as of 30th June 2020

	As of 30th June 2020	As of 30th June 2019
Receipts		
Trust and other Public Accounts	719,003	596,820
Special Deposits	14,769	7,848
General Provident Fund	7,014	6,748
	740,786	611,416
Payments		
Trust and other Public Accounts	711,193	599,883
Special Deposits	11,604	12,708
General Provident Fund	2,646	3,251
	725,443	615,842
Difference b/w Receipts and Payments	15,343	(4,426)

(PKR in Million)



CHAPTER

6

DEBT MANAGEMENT AND LIABILITIES

DEBT MANAGEMENT AND LIABILITIES

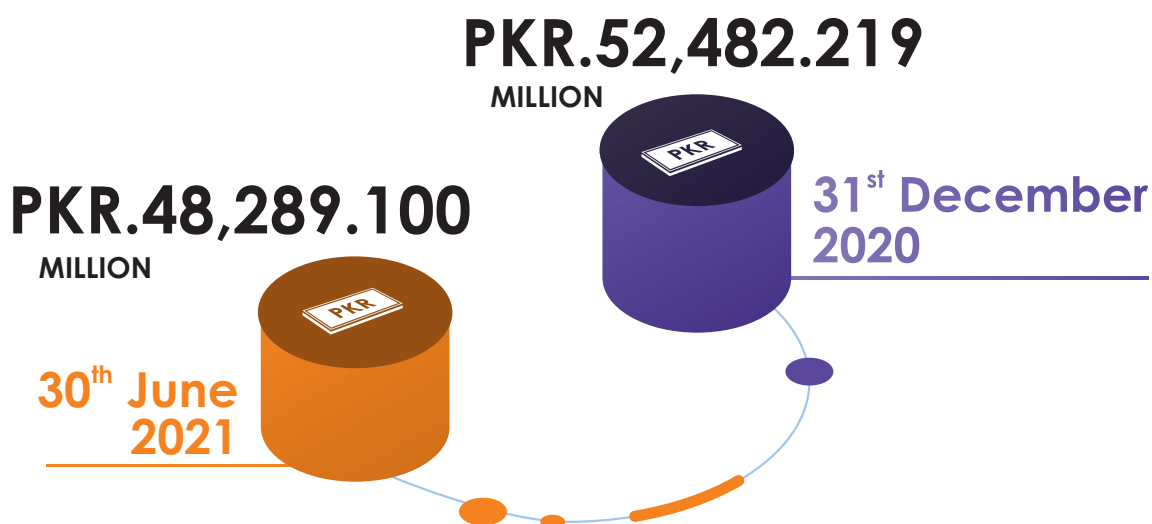
Prior to the enactment of 18th Constitutional Amendment, under Article 167 of the 1973 Constitution of Pakistan, the federal government dealt with and handled all loans while provincial governments would borrow from the federation. The National Economic Council (NEC) later enabled all provincial governments to raise domestic loans up to 0.85 percent of national GDP, which was then dispersed among the federating units/provinces according to their horizontal share as per the 7th National Finance Commission Award. However, so far, no provincial government has raised debt or issued guarantee, except for Punjab.

The total debt of Balochistan consists; long term

foreign loan obtained by the federal government on concessional terms from international institutions and on-lent to Balochistan Government. Balochistan's total debt is PKR 48.29 Billion as of 30th June 2021.

Since repayment of debts is a major concern in the province, a Debt Management Unit (DMU) has recently been established to look in to the matter. The main objective of this independent administration is to assure that the financing is within the feasible cost and risk limits and the debt portfolio are analytically examined on a regular basis. It ensures that Balochistan's financing needs are satisfied while seeking to operate with its robust operational capacity.

Total Debt Stock in Balochistan as of 30th June,2021



6.1 Currency Wise Debt Position as on 30th June 2021

Base Currency	Count	Outstanding on 31st Dec (PKR Million)	% of Total
\$ (US Dollar)	65	39,868.09	82.56%
C\$ (Canadian Dollar)	1	14.598	0.03%
DM (Deutsche Mark)	1	882.298	1.83%
¥ (Japanese Yen)	2	7,523.939	15.58%
PKR	69	48,288.934	100.00%

The exchange rates parity of Pakistan Rupees to borrowing currencies are communicated to the province by EAD according to which loan portfolio is adjusted subsequently and due to consistent depreciation of Pak Rupee against borrowing currencies the PHD overall value of

debt has increased. However, debts with few organizations (IDA and IBRD) have been contracted in SDRs (Special Drawing Rates) so service charges, interest cost rates are comparatively lower as compare to other currencies

