Medium Term Fiscal Framework
2010-11 to 2012-13

CONTENTS

ANNEXURES

LIST OF TABLES

LIST OF BOXES

LIST OF FIGURES/CHARTS

CHAPTER 1
INTRODUCTION

The rolling Medium Term Fiscal Framework (MTFF) is being revised this year in response to a number of hallmark developments that have occurred during the course of 2009-10 and 2010-11. These developments are likely to have major consequences which will alter finances of the Government of Punjab. Some of these changes are in the nature of ‘opportunities’ while others are ‘challenges’ which the provincial government will have to face.

Focusing first on “opportunities”, the first and most prominent of these developments is the signing of the 7th National Finance Commission (NFC) award by the members of the NFC in the presence of the Chief Ministers of the four provinces and the Prime Minister on the 30th of December 2009. Agreement on this award was reached at the sixth meeting of the NFC held in Lahore earlier in December, both on the vertical and the horizontal shares among provinces. The award has come into force on 1st July 2010. This NFC award has been rightly acclaimed as a great achievement. It enhances significantly the share of the provinces in the federal divisible pool from 46.75 percent to 56 percent in the first year and 57 ½ percent in the remaining years of the award. Punjab showed great accommodation by accepting multiple indicators for horizontal distribution, primarily for the benefit of the provinces of Balochistan and Khyber-Pakhtunkhwa.

The other major event which reinforces the process of strengthening provincial autonomy is the passage and signing into law on 9th April 2010 of the 18th Amendment to the Constitution by the President of Pakistan. With this Amendment the Concurrent List of the Constitution stands abolished, devolving the functions contained in this list largely to the provincial governments. This significantly enhances the range of functional responsibilities of provincial governments and constitutes an important step in bringing the government closer to the people. The 18th Amendment is likely to be implemented in a phased manner in which five departments are likely to be handed over to the provincial governments in the month of November followed by another five in December 2010. The remaining 20 departments will be devolved by June 2011. While clearly the above two major developments constitute opportunities for the provincial government to improve the quality of life of its residents, an important prerequisite for this would be to improve the province's institutional capacity to respond effectively to the enhanced responsibilities.

Turning next to challenges confronting the provincial government, the first and the foremost is the sweeping floods which have inundated a large part of Pakistan in the summer of 2010. As many as 20 million people were rendered homeless throughout the country, over 6 million of which were in Punjab. The floods swept away not only homes of the people but also their standing crops and infrastructure, the latter being the principal responsibility of the government of Punjab. Governments both at the federal and provincial level have had to respond quickly to this catastrophe both by providing immediate relief to the affected people in terms of food and basic amenities but will also have to rehabilitate them and reconstruct the damaged infrastructure. Given the size of the catastrophe and its overwhelming nature, efforts will have to be made to redirect provincial spending, in particular development spending to rehabilitation and reconstruction. An extensive Damage and Needs Assessment (DNA) has been carried out in the province. Initial estimates reveal large-scale devastation which will result in a quantum reorientation in provincial spendings. Support from the international community may be forthcoming after the Pakistan Development Forum.

The devastation caused by the floods compounds the challenges already confronting the province. Important among these is the security conditions prevailing in the country which has enhanced the fiscal needs of Punjab because of the high incidence of mega-attacks by the terrorists, especially in Lahore. Pakistan has had to pay a high price for the war on terror, which according to the Prime Minister stands at about US $ 43 billion. Punjab province has had to enhance substantially the allocations for public safety, especially the police in recent years, which have, more or less, doubled over the last few years. Priority to law and order will need to be sustained.

In addition, the high inflation in recent years has necessitated a big upward adjustment in basic salaries of 50 percent and enhancement in allowances of government employees. Overall, the above-mentioned developments have necessitated a substantial revision in the Medium Term Fiscal Framework (MTFF) which is presented in this report for the year – 2010-11, 2011-12 and 2012-13.

CHAPTER 2
OBJECTIVES AND PURPOSE OF MTFF 2010-13

The MTFF is an important policy document that lays down estimates of income and expenditure of the Government in medium term. In other words MTFF is an advance statement of Government policies and priorities. Dissemination of these priorities enhances predictability of resource commitment to different sectors, thus promoting greater confidence, continuity and sustainability in economic and social policies and interventions by the Government. As alluded to in the previous MTFF, the Government of Punjab intends to achieve the following objectives by presenting the medium term fiscal outlook:

i. Align policies and funding in a sustainable manner over the medium term
ii. Strengthen fiscal discipline
iii. Provide resources for development priorities
iv. Try to establish a linkage between outcomes, outputs and costs.

In the current fiscal scenario the provincial government is trying to focus on the objective of improved allocation of revenues for maximum benefit to the people. As such, the provincial MTFF gives a realistic expenditure ceiling of all provincial departments with respect to their operational and development priorities for the next three years.

Like other provincial governments, Punjab Government relies heavily on federal transfers to meet its fiscal needs. In the recent past there has been significant shortfall in federal revenue projections and actual collections. This shortfall, alongwith some shortfall in provincial revenue collection, has resulted in a mismatch between income and expenditure of the Government. Consequently the Government has had to resort to borrowings. It is expected that implementation of MTFF would enable revenue collection agencies the opportunity to reform so as to achieve the assigned targets and thereby provide sufficient resources for development.

The MTFF will also minimize the need for re-appropriations and requests for supplementary funds during a financial year because of unrealistic and unsustainable budgetary estimates. It will also enable proper prioritization of expenditures with respect to outcome for the benefit of the people of Punjab.

The MTFF is being prepared well before the commencement of budget making cycle for the next financial year. This will allow sufficient time to Heads of Departments and Principal Accounting Officers to be aware of their resource envelope and rank their programs and priorities within that resource envelope to achieve sustainable financing for them during the next three years. In order to integrate departments into medium term budgeting, it is proposed that the normal budgetary call circular letter will request a three year forecast of expenditures according to functions and objects, alongwith a ranking of departmental priorities in the medium term and how these are to be addressed within the expenditure ceilings available. This will introduce a medium term perspective in the planning process.

However, medium term planning and budgeting is an incremental process. Given the size and diversity of the departments of the Punjab government, it will take some time before a Medium Term Budgetary Framework (MTBF) is instituted in all departments and is used as a budgetary and performance management tool. The government initiated the exercise of preparing detailed MTBFs in two pilot departments, Irrigation and Health a couple of years back. The exercise has since been extended to three more departments – Livestock and Dairy Development, Excise and Taxation and Higher Education. It is proposed to extend the MTBF to include Communication and Works Department and Public Health Engineering Department. This implies that a major part of public expenditure will be covered by the MTBF.

The MTBF will enable these departments to engage in both top down and bottom up approaches to expenditures allocations. These departments will be able to identify activities that are sustainable, rank development priorities and to relate outcomes, outputs and costs. Budgeting and management controls would be more feasible in these departments. Besides, forward estimates of the cost of existing policies/ programs and activities over the medium term will provide a predictable link between policy and funding.

The first MTFF was presented in FY2009-10 for three years upto 2011-12. Revision of this document, as discussed in the first chapter, has become necessary due to important developments in recent past. These include interalia expansion in federal transfers following the 7th NFC Award; major changes in service delivery mandate of provincial governments as a result of the18th Constitutional Amendment, and the recent floods which have caused extensive damage to private property and public assets in the province thereby imposing significant costs. As such, substantial changes have to be made in estimates of current and development expenditure for the next few years.

CHAPTER 3
DEVELOPMENT POTENTIAL OF PUNJAB

Sources of Growth

The economy of Punjab has shown exceptional dynamism during the last decade with an average annual growth rate in excess of six percent, as shown in Table 3.1. Consequently, it has emerged as the fastest growing province in the country with the growth rate exceeding the national growth rate on average by approximately one percentage point.

The agricultural sector of the province continues to generate large surpluses which contribute to feeding the population in the rest of the country. During the last two years for example, Punjab achieved a high production level of wheat of over 18 million tons of wheat. The resulting availability of stocks of over 6 million tons will act as source of food security in the aftermath of the floods.

TABLE 3.1
SECTORAL GROWTH RATES IN PUNJAB* AND PAKISTAN 2000-01 TO 2009-10
Annual Average Growth Rate (%)

	Punjab	Pakistan
Agriculture	3.3	3.1
Industry	7.0	5.5
Services	7.1	5.5
Gross Domestic product	6.1	5.0

Sources: Punjab Economic Report
See Annexure A -1

Both the industrial and services sectors of the province have achieved average growth rates of seven percent during the last decade. Industries like chemicals, fertilizer, electrical goods, cigarettes, beverages, etc. have increased significantly their share in national production. Within services, sectors which have experienced rapid growth are telecommunications, banking and insurance, community and social services.

Today, with per capita income of $ 1080 Punjab has achieved lower middle income status. According to various studies, while the per capita Gross Regional Product (GRP) is still somewhat below the province of Sindh, it has the highest Human Development Index (HDI). As shown in Table 3.2, by 2005 the magnitude of the HDI for the province had reached 0.67. According to UNDP, this would imply that Punjab has attained a medium level of human development.

TABLE 3.2
HUMAN DEVELOPMENT INDICES (HDI) BY PROVINCE[2]

	HDI 1998	HDI 2005
Punjab	0.564	0.670
Sindh	0.512	0.628
K-PK	0.486.	0.607
Balochistan	0.480	0.556

[2] Social Development in Pakistan, Devolution and Human Development in Pakistan, Annual Review 2006-07

A number of factors have contributed to the strong economic performance by the province. The relatively strong agricultural base of the economy is supported by one of the most elaborate irrigation systems in the world which has enabled almost 87 percent of area sown to access canal withdrawals or tubewells. In addition, the farm-to-market road network compares favorably with that of countries like China and India. The private investment in almost 900,000 diesel/ electric tubewells for exploitation of ground water resources has been considered a success story.

The population of the province is currently estimated at close to 93 million. It is projected to cross 100 million by 2015. There is a large emerging middle class in the province, with average household income in excess of $ 300 per month. The evidence of growing rural purchasing power is indicated by the buoyancy in sales of consumer durables like cars, motorcycles, TVs, etc., following the upsurge in incomes due to the quantum jump in procurement/ support prices, especially of wheat by as much as 52 percent last year.

Urban development in the province has proceeded in a relatively balanced manner. According to the population estimates from the 1998 Census, the city size distribution in Punjab adheres fairly closely to the Rank Size Rule. Along with the primate city of Lahore, there are four cities, namely, Faisalabad, Rawalpindi, Multan and Gujranwala, with population in excess of 1.5 million. Beyond this, there are nine cities with population between 0.25 million and one million. Consequently, there is likely to be a wider dispersal of the population migrating from rural to urban areas in the province in search of productive employment opportunities. Also, these top 13 cities of Punjab have the potential of acting as future engines of growth as structural transformation takes place in the regional economy.

Industrial development in Punjab has been facilitated by the emergence of specialized clusters at different locations enjoying agglomeration economies and rapid diffusion of technology. Examples of such clusters include surgical instruments and sports goods in Sialkot, furniture in Gujrat, ceramics and sanitary ware in Gujranwala, light engineering in Faisalabad, electrical fittings in Sargodha and so on. These clusters are characterized by a concentration mostly of small and medium enterprises which have shown the capability to cater not only to domestic consumers but also to compete in international markets. Many of the small-scale entrepreneurs of today have the potential of emerging as capitalists of the future subject to the requisite institutional support and access to infrastructure.

Challenges

The demonstrated development potential of the province has been frustrated somewhat in recent years by the fall in the growth rate of the regional economy in the last three years to about less than four percent per annum. This has served to highlight the challenges that the province will need to confront in coming years if it is to get back to the trajectory of fast growth.

Perhaps the principal constraint in the short run is the energy shortage. While the province generates 39 percent of the electricity it accounts for 59 percent of the consumption. This is the largest gap among the four provinces. Consequently, the incidence of power outages is relatively high in Punjab. According to a study by IPP[3], the cost of power loadshedding to the province, in terms of losses and higher costs of industrial production, are as large as Rs 250 billion, equivalent to about 3 percent of the GRP. More recently, gas shortages, especially in industry, have emerged as a factor limiting production.

On the agricultural side, the province has the problem of a decline in the availability of water from the irrigation system. Canal withdrawals in kharif and rabi combined have fallen from 55.4 maf in 2007-08 to 49.7 maf in 2008-09. The system is characterized by large losses due to lack of adequate operations and maintenance. On farm, partly because of low water pricing, there is wasteful and inefficient use of water and the cropping pattern remains water intensive. In the barani areas of the province, there is slow growth in agricultural production.

The province is also experiencing a rapid growth in its labor force of one million entrants annually or 3 percent per annum, as compared to the population growth rate of about 2 percent. This is the consequence of the so-called ‘demographic dividend’ which has implied a younger population and a decline in the dependency ratio. This is a blessing which could become a curse if the young entrants into the labor force are not absorbed quickly into productive work. According to the latest Labor Force Survey, the size of the labor force in Punjab is 31.5 million, out of which 1.9 million are unemployed, indicating an unemployment rate of 6 percent. Of particular concern is the relatively high unemployment rate among youth, aged between 10 to 24 years, of 9.4 percent. There are almost 700,000 male youth in the province who are without jobs. This has implications for the war on militancy and the law and order situation. Overall, with an employment elasticity of 0.4 the province will need to sustain a growth rate of over 7 percent if all entrants to the labor force are to be absorbed.

While the province has attained medium level of average per capita income and human development, there are large and growing regional disparities among districts in the North

[3] State of the Economy: Emerging from the Crises, Second Annual Report 2009

and Central Punjab and those in the South of Punjab. Indicators of regional inequality are presented in Table 3.3. The rise in inequality is a problem that will have to be tackled on a priority basis in coming years. Public investments in social and physical infrastructure will increasingly have to be diverted to the backward areas of the province.

TABLE 3.3 INEQUALITY IN ACCESS TO SERVICES IN PUNJAB 2008-09					
	Maximum		**Minimum**		**Maximum-to-Minimum Ratio**
	District	**Level %**	**District**	**Level %**	
Gross Enrolment Rate at Primary Level	Jhelum	130	Rajanpur	63	2.063
Gross Enrolment Rate at Middle Level	Attock	91	Rajanpur	17	5.353
Gross Enrolment Rate at Matric Level	Chakwal	102	Rajanpur	22	4.636
Percent of Children Immunized	Nankana Sahib	100	Rajanpur	55	1.818
Percent of Households with Electricity for Lighting	Gujrat	99	Rajanpur	54	1.833
Percent of Households with Gas for Cooking	Lahore	85	Rajanpur	1	∞
Percent of Households with Tap Connection for Drinking Water	Lahore	86	Hafizabad	2	∞
Source: FBS, LSMS, 2008-09					

According to the original PRSP document, the percentage of population below the poverty line in the late 90's was 31 percent, as compared to the national percentage of 30 percent. More recent research indicates that by 2004-05 the incidence of poverty had fallen two to three percentage points below the national level. In particular, urban poverty is relatively high in Punjab, especially in the smaller towns and cities at the rural-urban interface which have a limited economic base. According to a study by SPDC[4], the incidence of poverty in urban settlements of Punjab with population below 250,000 was 38 percent as compared to 28 percent for the province as a whole. During the last few years, the high rate of inflation, especially in food products, is likely to have taken the incidence of poverty back to the level prevailing a decade ago. Meeting the targets in the Millennium Development Goals, including that of poverty reduction by 2015, represents a real challenge for the province. This will require adoption of a strategy of inclusive growth with special emphasis on a strong social protection policy. A number of initiatives have been initiated for targeting benefits directly to the poor following the induction of a democratically elected government in 2008.

[4] Haroon Jamal, 2007'Income Poverty at District Level', SPDC Research Report No 70, Karachi

Infrastructure Financing Gap

The previous sections have highlighted that the critical constraint to short-term and medium-term growth of Punjab's economy is access to power, gas and water for agriculture. Already, power loadshedding is costing the regional economy about Rs 250 billion annually. During the last decade, prior to the emergence of shortages, the demand for electricity in the province was growing at over 8 percent per annum. Given the projections of economic growth in the subsequent chapter on Macroeconomic Framework and the need for removing the existing deficit, it is estimated that the additional capacity of power generation required in Punjab by 2012-13 is about 2200 MW. This implies annual investment of about Rs 75 billion from 2010-11 to 2012-13.

According to the Pakistan Economic Survey of 2009-10, PEPCO proposes to add over 6000 MW over the next five years. The Government of Punjab is focusing on small hydel power projects. LOIs have been issued to ten private investors for a cumulative capacity of 142 MW at different locations of Punjab. In addition, renewable solar and wind energy projects will be developed.

The emphasis in the irrigation sector will be on removing the large operations and maintenance deficits that have led to sub-optimal delivery. According to the MTDF 2010-13 almost Rs 170 billion will be required from the provincial ADP to address deferred rehabilitation and maintenance backlogs. Further, investments will be needed for enhancing drainage, flood protection and will torrent management.

Another important area for investment in infrastructure is urban development. Punjab has been experiencing rapid urbanization from about 17 percent in 1951 to almost 33 percent by 2009. There is need to invest in urban infrastructure like water supply and sanitation, urban transportation, etc, not only in the large metropolitan cities of the province but also in the smaller cities and towns which serve the rural hinterland.

In the transport sector, the growing volume of traffic has put tremendous pressure on the road infrastructure, both within and between cities. The number of vehicles has been increasing at double-digit rates, surpassing the capacity of the existing road network and leading to high level of congestion.

Clearly the needs for infrastructure financing are high as Punjab embarks on a relatively capital-intensive stage of development in an effort to remove the constraints to growth that have now emerged following a period of relatively rapid growth. Fast growing countries like

China typically invest 10-12 percent of the GDP on infrastructure. Sub-national investment on infrastructure by the states in India aggregates to about 3.5 percent of the GDP. Conservatively, the estimated investment in infrastructure for restoring the growth momentum in Punjab is estimated at 3 percent of the Gross Regional Product.

The projected level of investment in infrastructure by the federal and provincial government combined in 2010-11 is 1.4 percent of the GRP as shown in Table 3.4, This leaves a gap of 1.6 percent of the GDP. The Budget Strategy Paper 2 of the Ministry of Finance projects a fairly rapid build in federal outlays in infrastructure in the next two years. Nevertheless, at present levels of investment by the Government of Punjab the investment gap will remain at about 1 percent of the GRP.

TABLE 3.4
INFRASTRUCTURE FINANCING GAP IN PUNJAB

(Rs. In Billion)

	2010-11	2011-12	2012-13
Federal Investment in Infrastructure			
Total ADP [a]	280	375	470
Share of Infrastructure (%)	50	50	50
Investment in Infrastructure	140	188	235
Share of Punjab (%) [b]	57.3	57.3	57.3
Investment in Infrastructure in Punjab	80.2	107.7	134.6
Punjab GRP [c]	9850	11288	12869
Federal Investment in Infrastructure as % of Punjab's GRP	**0.81**	**0.95**	**1.05**
Provincial Investment in Infrastructure			
Total ADP	193.5		
Share of Infrastructure (%) [d]	41		
Investment in Infrastructure	79.3		
Provincial Investment in Infrastructure as % of Punjab's GRP	**0.80**		
Infrastructure Financing Target (as % of Punjab GRP)	**3.00**	**3.00**	**3.00**
GAP (as % of Punjab's GRP)	**1.39**	**2.05**	**1.95**

[a] as projected in the Budget Strategy Paper 2 of MOF, Islamabad
[b] corresponding to the population share
[c] as projected in Chapter -----
[d] allocations for infrastructure development and special infrastructure

Therefore, efforts will have to be made to mobilize more resources to increase the size of the provincial ADP. In addition, there will be need to access the capital market especially for commercially viable projects and to provide the institutional, legal and regulatory framework for public-private partnerships in infrastructure development.

CHAPTER 4
MACRO ECONOMIC FRAMEWORK FOR PUNJAB

Projections for National Economy

The year 2009-10 witnessed a modest though significant recovery of the national economy. The GDP growth rate had plummeted earlier to about 1 percent in 2008-09 due primarily to a slump in large-scale manufacturing, which declined by over 8 percent. The rise in the growth rate of the national economy to over 4 percent in 2009-10 was the consequence primarily of recovery in the manufacturing sector, with a positive growth rate above 5 percent. There was some improvement in business and consumer confidence, monetary and fiscal policies were beginning to acquire an expansionary character and demand for consumer goods had risen sharply following the rise particularly in rural purchasing power due to the jump in procurement prices.

But the economy continued to confront the problems arising from the war on terror which impacted severely on levels of private investment. In addition, the continued high levels of power loadshedding implied losses of output and higher cost especially for industry. Of particular concern was the large unanticipated jump in the fiscal deficit for 2009-10, which was projected at 4.9 percent of the GDP but ended the year at 6.3 percent of the GDP. There was a major shortfall in FBR revenues of almost 5 percent, with its concomitant implications on divisible pool transfers to the provinces. Slippages on the expenditure side were due to higher security-related expenditures and larger subsidies, especially to PSEs.

The consumer price index rose by 11.7 percent in 2009-10 in relation to the target of 9 percent. Nevertheless, this was a major fall in relation to the previous year's inflation of almost 21 percent. Declining international prices of commodities helped in the containment of inflation although the monetization of part of the larger fiscal deficit fuelled inflationary pressures.

The Annual Plan projections for 2010-11 envisaged a continuing process of economic recovery, with the GDP growth rate expected to rise to 4.5 percent. Agriculture was projected to grow at 3.8 percent, manufacturing at 5.6 percent and services at 4.7 percent. The inflation rate was targeted to come down to 9.5 percent. The SBP, however, was inclined to project a higher inflation rate of 11-12 percent in view of rising international commodity prices, impact of the 50 percent increase in government salaries, anticipated increases in energy tariffs and removal of GST exemptions to broaden the tax base.

The initial fiscal outlook for 2010-11 was based on a substantial reduction in the deficit to 4 percent of the GDP. This was to be achieved on the back of rapid FBR revenue growth of over 25 percent, big containment in subsidies and modest growth in the federal ADP. Provincial governments were expected to contribute to deficit reduction by building up cash balances of almost 1 percent of the GDP, in the aftermath of the phenomenal growth in transfers due to the 7th NFC Award.

Impact of the Floods

The macroeconomic framework embedded in the above-mentioned targets of the Annual Plan for 2009-10 suffered a serious setback early in the year as large areas of the country were devastated by the unprecedented floods. Estimates of the damage are given for the whole country and for Punjab respectively in Table 4.1. Over 20 million people have been affected, 1.7 million housing units have been damaged and crops on 5.4 million acres have been destroyed. The economy has also suffered extensive damage to infrastructure (road works, bridges, etc.). The World Bank and Asian Development Bank have undertaken a Damage Needs Assessment (DNA) of the floods. The first estimate is $ 9.5 billion equivalent to almost 6 percent of the GDP.

TABLE 4.1
INDICATORS OF DAMAGE CAUSED BY FLOODS
(000)

	Pakistan	Punjab
Population affected	20184	6000
Damaged Housing Units	1744	500
Area of Crops Destroyed (Acres)	5386	1720

Source: NDMA, PDMA, Punjab

The consequence of the floods is that all the macroeconomic targets will have to be revised significantly for 2010-11. The fall in value of Kharif crops and the decline in production of livestock are likely to result in a negative growth rate in the agricultural sector. This depends also on the loss to subsequent rabi crops, especially due to late planting of wheat. Provisionally, it is expected that at the national level the value added in the agricultural sector will fall by 4.7 percent in 2010-11.

There will also be a number of indirect effects, due particularly to the linkages between the agricultural and other sectors of the economy. First, production in industries like textiles and sugar will decline due to a fall in the supply of inputs. Second, value added in the wholesale and retail trade and transportation sectors will be adversely affected by the fall in the marketed surpluses of agricultural commodities. Third, profits in the banking sector may be eroded by the need to provision for non-repayment of agricultural loans by affected farmers.

Annexure A-4 describes the model which has been constructed to project sectoral growth rates of industry and services and the overall GDP growth rate, given the projected growth rate of agriculture and other variables. Accordingly, the expectation is that the industrial growth rate will be 3.7 percent in 2010-11, as compared to the original Annual Plan projection of 5.6 percent, while the services sector will increase by 3.9 percent. Overall, post-floods the GDP of Pakistan is likely to show a modest growth rate of only 2 percent in 2010-11. This is consistent with SBP projections of 2-3 percent and somewhat lower than the initial government estimate of 2.5 percent.

Medium Term Macroeconomic Framework

Beyond 2010-11, the issue is how rapidly the economy will get back to the path of recovery. The process of reconstruction of the damaged infrastructure could take up to three years. Expenditures on rebuilding the housing stock and infrastructure will provide a stimulus to construction activity. Also, the floods could leave behind rich alluvial soil and ground water resources are likely to have been replenished. Therefore, agricultural productivity could be higher from 2011-12 onwards.

As such, the national economy is expected to demonstrate a higher growth rate in 2011-12. The extent of improvement will hinge, of course, on the extent to which power loadshedding is reduced and on the degree of buoyancy in private investment if and when security conditions improve. Also, the rate of expansion in the economy will depend upon the stance of monetary and fiscal policies.

Based on the above, the GDP growth rate is projected at 4 percent in 2011-12 rising to 5 percent in 2012-13. Sectoral growth rates are given in Table 4.2. Given the relationship between the growth of the national economy and the Punjab economy described in Annexure A-4, the sectoral and overall GRP growth rates are projected up to 2012-13 for the province. It is expected that the economy of Punjab will grow by 2.7 percent in 2010-11, 4.7 percent in 2011-12 and by 5.6 percent in 2012-13. This implies that the regional economy could get back to the trajectory of high growth by 2013-14, especially if in the intervening period the major infrastructure gaps are removed.

Quantification of the size of the economy of Punjab is done in Table 4.3.

TABLE 4.2
PROJECTED GROWTH RATES OF MACROECONOMIC VARIABLES 2010-11 TO 2012-13

%

	2010-11	2011-12	2012-13
		Pakistan	
GDP Of which:	**2.0**	**4.0**	**5.0**
Agriculture	-4.7	2.0	4.5
Industry	3.7	4.5	5.5
Services	3.9	4.5	5.0
		Punjab	
GRP Of which:	**2.7**	**4.7**	**5.6**
Agriculture	-4.7 [a]	2.4	4.8
Industry	4.5	5.1	5.9
Services	4.5	5.2	5.8
Rate of Inflation	**14.5**	**9.5**	**7.5**

a On the assumption that the impact of the floods on agriculture is proportionately the same for Punjab as it is for Pakistan.

TABLE 4.3
SIZE OF THE ECONOMY OF PUNJAB

(Rs in Billion)

	2009-10	2010-11	2011-12	2012-13
		at constant prices of 1999-2000		
GRP	**3491.7**	**3586.1**	**3754.0**	**3966.1**
Agriculture	677.3	645.5	661.0	692.7
Industry	1991.8	2383.1	2742.7	3122.1
Services	1944.6	2032.1	2137.7	2261.7
		at current Prices		
GRP	**8527.7**	**10026.2**	**11491.4**	**12937.2**
Agriculture	1676.3	1829.3	2051.1	2310.8
Industry	1991.8	2383.1	2742.7	3122.1
Services	4859.6	5813.8	6697.4	7504.3

Sizing of the Gross Regional Product of Punjab enables the derivation of some key fiscal ratios for the Province in Table 4.4. According to the budget estimates of 2010-11, the size of the provincial budget is likely to be 5.8 percent of the projected GRP as compared to 5.3 percent in 2009-10. The increase is attributable to a corresponding increase in divisible pool transfers following the 7th NFC award.

TABLE 4.4
SOME KEY FISCAL RATIOS FOR GOVERNMENT OF PUNJAB
(Rs in Billion)

	2009-10 (Revised Estimates)	Percent of GRP[a]	2010-11 (Budget Estimates)	Percent of GRP[b]
Divisible Pool Transfers	323.1	3.8	435.5	4.3
Own-Revenues [c]	100.4	1.2	122.9	1.2
Current Expenditure	318.2	3.7	386.8	3.9
Development Expenditure	135.7	1.6	193.5	1.9
Total Budget [d]	**452.9**	**5.3**	**580.3**	**5.8**

Table 4.5 enables a comparison of level of sub-national expenditures in Punjab with a number of developing countries. Pakistan appears to be at an intermediate level of fiscal decentralization in terms of the level of sub-national expenditure. Countries like Brazil, South Africa, India, Argentina, China and Mexico are ahead of Punjab (Pakistan). In fact, the level of provincial expenditure is lower than the average for the sample of countries by over 2 percentage points of the GDP.

TABLE 4.5
SUB-NATIONAL EXPENDITURE AND REVENUES AS Percent OF GDP IN A SAMPLE OF COUNTRIES

	Expenditure [b]	**Revenues [b]**
Country [a]	%	%
Brazil	18.34	12.51
South Africa	15.51	3.09
India	12.56	6.06
Argentina	11.27	9.16
China	10.70	6.56
Mexico	6.61	4.36
Pakistan (Punjab)	5.36	4.36
Malaysia	5.06	4.70
Thailand	2.06	1.40
Indonesia	2.00	0.52
Philippines	1.87	0.88
Sri Lanka	1.24	0.78
Average of Above Countries	7.71	4.27

[a] Presented in descending order of expenditure
[b] Figures for countries, other than Pakistan, are mostly for the late 90s
Source: World Bank.

CHAPTER 5
FISCAL TRENDS IN PUNJAB

Punjab's fiscal performance has to be examined in terms of trends both in terms of resources and expenditures.

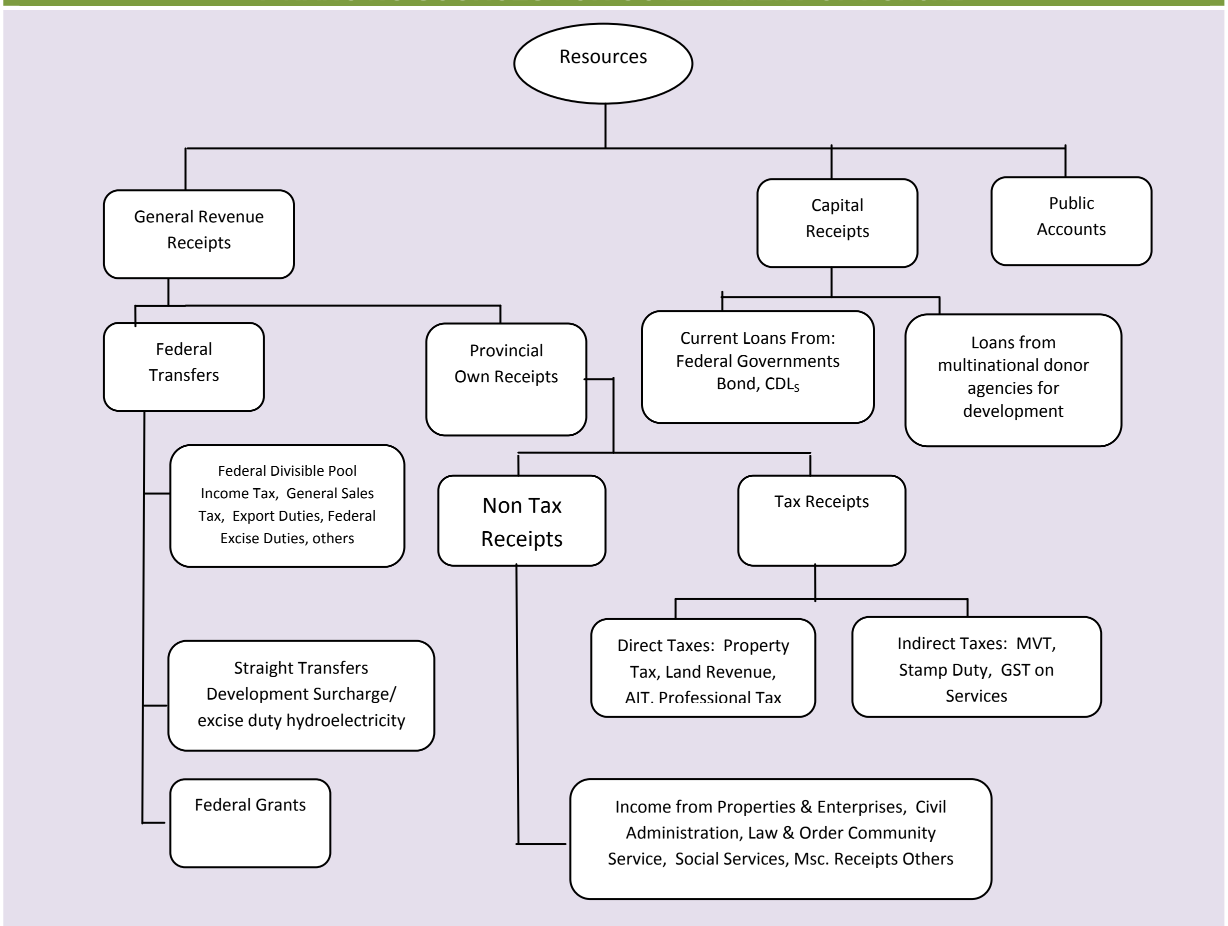
Fiscal Resources

Fiscal resources comprise the following:

(i) Federal Transfers
(ii) Provincial Own Receipts
(iii) Net Capital Receipts
(iv) Public Account Financing

Figure 5.1 below shows the various sources of financing available to the province.

FIGURE 5.1
FINANCING SOURCES FOR GOVERNMENT OF PUNJAB



(i) Federal Transfers

Pakistan is a federation and its fiscal system operates in such a manner that there is a clear vertical imbalance vis-à-vis resource availability and need for funds. In other words, the Federal Government has more revenue and lesser functions to discharge whereas the provinces have too few resources to discharge the functions assigned to them. Hence, a system of revenue sharing has been devised under the Constitution of Islamic Republic of Pakistan, whereby the National Finance Commission (NFC) decides the formula for distribution of revenue between the federation and the provinces (vertical distribution of resources) and the distribution of provincial share among the provinces (horizontal distribution). Due to fiscal imbalance, Punjab also relies heavily on vertical transfers from federal government under the NFC.

The 7th NFC Award, announced in December 2009, has resulted in significantly higher federal transfers for Punjab. Details of the Award are given in the next Chapter. The other important part of Federal Transfers are Straight Transfers. Straight Transfers are transfers arising out of royalties on oil and gas fields in the province. Hydroelectricity profits from stations located in a province are also transferred by the federation to the provinces as straight transfers. Unlike Khyber Pakhtunkwha, Sindh and Balochistan, straight transfers are smaller for province of Punjab. Further the royalties on Oil and Gas is also stagnant for sometime as there have been no discoveries of Oil or Gas fields in Punjab.

Subventions / grants were part of the federal transfers under the Presidential Order of 2006 which was the basis of revenue sharing prior to 7th NFC Award. Under the 7th Award, NFC has decided to do away with subventions except for a special grant to Sindh of Rs. 6 billion in lieu of the loss due to withdrawal of octroi/zila tax sharing formula. Grants were discontinued as the NFC had decided to achieve horizontal equalization through introduction of multiple indicators for horizontal distribution of resources among provinces and the overall transfer to the provinces has been increased substantially.

(ii) Provincial Own Revenue:

Provincial own revenue comprises the following:

- Provincial Tax Revenue including Provincial GST on Services collected by the Federal Board of Revenue
- Provincial Non-Tax Revenue
- Extraordinary Receipts

General Revenue Receipts comprise both the Federal Transfers and Provincial Own Revenue

(iii) Capital Receipts

Capital Receipts are sources which are used essentially to plug the financing gap of the province that is left after deduction of all transfers, own tax and non-tax revenues from total expenditures. Capital Receipts comprise largely of foreign and domestic borrowing. The receipts are a net figure after deducting principal repayments on previous foreign and domestic debt obligations of the Government of Punjab. Foreign borrowing comprises of both direct budgetary support assistance, program and project loans. Utilization of the overdraft facility available to the Government of Punjab from the State Bank of Pakistan in case of short-term liquidity shortfall also forms part of Capital Receipts. However, MTFF does not take overdrafts as a source of financing the development program.

(iii) Public Account Financing

Under the provisions of Article 118(2) of the Constitution of the Islamic Republic of Pakistan, all moneys not forming part of the Provincial Consolidated Fund (comprising the elements mentioned above) as defined by Article 118(1) and which are:

(a) Received 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; comprise the Public Account of the Province. All receipts and withdrawals from the Public Account are regulated by Act of Parliament or in the absence of such an Act, are determined by rules made by the President / Governor.

The Public Account consists of funds for which the Provincial Government has a statutory or other obligation to account for, but which are not available for appropriation against the general operations of the Government. Therefore, the Public Account consists of a series of accounts, each of which has specific rules governing its operation.

In the past public account resources have been utilized for financing budgetary expenditures which is strictly not a correct practice. However, because the Government of Punjab follows cash based accounting system and has a single consolidated cash account comprising both budgetary receipts and public account receipts, there is likelihood that public account resources may have been expended for budgetary expenditures whenever there was a resource shortfall. Public Account also includes parked funds for specific purposes such as land acquisition deposits, sinking funds, unutilized public ledger accounts that have been transferred from the budgetary side to the Public Account and are strictly speaking not trust liabilities but deferred liabilities.

Utilization of public account resources was resorted heavily during fiscal years 2005-06, 2006-07 and 2007-08. According to Civil Accounts 2005-06, a financing of Rs.28 billion was utilized from public account. Similarly during 2006-07, public account resources worth Rs.52.6 billion and in 2007-08 an amount of Rs.16.1 billion were used to finance the annual development program. In this way a total of almost Rs.97.391 billion was utilized from the Public Account of the province. Use of public account resources in such a big way clearly over-burdened the public exchequer in following ways:-

- The practice contributed to depleting the cash balance of the province.
- It also resulted in higher future recurrent expenditure liabilities for the Government.
- Finally, the utilization of public account resources meant that the Government would also have to discharge future unfunded liabilities of public account from its own resources.

The present Government, since taking over, has been actively discouraging the use of public account resources for financing the ADP.

Fiscal Trends in Punjab

Fiscal trends in Punjab since 2000-01 have gone through different stages. Initially the provincial fiscal picture was of weak revenue collection and depressed expenditures but the fiscal deficit of the province was under control. From 2000-01 to 2004-05, the receipts of the provincial government grew at an annual growth rate of only 11 percent. Resultantly the growth in expenditure was also moderate at 14 percent in this period. However, the policy of controlling expenditures was taking a toll on social services and economic infrastructure of the province and was creating social and infrastructure deficits. The government realized that if economic growth was to be ensured these deficits needed to be removed. Therefore, from 2005-06 onwards rapid growth, both in current and development expenditures combined, of over 16 percent has been witnessed.

The above policy of expansion, however, resulted in financial pressures on the province. While the Government of Punjab was able to finance a large part of the expenditure without compromising fiscal sustainability and maintaining a moderate financing gap (fiscal deficit) that was supported by multilateral budgetary assistance and project lending, it resorted to the undesirable practice of using funds from the public account.

From 2007 onwards the downturn in the economy saw decline in both federal transfers and provincial resources but as the government had committed itself to significant development and current expenditures in the economic and social infrastructure of the province from budgetary resources, consequent adjustment in expenditures was achieved with a lag. Initially, the pressure fell on the cash balance of the provincial government and it was constrained to use the overdraft facility from the State Bank of Pakistan in 2008-09. This resort to borrowing has been curbed in 2009-10 by curtailment both of current and development expenditure. The residual fiscal gap for 2009-10 was moderate, which could be financed from normal capital receipts.

Table 5.1 also provides a bird's eye-view of Punjab Government's fiscal performance during the last decade. For the period as a whole, revenue receipts grew at 16 percent per annum whereas the expenditure grew by 17 percent. The growth in current expenditure was 14 percent per annum, whereas the development expenditure grew by 27 percent.

TABLE 5.1
FISCAL PERFORMANCE OF THE GOVERNMENT OF PUNJAB

(Rs in Billion)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
A. Provincial Receipts										
Budgeted	122.66	124.99	117.02	145.09	163.33	196.38	242.61	299.54	371.09	417.06
Actual	110.48	108.34	128.12	130.46	167.99	191.18	228.45	272.41	306.99	406.58
% difference[a]	-9.9	-13.3	9.5	-10.1	2.9	-2.6	-5.8	-9.1	-17.3	-2.5
Federal Transfers										
Budgeted	103.49	104.65	95.67	116.43	129.04	151.21	189.76	236.82	294.12	330.31
Actual	92.98	89.44	105.07	104.60	136.18	158.13	192.07	228.46	266.34	341.59
% difference	-10.2	-14.5	9.8	-10.2	5.5	4.6	1.2	-3.5	-9.4	3.4
Own Reciepts[b]										
Budgeted	19.17	20.34	21.35	28.66	34.29	45.17	52.85	62.72	76.97	86.75
Actual	17.50	18.90	23.05	25.86	31.81	33.05	36.38	43.95	40.65	64.99
% difference	-8.7	-7.1	8.0	-9.8	-7.2	-26.8	-31.2	-29.9	-47.2	-25.1
B.Current Expenditure										
Budgeted	107.15	108.14	117.35	129.45	141.88	157.53	191.13	243.49	256.95	314.87
Actual	93.22	86.84	120.39	119.95	133.97	158.27	205.84	226.16	273.04	306.62
% difference	-13.0	-19.7	2.6	-7.3	-5.6	0.5	7.7	-7.1	6.3	-2.6
C.Development Expenditure										
Budgeted	21.22	19.63	20.75	30.50	43.44	53.00	100.00	150.00	160.00	172.00
Actual	14.71	13.86	15.19	28.36	48.23	84.79	115.16	116.73	145.82	129.42
% difference	-30.7	-29.4	-26.8	-7.0	11.0	60.0	15.2	-22.2	-8.9	-24.8
D.Financing Gap										
Budgeted	-5.71	-2.78	-21.08	-14.86	-21.99	-14.15	-48.52	-93.95	-45.86	-69.81
Actual	2.55	7.64	-7.46	-17.85	-14.21	-51.88	-92.55	-70.48	-111.87	-29.46
% difference	-144.7	-374.8	-64.6	20.1	-35.4	266.6	90.7	-25.0	143.9	-57.8

Note that the % difference is the percentage of actual minus budgeted to budgeted.

Table 5.1 also highlights the divergence between budgeted estimates and actual of key fiscal magnitudes. The largest difference is observed in the case of own receipts of the Government of Punjab which have in some years, like 2008-09, fallen short by as much as 47 percent. In the case of federal transfers, there have been below budgeted figures in five out of the ten years. In the earlier years of the decade the shortfall was relatively large at upto 15 percent. Overall, in eight out of ten years, the actual provincial receipts have been below budgeted figures with the maximum gap of 17 percent in 2008-09.

The consequence of the shortfall in revenues has been that the bulk of downward adjustment has fallen on development expenditure. For example, in 2009-10 the cut back was large at almost of Rs 43 billion. Current expenditures have generally not diverged substantially from budget estimates as the major portion is on salaries, which are fixed in the short run.

The failure to properly budget revenues has meant that there has been considerable fluctuation year-to-year in the residual financing gap to be financed largely by capital receipts. In the years, 2005-06 and 2006-07, when the development program was pushed up sharply, the financing gap was much larger than anticipated and led to depletion of the public account.

Following the slowing down of the economy in 2008-09 and the resultant large shortfall in revenue receipts of over 64 billion, the financing gap went above the budgeted magnitude by as much as Rs. 66 billion. Consequently, the provincial government had to increase its overdraft substantially with the SBP. However, by cutting back on the expenditure, there was success in reducing the financing gap estimated in the budget of 2009-10 by over Rs. 40 billion.

The experience of the last decade of fiscal management provides some important lessons for good budgetary practices in the MTFF. Some of the key lessons are as follows:

(i) FBR has tended to exaggerate the growth in its revenues and this has led to a overstatement of the magnitude of transfers to the provinces, including Punjab. The likelihood of an upward bias in estimates is greater in years when the economy is not growing so rapidly, as is the case currently. Provincial governments need to have contingency plans to adjust their budgets which allow for shortfalls in transfers of 5 percent or more.

(ii) The trend record with regard to forecasting own revenues is not good, and the estimates have generally been on the optimistic side. As such, high growth rates in own revenues should not be targeted for unless they are backed up by the implementation of explicit and strong proposals for revenue mobilization.

(iii) In view of significant cutbacks in the size of the ADP in the event of resources available not achieving the targets, explicit provision may be made at the start of a financial year for an ‘operational shortfall’.

(iv) As a practice, use of the public account for financing the budget must be avoided. Also, overdraft facilities with the SBP should be used only to facilitate short-term liquidity management. From the viewpoint of promoting transparency, the provincial government should explicitly state in the budget the proposed magnitude of external and domestic borrowing.

Turning to the extent of self-financing of its budget by the Government of Punjab, estimates are presented in Table 5.2. Own revenues have contribute a minimum of 13 percent in 2008-09 and a maximum of 20 percent in 2003-04. This is a reflection not only of the imbalanced allocation of fiscal powers between the federal and provincial governments but also the limited exploitation of whatever provincial sources that are available. The next two Chapters of the MTFF deal with the medium run prospectus for growth in federal transfers and own revenues respectively.

TABLE 5.2
SHARE OF FEDERAL/PROVINCIAL REVENUE IN RECEIPTS

(%)

	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10
Federal Transfers	84.2	82.6	82.0	80.2	81.1	82.7	84.1	83.9	86.8	82.5
Provincial Own Receipts	15.8	17.4	18.0	19.8	18.9	17.3	15.9	16.1	13.2	17.5

CHAPTER 6
PROJECTION OF FEDERAL TRANSFERS

As highlighted earlier, Inter-governmental transfers are the principal source of revenue for provincial governments in Pakistan, accounting for over 80 percent of provincial receipts. This dependence is a consequence of the imbalance in the allocation of functional responsibilities and fiscal powers between the federal and provincial governments in Pakistan, which has given rise to large vertical imbalances. Such imbalances exist in other federations also. However, it is on the higher side in Pakistan due to the skewed allocation of fiscal powers, whereby the federal government collects as much as 95 percent of revenues and the provinces, only 5 percent.

This lopsided allocation, in particular, of revenue has necessitated establishment of elaborate revenue sharing arrangements in Pakistan. Given their significance, inter-governmental transfers have had a significant impact on the financial position of the Government of Punjab and the other provincial governments. These transfers are in accordance with the provisions of NFC Awards, which according to constitutional provisions should be announced once every five years. The last NFC award was announced in February 1997. Since then, two NFCs were constituted, in 2000 and 2005, but an award could not be announced on both occasions due to the lack of consensus among the members. Given the deadlock in 2006, the provincial Chief Ministers vested the authority to the President to announce an ad-hoc award. The President under Article 160(6) of the Constitution of Islamic Republic of Pakistan, made amendments through Ordinance No. 1 of 2006 to the "Distribution of Revenues and Grant in Aid Order of 1997". The new arrangements took effect from 1st July 2006 and were still in operation till the recent announcement of the 7th NFC Award.

The 7th NFC Award

The 7th NFC, reconstituted by the President of Pakistan on July 24, 2009, deliberated over six meetings before reaching a consensus in Lahore over vertical and horizontal sharing of the divisible pool. Important differences between the current and new revenue-sharing arrangements are present in Box 6.1. The key salient features of the 7th Award are as follows:

BOX 6.1
DIFFERENCE BETWEEN PREVIOUS AND NEW REVENUE SHARING ARRANGEMENTS

	Presidential Order 1	The 7th NFC Award
A. DIVISIBLE POOL [DP]		
1. Composition:		
Taxes on Income	✓	✓
Wealth Tax	✓	✓
Capital Value Tax	✓	-
Taxes on Sales and Purchases	✓	✓
Sales Tax on Services (CE Mode)	✓	Devolved to Provinces
Export Duties on Cotton	✓	✓
Customs Duties	✓	✓
Federal Excise Duty Excluding on Gas	✓	✓
2. Collection Charges:	**5%**	**1%**
B. VERTICAL DISTRIBUTION		
1. Provincial Share in DP	**46.25%**	**56% increasing to 57.5%**
2. Grants and Subventions	**3.75%**	**-**
Distribution: Punjab	11%	-
Sindh	21%	Rs. 6 billion
Khyber-Pukhtunkhwa	35%	-
Balochistan	33%	-
C. HORIZONTAL DISTRIBUTION		
1. Indicators and Weights		
Distribution Formula of DP among Provinces [Excluding 1/6th of Sales tax]	Population [100%]	Population [82%] Poverty [10.3%] Revenue [5%] IPD [2.7%]
2. Provincial Shares in DP		
Punjab	53.01%*	51.74%
Sindh	24.94%*	24.55%
Khyber-Pukhtunkhwa	14.88%*	14.62%
Balochistan	7.17%*	9.01%

*including Grants/Subventions

Enlargement of the Divisible Pool: The size of the divisible pool is enhanced because of a reduction in collection charges from an average of 5.2 percent to 1 percent.

Provincialisation of the Sales Tax on Services: NFC recognized that sales tax on services is a provincial subject and accepted the demand of the provinces to devolve services taxed under the ambit of federal excise duties to the provinces. There is provision for GST on services to be collected by the provinces, if they so desire.

Higher Provincial Share in Vertical Transfers: The 7th NFC Award increases the provincial share in the divisible pool from the current 46.25 percent to 56 percent in the first year of NFC and 57.5 percent in the subsequent years. The award also does away with the existing system of subventions and replaces it with fiscal equalization among provinces through a non-discretionary and transparent revenue sharing formula, discussed next. The only exception is a Rs 6 billion grant to Sindh.

Multiple Criteria for Horizontal Transfers: Punjab showed accommodation to the longstanding demand of other provinces to have multiple indicators, other than population, for horizontal distribution. Previously, divisible pool (excluding 1/6th of sales tax) was distributed solely on the basis of population. The distribution of one-sixth of sales tax, in lieu of octroi/ zila tax, transferred to district governments, was distributed on the basis of collection shares determined in the 1996 revenue-sharing arrangements. Accordingly, Punjab got a share of 50 percent, Sindh, 34.85 percent, Khyber-Pakhtunkhwa, 9.93 percent and Balochistan 5.22 percent. This distribution basis, however, remained disputed.

Under the 7th NFC Award, all revenue will be distributed according to the agreed upon provincial shares which are derived using multiple criteria of poverty, inverse population density (IPD) and revenue contribution (both collection and generation) and, of course, population. The formula builds in horizontal fiscal equalization through explicit recognition of backwardness (poverty) and cost of provision differentials (IPD) while allowing provinces some benefit of revenues collected and generated. Population, however, continues to be the principal basis of distribution with a weight of 82 percent. Province wise weights of indicators for horizontal distribution are presented in Table 6.1.

TABLE 6.1
PROVINCE WISE SHARE IN INDICATORS

	Weight (%)	Punjab (%)	Sindh (%)	NWFP (%)	Balochistan (%)	Total (%)
Population	82.0	57.36	23.71	13.82	5.11	100.00
Poverty	10.3	23.16	23.41	27.82	25.61	100.00
Revenue	5.0	44.00	50.00	5.00	1.00	100.00
IPD	2.7	4.32	7.18	6.51	81.99	100.00
Total	**100.0**	**51.74**	**24.55**	**14.62**	**9.01**	**100.00**

Special Considerations: The 7th NFC is also unique as it takes into account special considerations which impact on the fiscal requirements of the provinces. First, the federal government and provinces recognized the role of Khyber-Pakhtunkhwa as a frontline province against the 'war on terror'. The federal government has undertaken to bear most of the expenditures incurred on the war. As a gesture of support, all provinces also joined with the federal government to earmark one percent of the total divisible pool for Khyber-Pakhtunkhwa. Second, the federation and all the provinces recognized the special development needs of Balochistan and agreed to not only raise the share of the province in the provincial divisible pool to 9.01 percent, but to underwrite revenue transfers of Rs 83 billion to the province for 2010-11. Any shortfall in this amount would be made up by the federal government from its own resources. Punjab contributed the largest share by accepting a cut of 1.27 percent in its share, followed by Sindh, 0.39 percent and Khyber-Pakhtunkhwa, 0.26 percent.

Enhancement in Straight Transfers: Royalty on natural gas and gas development surcharge (GDS) are notionally clubbed together and the combined rate per MMBTU would be worked out. Royalty would be distributed on the existing basis while GDS would be distributed by making adjustments based on this effective rate. Consequently, the share of Balochistan and Punjab provinces will go up at the cost of Sindh. Also, the federal government has resolved the longstanding dispute with Khyber-Pakhtunkhwa on arrears of hydel electricity profits and with Balochistan on arrears of GDS. According to the agreement, Khyber-Pakhtunkhwa will receive arrears of Rs 110 billion over a period of five years, while Balochistan will get Rs 10 billion over the same period. Punjab will also receive arrears on account of profit from hydel electricity of Rs. about 30 billion.

All in all, the 7th NFC Award is unique in its design and its sensitivity to the needs of the federating units. It is also an Award which has made big changes in the status quo and is therefore, likely to have substantial and varying implications both on the federal government and four provincial governments. But the real accomplishment of NFC is the rekindling of the spirit of national solidarity, cohesion and unity. NFC agreement has shown the capacity of provinces to resolve complex, longstanding and critical disputes through accommodation and democratic dispensation. Punjab has taken a lead in this and has won national appreciation.

Development of GST of Services

In accordance with the provision of the 7th NFC Award, progress has been made to operationalize the devolution of GST on services to the provincial governments. Effort is also under way to broaden the tax base by extending the tax net to hitherto untaxed or undertaxed services. The latter is a key conditionality of the Standby Facility (SBF) signed with the IMF in the aftermath of the economic crisis in 2008. One of the key structural reforms was to replace the existing GST with a comprehensive VAT on goods and services. This is motivated by the low FBR tax-to-GDP ratio of below nine percent, which implies the need to undertake major tax reforms which can raise this ratio and reduce the magnitude of fiscal imbalance in the economy. The VAT is expected not only to raise substantial additional revenues but also distribute the tax burden more evenly across sectors and contribute towards greater progressivity of the tax system of Pakistan. The government has preferred to refer to the VAT as Reformed GST (RGST).

Historically, due to constitutional provisions which restricts the federal government to levy a sales tax on "the sale and purchase of goods imported, exported, produced, manufactured or consumed", the federal government had found it expedient to levy an excise duty on services, effectively in the GST mode. Federal Excise Duty (FED) is levied on TV/ cable, insurance, non-fund services, air travel tax and property developers. Beyond this, sales taxable services (in FED VAT mode) include telecommunications, facilities for travel, inland carriage of goods by air and shipping agents.

In 2000, Provincial ordinances were promulgated authorizing the federal government to collect sales tax on services at the standard rate on hotels, marriage halls, lawns/ clubs/ caterers, advertisements on radio/ TV, customs agents, ship chandlers, stevedores, shipping agents, courier services, beauty parlours, beauty clinics, slimming clinics, laundries and dry cleaners, caterers and travel agents.

Through the above, however, the government is able to mobilize only a fraction of revenues that can potentially be generated from the large and buoyant services sector. Initial estimates reveal that the services sectors combined generate less than one-fourths of FBR revenues while its share in the national economy is more than half. Clearly significant potential exists for raising more revenues from this sector.Research undertaken for the Federal Board of Revenue (FBR)[5] demonstrates that indeed there exists substantial untapped potential. Based on the methodology and parameter values presented in Annexure A-2, net revenues (net of input invoicing of output in intermediate use), from RGST (with 2010-11 tax base) is estimated to be Rs. 158 billion (See Table 6.2). These

[5] The VAT on Services, Institute of Public Policy, Beaconhouse National university, June 2010

revenues do not cover education and health care sectors, which as per the recommendations of the Revenue Advisory Council (RAC) are to be exempted from taxation.

TABLE 6.2 ESTIMATED NET REVENUE FROM SERVICES (WITH TAX BASE OF 2010-11) (Rs. In Billion)	
Revenue	**Sector/Sub-Sector***
39.7	Wholesale and Retail Trade & Hotels and Restaurants
73.1	Transport, Storage and Communication
29.4	Banking, Finance and Insurance
15.7	Social Community and Personal Services
158.0	**Total**

***** The following services are exempt: central monetary authority, health and education

Services contributed Rs. 64.5 billion to the exchequer in 2009-10. These revenues are projected to be Rs. 76 billion in 2010-11, at a growth rate of 18 percent. As such, additional revenues from replacement of GST and an expansion of RGST to sectors not covered under the GST regime could yield an additional Rs. 82 billion, in 2010-11, equivalent of 0.5 percent of the GDP.

Since GST on services is a provincial tax, revenue will not be shared between the federal and provincial governments but will be reverted back to provinces. Province wise distribution of consumption expenditure is presented in Table 6.3. The Federal Government has constituted a committee to decide on the allocation formula as the NFC did not explicitly consider this matter in its deliberations. A number of meetings of the committee have been held. In the meetings held on 27th and 28th September, 2010 to finalize issues relating to implementation of reformed GST decided that for the purpose of levy and collection of GST on services, and keeping in view the right of the provinces to levy and collect GST on services as well as maintaining the concept of levying a RGST wherein input adjustments and cross provincial transactions are integrated, the following three groups of services be identified:

TABLE 6.3
PROVINCAL SHARE IN CONSUMPTION OF SERVICES BY HOUSEHOLDS, 2007-08
(%)

	Actual Expenditure (Rs in Billion)	Provincial Share in Expenditure on Services	Population Share
Punjab	1315.2	60.39	57.36
Sindh	517.1	23.74	23.71
Khyber-Pakhtunkhwa	284.3	13.05	13.82
Balochistan	61.1	2.82	5.11
Total	**2177.7**	**100.00**	**100.00**

Group-I: Standalone Services

- Group-I services shall include such services that neither involve transactions across the province nor contribute a significant proportion as inputs into other supplies. These services shall be deemed to be of a 'standalone' nature and neither input/ output adjustments nor refunds will be provided for such services. Services to be included in this category are to be decided by a technical committee comprising representatives of the federal Finance Division, all the provinces and the FBR.

- Group I Services may be levied and collected by provincial governments, if they so desire. Conversely, any province may delegate collection of taxes under Group-I services to FBR. The proceeds of these taxes shall be credited to each province on the basis of collection from each province. In case where point to point collection is not clearly identifiable, these provinces would devise a distribution formula for such amounts as are not clearly identifiable.

Group II: Telecom Services (Origin of Service Clearly Identifiable)

- Group II shall include Telecommunication services, given that the origin of these services is clearly identifiable. The proceeds of GST on Telecom services shall be credited directly to the provinces on the basis of origin of service in each province.

- Other services, currently placed in Group I but where the service constitutes a significant proportion as inputs into other supplies and the origin of the services are found to be clearly identifiable, may also be included in Group II. FBR will provide input/ output adjustments for services in Group II. After mutual agreement between FBR and the provincial governments, on the input/ output adjustment and refunds provided, FBR will intimate Finance Division which will deduct the specified amount from provinces' respective share of their future proceeds.

Group III: Services Requiring Input/ Output Adjustment

- Group III shall include Services that constitute a significant proportion as inputs into other supplies or involve transactions across provinces, shall be delegated by the province(s) to FBR for collection. Currently, these could include:
  a) Financial services, including banking, insurance, stock market operations, etc.
  b) Advertising services
  c) Construction services
  d) Franchising services
  e) Other services that constitute a significant proportion as inputs into other supplies and involve transactions across provinces.

- FBR will provide input/output adjustment and refunds for services in Group III. Net tax proceeds from services in Group III will be placed in a separate fund which will be distributed among the provinces, as an interim measure by accepting provisionally for one year the stated position of each province given below and the federal government picking up the differential to make up for the demand of each province, as indicated below:

Punjab	Sindh	Khyber Pakhtunkhwa	Balochitan	Total
60.39%	50.00%	15.62%	10.00%	136.01%

- For FY 2011-12, the Federal Government and the provinces would evolve a formula that is mutually acceptable to all provinces.

The Evolution of Tax-to-GDP Ratio

Besides the revenue sharing formula, federal transfers from the divisible pool to the Government of Punjab are essentially determined by the level of tax revenues mobilized by FBR. This is the case as, unlike the other provinces where straight transfers constitute an important proportion of federal transfers, Punjab's dependence is mostly on 'Divisible-pool' transfers. As such, the evolution of tax-to-GDP ratio is an important factor in determining the resource availability to the provincial government.

Table 6.4 presents the evolution of federal tax revenues and the federal tax-to-GDP ratios. Pakistan has been in the low tax-to-GDP trap over the last decade. The ratio of FBR administered taxes-to-GDP has remained at below 10 percent which is low when compared internationally with countries at a similar level of development. Factors responsible for keeping Pakistan in this low tax-to-GDP trap include a narrow tax base, widespread exemptions and concessions; tax evasion; slackening tax administration and resort to supply-side economies of simulating growth by tax cuts.

TABLE 6.4
TREND IN FEDERAL TAX REVENUES

(Rs. In Billion)

	Federal Tax Revenue (FBR)	Gross Domestic Product (GDP)[a]	FBR Tax-to-GDP Ratio (%)
1999-2000	347.1	3793.4	9.2
2000-01	392.3	4162.7	9.4
2001-02	404.1	4401.7	9.2
2002-03	460.6	4822.8	9.6
2003-04	520.8	5640.6	9.2
2004-05	590.4	6499.8	9.1
2005-06	713.4	7623.2	9.4
2006-07	847.3	8673.0	9.8
2007-08	1008.1	10242.8	9.8
2008-09	1161.2	12739.3	9.1
2009-10	1329.0	14668.4	9.1

[a] GDP was re-based from 1999-2000 onwards by FBS

In order to enhance revenues, the Federal Government plans to introduce measures aimed at broadening the tax base and strengthening tax administration. According to the Federal Budget Strategy Paper 2 (2010). These measures include:

1. Introduction of a broad based Value-Added Tax (VAT) replacing the General Sales Tax (GST) system of tax collection with the RGST. The VAT system has a better growth potential in relation to GST because it generates extra revenue through systematic documentation of the economy.
2. Phasing out of exemptions (to broaden the tax base and ensure horizontal equity in the tax system)
3. Broadening tax base to include services sectors.
4. Completing tax administration reforms. This will improve efficiency, integrity, transparency and prevent revenue leakages. The measures are estimated to increase Tax revenue by 0.1 percent of GDP (at market prices) for 2010/11 and 0.2 percent of GDP (at market prices) in the outer two years. These reform programmes will include the following specific measures:

   a. Strengthening of enforcement and audit functions,
   b. Automation of tax collection, monitoring and reporting systems.
   c. Re-engineering of existing processes, and
   d. Simplification of rules and procedures, Simplification of rules and procedures, and
   e. Capacity Building.

Based on the above measures, it is estimated that the Federal Tax collection will increase to Rs 2485 billion or 11.1 percent of the GDP by 2012-13 as shown in Table 6.5.

TABLE 6.5
FEDERAL FORECAST OF TAX REVENUES (AS PER BSP2)

	Budget	Revised		Forecast	
	2009-10	2009-10	2010-11	2011-12	2012-13
FBR Tax Revenue (Rs. in Billion)	1,380	1,329	1,667	2,054	2,485
As % of GDP	9.3%	9.1%	9.8%	10.5%	11.1%

These projections are lower than those included in the NFC report in which at was expected that taxation reforms will boost the tax revenues to Rs. 1704 billion by 2010-11. Another set of tax revenue projections are contained of the Fiscal Framework which is being deliberated upon currently with the IMF. This fiscal framework projects federal revenue to increase from

Rs. 1681 billion in 2010-11 to Rs. 2353 billion by 2012-13 demonstrating an increase in relation to the GDP from 10.0 percent to 11.3 percent (see Table 6.6).

TABLE 6.6
PROJECTION OF FEDERAL TAX OF FBR REVENUES* (IMF FRAMEWORK)

Year	2010-11	2011-12	2012-13	2013-14	2014-15
FBR Tax Revenue	1681	2002	2353	2725	3193
Tax-to-GDP Ratio	10.0	10.7	11.3	11.7	12.2

*including the petroleum levy and gas development surcharge

As such, there are multiple projections of revenues at the federal level, each different from the other rendering the task of projecting federal transfers to Punjab over the medium term difficult. On top of this, an analysis shows that over the current decade there has been a shortfall of almost 5 percent in actual divisible pool transfers in relation to those budgeted. Given that the accuracy of divisible pool projection is determined by the level of FBR revenues, an alternative approach adopted for projection in this MTFF is to estimate the buoyancy of these revenues on the basis of past trends.

The buoyancy of FBR tax revenues with respect to the growth in real GDP and the rate of inflation is estimated at 1.17 and 0.89 respectively. Using these buoyancy estimates and the GDP and inflation projections (incorporating the flood impact), described in Chapter 4, the federal tax-to-GDP ratio is projected to slightly decline from 9.1 percent in 2010-11 to 8.9 percent by 2012-13 (see Table 6.7). This decline is in the absence of tax reforms and improvements in tax administration.