6.2 Debt Servicing for 2020-21 & 2021-22

2020-21			2021-22		
Principal Repayment	Interest	Total	Principal Repayment	Interest	Total
5,627.42	483.879	6,111.30	4,651.84	458.439	5,510.28

6.3 Sector wise Composition of Debt Stock as on 30th June,2021

Sectors	%age of Total	Outstanding debts as on 30th June,2021 in PKR (Million)
Agricultural	11.17%	5,395.152
Communication & Works	17.09%	8,253.132
COVID-19	1.58%	762.738
Education	23.38%	11,288.415
Energy	0.17%	80.251
Finance Department	4.16%	2,009.041
Fisheries	0.50%	240.534
Governance, Research & Statistics	0.15%	74.845
Health	2.90%	1,402.380
Industries	0.06%	29.608

Sectors	%age of Total	Outstanding debts as on 30th June,2021 in PKR (Million)
Irrigation	5.47%	2,643.238
Livestock	0.15%	72.000
Others	5.12%	2,470.352
Rural Development	8.42%	4,064.623
Social Welfare	4.93%	2,380.783
Water (Public Health Engineering)	14.75%	7,121.842
Grand Total	100.00%	48,288.934

6.4 Sector wise Composition of Debt Stock as on 30th June,2020

Sectors	%age of Total	Outstanding debts as on 30th June,2020 in PKR (Million)
Agricultural	11.01%	5,615.06
Communication & Works	18.36%	9,369.02
COVID-19	1.45%	739.05
Education	24.15%	12,319.72
Energy	4.07%	84.238
Finance Department	0.17%	2,175.67
Fisheries	4.26%	388.44
Governance, Research & Statistics	0.76%	77.756
Health	0.15%	1,493.87
Industries	2.93%	30.935

Sectors	%age of Total	Outstanding debts as on 30th June, 2020 in PKR (Million)
Irrigation	0.06%	2,940.82
Livestock	5.76%	89.697
Others	0.18%	2,583.93
Rural Development	5.06%	4,005.15
Social Welfare	7.85%	3,746.11
Water (Public Health Engineering)	7.34%	5,360.07
Grand Total	100.00%	51,019.52

6.5 Agency Wise Debt Position as on , 2021

MOVEMENT SCHEDULE OF DEBT BALANCES FOR THE YEAR ENDING JUNE 30, 2021

Development Partner	Balance as at 1st July 2020	Budget Estimates 2020-21			Balance as at 30th June 2021
		Re-payment During the FY 2020-21	Actual Disbursement During the FY 2020-21	Foreign Exchange Rate Loss/(Gain)	
International Development Association (IDA)	23,273.50	1,763.71	1,949.65	767.674	24,227.11
International Bank for Reconstruction and Development (IBRD)	87.048	14.973	-	2.79	74.865
Asian Development Bank (ADB)	20,636.76	3,419.14	-	98.285	17,315.91
International Fund for Agriculture Development (IFAD)	4,028.53	70.99	-	129.119	4,086.65
Canadian International Development Agency (CIDA)	16.495	3.65	-	1.753	14.598
Japan	2,077.28	281.277	-	-108.338	1,687.66

(PKR in Million)

Development Partner	Balance as at 1st July 2020	Budget Estimates 2020-21				Balance as at 30th June 2021
		Re-payment During the FY 2020-21	Actual Disbursement During the FY 2020-21	Foreign Exchange Rate Loss/(Gain)		
Germany	899.924	73.525	-	55.9	882.298	
Foreign Funded Loans (On-lent)	51,019.52	5,627.26	1,949.65	947.183	48,289.10	
Domestic Loans	1,990.56	4.985	-	-	1,985.57	
Grand Total	53,010.08	5,632.24	1,949.65	947.183	50,274.67	
Projected Movements in Debt Portfolio 2021-22						
International Development Association (IDA)	9,000.00	1,763.87	217.093	1,905.61	228.384	
International Bank for Reconstruction and Development (IBRD)	-	14.973	0.646	14.88	0.53	
Asian Development Bank (ADB)	1,500.00	3,419.14	184.034	2,236.10	155.865	
International Fund for Agriculture Development (IFAD)	800	70.99	31.407	139.013	30.252	
Canadian International Development Agency (CIDA)	-	3.65	-	3.627	-	
Japan	-	281.277	43.668	279.538	36.969	
Germany	-	73.525	7.031	73.068	6.439	
Foreign Funded Loans	11,300.00	5,627.42	483.879	4,651.84	458.439	
Domestic Loan (Cash Development Loan)	-	4.985	167.723	11.786	167.135	
Grand Total	11,300.00	5,632.40	651.602	4,663.63	625.574	

(PKR in Million)

Redemption Profile

Repayment of loan includes payment of principle amount with the interest cost owed on the capital outstanding balance. Each year, the amortization schedule, a table providing payment information on loan, is reviewed and

adjusted in accordance to the fluctuating currency. The Debt Management Unit with proper and up-to-date research works on the existing agreements as well as new agreements and guide government on pros and cons.