TABLE 6.7
PROJECTION OF FBR TAX-TO-GDP RATIO AND REVENUES

(%)

	2010-11	2011-12	2012-13
With Normal Growth of Revenues	**9.0**	**9.0**	**8.9**
Impact of Tax Reforms	**0.4**	**0.7**	**0.9**
Flood related taxes*	0.2	-	-
Broadbasing of RGST on goods and services	0.1	0.5	0.7
Improvements in tax administration	0.1	0.2	0.2
Federal Tax-to-GDP Ratio	**9.4**	**9.7**	**9.8**
FBR Tax Revenue	**1596.0**	**1875.8**	**2139.1**

*10% income tax surcharge + additional 1% excise duty

The Federal Cabinet on the 10th of November 2010 approved the RGST bill for presentation to the National Assembly. In addition, a flood surcharge at 10 percent on income tax revenues is to be imposed from January 1, 2011, for a period of six months. Also, special excise duty is being raised from 1 percent to 2 percent. The total additional revenue expectation from these measures is about Rs. 40 billion in 2010-11.

Based on the above, the federal (FBR) tax-to-GDP ratio is expected to rise from 9.1 percent in 2009-10 to 9.8 percent of the GDP by 2012-13, as shown in Table 6.7. These projections are lower than those indicated earlier but are considered more realistic for projecting transfers to the Government of Punjab.

Projection of Divisible Pool Transfers

Based on the above projections and in accordance with provisions of the 7th NFC Award, divisible pool transfers to the province of Punjab are projected at Rs. 421.8 billion in 2010-11, increasing to Rs. 576.8 billion by 2012-13 (see Table 6.8). These transfers are projected to increase at an annual rate of 15.7 percent. Compared to the budgeted transfers in 2010-11, there is a shortfall of about Rs. 22 billion in 2010-11, due to the likely consequence of slowing down of the economy after the floods which have already affected FBR tax collection and delay in implementation of tax reforms.

TABLE 6.8
NATIONAL FINANCE AWARD TRANSFERS TO PUNJAB

(Rs. in Billion)

	2010-11	2011-12	2012-13
FBR Tax Revenues	**1596**	**1875.8**	**2139.1**
Less: Workers Welfare Fund	20	22	24
Fed. Income Tax	6	7	7
GST on Services	73.5	93.5	116.1
Excise Duty on Gas	7	8	9
Export Dev. Surcharge	4	4	5
Divisible Pool (Taxes)	**1485.5**	**1741.3**	**1978.0**
Less, 1% Collection Costs	14.8	17.4	19.7
KPK 1% WOT share	14.7	17.2	19.6
Net Divisible Pool	**1455.9**	**1706.7**	**1938.7**
Provincial Share (%)	56	57.5	57.5
Provincial Share in Revenues	**815.3**	**981.3**	**1114.7**
Punjab's share (%)	57.74	51.74	51.74
A. DP Transfers to Punjab	**421.8**	**507.7**	**576.8**
B. Straight Transfers	**48.3**	**60.5**	**73.7**
Royalties	4.6	4.9	4.9
Gas Development Surcharge	1.2	1.5	1.7
Punjab's share in GST Services*	42.1	53.6	66.6
Excise Duty on Gas	0.4	0.5	0.5
C. Grants	**2.8**	**2.9**	**3.0**
Total Transfers**	**472.9**	**571.1**	**653.5**

*On the assumption that, more or less, population share continues for Punjab
**A+B+C

Straight Transfers

Under Article 161 of Constitution and the NFC Award, Straight Transfers to the provinces include:

i) The net proceeds of the Federal excise duty on natural gas

ii) Net proceeds of royalty on crude oil and natural gas assigned to the provinces under the Constitution.

The budget estimates of 2010-11 of Straight Transfers on these counts has been pitched at Rs. 6.2 billion compared to budget estimate 2009-10 of Rs. 4.6 billion. These are higher as the 7th NFC Award has revised the basis of calculating these by clubbing royalty and GDS into one which works out to the benefit of Punjab as highlighted in Section 6.1.

The federal government collects GST on services on behalf of the provincial governments and reverts back revenues collected net of cost of collection. Following the 7th NFC award, which recognized that tax on services is a constitutional right of the provinces, federal government will also revert back revenues previously collected as federal excise duty (CE mode) on services to the provinces. This alongwith an expansion of the GST tax net to include more services will lead to a substantial increase in revenues from this source to the Government of Punjab. In the absence of full agreement yet on the distribution of RGST revenues among provinces and the federal government, the allocation for 2010-11 by the federal government are budgeted on the basis of population. We assume continuation of this allocation basis. Revenues accruing to the Government of Punjab on account of RGST on services are projected at Rs 42 billion in 2010-11, increasing to Rs. 67 billion by 2010-13. These transfers show a high buoyancy, of 26 percent, as clearly this is the growth area in the fiscal reform package in the medium term. Also, it may be mentioned here that though revenues from RGST on services here are shown as transfers, these are provincial own tax revenues and in the Provincial Resource Pool, discussed in chapter 8, will be shown as such.

Previously hydro-electric profits were also a part of the Straight Transfers but under the New Accounting Model (NAM), they are included in provincial non-tax revenues under the category of Income from Property and Enterprises. Similarly, Straight Transfers also have been reflected under provincial Non-Tax Revenue in the Annual Budget Statement. For the purpose of this MTFF, profits from hydro-electricity and their arrears are also shown in non-tax revenues.

Federal Grants

Federal grants can be divided into development and non-development grants. The main non-development grant, which is also called subvention, will only be provided to Sindh province under 7th NFC Award. In other words, Punjab would not receive any subventions during FY2010-11 or thereafter. It may also be mentioned here that although the MTFF has separately discussed federal grants for ease of understanding, the Annual Budget Statement 2009-10 includes federal grants in provincial non-tax receipts. The budget estimate 2010-11 of Federal Grants is Rs.2.8 billion. We assume that these will show a slight increase over the medium term framework.

CHAPTER 7
PROVINCIAL RESOURCE MOBILIZATION

Currently the four provinces combined are generating less than half a percent of GDP as own revenues. This ratio has in fact fallen over the years. Given that the country needs to make an all out effort to get out of the low tax-to-GDP trap, sub-national governments will also have to play their due role by enhancing the level of fiscal effort in their respective jurisdictions. The province of Punjab is determined to improve its level of fiscal effort.

As discussed earlier, provincial own receipts consist of the following:

a) Tax Receipts

i. Receipts from Direct Taxes (Agriculture Income Tax, Property Tax, Land Revenue, Professional Tax, Capital Value Tax etc.)

ii. Receipts from Indirect Taxes (Sales tax on Services, Provincial Excise, Stamp Duties, Motor Vehicle Taxes, Electricity Duty etc.)

b) Non-Tax Receipts

i. Income from property and enterprises

ii. Receipts from civil administration and other functions

iii. Miscellaneous Receipts (other receipts excluding Federal Grants and Development Surcharges and Royalties)

iv. Extraordinary receipts

Development of Tax Revenues

Analysis of provincial tax mobilization over the decade reveals a varying level of fiscal effort. Provincial tax effort clearly slackened during the period 2003-04 to 2007-08, when there was a fast growth in GDP. The growth rate of provincial taxes declined to 12 percent per annum from over 15 percent in the previous two years. Thereafter, great vibrancy is observed in provincial tax mobilization. Growth in provincial taxes over the last two years has averaged close to 30 percent. The high growth is partially because capital value tax, hitherto collected by the federal government and shown as part of federal transfers, has been devolved to the province and is therefore a part of provincial tax receipts. Currently, buoyancy of provincial tax revenues is estimated at 0.80 with respect to the GRP. That is, if the provincial economy grows by 10 percent, provincial tax revenues grow by 8 percent. This coefficient has to be raised to say 1.2 to lead to some increase in the provincial tax-to-GRP ratio. This would essentially imply continuation of the recent growth momentum over the medium term timeframe.

The primary growth area for provincial taxes, as highlighted earlier, is sales tax on services. Provinces will gain significantly because of the devolution of this source. The potential of the tax has been discussed in the previous chapter. Over the medium term, this tax could yield substantial additional revenues.

Given the current allocation of fiscal powers, provinces have two other promising direct revenue sources under their fiscal jurisdiction, the Urban Immovable Property Tax (UIPT) and Agriculture Income Tax (AIT). Proper development of the property tax can yield significant revenues. Currently the tax mobilizes Rs. 3.3 billion, which is only a fraction of its potential. The Provincial Government proposes to implement a number of reform measures to enhance of the revenue of the UIPT. These measures include updating of valuation tables, reduction in differential between owner occupied and rented properties, notification of new rating areas and facilitation of tax payers. During the financial year 2009-10, survey of properties has been completed and accordingly new valuation tables have been developed, reflecting market value of the properties. Phased implementation over the next three years of the above reforms can lead to significant revenue gains from UIPT.

Currently, the AIT generates only about Rs 770 million in revenues. Today, major crops (wheat, rice, cotton etc) receive world prices with subsidized inputs of fertilizer, water and electricity. Therefore, the conventional argument given against the levy of agricultural income tax of disguised taxation is no longer valid. Effective taxation of agricultural income will also remove perception of inequality in the tax system. A case can be made for the levy of a presumptive tax at the marketing stage of crops at a small rate of 2 to 3 percent. In addition, the AIT can be collected as a presumptive income tax on land holding. These proposals are being examined by the Provincial Government.

Higher resources can also be mobilized through other tax sources. Some proposals which can be implemented in a phased manner over the next three years are listed below:

1. Computerization of land record and imposition of valuation tables in rural areas will streamline Land Revenue and reduce leakage

2. Likewise, some revision in valuation tables/ DC tables every year to reduce the gap between the value of property assessed and the market value of properties and introduction of valuation tables in rural areas can boost stamp duty revenues.

3. In case of stamp duty on financial instruments like Debentures, TFCs and Commercial Paper the rate has already been reduced and the following policy actions may be considered:

   a. The categories of fixed/ ad-valorem rates in various instruments to be reduced to create uniformity and simplicity in the structure of the duty;

   b. Fixed as well as ad-valorem rates to be reduced wherever it is likely to boost economic activity, encourage compliance (or reduced evasion) and thereby increase revenue collection;

   c. Subclasses of instruments to be eliminated wherever possible;

   d. Duty on similar instruments to be levied at the same rates;

   e. In case of instruments which can be executed in any province, stamp rates not to be set above rates prevalent in other provinces to avoid loss in revenue;

4. In the case of motor vehicle tax, proposals include review of payment of annual token tax through post office system and replacement with collection through the banking system, establishment of database of vehicles in Punjab, enforcement through spot checking by traffic wardens.

Development of Non-Tax Revenues

Non-tax receipts accrue mainly on account of regulatory functions performed by the provincial government and from rates and fees charged for the provision of certain social and economic services. Therefore, there are a large number of non-tax receipt items in the provincial budget but only a few are significant contributors to the total receipts. This classification also includes extraordinary receipts which are in the nature of one-time receipts accruing mostly on account of sale of Government assets (privatization) or through liquidation of Government investments and hence are not a regular source of revenue.

Grants received from the Federal government and development surcharges on gas and royalties on oil and gas are taken under non-tax receipt but for the purpose of MTFF they are not included in the total. Included in income from property and enterprise are payments received from the federal government on account of profits from hydel-electricity. Government was not receiving net hydel profit from the Federal Government since 1996-97 as a result of incorrect recording of minutes of a meeting of ECC. Previous governments tried to get the restoration of this rights of the people of Punjab but did not succeed. The present government, realizing the importance of this source of revenue, took up the case with the Federal Government on the grounds that net hydel profit is a constitutional right of the province and cannot be given up by the Executive of the province. The Federal Cabinet agreed and restored the right of Punjab province to receive net hydel profit. Following this decision a committee was formulated which worked out that arrears amounting to Rs.28.5 billion were payable to the Punjab Government. The Federal Government has paid an amount of Rs.13 billion out of these arrears during financial year 2009-10 and Rs 5.1 billion in 2010-11. It was also agreed that the remaining amount would be paid in next two years at Rs.5.1 billion per year.

An important cornerstone of the provincial resource mobilization strategy should be a move towards full operation and maintenance cost recovery in the case of economic services, in particular. A major revenue source is Abiana. In 2009-10 the collection from abiana was Rs. 2.1 billion in Punjab as compared to the direct costs of operations and maintenance of the irrigation system of Rs 6.7 billion. Therefore, the extent of cost recovery is only about 40 percent. The government of Punjab is considering a policy of raising the rates, over the next five years so that, more or less, full O&M cost recovery is achieved by the end of the period.

Currently, the abiana is collected by season on a flat rate basis per acre of cropped area. The rate is Rs. 145 per acre for the Kharif season and Rs 85 per acre for the Rabi Season. There is no variation in the rate by crop. Earlier, higher rates were charged for water-intensive crops like sugar cane and rice, but this system was abandoned due to leakages in collection. In the short run, the assessment of abiana may be linked to farm area and not to cropped area as this policy discriminates against the small farmer. Also, there is a proposal for making the rate progressive with respect to farm size, as a higher proportion of large farmers are located at the beginning of a watercourse. In the long run, the scope for water metering will need to be examined.

Likewise, a move in this direction may be considered in the case of mines, forests, law and order, community services, etc. Overall the, objective should be to increase receipts from non-tax resources (excluding profits from Hydroelectricity) by about 16 percent per annum.

Implementation of the above resource mobilization strategy will raise provincial own-tax revenues (excluding RGST on services) to Rs. 49 billion in 2012-13 from about Rs. 31.4 billion in 2009-10 (see Table 7.1). Provincial non-tax receipts will increase from Rs. 25.7 billion to Rs. 27.7 billion over the period. Overall provincial own resource base will yield revenues of Rs. 76.7 billion, excluding RGST. Inclusive of RGST, provincial own revenues are expected to increase to Rs. 142.9 billion by 2012-13.

TABLE 7.1
PROJECTION OF PROVINCIAL OWN TAX AND NON-TAX REVENUES

	2009-10	2010-11	2011-12	2012-13	Growth Rate (%)
Provincial Tax Reciepts	**31357**	**40424**	**44506**	**49001**	**16.0**
Agricultural Income Tax	770	1200	1377	1579	27.0
Urban Immovable Property Tax	3323	4362	4877	5450	17.9
Land Revenue	6718	6901	7668	8519	8.2
Registration	2199	3300	3532	3780	19.8
Tax on Professions, Trades & Callings	406	521	563	607	14.3
Capital Value Tax	-	1500	1606	1718	4.6
Provincial Excise	1046	1230	1313	1401	10.2
Stamp Duties	7608	10200	11108	12090	16.7
Motor Vehicle Tax	6129	6468	7421	8510	11.6
Cotton Fees	362	433	442	451	7.6
Tax on Hotels	240	278	284	289	6.4
Electricity Duty	2481	3961	4240	4536	22.3
Others	73	68	73	75	0.9
Provincial Non-Tax Reciepts	**25724**	**21793**	**24825**	**27260**	**2.3**
Income from Property & Enterprises	14547	8267	9507	10633	-9.0
Irrigation Charges	2102	2966	3351	3787	21.7
Agriculture	569	626	688	757	10.0
Police	2000	2491	2864	3294	18.1

Mines and Minerals	1569	1726	1898	2088	10.0
Communications and Works	405	446	490	539	10.0
Others	4533	5271	6027	6162	10.8
Total Provincial Reciepts	**57081**	**62217**	**69331**	**76251**	**10.1**

*including Rs 5.7 billion from resolution of PTCL properties with the federal government.

CHAPTER 8
THE PROVINCIAL RESOURCE ENVELOPE

Projection of Total Provincial Receipts

As mentioned earlier, provincial receipts include: (i) general revenue receipts; (ii) development revenue receipts; (iii) current capital receipts; and (iv) development capital receipts. General revenue receipts comprise three income flows. First, revenues received from the federal government as federal transfers. As discussed in Chapter 6, these include divisible pool transfers, straight transfers and federal grants. Projections of these in the medium term timeframe are also presented in Chapter 6. Second, provincial own receipts include tax as well as non-tax inflows, projections of which are presented in Chapter 7. Included in this category are also receipts from RGST on services collected by the federal government and reverted to the province.

Extraordinary receipts, which principally comprise receipts from privatization and sale of land are also included in general revenue receipts. Strictly speaking, these cannot be considered a regular income source. During the financial year 2009-10 receipts under this head were Rs. 6.3 billion. These receipts included an amount of Rs. 5.7 billion realized from resolution of the issue of PTCL properties with the Federal Government whereas the remaining amount was realized from the sale of redundant Government assets.

Development revenue receipts are primarily grants from the federal government and multilateral agencies for specific development projects. It includes a part of the foreign project assistance used to finance the ADP. Major grants include DFID grant for "Punjab Education Sector Development Programme" and "Punjab Economic Opportunity Program".

Current Capital Receipts mainly accrue from new loans borrowed or raised by the provincial government and recoveries of loans granted to provincial establishments or their employees. Receipts from this head are used for principal repayment of domestic, foreign and market debt, repayment on account of ways and means advances and loans and advances to corporate bodies of the Government. Net of such expenditures, these receipts are used for the financing of provincial ADP.

Finally, Development capital receipts mainly comprise loans borrowed from multilateral donors agencies through the Federal Government for specific foreign assisted development projects.

Overall, the sources mentioned above, specifically, surpluses from general revenues receipts, net capital receipts, foreign assistance of projects and program assistance finance the ADP of the province. Historically, net public accounts receipts have also contributed in some years to funding development activity in the province. It is proposed to avoid this practice in future years. Table 8.1 summaries the resource envelope of the provincial government in the medium term framework from the above sources.

TABLE 8.1
THE RESOURCE ENVELOPE, 2010-11 TO 2012-13

(Rs. in Billion)

	Description	2009-10	2010-11	2011-12	2012-13
1	**Federal Resource Transfers**	**345.4***	**430.7**	**517.5**	**586.9**
	Divisible Pool Transfer	329.8	421.8	507.7	576.8
	Straight Transfers	7.0	6.1	6.9	7.1
	Subventions	4.8	-	-	-
	Federal Grants	3.8	2.8	2.9	3.0
2	**Provincial Resources**	**65.0***	**104.3**	**122.9**	**142.9**
	Provincial Tax Revenues	**32.6**	**82.5**	**98.1**	**115.6**
	GST on Services		42.1	53.6	66.6
	Other Provincial Taxes		40.4	44.5	49.0
	Non-Tax Revenues	**32.4**	**21.8**	**24.8**	**27.3**
3	**TOTAL REVENUE RECEIPTS (1+2)**	**410.4***	**535.0**	**640.4**	**729.8**
4	**Financing Available for Development**	**27.9**	**19.1**	**28.1**	**31.2**
	Net Capital Account	15.7	(0.3)	8.0	10.5
	Net Public Account	1.2	-	-	-
	Foreign Assistance	10.5	12.6	13.0	13.0

	Program Grants		6.8	7.1	7.7
5	**TOTAL RESOURCES (3+4)**	**437.7**	**554.1**	**668.5**	**761.0**
***Actuals for 2009-10**					

Federal Government revenue sharing transfers, straight transfers and grants will contribute Rs. 430.7 billion to the provincial exchequer in 2010-11, increasing to Rs. 586.89 billion in 2012-13. The provincial own resources will further add Rs. 104.3 billion in 2010-11 increasing to Rs. 142.9 billion by 2012-13. Besides these, provinces will have financing available of Rs. 19.1 billion in 2010-11, Rs. 28 billion in 2011-12 and Rs. 31 billion in the subsequent year through other sources as presented in Table 8.1.

Overall resources available to the provincial governments during the medium term framework will increase from Rs. 437.7 billion in 2009-10 to Rs. 761 billion by 2012-13. As a percentage of the regional economy, the provincial resource availability will increase from 5.5 percent in 2010-121 to 5.9 percent by 2012-13.

Analysis of Risk Factors

The growth of over 20 percent on average in provincial resource availability from 2009-10 to 2012-13 is conditioned on a number of risk factors, including the following:

i. The floods are expected to lead to a fall in the GDP growth rate by about 2.5 percent points in 2010-11. Thereafter, the economy is expected to recover and show a growth rate of 4 percent in 2011-12 and 5 percent in 2012-13, as highlighted in Chapter 2. If, however, the economy slows down more than anticipated in 2010-11 or if the recovery thereafter is slower, then the projected growth rate in FBR revenues, which determine the size of the divisible pool, could be lower than projected earlier in this Chapter. For every one percentage point lower growth in the GDP, FBR revenues are lower by Rs 15 to 20 billion annually.

ii. The Budget Strategy Paper-2 of the Federal Government envisages major improvements in tax administration by FBR. These include strengthening of the audit process, machanisms for detection of filers and non-filers, simplification of processes, etc. Such improvements are expected to fetch on additional 0.2 percent of the GDP in revenues by 2012-13. If, however, these reforms are not implemented fully or if they do not yield the desired revenues, then FBR revenues could be lower by Rs 44 billion in 2012-13, implying lower transfers to Punjab of 12 billion.

iii. As highlighted in Chapter 6, the fastest growth in provincial own-tax revenues is likely to be in the RGST on services. This is based on the assumption that the provinces will promulgate legislation to introduce a broad-based RGST on services, excluding only education and health, and that consensus will be reached on the sharing of the revenues among the provinces. If, however, there are delays in the implementation of the broad-based GST on services, then the growth in provincial own-tax revenues could be significantly lower. In this case, provincial resources could be lower by over Rs 20 billion by 2012-13.

iv. A relatively fast growth rate of 16 percent has also been projected upto 2012-13 in provincial own-tax revenues (excluding RGST on services). This is based on the assumption that the provincial government will develop promising revenue source like

the UIPT, AIT, etc. But if the existing revenue sources continue to grow only according to the historical rate of buoyancy with respect to the regional economy, then revenues are likely to be upto Rs 5 billion lower in 2012-13 than projected.

Sustainability of Public Growth

The analysis in Chapter 4 highlights that conservatively, Punjab needs to enhance its development allocations by 1 percent of the GRP if it wants to get back on the 6 percent economic growth trajectory. Clearly, the resource envelope currently available to the Government of the Punjab is not enough to finance the required investment through its own resources. The question which then arises is whether or not the Government of Punjab has the financial capability to undertake some domestic or international borrowing. Currently, the total stock of debt of the Government of Punjab is Rs 456 billion, equivalent to 5.2 percent the provincial GRP. Table 8.2 shows that in 2010-11 debt servicing pre-empts about 6.4 percent of provincial revenue receipts. By 2012-13, this ratio is likely to decline to 3.7 percent. The total stock of debt will also decline from 4.8 percent of the GRP to 3.9 percent by 2012-13.

TABLE 8.2
ANALYSIS OF DEBT SUSTAINABILITY

(Rs. In Billion)

	2010-11	2011-12	2012-13
Interest Payment			
Cash Development Loans		4.14	2.84
CDL SCARP	1.53	1.44	1.41

Foreign Loans	3.82	3.96	3.74
Market Loans	n	n	n
Floating Debt	2.70	2.16	2.4
GP Fund	2.38	3.31	3.56
Loan for Capitalization of BOP	2.13	0.42	0.26
Blocked Account	4.31	2.72	1.13
Total Interest Payment	**21.28**	**18.14**	**15.34**
Repayment of Principal	**13.12**	**11.26**	**11.79**
Domestic Debt Federal Government (CDL)	4.50	4.11	3.72
Foreign Debt	8.61	7.17	8.06
Total Debt Servicing	**34.40**	**28.42**	**27.12**
Total Debt Servicing as % of Provincial Revenue Receipts	**6.4**	**4.4**	**3.7**
Total Provincial Debt as % of GRP	**4.8**	**4.2**	**3.9**

n = small amount

Alternative Instruments for Development Financing

Alternative instruments and financing sources for development programming which have potential for involvement of the private sector, donors and other stakeholders, include:

Punjab Development Fund

One proposal which has been put forward is the establishment of a separate Punjab Development Fund (PDF). The objective of this Fund is to instill joint responsibility and accountability of key public and private authorities in planning, implementing and monitoring projects/programmes which are crucial to the province's development needs, with financing possibly on a matching basis.

The concept of the PDF makes sense if the coordination among stakeholders is undertaken for the ADP as a whole. Otherwise, there is a danger of fragmentation of the development process, with diversion of planning and execution capacity only to selected projects/programmes. As far as donor assistance is concerned, it is important to ensure that rupee counterpart funds are available, which is one of the objectives of the MTDF. Beyond this, the Planning and Development, Finance and line departments may be strengthened to implement more effectively the Paris principles of Aid Effectiveness.

In addition, given the enhancement in the development role of the provinces following the 18th Amendment to the Constitution and the 7th NFC Award, there is need for establishment of formal consultative/advisory bodies with representation from the private sector, academia and civil society in the province, for discussion on issues of economic policy and development strategy. These periodic consultations should ideally be chaired by the Chief Minister.

Private Financing of Infrastructure

Given the need to raise development spending to boost the rate of economic growth there is a need to diversify the sources of financing by involving the private sector, both foreign and domestic, in the financing and management of commercially viable infrastructure, generally on BOT basis. But Infrastructure projects are complex, capital-intensive, long gestation projects that involve multiple and often unique risks, and there are a large number of constraints to financing of infrastructure, especially by the private sector, as follows:

Financial Factors

- A combination usually of high capital costs and low operating costs implies that initial financing costs are a large proportion of total costs.
- Raising equity finance tends to the most challenging aspect of infrastructure project financing.
- Most infrastructure projects yield returns after many years, and hence require longer tenor finance, which is generally not available in the absence of a long term corporate bond market.
- Insurance companies and pension funds are ideal candidates for supplying long tenor financing but generally are unable to do so due to well-defined regulations in Pakistan forcing them to make only low risk investments.

Fiscal Factors

- An enabling fiscal environment is a pre-requisite for attracting private investment in infrastructure, especially in the form of fiscal incentives like customs duty exemption on machinery and tax holidays on profits.
- These fiscal incentives are determined by the federal government and not by provincial governments. Currently, in Pakistan, there is no favourable tax treatment of machinery imported for infrastructure projects and tax holidays or accelerated depreciation allowances are available only for limited periods. The minimum tax provisions (at 1 percent of turnover) increase tax liabilities in initial years of a project.

Transactional Factors

- Infrastructure projects require multiple clearances at federal, provincial and local levels. This is a time consuming process not only due to the sheer number of approvals but also because clearances are frequently sequential in character. The costs of doing business are further enhanced by the presence of kickbacks in the system.

- Transaction costs are enhanced, first, by lack of coordination between government ministries/departments at different levels, second, by problems in contract negotiations and delays in award of contracts and, third, limited capacity within government to execute infrastructure projects. We have already highlighted the problems of 'red-tape' in dealings with the provincial bureaucracy.

Scope for Public Private Partnerships (PPPs)

PPPs can help meet the infrastructure gap but they are often complex transactions, needing a clear specification of the services to be provided and an understanding of the way risks are to be allocated between the public and private sectors. Capacity to effectively conceptualize, procure and manage PPPs is very limited within the government in terms of development of appropriate legal and regulatory frameworks, procurement guidelines, etc. The process of PPPs can be expedited by preparation of Model Concession Agreements (MCA) for BOT projects, standard bidding documents, etc.

Overall, it appears that the scope of PPPs is currently limited in Punjab for a number of reasons. First, the overall investment climate in the country for the private sector is negative and risk perceptions are high currently. Second, the experience with PPPs is very limited and there are no major success stories. Third, as highlighted, no major fiscal incentives are available for private investment in infrastructure.

Therefore, even though gaps in infrastructure are large and growing in Punjab, expectations about PPPs in infrastructure have to be modest initially. The proposed initial steps are as follows:

(a) PPP cell established in the P&D Department should perform following tasks:

- Prepare legislation for a provincial Infrastructure Authority Act (IAA) to primarily focus on facilitating private developers/investors in securing administrative approvals, conflict resolution and fiscal concessions.

- Prepare project development/feasibility studies for PPPs in areas indicated in Box 8.1, with modalities for project implementation including sources of finance and sharing.

- Arrange competitive and transparent bidding of projects.

- Following passage of IAA, the PPP Cell may be upgraded to an Infrastructure Authority with the primary objective of supporting the private sector in land acquisition, environmental and other clearances, access to services and financial closure.

(b) As envisaged in the MTDF, exploration of PPPs in storage capacity, development of industrial estates and inter-district road network. Box 8.1 gives a list of relatively small and commercially viable projects which can be executed in Punjab on the basis of a PPP.

BOX 8.1
EXAMPLES FOR PUBLIC-PRIVATE PARTNERSHIPS

Examples of possible PPPs by Provincial Governments

- Special Enterprise Zones (SEZ) and Industrial Estates
- IT Parks
- Integrated Township and Convention Centres
- Technology Incubation Centres
- Commercial and Office Complexes
- Container Terminals (road transport)
- Hotel Resorts
- Minor Airports
- Bus Terminals
- Housing Schemes
- Multi-level Parking Complexes
- Warehousing
- Amusement /Entertainment/Theme Parks

- Agri/Horticulture Markets
- Specialized Institutions for Higher Education and Training
- Hospitals

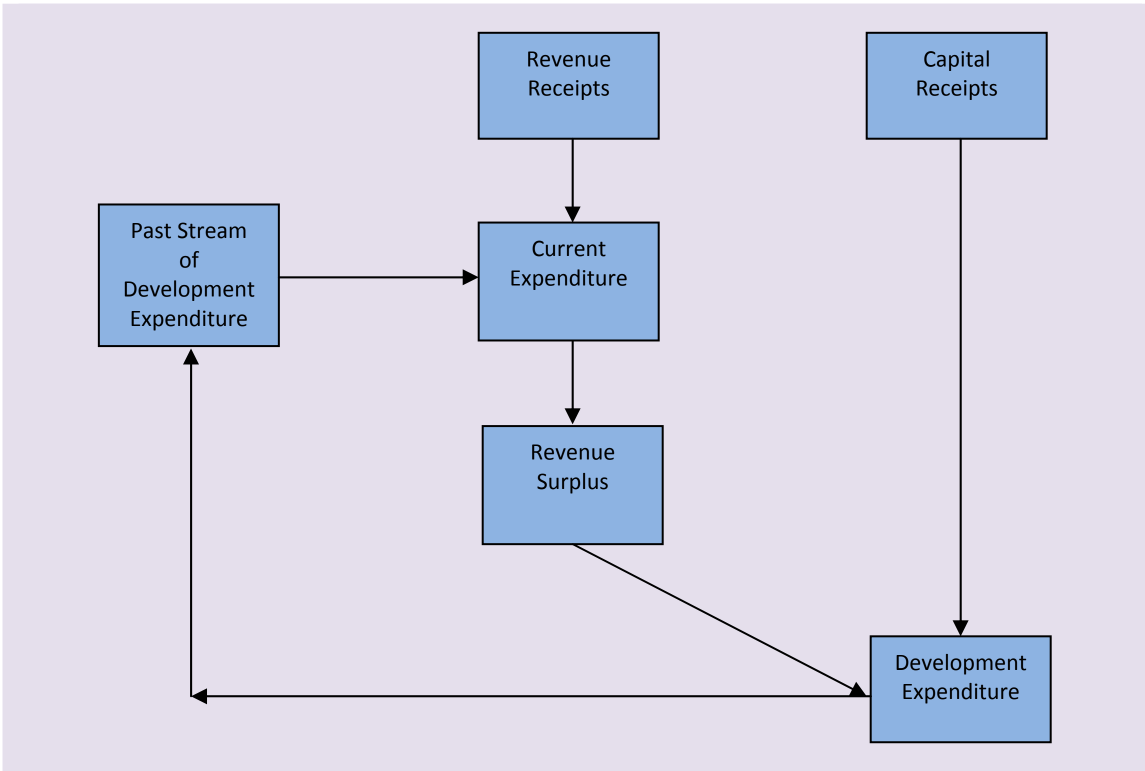
CHAPTER 9
THE BUDGET FRAMEWORK

The provincial resource envelope has been projected in the previous Chapter for the period, 2010-11 to 2012-13. The next stage in the development of the MTFF is the construction of a Budget Framework, within the context of which provincial current and development expenditure can be projected. These can subsequently be disaggregated into expenditure ceilings for individual departments.

The Development – Current Expenditure Link

The framework used for making the budget is described in Figure 9.1.

FIGURE 9.1
THE BUDGET FRAMEWORK



According to this framework, revenue receipts finance current expenditure. The surplus from the current budget constitutes a major part of the resources available for financing development expenditure (ADP), alongwith capital receipts.

As defined before, revenue receipts consist of federal transfers and own revenues of the provincial government. Capital receipts comprise primarily of foreign assistance and federal development grants (if any) and any borrowings from the banking system or the capital market, which have become possible after the 18th Amendment. It is assumed that there is no financing from the public account or by drawdown of cash balances.

Current expenditure depends, first, on the level of revenue receipts. This defines the fiscal space available for salary increases and for making provisions for operations and maintenance of services provided from the provincial exchequer. The development-current expenditure link is manifested by the downstream recurring liabilities that are created by the recruitment of personal and O& M costs arising from development schemes that are completed with funds from ADP. Since development programs/projects take years to be completed, a typical year's current expenditure also depends, therefore, on the past stream of development outlays.

Once the revenue surplus is determined as residual from the current budget, the size of the ADP is fixed on the basis of the resources available for development consisting of the revenue surplus and capital receipts. The overall size of the provincial budget then is the sum of the current and development (ADP) expenditures.

A variant to this budget framework focuses more on the development side. Consistent with the Medium Term Development Framework (MDTF), the provincial government may opt instead for a strategy of first deciding on the size of the development program. Recurring expenditure continues to be based on the level of revenue receipts and the past stream of development expenditures. In this case, capital receipts emerge as the residual, especially in terms of the required level of borrowings. As long as the build up in the ADP is not too ambitious it is possible to keep borrowings within any limits set by the National Economic Council. This option may become available in a limited manner to the provincial government in years to come.

The technical specification of the methodology used for forecasting the levels of current and development expenditure respectively given the projected levels of resources available is given in Annexure A-3.

Expenditure Projections

The projected level of current and development expenditure in 2010-11, 2011-12 and 2012-13 respectively, given the total resources available (quantified in Table 8.1,) are presented in Table 9.1.

TABLE 9.1
PROJECTIONS OF THE SIZE OF THE PROVINCIAL BUDGET

(Rs in Billion)

	2009-10	Share	2010-11	Share (%)	2011-13	Share (%)	2012-13	Share (%)
Current Expenditure	318.2	70.2	380.2	68.6	440.3	65.9	486.0	63.9
Development Expenditure	17.7	29.8	173.9	31.4	228.3	34.1	275.0	36.1

Budget Size	452.9	100.0	554.1	100.0	668.6	100.0	761.0	100.0
				(as % of GRP)				
Current Expenditure	3.7		3.8		3.8		3.7	
Development Expenditure	1.6		1.7		2.0		2.1	
Budget Size	5.3		5.5		5.8		5.9	
Memo Item: GRP	**8527.7**		10026.2		11491.4		12937.2	

For, 2010-11, the initial budget estimates appear now to have been somewhat on the high side. There is likely to be a short fall of about Rs 26 billion, first, due to lower divisible pool transfers resulting from a slower growth than anticipated earlier in FBR revenues and, second, because of delays in the levy of a broad-based GST on services by the provinces. The cut back, in particular, in the provincial ADP is significant, from Rs 193.5 billion to Rs 173.9 billion. Current expenditure is projected to account for almost 69 percent of the budget in 2010-11.

TABLE 9.2
NOMINAL GROWTH IN BUDGET OF GOVERNMENT OF PUNJAB

% Growth

	2010-11	2011-12	2012-13
Current Expenditure	19.5	15.8	10.4
Development Expenditure	29.1	31.3	20.5
Budget	**22.3**	**20.7**	**13.8**

Resource projections for 2011-12 show relatively high growth of over 20 percent as shown in Table 9.2 for a number of reasons. First, the share of the provinces in the divisible pool will increase from 56 to 57.5 percent. Second, following the broad-basing of GST on services, revenues are expected to show fast growth and net receipts from the capital account are likely to show a significant jump.

The expansion in fiscal space for 2011-12 will enable rapid growth in both the current and development expenditure of almost 16 percent and 31 percent respectively. This is a positive outcome as flood reconstruction activities will be at a peak at this time and there will be need to divert significant funds from the development budget. If resource projections for 2011-12 materialize then the share of development expenditure in the provincial budget could rise from less than 30 percent in 2009-10 to over 34 percent.

The resource availability position in 2012-13 is expected to improve moderately by under 14 percent. The growth in current expenditure will have to be limited to about 10 percent, to enable development expenditure to grow by over 20 percent. By 2010-13, the share of the Punjab budget devoted to development expenditure is expected to rise to 36 percent.

Sensitivity Analysis of Projections

The medium-term projections of current and development expenditure given above are referred to as base projections. Two types of sensitivity analysis can be undertaken of these projections as follows:

Fall in Transfers

There is some uncertainty about the growth of FBR revenues and divisible pool transfers thereof due to the slowing down of the economy, especially manufacturing and imports, in the aftermath of the floods and due to on-going problems of law and order and power and gas loadshedding. In fact, in the first quarter of 2010-11, FBR revenues have increased slowly by less than 8 percent as compared to the target growth rate for the year of over 25 percent. Therefore, while the resource projections in the previous chapter allow for some shortfall in divisible pool transfers in relation to budget estimates, the actual shortfall by the end of the year may be even larger. As such, one sensitivity analysis works out the implications of total revenue receipts being lower than projected in Table 6.6 by 5 percent in each of the three years – 2010-11 to 2012-13. The results are indicated in Table 9.3 below.

A large part of the downward adjustment in expenditure is on the development side in this scenario. For example, the level of the ADP in 2010-11 falls to Rs. 156 billion.

TABLE 9.3
IMPACT OF 5 PERCENT SHORTFALL IN REVENUE RECEIPTS
(IN RELATION TO THE BASE SCENARIO)

(Rs. In Billion)

	2010-11	2011-12	2012-13
Decline in Revenue Receipts	**-27.7**	**-33.4**	**-38.4**
Leading to:			
Change in Current Expenditure	-10.2	-12.9	-16.1
Change in Development Expenditure	-17.5	-20.5	-22.1

Higher Borrowing

The amendment to Article 167 of the Constitution, as part of the 18th Amendment, permits some limited borrowing by provincial governments subject to approval by the National Economic Council. Therefore, one sensitivity analysis undertaken is to increase capital receipts in 2011-12 and 2012-13 by Rupees 20 billion each year by recourse to borrowing either from the domestic banking system or capital market. Results of model simulations are given below:

TABLE 9.4
IMPACT OF INCREASE IN BORROWING FOR DEVELOPMENT OF RS 20 BILLION EACH YEAR IN 2011-12 AND 2012-13

(Rs in Billion)

	2010-11	2011-12	2012-13
Increase in Capital Receipts	**0.0**	**20.0**	**20.0**
Leading to:			
Increase in Revenue Receipts	-	1.0	2.0
Increase in Current Expenditure	-	3.0	7.1
Increase in Development Expenditure	-	17.0	14.9

The increase in revenue receipts is based on the economic stimulus provided by the higher development expenditure to the Punjab economy and consequently to the national economy. The magnitude of the impact on revenue receipts will depend upon the size of the 'multiplier', the marginal FBR tax-to-GDP ratio and the share of Punjab in higher revenues. The increase in current expenditure is due primarily to the cost of servicing the additional debt. In this scenario development expenditure in 2012-13 is about 5 percent higher.

Given the budget framework described above, Chapter 11 deal with the break-up of the base projections in this Chapter into development allocations and current expenditure by departments of the provincial government.

CHAPTER 10
PROVINCIAL DEVELOPMENT PRIORITIES

Key Development Goals and Objectives

Punjab's long-term development vision aims at creating a literate, fully employed, healthy and culturally aware society and envisages a doubling of per capita income by 2020. The provincial development priorities are guided by this overarching vision and the development agenda articulated by the Chief Minister, as enunciated in the strategy for Accelerating Growth and Improving Service Delivery 2009-10, announced by the Government of the Punjab in June 2009. Punjab Medium Term Development Framework has been formulated in line with this vision.

The development goals and objectives of the Government of Punjab are mostly aligned with the corresponding national development goals and objectives as well as are harmonized with the development goals under international commitments. Though development goals at the national level seek to consolidate economic stability and to put economy on recovery path[6], development objectives at the provincial levels are aimed at enhancing the state's responsibility in the provision of basic social services to the masses.

Education

Literacy improvement is mostly pursued through development policies aiming at fostering education related MDGs in the medium term. In this perspective, a policy framework has been developed aiming at enhancing quality education at schools, enhanced and easy access to education facilities, and promoting good governance practices in the government institutions imparting education. The targets are to achieve universal primary education side by side with achieving full participation rates. The provision of basic and elementary education services has been devolved. The Provincial Government supports local governments through different interventions under various programs focused on improving the capacity of teachers and managers, provision of I.T./science labs and libraries, provision of quality text books along with up-gradation of schools to next higher level and provision of missing facilities.

Higher education, however, is the responsibility the Provincial Government. Improvement of quality education, equitable and enhanced access to higher education, up-gradation and development of higher education infrastructure are the strategic interventions for improving higher education standards in the Province.

Health

The Government's pro-poor strategic interventions in health sector during the past few years have been hailed by various segments of society. Provision of free medicines and modern diagnostic and treatment facilities at various medical institutions, creation of emergency services blocks at DHQ hospitals, capacity building and state of the art modern centers of excellence among others are notable interventions of the Government.

Economic Infrastructure

[6] Annual Plan 2010-11, Government of Pakistan

The Government of Punjab is also developing the economic infrastructure to foster growth in the province. Road densities are being improved through rehabilitation and expansion of the existing infrastructure including the inter-district network and the accessibility of rural areas to the highways thereby connecting them to district markets. The Provincial Government also aids the local governments in improving intra-city road infrastructure through development portfolio being pursued in MTDF 2010-13.

Similarly, the development needs in the irrigation sector are identified which mostly revolve around ensuring sustainability of irrigation supplies, modernization of irrigation infrastructure, optimization in the use of surface and groundwater aiming at maximizing agricultural productivity, and to develop renewable energy resource base through small dams and allied technologies with specific focus on developing PPPs.

Production and services sectors' development objectives seek to enhance productivity of the relevant sectors mostly through developing sector infrastructure, developing capacities and competencies among the sector stakeholders enabling them to effectively play part in socio-economic development, fostering public-private partnership, market development through mitigation of market imperfections, modernization through enhanced research & development and training, enhanced accessibilities to facilities, and development and expansion of means of mass communication.

The above development priorities are reflected in the MTDF prepared for the three years 2010-11 to 2012-13. The expectation that this will guide the annual ADP allocations. Key features of the MTDF include: first, a management by results framework, especially in terms of achieving the MDGs; second, adequate funding for foreign aided and mega projects; third, focus on lesser developed districts; fourth, emphasis on on-going projects and reduction of the throw-forward; fifth, continued emphasis on rural development, and; sixth, stress on allocation to pro-poor sectors in line with the MDGs. Table 10.1 presents the shares of different sectors in the MTDF.

TABLE 10.1
DEVELOPMENT PRIORITIES ACCORDING TO MTDF

			(%)
	2010-11	**2011-12**	**2012-13**

The social sectors enjoys the highest priority in the MTDF. Their share rises from 37.5 percent to over 40 percent by 2012-13. There is clear indication of the emphasis placed by the Government of Punjab on human development and alleviation of poverty. Infrastructure allocations are also large with a share of about 32 percent. These allocations are expected to remove the constraints to achieving higher growth in the province. The total Core Programme is expected to take up 81 to 85 percent of the resources available for development in the MTDF. Special programmes and packages account for the remainder and include the district/TMA development programme, the Lahore Ring Road, new initiatives like medical colleges, etc.

	Budget	**MTDF**	**MTDF**	**MTDF**
A. Social Sectors	35.4	37.5	39.0	40.1
B. Infrastructure Development	30.6	32.6	32.3	31.9
C. Production Sectors	3.6	3.8	4.2	4.5
D. Services Sectors	3.7	3.8	4.2	4.3
E. Others	3.3	3.5	3.7	4.0
Total Core Programme	**76.4**	**81.3**	**83.5**	**84.9**
F. Special Programme/Packages	23.6	18.7	16.5	15.1
Total ADP	**100.0**	**100.0**	**100.0**	**100.0**
ADP Size (Rs in Billion)	**193.5**	**182.0**	**195.0**	**212.0**

The ADP size targeted for in the Budget of 2010-11 is actually over Rs 11 billion larger than that envisaged in the first year of the MTDF. This reflects the improved resource position following the NFC Award. This will enable faster achievement of the goals and targets set by the Government, especially if there is a more rapid build up in the size of the ADP in coming years. Detailed sectoral objectives, goals, strategies and programme are presented in Annexure A-4.

Flood Reconstruction Program

Damage Needs Assessment (DNA) of the floods has been completed in the province of Punjab. The details of damage are presented in Annexure A-5. The damages are widespread and cover losses to private housing, standing crops and public infrastructure. While the Government is committed to provide some cash assistance and support to affectees for the first two losses, the third area is Government of Punjab’s principal responsibility. Under NADRA mechanism, almost 650,000 households have already been provided cash grants as relief in Punjab. The DNA indicates damage to 1.25 million acres of cropped area, with the number of farmers affected as 0.25 million. An agriculture package, include subsidzed fertilizer and seeds and concessional loans has already been offered. The costs of the above two are being shared equally by the Federal Government and the Government of Punjab. The outlay by the Punjab Government is Rs 12.5 million, Rs 6.5 billion for the cash grants and Rs 6 billion for the agricultural packages.

The Federal Government has decided that no donor funding would be obtained for rehabilitation and reconstruction of public infrastructure. It has conveyed to the donors that their support would only be obtained for cash grants to flood affectees. Government of Punjab stresses that further cash grants upto Rs 100,000 per affected household should be on the basis of the actual surveys and proper targeting. Also, it is important that fresh loans availed from multilateral agencies for the purpose do not burden the finances of the Government of the Punjab by increasing its debt servicing liabilities.

As far as public infrastructure damage is concerned, Table 10.2 presents the summary of costs. Floods in Punjab have damaged 2819km of roads, 2821 schools, 1245 water supply and sanitation schemes, besides damaging irrigation, health facilities and governance infrastructures as detailed in Annexure A-5. The cost of the reconstruction of public sector infrastructure is about US$ 325 million amounting to Rs. 27 billion.

TABLE 10.2
RECONSTRUCTION COST ESTIMATES

Sector	Million US $
Transport & Communication (Roads & Bridges)	179
Education	92.7
Irrigation	33
Water and Sanitation	5
Health	4.8
Governance	11.27
Total for Public Sector Infrastructure	**325.8**
Private Sector and Industries	76.8
Housing	224
Livelihood and Social Protection	214
Grand Total	**2678.57**

The Government of Punjab has started immediate repair of roads, health, education, irrigation, water supply and other buildings through maintenance and repairs (M&R) grants. The MTFF proposes that an amount of Rs 25 billion be re-appropriated from the ADP of 2010-11 for flood rehabilitation and reconstruction.

Achieving the MDGs

The MDGs and targets are given in Annexure A-6. Pakistan Millennium Development Goals Report 2010 reveals that the country is lagging behind in achieving the MDGs in most of the categories. To combat the worsening situation, however, the Federal as well as the Provincial Governments are pursuing development paradigms to improve prospects for achieving the MDGs. The Provincial Government gives sizable weightage to MDGs by tailoring the sectoral policies towards the achievement. As highlighted earlier, the social sectors, which are critical to the achievement of the MDGs, are receiving the largest allocation in the MTDF. Table 10.3, indicates some mega programs/schemes that have been initiated by the Government of Punjab in order to facilitate progress towards achieving MDGs.

TABLE 10.3
CONNECTIONS BETWEEN MDGS AND PROVINCIAL SECTORAL POLICIES AND THE QUANTUM OF INVESTMENTS TO ACHIEVE MDGS

MDG Goal #	Description	Sectoral Policy Relevant to this MDG	Major Programs / Schemes/Area of Intervention	Size of Development Portfolio of 2010-11 Relevant to this MDG (Rs. in millions)
		Education Sector		
2	Achieve universal primary education	a. Ensure achievement of education related Millennium Development Goals (MDGs) by 2015 and EFA targets: - • Universal Primary Education • Completion of full Primary Schooling by all children • Promote Gender Equality • Ensure 100% participation rate at primary level by 2011 and participation enhancement at the Elementary & Secondary level b. Provision of high quality learning opportunities through non formal means to all illiterates and out of schools population by 2019	1. Accelerated Programme for Development of School Sector (partial) 2. Reconstruction of ExistingSchool Buildings (partial) 3. Upgradation of Schools to next higher levels 4. Literacy	800 600 6,000 800
3	Promote gender equality and empower women			
		Health Sector		
	Reduce child mortality rate	a. Measurable impact on Millennium Development Goals (MDGs) through major interventions in the health services delivery with significantreduction in incidence of diseases b. Focus on Preventive Health Care through inter-sectoral coordination and regular health education/promotion c. Improved primary, secondary and tertiary health care through inclusion of need-based and result-oriented schemes	1. Preventive and Primary Health Care (to a great extent) 2. Accelerated Programme for Health Care 3. Tertiary Care Hospitals (partial)	1,800 4,300 6,500
	Improve maternal health			
	Combat HIV/AIDS, malaria, and other diseases			
Total				**Rs.20,800**

Balanced Regional Development

The disparities among districts of Punjab have already been highlighted in Chapter 3 in terms of access to basic economic infrastructure and social services. The Government of Punjab is attaching special priority to achieving balanced and equitable growth with particular focus on Southern Punjab, especially 11 backward districts like Jhang, Bhakkar, Khushab and Mianwali, and the Barani districts of Punjab.

The ADP of 2010-11 includes special block allocation of Rs 500 million per district to Mianwali, Khushab, Bhakkar and Jhang. The number of backward districts receiving the block allocation will be enhanced in coming years. For the Potohar region a special development program is being executed consisting of minidams and initiatives for sustainable livelihoods development.

Overall, the allocation in the ADP in 2010-11 for regional planning has been enhanced more than five fold to Rs 14.2 billion. This includes two major multi-sectoral integrated development programs – the Southern Punjab Development Program (SPDP) and the Punjab Economic Opportunity Programme (PEOP) – with a combined allocation of Rs 10.2 billion.

Specific initiatives include the following:

- Installation of 183 turbine tubewells for irrigation in rainfed plains of DG Khan and Rajanpur Districts.
- Provision of roads, drinking water and renewable energy through the Cholistan Development Authority.
- Sustainable Livelihood in Barani Areas Project (SLBAP) for poverty reduction in rainfed areas (10 districts)
- Water resource development through construction of 200 mini dams alongwith command area development in Potohar Region.

The strategy is for development of economic infrastructure (roads, energy, water for agriculture) through the provincial ADP in the backward regions of the province. Differentials in access to basic social services like education and health are being removed through the development programme executed through district governments in the province.

The Provincial Finance Commission (PFC) is focusing through its awards on the horizontal distribution of current and development grants on fiscal equalization among the districts of Punjab. The last award by the PFC of Punjab was in 2006 for a period of three years. It has been extended till such time the new local Government Act becomes operative.

The net proceeds of the Provincial Consolidated Fund are distributed between the Provincial Retained Amount and Provincial Allocable Amount. The latter has a share of 41.9 percent and is the amount allocated to local governments alongwith the revenues from the 2.5 percent GST in 2009-10. Within local governments, the share of City District and District Governments is 83.81 percent, while the shares of Tehsil/Town Administrations and Union Administrations are 12.50 and 3.69 percent respectively.

There are four types of grants as follows:

I. General purpose grant to remove any shortfall in base current expenditure, with a share of 71.2 percent

II. Equalization grant to remove any shortfall in base current expenditures, with a share of 9.3 percent.

III. Development grant to meet development needs, with a share of 11.3 percent.

IV. Tied grant to provide additional finances to social sectors under protocols agreed with donors, with share of 8.2 percent.

The share of each type of local government in each type of grant is pre-specified. The distribution of each type of grant among district governments is formula driven as follows:

Type of Grant	**Criteria**
• General Purpose Grant	• Population
• Equalization Grant	• Fiscal Gap between baseline expenditure and shares under General Purpose Grant • The Balance amount of grant after equalization will be distributed on the basis of population
• Development Grant	• 50 percent: on the basis of the Underdevelopment Index • 50 percent: Population of District
• Tied Grant	

I. Education : Population, 60 percent; Performance, 40 percent
II. Health: Population, 70 percent; 30 percent (based on MICS)

Distribution among TMAs is primarily on the basis of population, with some weightage for urban population.

Therefore fiscal equalization is being attempted primarily through development grants to district governments. The development grant gives a 50 percent weightage to the underdevelopment index of a district. As such, the more backward districts are likely to receive larger per capita development grants. As far as current grants are concerned, any fiscal equalization achieved is purely incidental in character.

Table 10.4 gives the total allocation to local governments. The big jump in current grant in 2010-11 is in lieu of the increase announced in salaries and allowances.

TABLE 10.4
ALLOCATIONS TO LOCAL GOVERNMENTS

(Rs in Billion)

	2009-10 (R.E)	2010-11 (B.E)	Growth (%)
Current grant	124.4	152.0	22.2
Development Grant	11.1	12.0	8.1
Total	**135.5**	**164.0**	**21.0**

The per capita current and development grants to individual districts in 2009-10, as per the above mentioned PFC formula, are given in Table 10.5. For the top six districts of the province, the average per capita grant was Rs 1216, whereas the bottom six districts in terms of level of development received Rs 1527 per capita, a difference of over 25 percent. Therefore, a degree of fiscal equalization has been achieved, primarily in development grants.

Following the promulgation of the new Local government Act, the Government of Punjab will focus on enhancing the share of local governments in the provincial ADP and in strengthening the element of fiscal equalization in favour of backward regions of the province in future awards

TABLE 10.5
PER CAPITA GRANT BY PFC IN 2009-10

Rs

Development Rank[a]	District	Current Grant	Development Grant	Total Grant
1	Lahore	1024	179	1203
2	Gujranwala	1035	179	1214
3	Sialkot	1032	147	1179
4	Rawalpindi	1022	173	1195
5	Gujrat	1048	256	1304
6	Faisalabad	1038	163	1201
7	Nankana Sahib[a]	1283	241	1524
8	Sheikhupura	1150	208	1358
9	Chakwal	1508	244	1752
10	Jhelum	1334	246	1580
11	Attock	1433	201	1634
12	Toba Tek Singh	1203	244	1447
13	Mandi Bahauddin	1113	195	1308
14	Narowal	1374	317	1691
15	Kasur	1104	186	1290
16	Multan	1075	345	1420
17	Hafizabad	1196	223	1419
18	Sahiwal	1164	175	1339
19	Sargodha	1243	318	1561
20	Mianwali	1472	232	1704
21	Bahawalnagar	1335	200	1535
22	Bhakkar	1522	386	1908
23	Khushab	1502	352	1854
24	Okara	1104	216	1320
25	Khanewal	1150	237	1387
25	Chiniot[b]	1118	247	1365
26	Jhang	1119	251	1370
27	Vehari	1114	224	1338
28	Bahawalpur	1109	289	1398
29	Rahim Yar khan	1082	236	1318
30	Pakpattan	1177	263	1440
31	D G Khan	1338	247	1585
32	Layyah	1462	318	1780
33	Rajanpur	1238	255	1493
34	Muzaffergarh	1108	166	1274
35	Lodhran	1209	383	1592

	Average	1153	228	1381
[a,b]These are two new districts, carved out of Shikhpura and Jhang respectively				

Rationalizing the Throw Forward of Projects/Programs

The throwforward of schemes in Punjab's development portfolio as of the 30th of June 2010 was almost Rs 640 billion, prior to the launching of the ADP for 2010-11, as shown in Table 10.6. It is even higher now given the shortfall in the execution of the ADP in 2009-10. At this level, it is almost equivalent to 3.5 times the annual size of the ADP.

TABLE 10.6
THROW FORWARD IN ADP OF PUNJAB
(AS OF JUNE 30, 2010)

(Rs in Billion)

Sector	On-Going			New (2009-10)			Throw forward (30th June 2010)*
	Number of Schemes	Throwforward (July 1, 2009)	Allocation 2009-10*	Number of Schemes	Cost	Allocation 2009-10	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
School Education	43	10387	8400	7	5832	5200	2619
Higher Education	124	5316	4000	9	3464	2125	2655
Health	216	39214	7025	82	28409	5000	55598
Water Supply & Sanitation	1586	24032	6000	17	4785	2500	20317
Regional Planning	54	3511	825	11	13077	6650	9113
Local Government	4	5284	2430	4	6949	5270	4534
Roads	1059	74690	22000	14	49095	3000	98785
Irrigation	50	44554	8966	28	43533	1034	78087
Urban Development	73	39058	5744	40	85935	1256	117994
Agriculture	24	7583	2772	16	1053	428	5436
TEVTA	59	3528	1750	42	2397	550	3625
Information Technology	18	8849	1000	12	960	300	8509
Special Infrastructure	37	16989	12501	18	216097	13499	207086
TOTAL OF ABOVE	3346	282995	83413	300	461586	46812	614356
OTHERS	270	20600	9253	154	31732	17736	25343
TOTAL[b]	3616	303595	92666	454	493,318	64548	639699

*before the launching of ADP 2010-11.
[a] (7) = (2)-(3) + (5) – (6)

[b] excluding public buildings

The major sectors with large throwforward are special infrastructure (Rs 207 billion), urban development (Rs 118 billion), roads (Rs 99 billion), irrigation (78 billion) and health (Rs 56 billion). The cost yet to be incurred on on-going schemes is Rs 211 billion while the cost remaining of new schemes is as much Rs 429 billion. Therefore, a large proportion of the throwforward is due to schemes which were approved for execution in 2009-10. This is reflection of the development priorities of the new government elected in 2008, which have determined the shape of the MTDF for 2010-13.

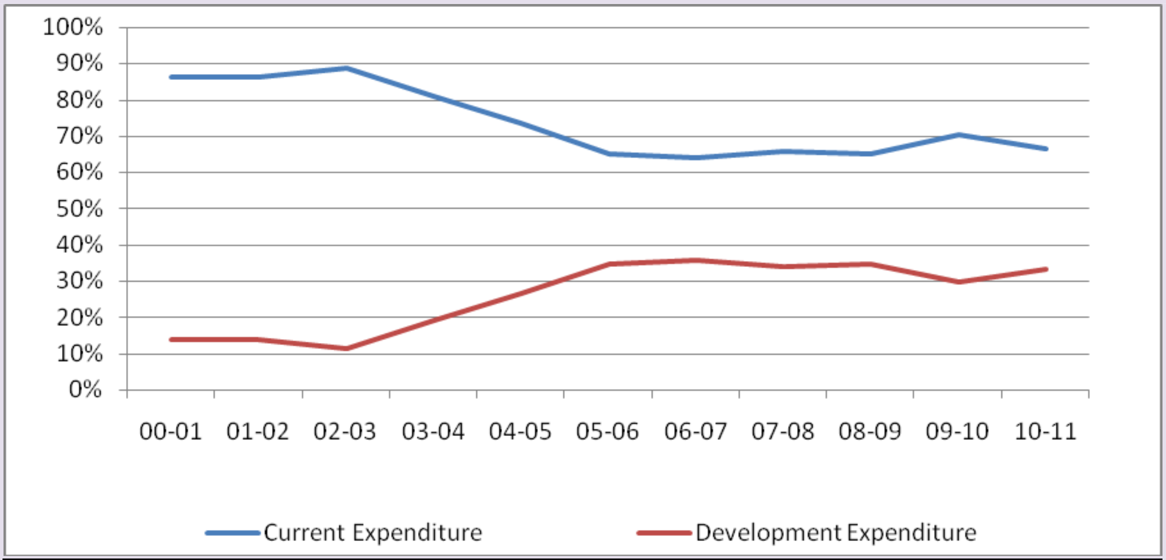
The government of Punjab is now laying emphasis on completion of on-going projects and reduction in the throwforward. 2049 out of 3081, almost 67 percent, on-going schemes will be completed in 2010-11. Also, the stress is on undertaking projects that can be completed within one year to control the throwforward. Following the flood, the need to divert funds for rehabilitation and reconstruction of infrastructure has led to a policy decision by the government to minimize allocations to new projects/programs in 2010-11.

CHAPTER 11
PROVINCIAL EXPENDITURE

Overview of Expenditure

The expenditure trends of the Punjab Government over the last decade have been discussed in detail in chapter 5. During this period the total expenditure of the Government increased from Rs.107.9 billion to Rs 436.0 billion. Trend in current and development expenditure as percent of the total expenditure of the Government is presented in Figure 11.1 for the last 10 years. From 2000-01 to 2002-03 the Government was, on average, spending only 14 percent on development and remaining 86 percent was recurring in nature. From 2003-04 to 2005-06, the Government was able to raise the share of development expenditure to 35 percent. This level was maintained till 2008-09. During the last fiscal year i.e. 2009-10, the share of development expenditure dropped to 30 percent. This drop in the share of development expenditure was reflective of economic slowdown in the country, increasing cost of establishment, high cost of security related expenditure and higher expenditure on debt servicing especially to service the overdraft of Rs.50.9 billion which was converted into a loan by the Federal Government and State Bank of Pakistan. The Government has to pay Rs.1.06 billion per month to retire this debt. Interest on this overdraft at weighted average of 6 month T-bills rate) is the other significant additional expenditure.

FIGURE 11.1
SHARES OF CURRENT & DEVELOPMENT EXPENDITURE



During the on-going financial year, the share of development expenditure may again drop from the budgeted level of 33 percent as the Government has been forced to shift / transfer significant amount of resources towards flood relief & rehabilitation. Upto early November 2010, the Government had spent Rs.9.0 billion for flood relief and rehabilitation. Any shortfall in federal resources may also have to be matched by an equivalent reduction in development expenditure due to inherent rigidity of the current / non-development expenditure.

While it is extremely important to run existing public facilities, it is even more desirable for a Government to be able to produce new public facilities in accordance with public needs and priorities.

Analysis of Current Expenditure

Major components of the current expenditure of the Government are presented in Table 11.1.

A comparison of the last year's expenditure with the budget estimates 2010-11 highlights the following important points:

I. Federal Government gave an increase of 50% in the pay of civil servants. In addition, the employees were allowed the facility of medical allowance at eh rate of 15 percent of the basic pay. Consequently, the Punjab Government also had to extend similar benefits to its employees which had a financial implication of approximately Rs.54.2 billion for the Government as shown in table 11.2:

We can see an increase in 'General Public Services' from Rs.181.8 billion in 2009-10 to Rs.222.1 billion 2010-11. A significant part of this increase relates to pay revision by the Government.

II. The pension liability of the Government is rising due to increase in number of pensioners and pension increases allowed by the Government. During the financial year 2009-10, the actual expenditure on pension was Rs. 31.5 billion as compared to Rs.28.0 billion allocated for financial year 2010-11, which seems to be a case of under budgeting.

TABLE 11.1
CURRENT EXPENDITURE

(Rs In Million)

		Function	Accounts Upto June-2010 (Supplementary)	Budget Estimates 2010-2011
A	**CURRENT REVENUE EXPENDITURE**		**306,621.880**	**386,786.957**
01	**GENERAL PUBLIC SERVICES**		**181,765.241**	**222,145.898**
	011	Executive & Legislative Organs, Financial and Fiscal Affairs (Including debt servicing)	56,145.530	68,824.177
	014	Transfers	124,264.658	152,064.988
	015	General Services	1,353.277	1,254.880
	019	General Public Services not Elsewhere Defined	1.776	1.853
03	**PUBLIC ORDER AND SAFETY AFFAIRS**		**58,768.436**	**63,017.082**
	031	Law Courts	5,786.428	6,942.245
	032	Police	47,612.981	49,714.118
	033	Fire Protection	33.439	35.458
	034	Prison Administration and Operation	3,425.758	3,823.996
	036	Administration of Public Order	1,909.830	2,501.265
04	**ECONOMIC AFFAIRS**		**23,686.453**	**44,888.796**
	041	General Economic, Commercial & Labour Affairs	301.899	291.862
	042	Agri. Food, Irrigation, Forestry & Fishing	14,299.226	35,980.845
	044	Mining and Manufacturing	4,468.890	5,658.404
	045	Construction and Transport	4,602.554	2,935.074
	047	Other Industries	13.884	22.611
05	**ENVIRONMENT PROTECTION**		**42.015**	**47.025**
06	**HOUSING AND COMMUNITY AMENITIES**		**1,534.575**	**3,501.843**
07	**HEALTH**		**17,945.462**	**21,999.629**
	073	Hospital Services	16,957.409	20,048.470

	074	Public Health Services	73.609	74.103
	076	Health Administration	914.444	1,877.056
08		**RECREATION, CULTURE AND RELIGION**	**998.498**	**880.821**
09		**EDUCATION AFFAIRS AND SERVICES**	**20,296.688**	**28,885.359**
	091	Pre. Primary Education Affairs & Service	-	419.231
	092	Secondary Education Affairs and Services	7.804	13,309.549
	093	Tertiary Education Affairs and Services	13,667.107	14,885.650
	094	Education Services Not definable by level	152.811	122.081
	095	Subsidiary Services to Education	115.706	135.376
	097	Education Affairs, Services Not	6353.26	13.472
10		**SOCILAL PROTECTION**	**1,584.512**	**1,420.504**
		TOTAL CURRENT REVENUE EXPENDITURE	**306,621.880**	**386,786.957**

III. The cost of security related expenditure has become a very significant part of budget. An allocation of Rs.63.0 billion has been made in budget 2010-11 for this purpose as compared to Rs. 58.8 billion actually spent during 2009-10.