Debt Sustainability and risks analysis

Public debt is deemed sustainable when the debt is maintained at a level where the government easily covers its expenses without requiring external loan or going to default. The debt sustainability can be analyzed using vulnerability and Fiscal Indicators which measures the liquidity and solvency level of the province.

Furthermore, Refinancing Risk, Interest Rate Risk, and Foreign Exchange Risk are some of the indicators used in debt portfolio risk analysis. Refinancing Risk involves rolling-over the retiring debt at a high interest rate, Interest Rate Risk is

the risk of a debt portfolio being exposed to interest rate changes and Foreign Exchange Risk determined by the currency fluctuations.

For the FY 2020-21, PKR 5.835 billion was estimated to be repaid against domestic and foreign loans which was later revised at PKR 5.72 billion. For the upcoming year, the repayment of loans is forecasted at PKR 7.28 billion. The government is obtaining efficient measures and procedures to efficiently control and manage the repayment of debt.

CHAPTER

7

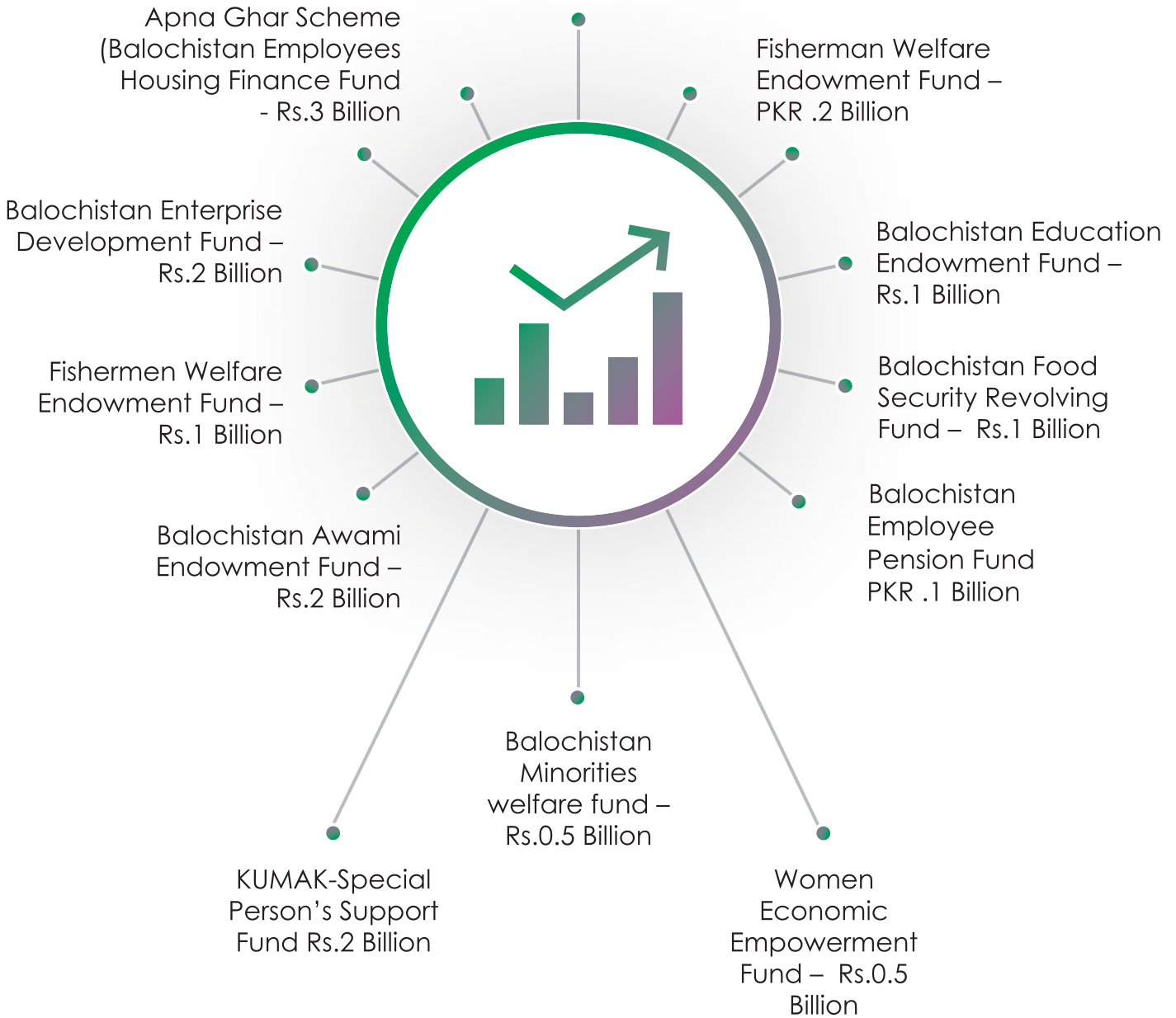
INVESTMENTS

INVESTMENTS

For better management of public money, Rules of Business 2012 Schedule –I, Government of Balochistan, empowers the Finance department to manage investments funds. The Finance department has been taking initiatives time and