IV. The allocation for 'Economic Affairs' is significantly higher in 2010-11 compared to 2009-10 on account of higher allocation for subsidies as compared to actual expenditure during 2009-10.

V. An allocation of Rs.6.5 billion for Punjab Millennium Development Goals Program was made on the current side of budget 2009-10. In budget 2010-11 this allocation has been reflected on the development side of the budget. Therefore, allocation for 'Health' seems to be lower in 2010-11, which, in fact, is not the case.

TABLE 11.2
IMPACT OF PAY REVISION 2010-11
(Rs. In Billions)

50% increase in pay	41.0
Increase in Medical Allowance for BS 1-16	5.0
Medical Allowance for BS 17-22	2.2
Increase in Pension and Medical Allowance for pensioners	6.4
Total	**54.6**

VI. Significantly higher allocation has been made for Education Affairs and Services for 2010-11 especially for provision of missing facilities, upgradation of schools, free textbooks and stipends for girl students in selected districts as part of the Punjab Education Sector Reform Program.

Table 11.3 shows a comparative analysis of object wise expenditure in 2009-10 and budget estimates 2010-11 of the non development budget.

The table corroborates the points highlighted earlier. The object wise comparison of the budget estimate 2010-11 with the actual expenditure 2009-10 shows that there has been a significant increase in 2010-11 for the objects such as Pay, Allowances, Grants to Local Governments etc. The objects relating to Operational Expenditure have registered either very little increase or a decrease in the allocations for 2010-11 compared to last year's actual expenditure. For example, the allocation in budget 2010-11 for objects relating to utilities, purchase of durable goods and repair and maintenance are showing a decrease compared to actual expenditure during 2009-10. The comparison clearly reflects the resolve of the government to cut down the current expenditure to provide maximum resources for development. On top of the above, all government departments have surrendered 10 percent of the non salary / non obligatory expenditure (which translates into a saving of Rs. 2.7 billion) to create fiscal space for development and flood rehabilitation during 2010-11.

TABLE 11.3
OBJECT WISE COMPARISON OF ACTUAL EXPENDITURE 2009-10 AND BUDGET ESTIMATES 2010-11
(Rs. in million)

Row Labels	Actual 2009-10	BE 2010-11	Absolute change B.E. 10-11/Actual 09-10	% change
A011 PAY	33,971.394	39,275.667	5,304.273	16%
A012 ALLOWANCES	50,339.820	75,206.716	24,866.896	49%
A022 RESEARCH AND SERVICE & EXPLORATORY OPERA	5.889	36.308	30.419	516%
A031 FEES	5.736	1.420	(4.316)	-75%
A032 COMMUNICATIONS	550.452	681.139	130.687	24%
A033 UTILITIES	4,287.148	2,972.656	(1,314.492)	-31%
A034 OCCUPANCY COSTS	312.309	450.678	138.369	44%
A036 MOTOR VEHICLES	0.519	1.521	1.002	193%
A037 CONSULTANCY AND CONTRACTUAL WORK	0.080	0.110	0.030	38%
A038 TRAVEL & TRANSPORTATION	4,984.623	5,711.168	726.544	15%
A039 GENERAL	14,007.361	16,073.655	2,066.293	15%
A041 PENSION	31,544.657	27,990.494	(3,554.163)	-11%
A051 SUBSIDIES	607.347	21,000.000	20,392.653	3358%
A052 GRANTS-DOMESTIC	130,111.109	164,062.773	33,951.664	26%
A061 SCHOLARSHIP	1,128.714	1,571.939	443.225	39%
A062 TECHNICAL ASSISTANCE	29.006	12.500	(16.506)	-57%
A063 ENTERTAINMENT & GIFTS	121.509	159.581	38.072	31%
A064 OTHER TRANSFER PAYMENTS	1,115.700	634.254	(481.446)	-43%
A065 PUBLIC PRIVATE PARTNERSHIP (PEF)	4,000.000	4,500.000	500.000	13%
A071 INTEREST-DOMESTIC	20,107.529	21,284.977	1,177.448	6%
A073 OTHERS	0.000	0.003	0.003	1605%
A081 ADVANCES TO GOVERNMENT SERVANTS	-	0.102	0.102	
A091 PURCHASE OF BUILDING	63.203	1.800	(61.403)	-97%
A092 COMPUTER EQUIPMENT	70.411	55.866	(14.545)	-21%
A093 COMMODITY PURCHASES	17.172	17.871	0.699	4%
A094 OTHER STORES AND STOCKS	52.404	84.568	32.164	61%
A095 PURCHASE OF TRANSPORT	1,163.582	227.886	(935.696)	-80%
A096 PURCHASE OF PLANT & MACHINERY	1,100.114	387.233	(712.881)	-65%
A097 PURCHASE FURNITURE & FIXTURE	181.570	80.371	(101.199)	-56%

A098 PURCHASE OF OTHER ASSETS	68.415	107.679	39.264	57%
A123 EMBANKMENT AND DRAINAGE WORKS	0.740	0.675	(0.065)	-9%
A124 BUILDING AND STRUCTURES	131.435	11.805	(119.630)	-91%
A127 DERA(DROUGHT EMERGENCY RELIEF ASSISTANCE	-	-	-	
A130 TRANSPORT	634.350	619.227	(15.123)	-2%
A131 MACHINERY AND EQUIPMENT	315.502	348.841	33.339	11%
A132 FURNITURE AND FIXTURE	61.508	84.516	23.008	37%
A133 BUILDINGS AND STRUCTURE	2,117.636	1,210.293	(907.343)	-43%
A134 IRRIGATION WORKS	1,494.299	825.124	(669.175)	-45%
A135 EMBANKMENT AND DRAINAGE	613.584	540.369	(73.215)	-12%
A136 ROADS, HIGHWAYS AND BRIDGES	1,296.456	534.726	(761.730)	-59%
A137 COMPUTER EQUIPMENT	6.575	18.086	11.511	175%
A138 GENERAL	2.030	1.641	(0.389)	-19%
A139 TELECOMMUNICATION WORKS	-	0.720	0.720	
GRAND TOTAL	**306,621.889**	**386,786.957**	**80,165.068**	27%

Table 11.4 shows the expenditures cut backs by different departments during 2010-11.

TABLE 11.4
SAVINGS FROM NON SALARY BUDGET FOR FY 2010-11

(Rs. in million)

Sr. No.	Name of Department	Budgeted Non Salary 2010-2011	10 % Saving Offered by Department
1	Agriculture	1,825.360	177.719
2	C.M. Secretariat	45.574	-
3	Chief Minister's Inspection Team	9.454	0.950
4	Communication and Works	1,245.535	15.632
5	Cooperatives	14.833	1.484
6	Education	14,129.586	740.473
7	Environment Protection	10.038	1.004
8	Excise & Taxation	35.995	3.601
9	Finance	661.113	12.495
10	Food	7.269	0.692
11	Forestry Wildlife & Fisheries	482.529	48.243
12	Governor's Secretariat	39.806	-
13	Health	11,812.733	826.383
14	Home	7,825.453	390.297
15	Police	5,519.964	-
16	Housing Urban Development Public Health Eng	2,768.852	41.579
17	Industries and Mineral Development	3,296.528	114.757
18	Information Technology	7.711	0.771
19	Information Culture and Youth Affairs	179.441	-
20	Irrigation and Power	2,300.371	146.373
21	Labour and Human Resource	21.421	2.607
22	Law and Parliamentary Affairs	227.423	4.464

23	Literacy and Non-formal Basic Education	2.845	0.285
24	Livestock and Dairy Development	1,050.981	105.098
25	Local Government and Rural Development	69.771	5.192
26	Management and Professional Development	10.912	1.091
27	Mines and Minerals	61.493	6.190
28	Planning and Development	38.114	3.678
29	Population Welfare	8.987	0.725
30	Provincial Assembly	319.324	-
31	Relief	9.402	-
32	Religious Affairs and Auqaf Dept	8.180	0.818
33	Revenue	368.093	21.381
34	Services and General Administration	797.228	28.583
35	Social Welfare (W) Development & Bait ul Mal	214.081	20.604
36	Special Education	27.864	1.018
37	Sports	35.118	0.902
38	Transport	14.654	1.466
39	Zakat and Ushar	32.983	3.298
40	Commerce & Investment Department	6.925	0.663
	TOTAL	**55,543.944**	**2,730.516**

In the last MTFF, the following pillars of expenditure management strategy were highlighted:

I. A comprehensive Expenditure Review of the province

II. Using Public Private Partnership framework where infrastructure projects would be financed through viable PPP agreements between the private sector and the government mitigating the immediate burden on government budgetary resources.

III. Real capitalization of the Pension and GP Funds to save on the future Pension and GP Fund liabilities under a properly designed funding strategy.

Unfortunately, the expenditure review of the government could not be carried out during the last financial year. Finance Department would again argue for a holistic expenditure review exercise to examine the areas that have contributed to the growing size of the establishment and to examine the programs / projects with respect to expenditure and desired outcomes. The efforts to utilize public private-partnership framework are reaching a point where they can be expected to bear fruit by providing resources for infrastructure development in the province. In this regard, necessary institutional framework has been laid down. A fully functional PPP unit is available in the Planning and Development Department which will be complemented by a counterpart Risk Management Unit in the Finance

Department. Chapter 8 has already described operational steps for PPPs. The Government is also continuing with its strategy of capitalization of Pension and GP Funds in a bid to eventually make these expenditures off budget items.

Expenditure Ceilings

In the past few years, the government has been giving regular increases in salary / allowances to its employees in order to save them from the impact of inflation. As described above, during 2010-11, the government allowed a 50 percent increase in the basic pay of its employees in addition to doubling the medical allowance for non-gazetted servants and 15 percent medical allowance for gazetted employees. In the next couple of financial years, the government would be focusing more resources towards socio-economic development of the province. Therefore, the expenditure ceilings for 2011-12 and 2012-13 have been developed broadly on the basis of the priorities in the previous MTFF and MTDF. In addition, the following assumptions have been made:

I. The salary expenditure of the government is expected to grow at a rate of 10 percent per annum in 2011-12 and 2012-13. This includes the impact of normal increment.

II. In the past few years, government has been suppressing its non-salary items of the budget to reduce its current expenditures. Lesser investment on these items results into poor service delivery by government departments. The MTFF has been prepared after allowing for the downstream impact for development expenditure on O & M liabilities of completed projects. Therefore, the MTFF has been prepared by allowing an average annual increase of 15% in non salary budget items.

III. The growth rate in transfers to local governments has been linked to the growth in government revenues, so that the share in net receipts into the Provincial Consolidated Fund remain, more or less, the same.

IV. Necessary allocations for flood rehabilitation reconstruction and capitalization of funds for contingent liability management have been protected in the framework.

V. The government, through the MTFF, targets to enhance share of its development expenditure to 34 percent in 2011-12 and 36 percent in 2012-13.

Detailed expenditure ceilings for all departments for 2011-12 and 2012-13 are presented in tables that tables also shows the budget estimates for 2010-11after making adjustments for 10 percent surrender from non salary / non obligatory expenditure and an expected reduction of Rs. 3.8 billion from the salary budget. In addition, the total ADP has been scaled down to Rs 173.9 billion from the original size in the budget of 2010-11 of Rs 193.5 billion.

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
Sr	**Name of Department**	**Salary**	**Non Salary**	**Total**	**Salary**	**Non Salary**	**Total**	**Salary**	**Non Salary**	**Total**
1	**Agriculture Department**	**2,724.542**	**1,647.641**	**6,788.325**	**2,996.996**	**2,020.281**	**8,461.912**	**3,296.696**	**2,174.011**	**9,752.032**
	Current	**2,724.542**	**1,647.641**	**4,372.183**	**2,996.996**	**2,020.281**	**5,017.278**	**3,296.696**	**2,174.011**	**5,470.707**
	PC21010-General Administration	41.046	12.735	53.781	45.151	15.615	60.766	49.666	16.803	66.469
	PC21018-Agriculture	**2,683.496**	**1,634.906**	**4,318.402**	**2,951.846**	**2,004.666**	**4,956.512**	**3,247.030**	**2,157.208**	**5,404.238**
	Extension Services (Research)	856.248	124.742	980.990	941.873	152.954	1,094.827	1,036.060	164.593	1,200.653
	Agriculture Engineering Soil Conservation	737.639	1,184.080	1,921.719	811.403	1,451.879	2,263.282	892.543	1,562.357	2,454.900
	Others	1,089.609	326.084	1,415.693	1,198.570	399.833	1,598.403	1,318.427	430.258	1,748.685
	Development			**2,416.142**			**3,444.634**			**4,281.325**
2	**Communication and Works Department**	**1,730.537**	**1,229.903**	**44,960.283**	**1,903.591**	**1,508.065**	**63,289.811**	**2,093.950**	**1,622.819**	**78,124.358**
	Current	**1,730.537**	**1,229.903**	**2,960.440**	**1,903.591**	**1,508.065**	**3,411.656**	**2,093.950**	**1,622.819**	**3,716.769**
	PC21010-General Administration	58.951	7.651	66.602	64.846	9.381	74.227	71.331	10.095	81.426
	PC21024-Civil Works	806.900	527.781	1,334.681	887.590	647.147	1,534.737	976.349	696.391	1,672.740
	Maintenance and Repairs (Building)	-	450.000	450.000	-	551.775	551.775	-	593.761	593.761
	Others	806.900	77.781	884.681	887.590	95.372	982.962	976.349	102.630	1,078.979
	PC21025-Communications	864.686	694.471	1,559.157	951.155	851.537	1,802.691	1,046.270	916.333	1,962.603
	Maintenance and Repairs (Roads)	-	531.551	531.551	-	651.770	651.770	-	701.365	701.365
	Others	864.686	162.920	1,027.606	951.155	199.767	1,150.922	1,046.270	214.968	1,261.238
	Development			**41,999.843**			**59,878.155**			**74,407.590**
3	**Health Department**	**11,118.727**	**10,986.350**	**39,719.924**	**12,230.600**	**13,471.089**	**50,814.748**	**13,453.660**	**14,496.149**	**59,156.552**
	Current	**11,118.727**	**10,986.350**	**22,105.077**	**12,230.600**	**13,471.089**	**25,701.689**	**13,453.660**	**14,496.149**	**27,949.809**

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS (Contd….)

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
	PC21010-General Administration	98.838	31.214	130.052	108.722	38.274	146.995	119.594	41.186	160.780
	Health Department	75.604	25.948	101.552	83.164	31.817	114.981	91.481	34.238	125.718
	Drug Courts	23.234	5.266	28.500	25.557	6.457	32.014	28.113	6.948	35.061
	PC21016-Health Services	11,019.889	10,955.136	21,975.025	12,121.878	13,432.815	25,554.693	13,334.066	14,454.963	27,789.029
	Tertiary Hospitals	7,215.521	5,995.808	13,211.329	7,937.073	7,351.856	15,288.929	8,730.780	7,911.283	16,642.064
	Others	3,804.368	4,959.328	8,763.696	4,184.805	6,080.959	10,265.764	4,603.285	6,543.680	11,146.965
	Development			**17,614.847**			**25,113.059**			**31,206.743**
4	**Education Department**	**13,283.179**	**13,630.863**	**44,806.640**	**14,611.497**	**16,713.701**	**56,834.239**	**16,072.647**	**17,985.503**	**65,756.960**
	Current	**13,283.179**	**13,630.863**	**26,914.042**	**14,611.497**	**16,713.701**	**31,325.198**	**16,072.647**	**17,985.503**	**34,058.149**
	PC21010-General Administration	104.328	278.510	382.838	114.761	341.499	456.260	126.237	367.485	493.722
	Higher Education Department	42.652	257.142	299.794	46.917	315.299	362.216	51.609	339.291	390.900
	School Education Department	55.672	19.213	74.885	61.239	23.558	84.798	67.363	25.351	92.714
	Monitoring and Evaluation Cell	6.004	2.155	8.159	6.604	2.642	9.247	7.265	2.843	10.108
	PC21015-Education	13,178.851	13,352.353	26,531.204	14,496.736	16,372.201	30,868.937	15,946.410	17,618.017	33,564.427
	Programme Management and Implementation Unit (PMIU)	-	-	-	-	-	-	-	-	-
	Others	13,178.851	13,352.353	26,531.204	14,496.736	16,372.201	30,868.937	15,946.410	17,618.017	33,564.427
	Development			**17,892.598**			**25,509.042**			**31,698.810**
5	**Home Department**	**4,261.311**	**1,915.193**	**10,450.725**	**4,687.442**	**2,348.344**	**13,129.440**	**5,156.186**	**2,527.037**	**15,255.503**
	Current	**4,261.311**	**1,915.193**	**6,176.504**	**4,687.442**	**2,348.344**	**7,035.786**	**5,156.186**	**2,527.037**	**7,683.224**
	PC21010-General Administration	1,241.576	251.867	1,493.443	1,365.734	308.830	1,674.564	1,502.307	332.330	1,834.637
	Home Department	103.485	32.646	136.131	113.834	40.029	153.863	125.217	43.075	168.292
	District Public Safety Commission	59.485	21.389	80.874	65.434	26.226	91.660	71.977	28.222	100.199

TABLE 11.5
DEPARTMENT WISE EXPENDITURE *CEILINGS* (Contd….)

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
	Public Prosecution Department	56.968	14.346	71.314	62.665	17.591	80.255	68.931	18.929	87.860
	Prosecuter General	808.010	53.978	861.988	888.811	66.185	954.996	977.692	71.222	1,048.914
	Others	213.628	129.508	343.136	234.991	158.798	393.789	258.490	170.882	429.372
	PC21012-Jails and Convict Settlements	2,119.186	1,473.834	3,593.020	2,331.105	1,807.165	4,138.270	2,564.215	1,944.678	4,508.893
	PC21031-Miscellaneous	869.429	185.547	1,054.976	956.372	227.511	1,183.883	1,052.009	244.824	1,296.833
	PC21032-Civil Defence	31.120	3.945	35.065	34.232	4.837	39.069	37.655	5.205	42.861
	Administration	28.094	3.538	31.632	30.903	4.338	35.242	33.994	4.668	38.662
	Medical Establishment	3.026	0.407	3.433	3.329	0.499	3.828	3.661	0.537	4.198
	Development			**4,274.222**			**6,093.654**			**7,572.279**
6	**Police Department**	**43,487.652**	**5,519.964**	**50,078.170**	**47,836.417**	**6,768.392**	**56,131.072**	**52,620.059**	**7,283.422**	**61,800.091**
	Current	43,487.652	5,519.964	49,007.616	47,836.417	6,768.392	54,604.809	52,620.059	7,283.422	59,903.481
	DQ4005 Border Military Police (DG Khan)	117.649	6.097	123.746	129.414	7.476	136.890	142.355	8.045	150.400
	DQ4006 Baluch Levy DG Khan	101.687	3.677	105.364	111.856	4.509	116.364	123.041	4.852	127.893
	LQ4125 Direction	202.302	580.516	782.818	222.532	711.809	934.341	244.785	765.973	1,010.758
	LQ4126 Superintendence	194.290	45.658	239.948	213.719	55.984	269.703	235.091	60.244	295.335
	LQ4127 District Police	36,081.080	3,782.444	39,863.524	39,689.188	4,637.904	44,327.092	43,658.107	4,990.818	48,648.925
	LQ4128 Crime Investigation	309.433	32.901	342.334	340.376	40.342	380.718	374.414	43.412	417.826
	LQ4129 Special Branch	1,485.345	223.217	1,708.562	1,633.880	273.701	1,907.581	1,797.267	294.528	2,091.795
	LQ4131 Punjab Constabulary	3,223.471	113.396	3,336.867	3,545.818	139.042	3,684.860	3,900.400	149.623	4,050.022
	LQ4132 Police Employed for Agency Function	-	-	-	-	-	-	-	-	-

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
	LQ4133 Police Supplied to Public Departments Private Bodies and Persons	241.757	0.379	242.136	265.933	0.465	266.397	292.526	0.500	293.026
	LQ4134 Qaumi Razakar Organization	67.637	387.027	454.664	74.401	474.559	548.960	81.841	510.670	592.511
	LQ4135 Works	-	33.770	33.770	-	41.408	41.408	-	44.558	44.558
	LQ4136 Police Training Institute	1,152.845	98.264	1,251.109	1,268.130	120.488	1,388.617	1,394.942	129.656	1,524.599
	LQ4425 Lumpsum Provision for Replacement of Transport	-	-	-	-	-	-	-	-	-
	LQ4426 Lumpsum Provision for Elite Police Training	-	-	-	-	-	-	-	-	-
	LQ4531 Lumpsum Provision for Risk Allowance and Daily Allowance etc. to Police Force	-	-	-	-	-	-	-	-	-
	LW4120 Elite Police Force (LE4120)	256.296	211.356	467.652	281.926	259.158	541.083	310.118	278.878	588.996
	RQ4002 Border Military Poliice (Rajanpur)	53.860	1.262	55.122	59.246	1.547	60.793	65.171	1.665	66.836
	Development			**1,070.554**			**1,526.263**			**1,896.610**
7	**Irrigation and Power Department**	**5,500.070**	**2,153.998**	**16,055.026**	**6,050.077**	**2,641.159**	**20,668.278**	**6,655.085**	**2,842.134**	**24,380.490**
	Current	**5,500.070**	**2,153.998**	**7,654.068**	**6,050.077**	**2,641.159**	**8,691.236**	**6,655.085**	**2,842.134**	**9,497.219**
	PC21008-Other Taxes and Duties	54.534	15.362	69.896	59.987	18.836	78.824	65.986	20.270	86.256
	PC21009-Irrigation and Land Reclamation	5,392.739	2,120.920	7,513.659	5,932.013	2,600.600	8,532.613	6,525.214	2,798.488	9,323.703
	PC21010-General Administration	52.797	16.191	68.988	58.077	19.853	77.930	63.884	21.364	85.248
	PC21024-Civil Works	-	1.525	1.525	-	1.870	1.870	-	2.012	2.012
	Development			**8,400.958**			**11,977.042**			**14,883.271**

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
8	**Finance Department**	**12,000.390**	**201,687.462**	**213,687.852**	**13,200.429**	**235,371.227**	**248,571.656**	**14,520.472**	**262,568.344**	**277,088.816**
	Current	**12,000.390**	**201,687.462**	**213,687.852**	**13,200.429**	**235,371.227**	**248,571.656**	**14,520.472**	**262,568.344**	**277,088.816**
	PC21010-General Administration	11,852.328	615.203	12,467.531	13,037.561	754.341	13,791.902	14,341.317	811.741	15,153.058
	PC21028-Pensions	-	27,900.000	27,900.000	-	34,210.031	34,210.031	-	36,813.188	36,813.188
	PC21031-Miscellaneous	148.062	151,887.279	152,035.341	162.868	182,264.735	182,427.603	179.155	209,604.445	209,783.600
	PFC Transfer to District Governments	-	131,653.000	131,653.000	-	157,983.600	157,983.600	-	181,681.140	181,681.140
	PFC Transfer to TMAs	-	13,800.000	13,800.000	-	16,560.000	16,560.000	-	19,044.000	19,044.000
	PFC Transfer to Union Councils	-	5,018.730	5,018.730	-	6,022.476	6,022.476	-	6,925.847	6,925.847
	Others	148.062	1,415.549	1,563.611	162.868	1,698.659	1,861.527	179.155	1,953.458	2,132.613
	PC24044-Interst on debt and other Obligations	**-**	**21,284.980**	**21,284.980**	**-**	**18,142.120**	**18,142.120**	**-**	**15,338.970**	**15,338.970**
	Interest on Other Foreign Exchange Loans	-	-	-	-		-	-		-
	Interest on Domestic Loans	-	5,928.340	5,928.340	-	5,576.700	5,576.700	-	4,254.310	4,254.310
	Floating Debt	-	2,700.000	2,700.000	-	2,160.000	2,160.000	-	2,400.000	2,400.000
	Unfunded Debt	-	2,389.076	2,389.076	-	3,311.000	3,311.000	-	3,559.000	3,559.000
	IDA Credit	-	3,822.039	3,822.039	-	3,955.150	3,955.150	-	3,736.400	3,736.400
	Payment of Interest to Financial Institution	-	2,133.984	2,133.984	-	418.360	418.360	-	258.980	258.980
	Interest on Blocked A/c	-	4,311.038	4,311.038	-	2,720.410	2,720.410	-	1,129.780	1,129.780
	Others	-	0.503	0.503	-	0.500	0.500	-	0.500	0.500
	Development									**-**
9	**Excise and Taxation Department**	**171.665**	**32.394**	**204.059**	**188.832**	**39.720**	**228.552**	**207.715**	**42.743**	**250.458**
	Current	**171.665**	**32.394**	**204.059**	**188.832**	**39.720**	**228.552**	**207.715**	**42.743**	**250.458**

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
	PC21001-Opium	3.780	0.139	3.919	4.158	0.170	4.328	4.574	0.183	4.757
	PC21003-Provincial Excise	121.802	22.951	144.753	133.982	28.142	162.124	147.380	30.283	177.664
	PC21007-Charges on Account of Motor Vehicles Acts	13.761	1.325	15.086	15.137	1.625	16.762	16.651	1.748	18.399
	PC21008-Other Taxes and Duties	4.981	2.674	7.655	5.479	3.279	8.758	6.027	3.528	9.555
	PC21010-General Administration	27.341	5.305	32.646	30.075	6.505	36.580	33.083	7.000	40.082
	Development			-						-
10	**Forestry Wildlife and Fisheries Department**	**1,309.185**	**434.286**	**3,823.618**	**1,440.104**	**532.507**	**4,938.225**	**1,584.114**	**573.027**	**5,842.362**
	Current	**1,309.185**	**434.286**	**1,743.471**	**1,440.104**	**532.507**	**1,972.610**	**1,584.114**	**573.027**	**2,157.141**
	PC21005-Forests	824.058	331.630	1,155.688	906.464	406.633	1,313.097	997.110	437.576	1,434.686
	PC21010-General Administration	39.586	11.024	50.610	43.545	13.517	57.062	47.899	14.546	62.445
	PC21019-Fisheries	223.134	35.508	258.642	245.447	43.539	288.986	269.992	46.852	316.844
	PC21023-Miscellaneous Department	222.407	56.124	278.531	244.648	68.817	313.465	269.112	74.054	343.166
	Development			**2,080.147**			**2,965.615**			**3,685.221**
11	**Housing Urban Dev. & PHE Department**	**407.329**	**2,727.273**	**16,480.804**	**448.062**	**3,344.089**	**22,819.506**	**492.868**	**3,598.552**	**27,735.763**
	Current	**407.329**	**2,727.273**	**3,134.602**	**448.062**	**3,344.089**	**3,792.151**	**492.868**	**3,598.552**	**4,091.421**
	PC21010-General Administration	37.705	11.607	49.312	41.476	14.232	55.708	45.623	15.315	60.938
	PC21017-Public Health	225.188	1,089.963	1,315.151	247.707	1,336.476	1,584.182	272.477	1,438.173	1,710.650
	Director General Parks & Horticulture Authority	-	847.993	847.993	-	1,039.780	1,039.780	-	1,118.901	1,118.901
	Others	225.188	241.970	467.158	247.707	296.695	544.402	272.477	319.272	591.749
	PC21024-Civil Works	-	5.940	5.940	-	7.283	7.283	-	7.838	7.838

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
	PC21026-Housing and Physical Planning	144.436	1,619.763	1,764.199	158.880	1,986.098	2,144.978	174.768	2,137.227	2,311.995
	Purchase of Land for Punjab Government Servant Housing Foundation	-	1,000.000	1,000.000	-	1,226.166	1,226.166	-	1,319.469	1,319.469
	Others	144.436	619.763	764.199	158.880	759.932	918.812	174.768	817.758	992.526
	Development			**13,346.202**			**19,027.355**			**23,644.343**
12	**Industries**	**2,408.137**	**3,181.771**	**7,325.755**	**2,648.951**	**3,901.379**	**9,025.085**	**2,913.846**	**4,198.249**	**10,187.348**
	Current	**2,408.137**	**3,181.771**	**5,589.908**	**2,648.951**	**3,901.379**	**6,550.330**	**2,913.846**	**4,198.249**	**7,112.094**
	PC21010-General Administration	128.296	62.067	190.363	141.126	76.104	217.230	155.238	81.895	237.134
	Mines and Minerals Department	*10.787*	*3.506*	14.293	11.866	4.299	16.165	13.052	4.626	17.678
	Others	*117.509*	*58.561*	176.070	129.260	71.806	201.065	142.186	77.269	219.455
	PC21022-Industries	2,225.946	3,066.799	5,292.745	2,448.541	3,760.405	6,208.945	2,693.395	4,046.547	6,739.941
	Headquarters Establishment	*48.069*	*5.214*	53.283	52.876	6.393	59.269	58.163	6.880	65.043
	Grant in Aid to TEVTA	*2,060.680*	*2,689.000*	4,749.680	2,266.748	3,297.160	5,563.908	2,493.423	3,548.052	6,041.475
	Inspectorate of Boilers	*7.569*	*1.013*	8.582	8.326	1.242	9.568	9.158	1.337	10.495
	Headquarters Establishment	*39.930*	*7.851*	47.781	43.923	9.627	53.550	48.315	10.359	58.674
	Grant in Aid to Punjab Small Industries Corp.	-	*236.000*	236.000	-	289.375	289.375	-	311.395	311.395
	Faisalabad Industrial Estate	-	-	-	-	-	-	-	-	-
	Punjab Board of Investment and Trade	-	*95.450*	95.450	-	117.038	117.038	-	125.943	125.943
	Sasti Roti Authority	*32.903*	*23.130*	56.033	36.193	28.361	64.555	39.813	30.519	70.332
	Punjab Industrial Estates Development Ma	-	-	-	-	-	-	-	-	-
	Regional Establishment	*36.795*	*9.141*	45.936	40.475	11.208	51.683	44.522	12.061	56.583

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
	PC21029-Stationery and Printing	53.895	52.905	106.800	59.285	64.870	124.155	65.213	69.807	135.019
	Development			**1,735.847**			**2,474.754**			**3,075.254**
13	**Information Culture and Youth Affairs**	**383.520**	**179.441**	**785.699**	**421.872**	**220.024**	**959.449**	**464.059**	**236.767**	**1,095.432**
	Current	**383.520**	**179.441**	**562.961**	**421.872**	**220.024**	**641.896**	**464.059**	**236.767**	**700.826**
	PC21010-General Administration	15.424	8.190	23.614	16.966	10.042	27.009	18.663	10.806	29.469
	PC21014-Museums	29.025	9.062	38.087	31.928	11.112	43.039	35.120	11.957	47.077
	PC21023-Miscellaneous Department	339.071	162.189	501.260	372.978	198.871	571.849	410.276	214.003	624.279
	Development			**222.738**			**317.552**			**394.606**
14	**Law and Parliamentary Affairs**	**978.395**	**222.959**	**1,372.749**	**1,076.235**	**273.385**	**1,593.973**	**1,183.858**	**294.188**	**1,781.692**
	Current	**978.395**	**222.959**	**1,201.354**	**1,076.235**	**273.385**	**1,349.619**	**1,183.858**	**294.188**	**1,478.045**
	PC21010-General Administration	392.302	165.076	557.378	431.532	202.411	633.943	474.685	217.813	692.498
	PC21011-Administration of Justice	586.093	57.883	643.976	644.702	70.974	715.676	709.173	76.375	785.547
	Administrative-General and Official Trustee	*0.802*	-	0.802	0.882	-	0.882	0.970	-	0.970
	Punjab Judicial Academy	*18.280*	*20.389*	38.669	20.108	25.000	45.108	22.119	26.903	49.021
	Solicitors Department	*12.225*	*4.435*	16.660	13.448	5.438	18.886	14.792	5.852	20.644
	Mufassil Establishment	*341.425*	*3.882*	345.307	375.568	4.760	380.327	413.124	5.122	418.246
	Advocate General	*213.361*	*29.177*	242.538	234.697	35.776	270.473	258.167	38.498	296.665
	Development			**171.395**			**244.354**			**303.646**
15	**Livestock and Dairy Development**	**917.237**	**945.883**	**3,444.605**	**1,008.961**	**1,159.810**	**4,423.455**	**1,109.857**	**1,248.063**	**5,159.704**
	Current	**917.237**	**945.883**	**1,863.120**	**1,008.961**	**1,159.810**	**2,168.770**	**1,109.857**	**1,248.063**	**2,357.920**
	PC21010-General Administration	18.089	4.153	22.242	19.898	5.092	24.990	21.888	5.480	27.367

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
	PC21020-Veterinary	899.148	941.730	1,840.878	989.063	1,154.717	2,143.780	1,087.969	1,242.584	2,330.553
	Development			**1,581.485**			**2,254.684**			**2,801.783**
16	**Labour**	**116.794**	**18.814**	**207.337**	**128.473**	**23.069**	**253.805**	**141.321**	**24.824**	**293.222**
	Current	**116.794**	**18.814**	**135.608**	**128.473**	**23.069**	**151.542**	**141.321**	**24.824**	**166.145**
	PC21010-General Administration	14.902	4.595	19.497	16.392	5.634	22.026	18.031	6.063	24.094
	PC21023-Miscellaneous Department	101.892	14.219	116.111	112.081	17.435	129.516	123.289	18.762	142.051
	Development			**71.729**			**102.263**			**127.077**
17	**Cooperative**	**94.517**	**13.349**	**107.866**	**103.969**	**16.368**	**120.337**	**114.366**	**17.614**	**131.979**
	Current	**94.517**	**13.349**	**107.866**	**103.969**	**16.368**	**120.337**	**114.366**	**17.614**	**131.979**
	PC21010-General Administration	9.355	2.366	11.721	10.291	2.901	13.192	11.320	3.122	14.441
	PC21021-Cooperation	85.162	10.983	96.145	93.678	13.467	107.145	103.046	14.492	117.538
	Development			**-**			**-**			**-**
18	**Environment Department**	**49.489**	**9.034**	**311.463**	**54.438**	**11.077**	**426.125**	**59.882**	**11.920**	**519.914**
	Current	**49.489**	**9.034**	**58.523**	**54.438**	**11.077**	**65.515**	**59.882**	**11.920**	**71.802**
	PC21010-General Administration	9.923	2.321	12.244	10.915	2.846	13.761	12.007	3.062	15.069
	PC21017-Public Health	39.566	6.713	46.279	43.523	8.231	51.754	47.875	8.858	56.732
	Development			**252.940**			**360.610**			**448.112**
19	**Local Government and Community Development**	**373.534**	**64.579**	**15,032.184**	**410.887**	**79.185**	**21,296.485**	**451.976**	**85.210**	**26,392.275**
	Current	**373.534**	**64.579**	**438.113**	**410.887**	**79.185**	**490.072**	**451.976**	**85.210**	**537.186**
	PC21010-General Administration	78.171	29.962	108.133	85.988	36.738	122.726	94.587	39.534	134.121
	PC21031-Miscellaneous	295.363	34.617	329.980	324.899	42.446	367.345	357.389	45.676	403.065
	District Staff	186.271	14.400	200.671	204.898	17.657	222.555	225.388	19.000	244.388

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
	Others	109.092	20.217	129.309	120.001	24.789	144.791	132.001	26.676	158.677
	Development			**14,594.071**			**20,806.413**			**25,855.089**
20	**Planning and Development Department**	**231.248**	**34.436**	**12,647.357**	**254.373**	**42.224**	**17,948.847**	**279.810**	**45.437**	**22,260.816**
	Current	**231.248**	**34.436**	**265.684**	**254.373**	**42.224**	**296.597**	**279.810**	**45.437**	**325.247**
	PC21010-General Administration	140.104	22.228	162.332	154.114	27.255	181.370	169.526	29.329	198.855
	PC21023-Miscellaneous Departments	70.888	6.949	77.837	77.977	8.521	86.497	85.774	9.169	94.943
	PC21031-Miscellaneous	20.256	5.259	25.515	22.282	6.448	28.730	24.510	6.939	31.449
	Development			**12,381.673**			**17,652.250**			**21,935.569**
21	**Board of Revenue**	**372.983**	**346.712**	**803.609**	**410.281**	**425.126**	**955.042**	**451.309**	**457.476**	**1,057.449**
	Current	**372.983**	**346.712**	**719.695**	**410.281**	**425.126**	**835.408**	**451.309**	**457.476**	**908.785**
	PC21002-Land Revenue	16.676	9.190	25.866	18.344	11.268	29.612	20.178	12.126	32.304
	PC21004-Stamps	7.441	149.758	157.199	8.185	183.628	191.813	9.004	197.601	206.605
	PC21006-Registration	2.469	0.581	3.050	2.716	0.712	3.428	2.987	0.767	3.754
	PC21009-Irrigation (Hill Torrents)	1.783	0.122	1.905	1.961	0.150	2.111	2.157	0.161	2.318
	PC21010-General Administration	325.427	181.735	507.162	357.970	222.837	580.807	393.767	239.794	633.560
	PC21029-Stationery and Printing	-	4.490	4.490	-	5.505	5.505	-	5.924	5.924
	PC21031-Miscellaneous	19.187	0.836	20.023	21.106	1.025	22.131	23.216	1.103	24.319
	Development			**83.914**			**119.634**			**148.664**
22	**Religious Affairs**	**13.436**	**7.362**	**229.190**	**14.780**	**9.027**	**320.906**	**16.258**	**9.714**	**395.162**
	Current	**13.436**	**7.362**	**20.798**	**14.780**	**9.027**	**23.807**	**16.258**	**9.714**	**25.971**
	PC21010-General Administration	13.436	7.362	20.798	14.780	9.027	23.807	16.258	9.714	25.971
	Development			**208.392**			**297.100**			**369.191**

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
23	**Food Department**	**27.897**	**21,006.577**	**21,185.483**	**30.687**	**25,757.550**	**26,003.527**	**33.755**	**27,717.529**	**28,018.814**
	Current	**27.897**	**21,006.577**	**21,034.474**	**30.687**	**25,757.550**	**25,788.237**	**33.755**	**27,717.529**	**27,751.285**
	PC21010-General Administration	27.897	6.577	34.474	30.687	8.064	38.751	33.755	8.678	42.434
	PC21030-Subsidies	-	21,000.000	21,000.000	-	25,749.486	25,749.486	-	27,708.851	27,708.851
	Development			**151.009**			**215.290**			**267.530**
24	**Social Welfare**	**162.856**	**193.477**	**1,035.873**	**179.142**	**237.235**	**1,385.180**	**197.056**	**255.287**	**1,656.226**
	Current	**162.856**	**193.477**	**356.333**	**179.142**	**237.235**	**416.377**	**197.056**	**255.287**	**452.343**
	PC21010-General Administration	9.063	3.408	12.471	9.969	4.179	14.148	10.966	4.497	15.463
	PC21031-Miscellaneous	153.793	190.069	343.862	169.172	233.056	402.228	186.090	250.790	436.880
	Development			**679.540**			**968.803**			**1,203.884**
25	**Zakat and Ushr Department**	**86.687**	**29.685**	**116.372**	**95.356**	**36.399**	**131.754**	**104.891**	**39.168**	**144.060**
	Current	**86.687**	**29.685**	**116.372**	**95.356**	**36.399**	**131.754**	**104.891**	**39.168**	**144.060**
	PC21010-General Administration	9.716	5.083	14.799	10.688	6.233	16.920	11.756	6.707	18.463
	PC21031-Miscellaneous	76.971	24.602	101.573	84.668	30.166	114.834	93.135	32.462	125.596
	Development			-			**-**			**-**
26	**Special Education**	**94.217**	**26.846**	**498.585**	**103.639**	**32.918**	**674.780**	**114.003**	**35.422**	**818.249**
	Current	**94.217**	**26.846**	**121.063**	**103.639**	**32.918**	**136.556**	**114.003**	**35.422**	**149.425**
	PC21010-General Administration	13.357	3.320	16.677	14.693	4.071	18.764	16.162	4.381	20.543
	PC21015-Education	80.860	23.526	104.386	88.946	28.847	117.793	97.841	31.042	128.882
	Development			**377.522**			**538.224**			**668.824**
27	**Provincial Assembly**	**474.345**	**319.324**	**949.549**	**521.780**	**391.544**	**1,135.559**	**573.957**	**421.338**	**1,271.456**
	Current	**474.345**	**319.324**	**793.669**	**521.780**	**391.544**	**913.324**	**573.957**	**421.338**	**995.296**

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
	PC21010-General Administration	217.800	170.740	388.540	239.580	209.356	448.936	263.538	225.286	488.824
	PC24010-General Administration	256.545	148.584	405.129	282.200	182.189	464.388	310.419	196.052	506.471
	Development			**155.880**			**222.235**			**276.160**
28	**Relief**	**16.570**	**9.402**	**25.972**	**18.227**	**11.528**	**29.755**	**20.050**	**12.406**	**32.455**
	Current	**16.570**	**9.402**	**25.972**	**18.227**	**11.528**	**29.755**	**20.050**	**12.406**	**32.455**
	PC21010-General Administration	-	-	-	-	-	-	-	-	-
	PC24027-Relief	16.570	9.402	25.972	18.227	11.528	29.755	20.050	12.406	32.455
	Development			**-**			**-**			**-**
29	**Services & General Administration Dept**	**7,169.948**	**768.645**	**8,218.603**	**7,886.943**	**942.486**	**9,228.632**	**8,675.637**	**1,014.203**	**10,185.910**
	Current	**7,169.948**	**768.645**	**7,938.593**	**7,886.943**	**942.486**	**8,829.429**	**8,675.637**	**1,014.203**	**9,689.840**
	PC21010-General Administration	1,206.431	474.720	1,681.151	1,327.074	582.086	1,909.160	1,459.782	626.378	2,086.160
	PC21011-Administration of Justice	5,956.546	248.995	6,205.541	6,552.201	305.309	6,857.510	7,207.421	328.541	7,535.962
	High Court	*1,135.963*	*111.107*	1,247.070	1,249.559	136.236	1,385.795	1,374.515	146.602	1,521.117
	Session Courts	*1,474.201*	*71.599*	1,545.800	1,621.621	87.792	1,709.413	1,783.783	94.473	1,878.256
	Civil Courts	*3,270.080*	*58.407*	3,328.487	3,597.088	71.617	3,668.705	3,956.797	77.066	4,033.863
	Special Courts	*55.727*	*7.006*	62.733	61.300	8.591	69.890	67.430	9.244	76.674
	Courts of Small Causes	*20.575*	*0.876*	21.451	22.633	1.074	23.707	24.896	1.156	26.052
	PC21031-Miscellaneous	5.371	44.930	50.301	5.908	55.092	61.000	6.499	59.284	65.783
	PC24045-Privy Purses	1.600	-	1.600	1.760	-	1.760	1.936	-	1.936
	Development			**280.010**			**399.203**			**496.070**
30	**Transport**	**21.816**	**13.188**	**933.507**	**23.998**	**16.171**	**1,321.142**	**26.397**	**17.401**	**1,635.600**

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
	Current	**21.816**	**13.188**	**35.004**	**23.998**	**16.171**	**40.168**	**26.397**	**17.401**	**43.799**
	PC21007-Charges on Account of M.V.Act	8.122	9.188	17.310	8.934	11.266	20.200	9.828	12.123	21.951
	PC21010-General Administration	13.694	4.000	17.694	15.063	4.905	19.968	16.570	5.278	21.848
	Development			**898.503**			**1,280.973**			**1,591.802**
31	**Information Technology**	**8.967**	**6.940**	**1,495.794**	**9.864**	**8.510**	**2,128.212**	**10.850**	**9.157**	**2,641.798**
	Current	**8.967**	**6.940**	**15.907**	**9.864**	**8.510**	**18.373**	**10.850**	**9.157**	**20.007**
	PC21010-General Administration	8.967	6.940	15.907	9.864	8.510	18.373	10.850	9.157	20.007
	Development			**1,479.887**			**2,109.839**			**2,621.791**
32	**Governor Secretariat**	**93.354**	**39.806**	**143.761**	**102.689**	**48.809**	**166.611**	**112.958**	**52.523**	**184.262**
	Current	**93.354**	**39.806**	**133.160**	**102.689**	**48.809**	**151.498**	**112.958**	**52.523**	**165.481**
	PC21010-General Administration	-	-	-	-	-	-	-	-	-
	PC24010-General Administration	93.354	39.806	133.160	102.689	48.809	151.498	112.958	52.523	165.481
	Development			**10.601**			**15.113**			**18.781**
33	**Chief Minister Secretariat**	**220.845**	**45.574**	**266.419**	**242.930**	**55.881**	**298.811**	**267.222**	**60.133**	**327.356**
	Current	**220.845**	**45.574**	**266.419**	**242.930**	**55.881**	**298.811**	**267.222**	**60.133**	**327.356**
	PC21010-General Administration	220.845	45.574	266.419	242.930	55.881	298.811	267.222	60.133	327.356
	Development			**-**			**-**			**-**
34	**Chief Minister Inspection Team**	**31.652**	**8.504**	**40.156**	**34.817**	**10.427**	**45.245**	**38.299**	**11.221**	**49.520**
	Current	**31.652**	**8.504**	**40.156**	**34.817**	**10.427**	**45.245**	**38.299**	**11.221**	**49.520**
	PC21010-General Administration	31.652	8.504	40.156	34.817	10.427	45.245	38.299	11.221	49.520
	Development			**-**			**-**			**-**
35	**Mines and Minerals**	**127.147**	**55.303**	**408.963**	**139.862**	**67.811**	**530.607**	**153.848**	**72.971**	**628.113**

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
	Current	**127.147**	**55.303**	**182.450**	**139.862**	**67.811**	**207.672**	**153.848**	**72.971**	**226.818**
	PC21022-Industries	127.147	55.303	182.450	139.862	67.811	207.672	153.848	72.971	226.818
	Inspectorate of Mines	71.848	13.882	85.730	79.033	17.022	96.054	86.936	18.317	105.253
	Mines Labour Welfare Commissionerate	55.299	41.421	96.720	60.829	50.789	111.618	66.912	54.654	121.566
	Development			**226.513**			**322.934**			**401.295**
36	**Commerce and Investment Department**	**15.933**	**6.262**	**127.901**	**17.526**	**7.678**	**175.907**	**19.279**	**8.263**	**214.812**
	Current	**15.933**	**6.262**	**22.195**	**17.526**	**7.678**	**25.205**	**19.279**	**8.263**	**27.541**
	PC21010-General Administration	-	-	-	-	-	-	-	-	-
	PC21022-Industries	15.933	6.262	22.195	17.526	7.678	25.205	19.279	8.263	27.541
	Development			**105.706**			**150.703**			**187.271**
37	**Literacy**	**15.198**	**2.560**	**621.793**	**16.718**	**3.139**	**881.015**	**18.390**	**3.378**	**1,091.886**
	Current	**15.198**	**2.560**	**17.758**	**16.718**	**3.139**	**19.857**	**18.390**	**3.378**	**21.767**
	PC21010-General Administration	15.198	2.560	17.758	16.718	3.139	19.857	18.390	3.378	21.767
	Development			**604.035**			**861.159**			**1,070.119**
38	**Population Welfare**	**13.787**	**8.262**	**1,430.207**	**15.166**	**10.131**	**2,032.872**	**16.682**	**10.901**	**2,522.298**
	Current	**13.787**	**8.262**	**22.049**	**15.166**	**10.131**	**25.296**	**16.682**	**10.901**	**27.584**
	PC21010-General Administration	13.787	8.262	22.049	15.166	10.131	25.296	16.682	10.901	27.584
	Development			**1,408.158**			**2,007.576**			**2,494.714**
39	**Management and Professional Dev. Dept.**	**37.541**	**9.821**	**62.230**	**41.295**	**12.042**	**74.535**	**45.425**	**12.959**	**84.724**
	Current	**37.541**	**9.821**	**47.362**	**41.295**	**12.042**	**53.337**	**45.425**	**12.959**	**58.383**
	PC21010-General Administration	37.541	9.821	47.362	41.295	12.042	53.337	45.425	12.959	58.383
	Development			**14.868**			**21.197**			**26.341**

TABLE 11.5
DEPARTMENT WISE EXPENDITURE CEILINGS *(Contd….)*

(Rs. in million)

		Budget 2010-11			Budget 2011-12			Budget 2012-13		
40	**Sports**	**73.304**	**34.216**	**1,315.591**	**80.634**	**41.954**	**1,844.906**	**88.698**	**45.147**	**2,274.082**
	Current	**73.304**	**34.216**	**107.520**	**80.634**	**41.954**	**122.589**	**88.698**	**45.147**	**133.845**
	PC21010-General Administration	73.304	34.216	107.520	80.634	41.954	122.589	88.698	45.147	133.845
	Development			**1,208.071**			**1,722.317**			**2,140.237**
	CURRENT EXPENDITURE	**110,625.941**	**269,574.059**	**380,200.000**	**121,688.535**	**318,611.464**	**440,299.999**	**133,857.389**	**352,142.611**	**486,000.000**
	DEVELOPMENT EXPENDITURE	**-**	**-**	**148,000.000**	**-**	**-**	**211,000.000**	**-**	**-**	**262,200.000**
	Funds available for Flood rehabilitation			**25,900.000**			**8,300.000**			**-**
	Capitalization of Pension and GP Fund	-	-	**-**			**9,000.000**			**12,800.000**
	TOTAL EXPENDITURE	**110,625.941**	**269,574.059**	**554,100.000**	**121,688.535**	**318,611.464**	**668,599.999**	**133,857.389**	**352,142.611**	**761,000.000**

Table 11.6
TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E)

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
Agriculture Department	**1,635.170**	**1,950.775**	**2,104.039**	**2,724.542**	**994.143**	**3,282.514**	**2,482.759**	**1,825.360**	**2,629.313**	**5,233.289**	**4,586.798**	**4,549.902**
Current	**1,635.170**	**1,950.775**	**2,104.039**	**2,724.542**	**994.143**	**3,282.514**	**2,482.759**	**1,825.360**	**2,629.313**	**5,233.289**	**4,586.798**	**4,549.902**
PC21010-General Administration	21.401	23.428	28.166	41.046	12.537	12.169	14.331	14.150	33.938	35.597	42.497	55.196
PC21018-Agriculture	**1,613.769**	**1,927.347**	**2,075.873**	**2,683.496**	**981.606**	**3,270.345**	**2,468.428**	**1,811.210**	**2,595.375**	**5,197.692**	**4,544.301**	**4,494.706**
Extension Services (Research)	555.061	672.052	724.080	856.248	118.936	137.426	140.559	138.606	673.997	809.478	864.639	994.854
Agriculture Engineering Soil Conservation	473.480	540.170	545.186	737.639	499.297	2,611.043	1,735.706	1,315.645	972.777	3,151.213	2,280.892	2,053.284
Others	585.228	715.125	806.607	1,089.609	363.373	521.876	592.163	356.959	948.601	1,237.001	1,398.770	1,446.568
Communication and Works Department	**1,111.851**	**1,425.017**	**1,641.130**	**1,730.537**	**2,898.486**	**3,574.366**	**3,317.279**	**1,245.535**	**4,010.337**	**4,999.383**	**4,958.409**	**2,976.072**
Current	**1,111.851**	**1,425.017**	**1,641.130**	**1,730.537**	**2,898.486**	**3,574.366**	**3,317.279**	**1,245.535**	**4,010.337**	**4,999.383**	**4,958.409**	**2,976.072**
PC21010-General Administration	21.049	32.095	38.540	58.951	7.390	11.333	14.448	7.651	28.439	43.428	52.988	66.602
PC21024-Civil Works	477.391	630.038	717.710	806.900	1,452.356	1,572.554	1,643.287	610.312	1,929.747	2,202.592	2,360.997	1,417.212
Maintenance and Repairs (Building)	-	-	-	-	1,391.126	1,492.718	1,549.390	524.000	1,391.126	1,492.718	1,549.390	524.000
Others	477.391	630.038	717.710	806.900	61.230	79.836	93.897	86.312	538.621	709.874	811.607	893.212
PC21025-Communications	613.411	762.884	884.880	864.686	1,438.740	1,990.479	1,659.544	627.572	2,052.151	2,753.363	2,544.424	1,492.258
Maintenance and Repairs (Roads)	-	-	-	-	1,345.950	1,862.000	1,512.673	531.551	1,345.950	1,862.000	1,512.673	531.551
Others	613.411	762.884	884.880	864.686	92.790	128.479	146.871	96.021	706.201	891.363	1,031.751	960.707
Health Department	**5,496.454**	**8,088.766**	**9,441.387**	**11,118.727**	**5,375.366**	**9,492.739**	**13,693.716**	**11,812.733**	**10,871.820**	**17,581.505**	**23,135.103**	**22,931.460**
Current	**5,496.454**	**8,088.766**	**9,441.387**	**11,118.727**	**5,375.366**	**9,492.739**	**13,693.716**	**11,812.733**	**10,871.820**	**17,581.505**	**23,135.103**	**22,931.460**
PC21010-General Administration	55.091	64.251	80.613	98.838	39.445	38.535	44.138	31.214	94.536	102.786	124.751	130.052
Health Department	45.617	50.078	59.111	75.604	36.028	34.043	35.343	25.948	81.645	84.121	94.454	101.552

Table 11.6

TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd….)*

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
Drug Courts	9.474	14.173	21.502	23.234	3.417	4.492	8.795	5.266	12.891	18.665	30.297	28.500
PC21016-Health Services	5,441.363	8,024.515	9,360.774	11,019.889	5,335.921	9,454.204	13,649.578	11,781.519	10,777.284	17,478.719	23,010.352	22,801.408
Tertiary Hospitals	3,479.658	5,346.276	6,085.731	7,215.521	3,329.095	5,731.889	6,645.620	6,448.093	6,808.753	11,078.165	12,731.351	13,663.614
Others	1,961.705	2,678.239	3,275.043	3,804.368	2,006.826	3,722.315	7,003.958	5,333.426	3,968.531	6,400.554	10,279.001	9,137.794
Education Department	**7,608.808**	**9,402.871**	**10,228.88**	**13,283.179**	**6,485.685**	**20,050.871**	**9,942.002**	**14,371.336**	**14,094.493**	**29,453.742**	**20,170.882**	**27,654.515**
Current	**7,608.808**	**9,402.871**	**10,228.88**	**13,283.179**	**6,485.685**	**20,050.871**	**9,942.002**	**14,371.336**	**14,094.493**	**29,453.742**	**20,170.882**	**27,654.515**
PC21010-General Administration	55.758	67.101	82.712	104.328	32.065	332.437	170.546	280.885	87.823	399.538	253.258	385.213
Higher Education Department	52.758	29.213	33.237	42.652	29.820	305.879	146.116	257.142	82.578	335.092	179.353	299.794
School Education Department	-	33.659	43.973	55.672	-	24.893	22.612	21.348	-	58.552	66.585	77.020
Monitoring and Evaluation Cell	3.000	4.229	5.502	6.004	2.245	1.665	1.818	2.395	5.245	5.894	7.320	8.399
PC21015-Education	7,553.050	9,335.770	10,146.168	13,178.851	6,453.620	19,718.434	9,771.456	14,090.451	14,006.670	29,054.204	19,917.624	27,269.302
Programme Management and Implementation Unit (PMIU)	62.761	66.722	78.824	-	2,262.978	3,354.641	2,441.408	-	2,325.739	3,421.363	2,520.232	-
Others	7,490.289	9,269.048	10,067.344	13,178.851	4,190.642	16,363.793	7,330.048	14,090.451	11,680.931	25,632.841	17,397.392	27,269.302
Home Department	**1,809.647**	**2,218.595**	**3,425.994**	**4,261.311**	**1,357.023**	**2,164.835**	**2,325.241**	**2,104.408**	**3,166.670**	**4,383.430**	**5,751.235**	**6,365.719**
Current	**1,809.647**	**2,218.595**	**3,425.994**	**4,261.311**	**1,357.023**	**2,164.835**	**2,325.241**	**2,104.408**	**3,166.670**	**4,383.430**	**5,751.235**	**6,365.719**
PC21010-General Administration	743.317	923.003	903.011	1,241.576	384.499	443.192	416.497	276.929	1,127.816	1,366.195	1,319.508	1,518.505
Home Department	126.249	89.065	83.160	103.485	145.034	171.704	230.067	35.607	271.283	260.769	313.227	139.092
District Public Safety Commission	59.485	59.485	4.465	59.485	21.459	21.389	0.997	21.389	80.944	80.874	5.462	80.874
Public Prosecution Department	11.079	18.726	22.852	56.968	18.540	14.832	11.439	16.046	29.619	33.558	34.291	73.014
Prosecuter General	457.170	578.793	585.989	808.010	34.880	44.021	34.818	59.975	492.050	622.814	620.807	867.985
Others	89.334	176.934	206.545	213.628	164.586	191.246	139.176	143.912	253.920	368.180	345.721	357.540

Table 11.6

TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd.…)*

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
PC21012-Jails and Convict Settlements	1,045.741	1,210.974	1,755.699	2,119.186	969.262	1,686.723	1,720.546	1,637.594	2,015.003	2,897.697	3,476.245	3,756.780
PC21031-Miscellaneous	-	61.528	739.698	869.429	0.100	31.295	182.667	185.547	0.100	92.823	922.365	1,054.976
PC21032-Civil Defence	20.589	23.090	27.586	31.120	3.162	3.625	5.531	4.338	23.751	26.715	33.117	35.458
Administration	18.293	20.497	24.550	28.094	2.901	3.349	5.169	3.931	21.194	23.846	29.719	32.025
Medical Establishment	2.296	2.593	3.036	3.026	0.261	0.276	0.362	0.407	2.557	2.869	3.398	3.433
Police Department	**22,418.767**	**31,575.283**	**39,842.181**	**43,487.652**	**8,077.014**	**7,697.902**	**7,417.624**	**5,721.045**	**30,495.781**	**39,273.185**	**47,259.805**	**49,208.697**
Current	22,418.767	31,575.283	39,842.181	43,487.652	8,077.014	7,697.902	7,417.624	5,721.045	30,495.781	39,273.185	47,259.805	49,208.697
DQ4005 Border Military Police (DG Khan)	51.590	53.657	87.182	117.649	5.429	7.318	27.282	6.319	57.019	60.975	114.464	123.968
DQ4006 Baluch Levy DG Khan	32.737	31.254	47.983	101.687	4.888	4.836	7.080	3.811	37.625	36.090	55.063	105.498
LQ4125 Direction	78.286	106.870	166.521	202.302	1,921.599	1,275.655	2,051.790	601.663	1,999.885	1,382.525	2,218.311	803.965
LQ4126 Superintendence	54.171	99.070	158.790	194.290	28.696	33.517	42.123	47.321	82.867	132.587	200.913	241.611
LQ4127 District Police	18,882.793	26,873.975	33,641.547	36,081.080	5,308.146	5,123.499	3,984.340	3,920.231	24,190.939	31,997.474	37,625.887	40,001.311
LQ4128 Crime Investigation	113.550	192.177	231.488	309.433	39.335	174.026	52.836	34.099	152.885	366.203	284.324	343.532
LQ4129 Special Branch	825.063	1,075.414	1,197.296	1,485.345	301.238	256.845	221.826	231.348	1,126.301	1,332.259	1,419.122	1,716.693
LQ4131 Punjab Constabulary	1,626.943	2,077.694	2,899.825	3,223.471	156.579	173.336	122.755	117.527	1,783.522	2,251.030	3,022.580	3,340.998
LQ4132 Police Employed for Agency Function	87.762	121.438	105.779	-	12.584	14.977	4.144	-	100.346	136.415	109.923	-
LQ4133 Police Supplied to Public Departments Private Bodies and Persons	118.063	154.297	204.578	241.757	0.355	0.369	0.348	0.393	118.418	154.666	204.926	242.150
LQ4134 Qaumi Razakar Organization	27.768	37.068	46.202	67.637	61.745	31.905	244.241	401.126	89.513	68.973	290.443	468.763
LQ4135 Works	-	-	-	-	57.900	124.600	59.780	35.000	57.900	124.600	59.780	35.000
LQ4136 Police Training Institute	397.810	574.372	798.110	1,152.845	118.145	385.921	314.987	101.844	515.955	960.293	1,113.097	1,254.689

Table 11.6
TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd….)*

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
LQ4425 Lumpsum Provision for Replacement of Transport	-	-	-	-	-	-	-	-	-	-	-	-
LQ4426 Lumpsum Provision for Elite Police Training	-	-	-	-	-	-	-	-	-	-	-	-
LQ4531 Lumpsum Provision for Risk Allowance and Daily Allowance etc. to Police Force	-	-	-	-	-	-	-	-	-	-	-	-
LW4120 Elite Police Force (LE4120)	89.136	147.944	205.157	256.296	59.387	89.990	264.868	219.055	148.523	237.934	470.025	475.351
RQ4002 Border Military Poliice (Rajanpur)	33.095	30.053	51.723	53.860	0.988	1.108	19.224	1.308	34.083	31.161	70.947	55.168
Irrigation and Power Department	**3,781.337**	**4,300.157**	**4,725.654**	**5,500.070**	**2,746.502**	**3,118.153**	**3,315.553**	**2,300.371**	**6,527.839**	**7,418.310**	**8,041.207**	**7,800.441**
Current	**3,781.337**	**4,300.157**	**4,725.654**	**5,500.070**	**2,746.502**	**3,118.153**	**3,315.553**	**2,300.371**	**6,527.839**	**7,418.310**	**8,041.207**	**7,800.441**
PC21008-Other Taxes and Duties	33.721	40.726	62.823	54.534	12.842	12.289	25.028	15.362	46.563	53.015	87.851	69.896
PC21009-Irrigation and Land Reclamation	3,715.715	4,223.403	4,616.821	5,392.739	2,709.080	3,085.174	3,267.773	2,267.293	6,424.795	7,308.577	7,884.594	7,660.032
PC21010-General Administration	31.901	36.028	46.010	52.797	23.055	19.165	22.752	16.191	54.956	55.193	68.762	68.988
PC21024-Civil Works	-	-	-	-	1.525	1.525	-	1.525	1.525	1.525	-	1.525
Finance Department	**489.965**	**549.162**	**691.650**	**15,856.832**	**142,629.029**	**141,244.841**	**166,067.656**	**201,699.957**	**143,118.994**	**141,794.003**	**166,759.306**	**217,556.789**
Current	**489.965**	**549.162**	**691.650**	**15,856.832**	**142,629.029**	**141,244.841**	**166,067.656**	**201,699.957**	**143,118.994**	**141,794.003**	**166,759.306**	**217,556.789**
PC21010-General Administration	375.298	445.614	568.418	15,708.770	8,393.458	865.033	583.662	625.314	8,768.756	1,310.647	1,152.080	16,334.084
PC21028-Pensions	-	-	-	-	13,000.000	21,000.000	21,000.000	27,900.000	13,000.000	21,000.000	21,000.000	27,900.000
PC21031-Miscellaneous	114.667	103.548	123.232	148.062	106,427.898	106,013.852	124,300.166	151,889.663	106,542.565	106,117.400	124,423.398	152,037.725
PFC Transfer to District Governments	-	-	-	-	86,931.703	89,361.156	104,204.933	131,653.000	86,931.703	89,361.156	104,204.933	131,653.000
PFC Transfer to TMAs	-	-	-	-	11,603.545	11,133.836	11,263.580	13,800.000	11,603.545	11,133.836	11,263.580	13,800.000
PFC Transfer to Union Councils	-	-	-	-	4,630.730	4,417.169	4,590.040	5,018.730	4,630.730	4,417.169	4,590.040	5,018.730