again investing with various Banks and companies/ entities. Majority of the investments are made on long-term and short-term basis except for shares of HubCo and 50% share with Bolan Mining Enterprises

Investments for FY 2021-22



Previously all investments were made on annual profit basis ranging from 6.20% to 11.00. During FY 2018-19, the policy was changed for most of loans which are now invested after thorough

studies and as per the policies of State Bank of Pakistan.

as of 30th June, 2021, the investments made by the Government of Balochistan are depicted in table No... below

7.1

Sr. No	Title of Fund/Investment	Capital Investment	Profit Frequency	Profit Earned during 2020-21	Value of Capital Investment at the time of Maturity	Funds Allocated in Budget 2021-22
A. Employees Related Investments						
1	Balochistan Employees Pension Fund	14,131.00	Maturity	2,937.94	42,190.44	1,000.00
2	Balochistan Employees G.I Fund	802.651	Maturity	179.794	2,600.59	-
3	Balochistan Employees G.P Fund	17,745.00	Maturity	3,981.70	57,561.96	-
4	Balochistan Employees B.F Fund	12,433.00	Maturity	2,420.99	28,942.92	-
B. Other Investments						
5	Balochistan Education Endowment Fund	8,000.00	Maturity	930	8,000.00	1,000.00
6	Balochistan Awami Endowment Fund	4,000.00	Maturity	499.3	4,000.00	2,000.00
7	Balochistan Disaster Management Fund	2,000.00	Maturity	224	2,000.00	-
8	Professional Development Fund for Provincial Officers	2,000.00	Maturity	229	2,000.00	-
9	Offenders Rehabilitation & Social Integration Fund	500.00	Maturity	53.5	500.00	-
10	Artists Welfare Fund	200.00	Maturity	25.82	200.00	-
11	Hawkers Welfare Fund	22.175	Maturity	2.539	22.175	-
12	Viability Gap Fund	1,000.00	Maturity	107	1,000.00	-
13	Project Development Fund	1,000.00	Maturity	107	1,000.00	-
14	Food Security Revolving Fund	-	-	-	-	1,000.00

Sr. No	Title of Fund/Investment	Capital Investment	Profit Frequency	Profit Earned during 2020-21	Value of Capital Investment at the time of Maturity	Funds Allocated in Budget 2021-22
15	Balochistan Minorities Welfare Fund	-	-	-	-	500.00
16	Balochistan Enterprise Development Fund	-	-	-	-	2,000.00
17	Apna Ghar Scheme (Balochistan Employees Housing Finance Fund)	-	-	-	-	3,000.00
18	KUMAK (Balochistan Special Persons Support Fund)	-	-	-	-	2,000.00
19	Balochistan Women Economic Empowerment Fund	-	-	-	-	500.00
20	Balochistan Lawyers Welfare Endowment Fund	-	-	-	-	50.00
21	Fishermen Welfare Endowment Fund	-	-	-	-	1,000.00
Grand Total		63,833.826		11,698.59	150,018.08	14,050.00

Since FY 2014-15, the Finance Department has started investing various amount in funds like, Balochistan Employees Pension Fund, Balochistan Education Endowment Fund, General Provident Fund, Benevolent Fund, Awami Endowment Fund etc., details of capital investment along with profit earned are mentioned in above table.

Despite having heaps of challenges to cope with current and development expenditures of the government the Finance Department has been trying utmost to make some space available for investment in existing Funds as well as creation of new Funds.

Investments are much needed to reduce burden on exchequer and provide sustainable solutions

for public liabilities. Keeping in view the dire need, the Finance Department has added value in existing investments including Employees' Pension Fund, Balochistan Education Endowment Fund and Balochistan Awami Endowment Fund. Further needs were identified in different areas and new investments have been made in Food Security Revolving Fund, Balochistan Minorities Welfare Fund, Balochistan Enterprise Development Fund, Apna Ghar Scheme, Special Persons Support Fund, Balochistan Lawyers Welfare Fund, Balochistan Women Economic Empowerment Fund and Fishermen Welfare Endowment Fund. These investments will surely serve the purpose and meet the needs of the general public.



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