Table 11.6

TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd….)*

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
Others	114.667	103.548	123.232	148.062	3,261.920	1,101.691	4,241.613	1,417.933	3,376.587	1,205.239	4,364.845	1,565.995
PC24044-Interst on debt and other Obligations	**-**	**-**	**-**	**-**	**14,807.673**	**13,365.956**	**20,183.828**	**21,284.980**	**14,807.673**	**13,365.956**	**20,183.828**	**21,284.980**
Interest on Other Foreign Exchange Loans	-	-	-	-	0.185	0.080	-	-	0.185	0.080	-	-
Interest on Domestic Loans	-	-	-	-	7,710.707	7,243.709	6,552.748	5,928.340	7,710.707	7,243.709	6,552.748	5,928.340
Floating Debt	-	-	-	-	-	1,000.000	3,723.284	2,700.000	-	1,000.000	3,723.284	2,700.000
Unfunded Debt	-	-	-	-	-	1,867.986	1,775.511	2,389.076	-	1,867.986	1,775.511	2,389.076
IDA Credit	-	-	-	-	-	3,247.898	3,932.846	3,822.039	-	3,247.898	3,932.846	3,822.039
Payment of Interest to Financial Institution	-	-	-	-	-	-	-	2,133.984	-	-	-	2,133.984
Interest on Blocked A/c	-	-	-	-	-	-	4,198.934	4,311.038	-	-	4,198.934	4,311.038
Others	-	-	-	-	7,096.781	6.283	0.505	0.503	7,096.781	6.283	0.505	0.503
Excise and Taxation Department	**42.229**	**46.088**	**52.547**	**171.665**	**121.945**	**28.117**	**132.885**	**35.995**	**164.174**	**74.205**	**185.432**	**207.660**
Current	**42.229**	**46.088**	**52.547**	**171.665**	**121.945**	**28.117**	**132.885**	**35.995**	**164.174**	**74.205**	**185.432**	**207.660**
PC21001-Opium	1.679	2.558	2.207	3.780	0.103	0.121	0.200	0.155	1.782	2.679	2.407	3.935
PC21003-Provincial Excise	15.575	15.293	20.415	121.802	113.122	17.975	27.868	25.502	128.697	33.268	48.283	147.304
PC21007-Charges on Account of Motor Vehicles Acts	10.046	12.883	14.068	13.761	1.200	1.211	1.075	1.473	11.246	14.094	15.143	15.234
PC21008-Other Taxes and Duties	4.317	4.808	5.089	4.981	1.172	3.660	82.838	2.971	5.489	8.468	87.927	7.952
PC21010-General Administration	10.612	10.546	10.768	27.341	6.348	5.150	20.904	5.894	16.960	15.696	31.672	33.235
Forestry Wildlife and Fisheries Department	**878.628**	**1,073.339**	**1,242.377**	**1,309.185**	**400.758**	**490.178**	**482.212**	**482.529**	**1,279.386**	**1,563.517**	**1,724.589**	**1,791.714**
Current	**878.628**	**1,073.339**	**1,242.377**	**1,309.185**	**400.758**	**490.178**	**482.212**	**482.529**	**1,279.386**	**1,563.517**	**1,724.589**	**1,791.714**
PC21005-Forests	552.175	667.646	785.437	824.058	294.569	362.773	358.637	368.477	846.744	1,030.419	1,144.074	1,192.535

Table 11.6

TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd….)*

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
PC21010-General Administration	18.353	18.223	23.270	39.586	11.289	12.256	12.721	12.249	29.642	30.479	35.991	51.835
PC21019-Fisheries	154.510	191.609	216.947	223.134	34.580	40.291	41.201	39.453	189.090	231.900	258.148	262.587
PC21023-Miscellaneous Department	153.590	195.861	216.723	222.407	60.320	74.858	69.653	62.350	213.910	270.719	286.376	284.757
Housing Urban Dev. & PHE Department	**148.665**	**284.946**	**356.279**	**407.329**	**896.172**	**744.088**	**1,019.177**	**2,768.852**	**1,044.837**	**1,029.034**	**1,375.456**	**3,176.181**
Current	**148.665**	**284.946**	**356.279**	**407.329**	**896.172**	**744.088**	**1,019.177**	**2,768.852**	**1,044.837**	**1,029.034**	**1,375.456**	**3,176.181**
PC21010-General Administration	16.281	2.581	24.898	37.705	11.007	1.030	10.664	12.897	27.288	3.611	35.562	50.602
PC21017-Public Health	132.378	160.451	189.418	225.188	402.281	536.163	735.717	1,128.057	534.659	696.614	925.135	1,353.245
Director General Parks & Horticulture Authority	-	-	-	-	365.306	500.333	631.199	882.763	365.306	500.333	631.199	882.763
Others	132.378	160.451	189.418	225.188	36.975	35.830	104.518	245.294	169.353	196.281	293.936	470.482
PC21024-Civil Works	-	-	-	-	5.940	5.940	-	5.940	5.940	5.940	-	5.940
PC21026-Housing and Physical Planning	0.006	121.914	141.963	144.436	476.944	200.955	272.796	1,621.958	476.950	322.869	414.759	1,766.394
Purchase of Land for Punjab Government Servant Housing Foundation	-	-	-	-	350.000	-	-	1,000.000	350.000	-	-	1,000.000
Others	0.006	121.914	141.963	144.436	126.944	200.955	272.796	621.958	126.950	322.869	414.759	766.394
Industries	**704.545**	**2,109.371**	**2,582.306**	**2,408.137**	**2,396.578**	**13,088.222**	**2,056.101**	**3,296.528**	**3,101.123**	**15,197.593**	**4,638.407**	**5,704.665**
Current	**704.545**	**2,109.371**	**2,582.306**	**2,408.137**	**2,396.578**	**13,088.222**	**2,056.101**	**3,296.528**	**3,101.123**	**15,197.593**	**4,638.407**	**5,704.665**
PC21010-General Administration	55.711	101.094	119.221	128.296	82.495	89.516	128.998	69.315	138.206	190.610	248.219	197.611
Mines and Minerals Department	*7.131*	*8.137*	*10.000*	*10.787*	*3.355*	*6.449*	*55.700*	*3.869*	10.486	14.586	65.700	14.656
Others	*48.580*	*92.957*	*109.221*	*117.509*	*79.140*	*83.067*	*73.298*	*65.446*	127.720	176.024	182.519	182.955
PC21022-Industries	611.432	1,961.814	2,412.362	2,225.946	2,246.984	12,959.011	1,823.343	3,168.485	2,858.416	14,920.825	4,235.705	5,394.431

Table 11.6
TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd….)*

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
Headquarters Establishment	*29.127*	*36.365*	*39.266*	*48.069*	*43.862*	*11,534.389*	*5.533*	*5.776*	72.989	11,570.754	44.799	53.845
Grant in Aid to TEVTA	*366.190*	*1,858.291*	*2,067.004*	*2,060.680*	*2,038.467*	*1,171.478*	*1,670.699*	*2,783.583*	2,404.657	3,029.769	3,737.703	4,844.263
Inspectorate of Boilers	*4.551*	*4.873*	*5.581*	*7.569*	*0.720*	*0.916*	*0.914*	*1.013*	5.271	5.789	6.495	8.582
Headquarters Establishment	*21.708*	*31.358*	*32.266*	*39.930*	*6.632*	*7.932*	*6.808*	*8.794*	28.340	39.290	39.074	48.724
Grant in Aid to Punjab Small Industries Corp.	*163.954*	-	*235.000*	-	*107.652*	*235.000*	-	*236.000*	271.606	235.000	235.000	236.000
Faisalabad Industrial Estate	-	-	-	-	*15.509*	-	-	-	15.509	-	-	-
Punjab Board of Investment and Trade	-	-	-	-	-	-	*125.000*	*100.000*	-	-	125.000	100.000
Sasti Roti Authority	-	-	*0.265*	*32.903*	-	-	*4.735*	*23.130*	-	-	5.000	56.033
Punjab Industrial Estates Development Ma	-	-	-	-	*24.850*	-	-	-	24.850	-	-	-
Regional Establishment	*25.902*	*30.927*	*32.980*	*36.795*	*9.292*	*9.296*	*9.654*	*10.189*	35.194	40.223	42.634	46.984
PC21029-Stationery and Printing	37.402	46.463	50.723	53.895	67.099	39.695	103.760	58.728	104.501	86.158	154.483	112.623
Information Culture and Youth Affairs	**173.711**	**204.861**	**319.457**	**383.520**	**2,334.110**	**607.345**	**374.832**	**179.441**	**2,507.821**	**812.206**	**694.289**	**562.961**
Current	**173.711**	**204.861**	**319.457**	**383.520**	**2,334.110**	**607.345**	**374.832**	**179.441**	**2,507.821**	**812.206**	**694.289**	**562.961**
PC21010-General Administration	11.976	11.985	13.467	15.424	11.339	8.638	11.653	8.190	23.315	20.623	25.120	23.614
PC21014-Museums	-	-	28.058	29.025	61.394	35.183	8.737	9.062	61.394	35.183	36.795	38.087
PC21023-Miscellaneous Department	161.735	192.876	277.932	339.071	2,261.377	563.524	354.442	162.189	2,423.112	756.400	632.374	501.260
Law and Parliamentary Affairs	**306.723**	**398.568**	**446.856**	**978.395**	**38.031**	**135.236**	**121.470**	**227.423**	**344.754**	**533.804**	**568.326**	**1,205.818**
Current	**306.723**	**398.568**	**446.856**	**978.395**	**38.031**	**135.236**	**121.470**	**227.423**	**344.754**	**533.804**	**568.326**	**1,205.818**
PC21010-General Administration	26.425	46.030	44.289	392.302	14.008	103.365	58.722	166.350	40.433	149.395	103.011	558.652
PC21011-Administration of Justice	280.298	352.538	402.567	586.093	24.023	31.871	62.748	61.073	304.321	384.409	465.315	647.166
Administrative-General and Official Trustee	*0.588*	*0.560*	*0.724*	*0.802*	-	-	-	-	0.588	0.560	0.724	0.802

Table 11.6

TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd….)*

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
Punjab Judicial Academy	-	-	*7.030*	*18.280*	-	-	*27.818*	*22.655*	-	-	34.848	40.935
Solicitors Department	*8.038*	*13.576*	*6.830*	*12.225*	*3.920*	*5.222*	*6.140*	*4.928*	11.958	18.798	12.970	17.153
Mufassil Establishment	*134.369*	*166.864*	*189.200*	*341.425*	*4.654*	*6.068*	*3.996*	*4.313*	139.023	172.932	193.196	345.738
Advocate General	*137.303*	*171.538*	*198.783*	*213.361*	*15.449*	*20.581*	*24.794*	*29.177*	152.752	192.119	223.577	242.538
Livestock and Dairy Development	**522.627**	**666.430**	**805.754**	**917.237**	**458.670**	**556.368**	**572.997**	**1,050.981**	**981.297**	**1,222.798**	**1,378.751**	**1,968.218**
Current	**522.627**	**666.430**	**805.754**	**917.237**	**458.670**	**556.368**	**572.997**	**1,050.981**	**981.297**	**1,222.798**	**1,378.751**	**1,968.218**
PC21010-General Administration	11.265	12.166	16.575	18.089	3.332	4.294	5.636	4.153	14.597	16.460	22.211	22.242
PC21020-Veterinary	511.362	654.264	789.179	899.148	455.338	552.074	567.361	1,046.828	966.700	1,206.338	1,356.540	1,945.976
Labour	**60.649**	**80.422**	**99.770**	**116.794**	**344.459**	**21.241**	**21.731**	**21.421**	**405.108**	**101.663**	**121.501**	**138.215**
Current	**60.649**	**80.422**	**99.770**	**116.794**	**344.459**	**21.241**	**21.731**	**21.421**	**405.108**	**101.663**	**121.501**	**138.215**
PC21010-General Administration	6.888	10.418	19.580	14.902	7.265	9.766	8.783	5.106	14.153	20.184	28.363	20.008
PC21023-Miscellaneous Department	53.761	70.004	80.190	101.892	337.194	11.475	12.948	16.315	390.955	81.479	93.138	118.207
Cooperative	**69.350**	**80.856**	**89.341**	**94.517**	**14.338**	**13.928**	**15.711**	**14.833**	**83.688**	**94.784**	**105.052**	**109.350**
Current	**69.350**	**80.856**	**89.341**	**94.517**	**14.338**	**13.928**	**15.711**	**14.833**	**83.688**	**94.784**	**105.052**	**109.350**
PC21010-General Administration	5.984	6.813	9.423	9.355	2.259	2.488	2.627	2.631	8.243	9.301	12.050	11.986
PC21021-Cooperation	63.366	74.043	79.918	85.162	12.079	11.440	13.084	12.202	75.445	85.483	93.002	97.364
Environment Department	**32.980**	**38.892**	**42.344**	**49.489**	**10.604**	**9.321**	**12.433**	**10.038**	**43.584**	**48.213**	**54.777**	**59.527**
Current	**32.980**	**38.892**	**42.344**	**49.489**	**10.604**	**9.321**	**12.433**	**10.038**	**43.584**	**48.213**	**54.777**	**59.527**
PC21010-General Administration	5.973	6.599	8.703	9.923	3.746	3.276	3.062	2.579	9.719	9.875	11.765	12.502
PC21017-Public Health	27.007	32.293	33.641	39.566	6.858	6.045	9.371	7.459	33.865	38.338	43.012	47.025
Local Government and Community Dev.	**190.080**	**266.998**	**281.654**	**373.534**	**71.847**	**73.276**	**64.406**	**69.771**	**261.927**	**340.274**	**346.060**	**443.305**

Table 11.6

TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd….)*

(Rs. In Million)

Name of Department	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
	R.E 2007-08	R.E 2008-09	R.E 2009-10	B.E 2010-11	R.E 2007-08	R.E 2008-09	R.E 2009-10	B.E 2010-11	R.E 2007-08	R.E 2008-09	R.E. 2009-10	B.E. 2010-11
Current	**190.080**	**266.998**	**281.654**	**373.534**	**71.847**	**73.276**	**64.406**	**69.771**	**261.927**	**340.274**	**346.060**	**443.305**
PC21010-General Administration	33.499	48.070	49.086	78.171	38.977	35.254	31.917	32.562	72.476	83.324	81.003	110.733
PC21031-Miscellaneous	156.581	218.928	232.568	295.363	32.870	38.022	32.489	37.209	189.451	256.950	265.057	332.572
District Staff	99.098	147.125	148.100	186.271	7.201	17.046	14.725	15.611	106.299	164.171	162.825	201.882
Others	57.483	71.803	84.468	109.092	25.669	20.976	17.764	21.598	83.152	92.779	102.232	130.690
Planning and Development Department	**192.679**	**160.501**	**189.254**	**231.248**	**1,080.339**	**38.554**	**33.790**	**38.114**	**1,273.018**	**199.055**	**223.044**	**269.362**
Current	**192.679**	**160.501**	**189.254**	**231.248**	**1,080.339**	**38.554**	**33.790**	**38.114**	**1,273.018**	**199.055**	**223.044**	**269.362**
PC21010-General Administration	83.956	86.477	108.571	140.104	975.440	25.036	22.978	24.812	1,059.396	111.513	131.549	164.916
PC21023-Miscellaneous Departments	45.214	57.098	58.988	70.888	6.881	7.689	7.487	7.721	52.095	64.787	66.475	78.609
PC21031-Miscellaneous	63.509	16.926	21.695	20.256	98.018	5.829	3.325	5.581	161.527	22.755	25.020	25.837
Board of Revenue	**114.695**	**193.858**	**249.270**	**372.983**	**146.012**	**428.909**	**365.519**	**368.093**	**260.707**	**622.767**	**614.789**	**741.076**
Current	**114.695**	**193.858**	**249.270**	**372.983**	**146.012**	**428.909**	**365.519**	**368.093**	**260.707**	**622.767**	**614.789**	**741.076**
PC21002-Land Revenue	11.888	13.801	15.019	16.676	9.094	9.556	25.195	10.212	20.982	23.357	40.214	26.888
PC21004-Stamps	3.946	5.987	5.894	7.441	91.732	135.650	147.983	166.398	95.678	141.637	153.877	173.839
PC21006-Registration	1.764	2.132	2.515	2.469	0.541	0.366	0.512	0.646	2.305	2.498	3.027	3.115
PC21009-Irrigation (Hill Torrents)	1.584	1.584	1.584	1.783	0.122	0.122	0.122	0.122	1.706	1.706	1.706	1.905
PC21010-General Administration	82.388	153.918	206.589	325.427	40.574	278.974	187.299	184.797	122.962	432.892	393.888	510.224
PC21029-Stationery and Printing	-	-	-	-	3.586	3.383	3.636	4.989	3.586	3.383	3.636	4.989
PC21031-Miscellaneous	13.125	16.436	17.669	19.187	0.363	0.858	0.772	0.929	13.488	17.294	18.441	20.116
Religious Affairs	**9.023**	**10.469**	**13.098**	**13.436**	**8.603**	**5.962**	**7.180**	**8.180**	**17.626**	**16.431**	**20.278**	**21.616**
Current	**9.023**	**10.469**	**13.098**	**13.436**	**8.603**	**5.962**	**7.180**	**8.180**	**17.626**	**16.431**	**20.278**	**21.616**
PC 21010-General Administration	9.023	10.469	13.098	13.436	8.603	5.962	7.180	8.180	17.626	16.431	20.278	21.616

Table 11.6

TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd….)*

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
Food Department	**13.981**	**17.650**	**21.635**	**27.897**	**190.879**	**2,393.105**	**15,016.079**	**21,007.269**	**204.860**	**2,410.755**	**15,037.714**	**21,035.166**
Current	**13.981**	**17.650**	**21.635**	**27.897**	**190.879**	**2,393.105**	**15,016.079**	**21,007.269**	**204.860**	**2,410.755**	**15,037.714**	**21,035.166**
PC21010-General Administration	13.981	17.650	21.635	27.897	11.768	7.755	16.079	7.269	25.749	25.405	37.714	35.166
PC21030-Subsidies	-	-	-	-	179.111	2,385.350	15,000.000	21,000.000	179.111	2,385.350	15,000.000	21,000.000
Social Welfare	**68.900**	**93.400**	**149.615**	**162.856**	**157.143**	**328.690**	**252.622**	**214.081**	**226.043**	**422.090**	**402.237**	**376.937**
Current	**68.900**	**93.400**	**149.615**	**162.856**	**157.143**	**328.690**	**252.622**	**214.081**	**226.043**	**422.090**	**402.237**	**376.937**
PC21010-General Administration	6.228	6.342	8.023	9.063	3.657	4.864	4.107	3.708	9.885	11.206	12.130	12.771
PC21031-Miscellaneous	62.672	87.058	141.592	153.793	153.486	323.826	248.515	210.373	216.158	410.884	390.107	364.166
Zakat and Ushr Department	**46.886**	**54.079**	**70.702**	**86.687**	**26.391**	**26.650**	**26.246**	**32.983**	**73.277**	**80.729**	**96.948**	**119.670**
Current	**46.886**	**54.079**	**70.702**	**86.687**	**26.391**	**26.650**	**26.246**	**32.983**	**73.277**	**80.729**	**96.948**	**119.670**
PC21010-General Administration	5.270	6.672	9.028	9.716	5.041	4.261	4.664	5.648	10.311	10.933	13.692	15.364
PC21031-Miscellaneous	41.616	47.407	61.674	76.971	21.350	22.389	21.582	27.335	62.966	69.796	83.256	104.306
Special Education	**54.923**	**67.482**	**78.661**	**94.217**	**28.720**	**33.198**	**84.545**	**27.864**	**83.643**	**100.680**	**163.206**	**122.081**
Current	**54.923**	**67.482**	**78.661**	**94.217**	**28.720**	**33.198**	**84.545**	**27.864**	**83.643**	**100.680**	**163.206**	**122.081**
PC21010-General Administration	7.112	9.173	11.919	13.357	3.729	5.345	4.010	3.320	10.841	14.518	15.929	16.677
PC21015-Education	47.811	58.309	66.742	80.860	24.991	27.853	80.535	24.544	72.802	86.162	147.277	105.404
Provincial Assembly	**236.867**	**379.171**	**419.162**	**474.345**	**155.798**	**193.353**	**228.641**	**319.324**	**392.665**	**572.524**	**647.803**	**793.669**
Current	**236.867**	**379.171**	**419.162**	**474.345**	**155.798**	**193.353**	**228.641**	**319.324**	**392.665**	**572.524**	**647.803**	**793.669**
PC21010-General Administration	125.570	209.381	212.616	217.800	96.975	125.816	121.885	170.740	222.545	335.197	334.501	388.540
PC24010-General Administration	111.297	169.790	206.546	256.545	58.823	67.537	106.756	148.584	170.120	237.327	313.302	405.129
Relief	**12.346**	**15.151**	**17.393**	**16.570**	**84.874**	**317.840**	**299.804**	**9.402**	**97.220**	**332.991**	**317.197**	**25.972**

Table 11.6
TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd….)*

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
Current	**12.346**	**15.151**	**17.393**	**16.570**	**84.874**	**317.840**	**299.804**	**9.402**	**97.220**	**332.991**	**317.197**	**25.972**
PC21010-General Administration	1.914	2.136	0.382	-	3.980	8.865	-	-	5.894	11.001	0.382	-
PC24027-Relief	10.432	13.015	17.011	16.570	80.894	308.975	299.804	9.402	91.326	321.990	316.815	25.972
Services & General Administration Dept	**2,431.697**	**4,521.068**	**5,844.553**	**7,169.948**	**823.792**	**926.500**	**1,502.230**	**797.228**	**3,255.489**	**5,447.568**	**7,346.783**	**7,967.176**
Current	**2,431.697**	**4,521.068**	**5,844.553**	**7,169.948**	**823.792**	**926.500**	**1,502.230**	**797.228**	**3,255.489**	**5,447.568**	**7,346.783**	**7,967.176**
PC21010-General Administration	731.663	917.261	1,097.648	1,206.431	474.270	567.775	586.138	503.232	1,205.933	1,485.036	1,683.786	1,709.663
PC21011-Administration of Justice	1,695.422	3,598.834	4,740.606	5,956.546	308.223	316.976	874.591	248.995	2,003.645	3,915.810	5,615.197	6,205.541
High Court	*366.073*	*806.025*	*1,103.872*	*1,135.963*	*139.276*	*175.839*	*158.008*	*111.107*	505.349	981.864	1,261.880	1,247.070
Session Courts	*485.461*	*1,094.069*	*1,339.333*	*1,474.201*	*80.380*	*72.610*	*226.634*	*71.599*	565.841	1,166.679	1,565.967	1,545.800
Civil Courts	*813.384*	*1,644.382*	*2,226.837*	*3,270.080*	*75.890*	*59.895*	*469.080*	*58.407*	889.274	1,704.277	2,695.917	3,328.487
Special Courts	*23.649*	*42.016*	*52.967*	*55.727*	*11.776*	*7.657*	*19.804*	*7.006*	35.425	49.673	72.771	62.733
Courts of Small Causes	*6.855*	*12.342*	*17.597*	*20.575*	*0.901*	*0.975*	*1.065*	*0.876*	7.756	13.317	18.662	21.451
PC21031-Miscellaneous	3.012	3.373	4.699	5.371	41.299	41.749	41.501	45.001	44.311	45.122	46.200	50.372
PC24045-Privy Purses	1.600	1.600	1.600	1.600	-	-	-	-	1.600	1.600	1.600	1.600
Transport	**12.658**	**13.919**	**15.711**	**21.816**	**248.844**	**45.628**	**527.667**	**14.654**	**261.502**	**59.547**	**543.378**	**36.470**
Current	**12.658**	**13.919**	**15.711**	**21.816**	**248.844**	**45.628**	**527.667**	**14.654**	**261.502**	**59.547**	**543.378**	**36.470**
PC21007-Charges on Account of M.V.Act	4.929	5.299	5.795	8.122	242.570	9.528	10.058	10.209	247.499	14.827	15.853	18.331
PC21010-General Administration	7.729	8.620	9.916	13.694	6.274	36.100	517.609	4.445	14.003	44.720	527.525	18.139
Information Technology	**15.037**	**17.662**	**19.322**	**8.967**	**15.631**	**34.872**	**37.776**	**7.711**	**30.668**	**52.534**	**57.098**	**16.678**
Current	**15.037**	**17.662**	**19.322**	**8.967**	**15.631**	**34.872**	**37.776**	**7.711**	**30.668**	**52.534**	**57.098**	**16.678**
PC21010-General Administration	15.037	17.662	19.322	8.967	15.631	34.872	37.776	7.711	30.668	52.534	57.098	16.678

Table 11.6
TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd….)*

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
Governor Secretariat	**78.621**	**78.109**	**83.629**	**93.354**	**75.106**	**63.870**	**54.970**	**39.806**	**153.727**	**141.979**	**138.599**	**133.160**
Current	**78.621**	**78.109**	**83.629**	**93.354**	**75.106**	**63.870**	**54.970**	**39.806**	**153.727**	**141.979**	**138.599**	**133.160**
PC21010-General Administration	17.979	3.552	-	-	26.594	6.190	-	-	44.573	9.742	-	-
PC24010-General Administration	60.642	74.557	83.629	93.354	48.512	57.680	54.970	39.806	109.154	132.237	138.599	133.160
Chief Minister Secretariat	**167.928**	**169.679**	**170.601**	**220.845**	**209.887**	**148.299**	**122.343**	**45.574**	**377.815**	**317.978**	**292.944**	**266.419**
Current	**167.928**	**169.679**	**170.601**	**220.845**	**209.887**	**148.299**	**122.343**	**45.574**	**377.815**	**317.978**	**292.944**	**266.419**
PC21010-General Administration	167.928	169.679	170.601	220.845	209.887	148.299	122.343	45.574	377.815	317.978	292.944	266.419
Chief Minister Inspection Team	**19.222**	**20.373**	**23.460**	**31.652**	**6.243**	**8.147**	**7.683**	**9.454**	**25.465**	**28.520**	**31.143**	**41.106**
Current	**19.222**	**20.373**	**23.460**	**31.652**	**6.243**	**8.147**	**7.683**	**9.454**	**25.465**	**28.520**	**31.143**	**41.106**
PC21010-General Administration	19.222	20.373	23.460	31.652	6.243	8.147	7.683	9.454	25.465	28.520	31.143	41.106
Mines and Minerals	**79.343**	**96.442**	**105.655**	**127.147**	**43.061**	**44.307**	**60.926**	**61.493**	**122.404**	**140.749**	**166.581**	**188.640**
Current	**79.343**	**96.442**	**105.655**	**127.147**	**43.061**	**44.307**	**60.926**	**61.493**	**122.404**	**140.749**	**166.581**	**188.640**
PC21022-Industries	79.343	96.442	105.655	127.147	43.061	44.307	60.926	61.493	122.404	140.749	166.581	188.640
Inspectorate of Mines	46.694	55.944	64.195	71.848	18.964	17.225	17.296	15.425	65.658	73.169	81.491	87.273
Mines Labour Welfare Commissionerate	32.649	40.498	41.460	55.299	24.097	27.082	43.630	46.068	56.746	67.580	85.090	101.367
Commerce and Investment Department	**-**	**3.504**	**5.565**	**15.933**	**-**	**7.410**	**5.545**	**6.925**	**-**	**10.914**	**11.110**	**22.858**
Current	**-**	**3.504**	**5.565**	**15.933**	**-**	**7.410**	**5.545**	**6.925**	**-**	**10.914**	**11.110**	**22.858**
PC21010-General Administration	-	-	-	-	-	-	-	-	-	-	-	-
PC21022-Industries	-	3.504	5.565	15.933	-	7.410	5.545	6.925	-	10.914	11.110	22.858
Literacy	**6.209**	**7.272**	**8.890**	**15.198**	**7.435**	**5.619**	**6.169**	**2.845**	**13.644**	**12.891**	**15.059**	**18.043**
Current	**6.209**	**7.272**	**8.890**	**15.198**	**7.435**	**5.619**	**6.169**	**2.845**	**13.644**	**12.891**	**15.059**	**18.043**
PC21010-General Administration	6.209	7.272	8.890	15.198	7.435	5.619	6.169	2.845	13.644	12.891	15.059	18.043

Table 11.6

TREND IN DEPARTMENT WISE CURRENT EXPENDITURE (SALARY AND NON-SALARY) 2007-08-2010-11 (B.E) *(Contd….)*

(Rs. In Million)

	SALARY				NON SALARY				TOTAL (SALARY & NON SALARY)			
Name of Department	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E 2009-10**	**B.E 2010-11**	**R.E 2007-08**	**R.E 2008-09**	**R.E. 2009-10**	**B.E. 2010-11**
Population Welfare	**11.142**	**11.430**	**11.850**	**13.787**	**9.303**	**11.632**	**11.667**	**8.987**	**20.445**	**23.062**	**23.517**	**22.774**
Current	**11.142**	**11.430**	**11.850**	**13.787**	**9.303**	**11.632**	**11.667**	**8.987**	**20.445**	**23.062**	**23.517**	**22.774**
PC21010-General Administration	11.142	11.430	11.850	13.787	9.303	11.632	11.667	8.987	20.445	23.062	23.517	22.774
Management and Professional Dev. Dept.	**19.688**	**25.806**	**30.303**	**37.541**	**17.134**	**9.163**	**12.411**	**10.912**	**36.822**	**34.969**	**42.714**	**48.453**
Current	**19.688**	**25.806**	**30.303**	**37.541**	**17.134**	**9.163**	**12.411**	**10.912**	**36.822**	**34.969**	**42.714**	**48.453**
PC21010-General Administration	19.688	25.806	30.303	37.541	17.134	9.163	12.411	10.912	36.822	34.969	42.714	48.453
Sports	**82.122**	**63.428**	**70.436**	**73.304**	**45.440**	**33.913**	**124.984**	**35.118**	**127.562**	**97.341**	**195.420**	**108.422**
Current	**82.122**	**63.428**	**70.436**	**73.304**	**45.440**	**33.913**	**124.984**	**35.118**	**127.562**	**97.341**	**195.420**	**108.422**
PC21010-General Administration	82.122	63.428	70.436	73.304	45.440	33.913	124.984	35.118	127.562	97.341	195.420	108.422
TOTAL CURRENT EXPENDITURE	**51,156.153**	**70,781.850**	**86,018.365**	**114,482.383**	**181,031.395**	**211,499.162**	**232,224.582**	**272,304.574**	**232,187.548**	**282,281.012**	**318,242.947**	**386,786.957**

ANNEXURE A-1
A MODEL FOR FORECASTING GROWTH OF PUNJAB'S ECONOMY

g_n = growth rate of sector in the national economy

g_p = growth rate of sector in Punjab

Agriculture

$$g_r = \underset{(0.38)}{0.412} + \underset{(5.06)^*}{0.974}.g_N$$

$$\bar{R}^2 = 0.652 \qquad \text{D-W} = 3.04$$

Industry

$$g_P = 1.603 + 0.787\, g_N$$

$$\bar{R}^2 = 0.813 \qquad \text{D-W} = 2.94$$

Services

$$g_P = -0.242 + 1.208\, g_N$$

(-0.19) (5.09)*

$$\bar{R}^2 = 0.644 \qquad \text{D-W} = 2.85$$

*Significant at 5% level

Annexure A-2

Revenue Political of GST on Services

Description of Methodology

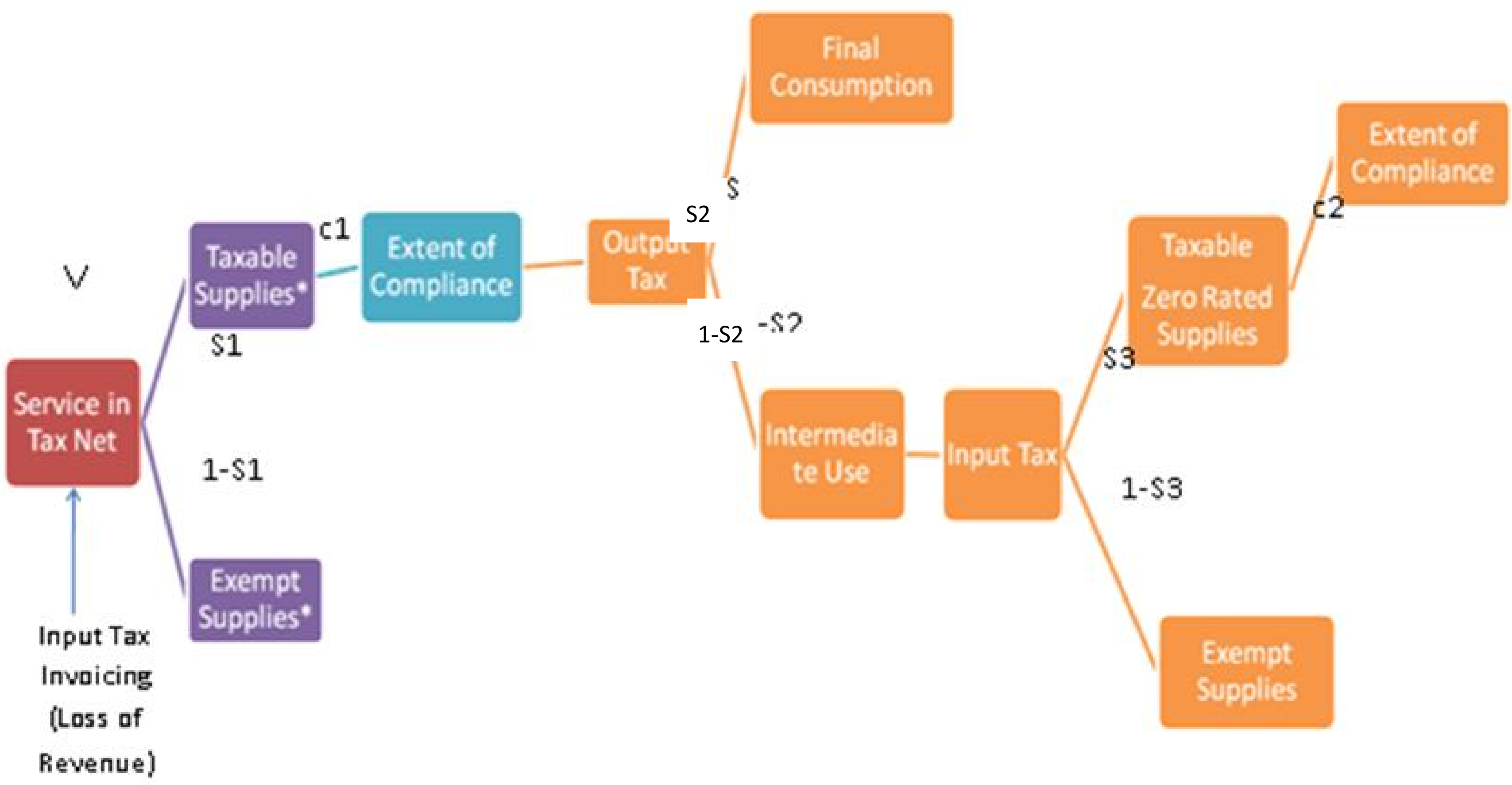
The schematic diagram for estimating the revenue potential of VAT on a service is presented in Chart A2-1. Generically, the value of the service brought into the tax net constitutes the tax base following the adjustment of input tax invoiced away from intermediate services. This is designated as V in the Chart. However, all of the output by the service sector is not subject to taxation, given the exemption threshold, whereby outlets with a turnover of less than Rs. 7.5 million per annum stand exempt. Therefore, only part of the output, labeled as S_1 is subject to taxation. Also, some of the taxable supplies (denoted as c_1) may not comply with the tax and may choose to evade. The extent of compliance is a function of the extent to which the service is in the formal and corporate sector.

From taxable supplies which choose to pay VAT, part of the supplies will be for final consumption (S_2) and revenues from them will accrue to the federal exchequer. However, the other part which constitutes intermediate use will either be utilized by the zero-rated or taxable supplies (S_3) or by the exempt units ($1-S_3$). If it is used by the exempt units, revenues paid on inputs will not be invoiced and therefore accrue to the federal government. But to the extent that these are routed to the taxable/ zero-rated sectors, given the compliance rate (C_2) the revenues may be invoiced away and not accrue to the federal exchequer.

The above are static effects. Given that VAT affects the prices and demand for services is responsive to price changes, the value of services will change in the economy. To capture these dynamic effects of VAT, we estimate the price elasticity of demand for services (ε) and adjust revenues in line with these long run effects.

CHART A 2-1

THE SCHEME OF ESTIMATING THE REVENUE POTENTIAL OF A SERVICE



* As per the threshold level of Rs 7.5 million

Therefore, put differently, additional revenues from a service ‘i’, R_i, is equal to

$$R_i = t_i V_i (C_1 S_1)[S_2 + (1 - S_2)(1 - S_3) + (1 - C_2)(1 - S_2) S_3](1 + \varepsilon t)$$

Where

R_i = Revenue from the "ith" Service

V_i = Value Added of the "ith" Service

S1 = Share of Taxable Supplies (above threshold level)

C1 =Rate of Compliance

S2 = Share of Final Consumption in Output

S3 = Share of Taxable Supplies in Output using Service as Input

C2 = Compliance Rate of Units using Service as Input

ε =Price Elasticity of Demand for the Service

t = VAT Tax Rate

The Key Parameters

From the above methodology, there are eight key parameters for the estimation of revenues from various services. Data sources, for the key parameters, some of which have been described in detail earlier are summarized in Box A2-1 and the magnitude of the parameter is presented in Table A2-2.

High value added sub-sectors are retail trade followed by road transport, wholesale trade, scheduled and cooperative banks, business and computer services and communications. The share of the taxable component ranges from a low of 25 percent in the case of a largely informal sectors of social and cultural services, other transport and storage and retail trade to a high of 100 percent in railways, communication and insurance sectors which largely operate in public and formal corporate sectors. Following the same argument, the rate of compliance ranges from a low of one-fourths for retail trade, road transport and storage to more or less, full compliance for communication, railways and banking sectors.

BOX A2-1 SOURCES OF DATA ON KEY PARAMETERS	
VARIABLE	**SOURCE**
• Value of Output (Vi)	• Input-Output Table 2004-05, 2010-11
•	• FBS estimates by Sub-Sector for 2006-07
•	• Extrapolation of National Income Accounts Data to 2010-11 • See Chapter 3
• Share of Value of Taxable Supplies (above Threshold Level) (S4)	• Extrapolation of Economic Census Data on Size Distribution of Units in 2001-03 to 2008-09 (by fitting Pareto Distributions) • See Chapter 4
• Share of Final Consumption in Output, (S2)	• FBS, I-O Table 2004-05 • See Chapter 5
• Price Elasticity of Demand *(ε)*	• Econometric Analysis of Demand from National Income Accounts
• Compliance Rate (C1, C2)	• Based of Judgment

The share of final consumption in output ranges from zero for wholesale trade to full final consumption in the case of education. Lastly, the dynamic effect of price changes on output is estimated to be about positive one percent to negative six percent, given the proposed tax rate of 15 percent. The only case where the price effect on output is likely to be positive is in the case of communication where the tax rate is to decline from the current, of 19.5 percent, to the proposed standard VAT rate of 15 percent. The price effect is relatively high in financial and insurance services and low for inelastic services like transport.

TABLE A2-2

MAGNITUDE OF PARAMETERS (2010-11)

Service	Value of Output (Billion Rs)	Input-Output Ratio	Share of Taxable Supplies %	Rate of Compliance %	Share of Final Consumption in Output %	Price Effect on Output %
Trade: Wholesale	471.0	0.000	40	33	0	-3
Trade: Retail	2338.6	0.000	25	25	90	-3
Hotels & Restaurants	248.0	0.000	50	66	80	-5
Railways	128.0	0.000	100	100	15	-2
Road	1415.3	0.000	30	25	25	-2
Water	5.0	0.000	40	80	5	-2
Air	131.0	0.000	30	100	80	-2
Others & Storage	28.0	0.000	25	25	10	-2
Communications	305.0	0.000	100	100	80	-1
Scheduled and Cooperative Banks	435.0	0.000	33	100	20	-6
Other Credit Institutions	89.0	0.000	33	80	20	-6
Insurance	94.0	0.000	100	100	45	-6
Real Estate Services	213.1	0.000	25	33	50	-6
Business & Computer Services	382.0	0.000	60	66	20	-4
Education*	267.0	0.000	30	60	100	-4
Health Care*	160.0	0.000	30	60	95	-4
Social & Cultural Services	260.0	0.000	25	50	80	-4

* Candidates for Exemption, both public and private, as per RAC recommendation.

ANNEXURE A-3
MODELLING PROVINCIAL FINANCES

We first designate the following

RR = total revenue receipts, CE= current expenditure, CR= capital receipts and DE= development expenditure.

The first step is conversion of these variables to real magnitudes

$$RRR = \frac{RR}{PRR}$$ ---(1)

$$RCE = \frac{CE}{PCE}$$ ---(2)

$$RCR = \frac{CR}{PCR}$$ ---(3)

$$RDE = \frac{DE}{PDE}$$ ---(4)

Where PRR, PCE, PCR and PDE are the respective price indices.

Now,

$$PRR = \overline{RRR}$$ ---(5)

$$PCR = \overline{RCR}$$

Revenue and capital receipts are forecast independently as part of the exercise of determining the resource envelope for the province.

We now define

$$RDEL = \lambda_4 RDE\,(-4) + \lambda_3 RDE\,(-3) + \lambda_2 RDE\,(-2) + \lambda_1 RDE\,(-1)$$ -------------------------(6)

Where RDE (-4) is the real development expenditure four years ago, and so on. The λ_s are coefficients with the following properties

$$\lambda_4 > \lambda_3 > \lambda_2 > \lambda_1$$

and $$\lambda_4 + \lambda_3 + \lambda_2 + \lambda_1 = 1 \qquad \text{---(7)}$$

A maximum of a four year lag has been allowed for

The downstream relationship between development expenditure and current expenditure is captured by the following equation:

$$R\hat{C}E = \beta_0 + \beta_1 \overline{RRR} + \beta_2 RDEL + \epsilon \qquad \text{-----------------------------------(8)}$$

$$CE = R\hat{C}E.PCE \qquad \text{-----------------------------------(9)}$$

Following the determination of CE from () we have,

$$DE = RR - CE + CR \qquad \text{-----------------------------------(10)}$$

Therefore CE and DE are derived from (9) and (10) given the magnitudes of RR and CR.

The Model has been estimated on budgetary data from 1990-91 to 2009-10.

The best estimates of λ are as follows:

$\lambda_4 = 0.4, \quad \lambda_3 = 0.3, \quad \lambda_2 = 0.2, \quad \lambda_1 = 0.1$

Estimates of Equation (8) are as follows:

$RCE = 52114 + 0.402\overline{RRR} + 0.345\ RDEL$

$(10.751)^{*}\ (7.825)^{*} \quad (3.903)^{*}$

$\bar{R}^2 = 0.962, D - W = 1.716$

*Significant at 5Percent level

ANNEXURE A-4
SECTOR OBJECTIVES, GOALS, STRATEGIES, AND PROGRAMS

Sector	Goals and Objectives	Strategies	Types of Programs
A Social Sectors			
1 Education			
a School Education			
	• Completion of full Primary Schooling by all children.	• Up-gradation of Schools (Primary to Middle and Middle to High level)	• Provision of Missing Facilities
	• Promote Gender Equality.	• Training of Teachers and Managers	• Upgradation of Schools from Primary to Middle
	• Ensure 100% participation rate at primary level by 2011 and participation enhancement at the Elementary & Secondary level;	• Provision of Computers Labs in 515 Elementary Schools in Punjab	• Upgradation of Schools from Middle to High level
	• Improving quality of education;	• Provision of Science Lab equipment in 1000 highly enrolled High / Higher Secondary Schools.	• Accelerated Programme for Development of School Sector
	• Promotion of Science & Computer education upto secondary level;	• Capacity building of School Councils	• Reconstruction of Existing School Buildings
	• Reduction in gender and regional disparities in access to education;		

		• Provision of quality education for deprived and marginalized segments of society.		
b	**Higher Education**			
		• Improving quality of education	• Improving college infrastructure through provision of missing and additional facilities for public sector colleges	• PESRP Phase-I
		• Providing opportunity for equitable access to Higher Education	• Promotion of Science and Computer education at tertiary level	• Establishment of Colleges
		• Rehabilitation and development of college infrastructure	• Capacity building of Managers and Administrators of Higher Education Department	• University of Gujrat
		• Revamping of college education by developing strong relationship between Tertiary Education and job market	• Use of Management Information System for decision making	• Provision of Missing Facilities
			• Development of monitoring and evaluation system	• Upgradation of Colleges
			• Provision of merit scholarships for professional education	• Support to Universities
c.	**Special Education**	• Provide educational facilities to school going special children and ensure maximum coverage by 2015	• Enhancement of enrolment through provision of:-	• Provision of Cochlear Implant the students of Hearing Impaired Children in Punjab (Phase-I).

	• Enhance enrolment of special children in the institutions / centers of special education in Punjab through improved facilities.	• Buildings with special facilities to special education centers	• Pilot Scheme for Provision of Computer Labs for all disabilities in Special Education Institutions
	• Impart knowledge and skills to physically challenged children enabling them to become independent members of the society	• Cochlear Implant Devices to hearing impaired students	• Provision for New Schemes of Special Education Sector
	• Provide healthy atmosphere to the special children in the institutions / centers of special education in Punjab by providing them buildings with special facilities.	• Up-gradation of Institutions / Centers of Special Education	
		• Stipend, Free uniform, Free text and Brail books, Free pick & drop, boarding and lodging facility.	
		• Adoption of internationally accepted best practices in the field of special education.	
		• Establishment of Technical & Vocational Institutions of Special Education	
		• Establishment of Computer Labs with Assistive Technology	
		• Data base centre for the disabled	
		• Establishment of major schemes undertaken	
d. Literacy			

	• To achieve 100% literacy rate in Punjab by the year 2019.	• To create opportunities for access to literacy and non formal education to illiterate and out of school population of all age groups in Punjab.	• Planned Literacy Rate Coverage (18.33 % Increase)
		• To take affirmative action for poorest of the poor, rural and female segments of illiterate population through specially designed skill oriented interventions.	• Planned Coverage of illiterates
		• To ensure quality learning by enhancing the staff capacity in Research & Development, Monitoring & Evaluation and customized curriculum development in literacy and non formal education sector.	• No. of Adult Literacy Centers
		• Motivate & mobilize communities and other stakeholders for creating a learning society through rights and equity based communication, advocacy and awareness interventions.	
		• To ensure availability of reliable, relevant and up to date data, by building a broad based data warehouse at LNFBED	
e. Sports			
	• Promotion of sports through various interventions from grass root levels of excellence.	• Introduction of research culture.	• Restoration, up-gradation and maintenance of the existing sports facilities.

		• Restoration, up-gradation and creation of state of the art infrastructure.	• Restoration, up-gradation and maintenance of the existing sports facilities.	• Construction of international level facilities like swimming pools, tennis and squash complexes.
		• Athlete Development Programmes.	• Construction of international level facilities like swimming pools, tennis and squash complexes.	• Construction of international level multipurpose (indoor) gymnasiums at Divisional, District & Tehsil level.
		• Capacity building through world class professionals.	• Construction of international level multipurpose (indoor) gymnasiums at Divisional, District & Tehsil level.	• Capacity building of Sports Department.
		• Research & Development.	• Capacity building of Sports Department.	
		• To introduce scientific training to help develop competitive advantage in various sports.	• Development of sports facilities around school clusters in districts/tehsils.	
		• Development of state of the Art infrastructure with cutting edge sports facilities.		
2	**Health**			
		• Measurable impact on Millennium Development Goals (MDGs) through major interventions in the health services delivery with significant reduction in incidence of diseases	• Greater Focus on Preventive Health Care & Attainment of MDGs	• Preventive and Primary Health Care
		• Implementation of standardized service delivery package through effective implementation of Minimum Service Delivery Standards	• Focus on Rural Health Centres (RHCs) and Renewed Focus on Secondary Health Care	• Accelerated Programme for Health Care

		(MSDS)		
		• Ensuring regional equity in the developmental portfolio	• Focus on Rural Health Centres (RHCs) and Renewed Focus on Secondary Health Care	• Tertiary Care Hospitals
		• Focus on Preventive Health Care through inter-sectoral coordination and regular health education/promotion	• Focus on Rural Health Centres (RHCs) and Renewed Focus on Secondary Health Care	• Medical Education
		• Improved primary, secondary and tertiary health care through inclusion of need-based and result-oriented schemes	• New Strategic Thrust	• Research & Development
		• Complement the current side pro-poor investments effectively and strategically	• Establishment of Centers of Excellence	
		• Alignment with the Health Policy Framework	• Enhanced Focus on Medical Education	
3	**Water Supply & Sanitation**			
		• Identification of Rural Water Supply Schemes on need based particularly in Brackish, contaminated and Arsenic affected areas.	• ATTAINING MILLENNIUM DEVELOPMENT GOALS (MDG'S)	• Rural Water Supply & Sanitation
		• Rehabilitation of need based non-functional schemes requiring minimum cost input and ensured sustainability through community participation.	• ENSURING SUSTAINABILITY OF THE COMPLETED SCHEMES	• Urban Water Supply & Sanitation
		• "Linking investment with Achievements".	• JUDICIOUS RESOURCE DISTRIBUTION	

		• Only technically and financially viable/feasible schemes would be considered for provision of resources.	• ENSURING QUALITY CONTROL	
		• Provision of water supply and sanitation facilities in medium sized and semi urban towns / areas.	• Improving Sanitation and Environmental Sustainability	
		• Discouraging provision of “Sewerage System” in the rural areas. Instead, open drains of Type-I & Type-II will be provided in the compact/consolidated Abadies/Villages. Scattered houses/areas will not qualify to attract this facility.	• PRESERVATION OF THE WATER RESOURCES	
			• CAPACITY BUILDING OF PHED	
4	**Social Protection**			
		• The major objective in the social protection sector is the creation of welfare facilities and healthy living opportunities of vulnerable groups including destitute and old age women and children.	• Construction of Building of Shelter Homes at Okara.	• Social Welfare, Women
		• Gender mainstreaming in Public and Private Setup.	• Establishment of Children Homes at Faisalabad.	• Deveopment and Bait-ul-Maal Child Protection and Welfare Bureau (CP&WB)
		• Impart marketable skills for self employment.	• Establishment of Hostel for Working Women at Sahiwal.	• Punjab Vocational Training Council (PVTC)
		• Eradication of drug menace and rehabilitation of drug addicts.	• Block Allocation for Punjab Vocational Training Council (PVTC).	

		• Eradication of child beggary from the society.		
5	**Regional Planning**			
		• Removal of regional imbalances	• Southern Punjab Development Programme for schemes of strategic nature, having immediate, impact in the neglected areas within the districts, benefiting maxim area and populace, quick disbursement and pro poor–jobs creation.	• Southern Punjab Development Programme (SPDP)
		• Multi-sectoral integrated development programmes in the less privileged areas i.e. Barani tract, CholistanThal and parts of Southern Punjab.	• DFID assisted Punjab Economic Opportunities Programme in southern areas for skill development and livestock and dairy development.	• Punjab Economic Opportunities Programme (PEOP)
		• Provision of physical and social infrastructure in Cholistan (water, electricity and roads) under Cholistan Development Authority.	• Water Resource Development (through Construction of 200 mini damsalongwith command area development) of Pothohar region, barani areas of Punjab.	• Agency for Barani Area Development ABAD)
		• Special focused interventions in the poorer districts of Southern Punjab	• Provision of Necessary Infrastructure like roads and water supply in Cholistan area.	• Cholistan Development Authority CDA)
		• Targeted poverty alleviation schemes for less developed areas.	• ShaadbadCholistan Project.	• Tribal Area Development Project TADP)
			• Provision of drinking water through pipe line from Bahawal Canal at Jaganpir to KhutriDahar Water Works.	• New Initiatives

				• Special Development Programme for districts of Jhang, Mianwali, Khushab and Bhakkar	
6		**Local Government & Community Development**			
	a	**LG&CD**			
			• KATCHI ABADIS DEVELOPMENT PROGRAMME		• PUNJAB DEVELOPMENT PROGRAMME (PDP)
			• PUNJAB MUNICIPAL IMPROVEMENT SERVICES		• KATCHI ABADIS DEVELOPMENT PROGRAMME
			• PMU FOR CLEAN DRINKING WATER FOR ALL		• PUNJAB MUNICIPAL IMPROVEMENT SERVICES
			• GENDER JUSTICE THROUGH MUSALIHAT ANJUMAN PROJECT (GJTMAP)		• PMU FOR CLEAN DRINKING WATER FOR ALL
			• PURCHASE OF MACHINERY FOR SOLID WASTE MANAGEMENT MULTAN		• GENDER JUSTICE THROUGH MUSALIHAT ANJUMAN PROJECT (GJTMAP)
					• PURCHASE OF MACHINERY FOR SOLID WASTE MANAGEMENT MULTAN
	b	**Punjab Development Programme**			
	c	**Development High Rise Apartments at sites of KatchiAbadis**			

B	**Infrastructure Development**			
7	**Roads**	• Augmenting and maintaining a modern road network in the province under most cost-effective, optimized and quality-oriented development and management regimes.	• Consolidating existing road assets through rehabilitation / improvement and up-gradation with an aim to minimize the colossal fiscal throw-forward accumulated in the sector due to excessive demands and resulting expansion in the road network over previous years.	• Widening / Improvement of existing 10' / 12' to 20' to 24' wide road length
			• Completion of on-going schemes for roads / bridges.	• Rural Access Roads (Rehabilitation / Upgradation)
			• Developing province-wide secondary routes (covering north-south and east-west corridors) linking national motorways / trade corridors to foster economic opportunities via meeting expanding domestic and international travel and trade demands.	
			• Improving average road densities to achieve optimal traffic density levels in consonance with increasing transportation requirements and targeted economic growth in the province	
			• Implementing initiatives to improve road safety and axle-load conditions to achieve substantial reduction in road accidents and avert premature road distress.	

		• Undertaking widening / improvement of existing roads to 20’ / 24’ width for roads with traffic densities exceeding 800 VPD - targeting to achieve full coverage over the medium term (up to 2018).	
		• Dualization of main arteries conveying 8,000 VPD by the year 2025.	
		• Improving geometry of existing roads and removal of black spots.	
		• Undertaking improvements in road design and specifications.	
8	**Irrigation**		
		• Growing water shortages, which are further worsened in periods of drought.	• Survey, Investigation & Research.
		• The irrigation and drainage infrastructure has deteriorated overtime due to a combination of age, chronic under-funding of maintenance and repair (M&R), and lack of appropriate asset management planning.	• Irrigation
		• Gaps in meeting financial sustainability of the system owing to low recovery of	• .Drainage &Recalamation

			abiana, inefficient operational regimes, and low M&R funding.	
			• Non-transparent water entitlements and distribution.	• flood works
			• Lack of participatory approach in operations, maintenance and management of irrigation services leading to inefficiencies, inequities and lack of ownership by users.	• Small Dams
			• Imprudent and inefficient utilization and management of groundwater.	• Buildings
				• Misc. Works
				• Foreign Aided Project.
9	**Public Buildings**			
		• planning, constructing and maintaining residential and office accommodation facilities in public sector under need-driven and cost-effective regimes aiming at providing conducive environment for an efficient public service system.	• Adoption of standardized plans for construction of public sector residences and office building.	• Housing
			• Provision of adequate infrastructure to Judiciary, Police and Jails to improve security and delivery of justice to common people.	• Offices

			• Barracks type accommodation for employees of the Police and Prisons Department	
			• Ensure provision of residential facilities for employees in lower grades.	
			• Master-planning for sequencing developments to cater office accommodation facilities for various government departments.	
			• Introducing cost-effective, energy-efficient and functional buildings to economize expenditure in the public sector housing.	
			• Stock taking of existing assets and facilities for comprehensive planning of public housing in phased manner.	
			• Implementing measures for quality control in construction of Public Buildings.	
10	**Urban Development**			
		• Define city limits and streamline functional and operational alignments of District governments, DAs, WASAs and TEPA etc.	SUPPLY OF POTABLE DRINKING WATER AND ITS EFFICIENT USE	Development Authorities
		• Update legislation for empowered, responsive, efficient and accountable City Governments.	PROVISION OF EFFECTIVE AND EFFICIENT SEWERAGE AND	WASAs

			DRAINAGE SYSTEM	
		• Ensure the road and plinth levels as per the rules, SOPs and protocols.	ENVIRONMENT FRIENDLY DISPOSAL OF SEWAGE	Total (DA's/WASAs)
		• Approval of PPP/JV/BOT frameworks.	SAFE AND EFFICIENT ROADS INFRASTRUCTURE	Block Allocation (Large
		• Review and rationalize all levies, fees and rating areas.	MASTER PLANNING/STUDIES/SURVEYS	Cities/Special Package)
		• Incentivize greater 'own-revenue' generation by CDGs/WASAs/DAs with matching provincial grants.	• HARMONIZE ENFORCEMENT OF DEVELOPMENT CONTROLS AND REGULATORY FRAMEWORK	• Urban Renewal Programme for Intermediate Cities
		• Preparation of Capital Investment and Asset Management Plans.	• PROVISION OF URBAN INFRASTRUCTURE UNDER URBAN RENEWAL PROGRAMME FOR INTERMEDIATE CITIES	
		• Linking of new schemes to Capital Investment Plan (CIP) of the city.		
		• Provincial Master Planning to guide all future investments.		
		• STPs to be made an integral part of all future sewerage schemes.		
		• Mandatory submission of PC-IV / PC-V documents for all completed projects.		

C	**Production Sectors**			
11	**Agriculture**			
		• Food security management in holistic manner	• Focused Research	• Agriculture Mechanization
		• Emphasis on innovative technologies to bring vertical crop productivity	• Water Resource Management	• Punjab Agri. Research Board
		• Increase farmers' income through increased crop productivity, better support prices, diversified agriculture practices.	• Improved Service Delivery and Data base	• Univ. of Agri. Faisalabad
		• Emphasis on high value agriculture i.e. fruit and vegetable production and productivity	• Development of Alternative/ Renewable Farm Energy Sources	• Pest Warning
		• Efficient water conveyance and application through improved water courses, precision land leveling and drip and sprinkler irrigation		• Agriculture Extension
		• Focus on horticulture, wheat, rice, cotton and maize by encouraging private sector research and congenial horticulture policies		• Agriculture Information
		• Explore renewable and alternate energy sources in agriculture		• Floriculture
		• Revamp infrastructure and capacity building of		• Agriculture Rsearch

		research and extension		
		• Develop value chain and enforce input/output certification mechanism		• Water Management
		• Minimize reliance on oil seed import by boosting local production		• P&E Cell
		• Efficient market infrastructure to ensure optimal value addition		• Block
		• Strengthen Research – Extension- Farmer linkage		
12	**Forestry, Wildlife & Fisheries**			
	a. Forestry			
		• Development of forests through targeted investment and better forest resource management	• Rehabilitation of irrigation system in the major forest plantations to minimise the wastage of precious water resources through seepage	• Forestry
		• Poverty alleviation through community based sericulture and social forestry	• Afforestation in five irrigated plantations under agro-forestry	
		• Environmental protection and avert degradation of natural resources	• Planting of blank areas in Muzaffargarh and Murree	
		• Involvement of farmers to increase forest cover under section 38 of Forest Act	• Strengthening of forestry research and education	
		• Community based management of rangelands for	• Establishment of Model Nurseries along Roadsides (Pilot Basis)	

		sustainable fodder resources.		
		• Public-private partnership to enhance production of planting stock	• Lease of land (12.5) acres to forest graduates for raising agro-forestry farms.	
		• Strengthening of forestry research	• Institutional support to forest department for better in house planning, management and monitoring capacity	
		• Resource assessment scientifically		
b.	**Wildlife**			
		• Protection, preservation, conservation and management of natural habitat of diversified wildlife species endowed by nature	• Rehabilitation of Wildlife Parks for better management at:	• Improvement / Rehabilitation/Construction of Zoo/ Wildlife Parks
		• Promote wildlife-based tourism (Eco-tourism) through development of safaris and trophy hunting creating the best possible opportunities for	• Gatwala, Faisalabad	
		• Search for new wildlife potential areas development	• BansraGali, Murree	
		• Ecologically-balanced wildlife policy	• LoiBher Rawalpindi	
		• Reintroduction of different indigenous wildlife species in their former/original range of occurrence/habitat by increasing breeding potential at Wildlife	• Bahawalnagar	

		Breeding Centres to produce wildlife surplus stock.		
		• Public awareness through posters, brochures, hoarding and audio-visual system.	• Vehari	
			• Rahim Yar Khan	
			• Development and improvement of Zoo at Lahore and Bahawalpur	
			• Institutional Capacity Building of Wildlife Department	
c.	**Fisheries**			
		• Increase in fish production through replenishment of fish resources in the natural water bodies.	• Upgradation of hatcheries network to meet expanded development needs. New fish hatchery/nursery at R.Y.Khan and Chashma Barrage	• Upgradation/constructio n of hatcheries
		• Boost private sector fish farming through institutional and soft credit support	• Fish quality assurance and reduction of post harvest losses through provision of fish processing and cold storage facility at major fish production centres	• Construction of new laboratories, office facilities
		• Aquaculture research and conservation programme focusing on disease control, nutrition, genetics, pollution control and protection of vulnerable species	• Renovation and Improvement of existing fish nurseries and hatcheries	
		• Demonstrate and promote intensive fish and shellfish farming	• Shrimp culture in saline/brackish water	

			• Fish quality control to enforce regulatory regime.	
13	**Food**			
		• Food security for the citizens of the Punjab	• Provision of storage capacity through public-private partnership	• Block Allocation for enhancing Storage Capacity with Food Department
		• Ensuring the fair return to growers of the Punjab		
		• Meeting the food stuff requirements of other provinces of Pakistan		
14	**Livestock**			
		• Food security through increased milk and meat production	• Production Enhancement	• Increase in production of livestock
		• Poverty alleviation by supporting livestock subsistence farmers and women (organize, empower and provide hands-on training)	• Private Sector Development	• Better animal health services
		• Productivity enhancement through improved genetics, balanced nutrition & improved husbandry	• Human Resource Development	• Private sector development
		• Better functioning of markets and regulatory regime	• Veterinary Support Services	• Human Resource development
		• Private enterprise development to optimally realize potential of livestock assets	• Disease Surveillance	

		• Applied research and technology	• Institutional Support	
		• Provision of quality products (dairy & meat) for domestic consumer & export markets.		
15	**Industries**			
		• Technological up-gradation.	• To create an enabling environment for the private sector to grow and prosper	• Punjab Small Industries Corporation (PSIC)
		• Employment generation in the industrial / services / Cottage Industries	• The resulting economic activity will achieve the government’s objectives of employment generation, increased income and poverty alleviation	• Controller Printing and Stationery(CPS)
		• Sustained growth in profits from industrial and services sectors	• Creating a better quality of life for the citizens of Punjab by:	
		• Sustained growth in Government revenues and export earning	• Encouraging private sector to invest in Punjab.	
		• Sustained growth in foreign and local investment in manufacturing & service sectors in Punjab	• Generating growth in the economy to create employment	
			• Up-grading technology to enhance profitability	
			• Improving infrastructure necessary for economic uplift.	
			• Provision of one roof facility to the manufacturers under cluster development programme	

16	**Mines & Minerals**			
		• To expand mining sector by focusing on discovery and exploration of new mineral resources;	• Implementation of National Mineral Policy – 1995;	• Mine workers welfare schemes, provision of medical care facilities.
		• To enhance public sector investment for exploration/resource mapping and development of geological-database for minerals;	• Techno-economic feasibility study for mine development of Chiniot iron ore and its industrial utilization;	• Exploration and evaluation of coal deposits in Central Salt Range;
		• To further strengthen Government's role as a facilitator to create enabling environment for the prospective investors in mines and minerals sector;	• Exploration and evaluation of coal deposits in Central Salt Range;	• Strengthening and up-gradation of Rescue and Safety Stations and Training Centers for mine workers;
		• To encourage and support exploitation of minerals, particularly through private sector;	• Assessment and Rehabilitation of areas affected due to salt mining in Salt Range; Jhelum and Khushab District;	
		• To promote environment-friendly mining practices and to take measures for mitigation of environmental hazards of mining for sustainable development of mineral sector;	• Strengthening and up-gradation of Rescue and Safety Stations and Training Centers for mine workers;	
		• To develop schemes for welfare and safety of mine workers;	• Mine workers welfare schemes, provision of medical care facilities.	

		• Provide internationally competitive regulatory frame work- mining concession rules and restructuring of the institutional arrangements for administration in the light of practices followed in developed countries.		
D	**Services Sectors**			
17	**Information Technology**			
		• To provide a reliable, scalable IT infrastructure for the Government of Punjab, including a centralized secure, reliable, scalable data centre, district-level connectivity and license-compliant software.	• Construction of state-of-the-art 17 storey software technology park	• ITD
			• Development of IT Infrastructure and Data Center to connect Government Departments and Districts for E-Governance with each other through common gateway	• PITB
		• Human Resource Development by providing training through Boot Camps and Remedial Programs, IT Teachers training, Global IT Certification, Open Source Training and		• BOR

			Training to Government Employees for enhancing E-readiness		
				• Incubator Centers for IT startup firms	• Home Department
			• Provision of Software Technology Parks & Incubator Centres	• IT Training, manpower development and IT awareness	
			• Formulation of Provincial ICT Policy and Action Plan for short, medium and long term	• Construction of state-of-the-art 17 storey software technology park	
			• Enhancing foreign and domestic investment in the IT sector	• Development of IT Infrastructure and Data Center to connect Government Departments and Districts for E-Governance with each other through common gateway	
			• Making and Implementing policies for improved efficiency through automation of business processes and Business Process Re-Engineering (BPR)		
				• Incubator Centers for IT startup firms	
			• Capacity Building and Human Resource Development of the Government departments through the use of IT	• IT Training, manpower development and IT awareness	

18	**Commerce & Investment**			
		• Supporting provincial and federal policy formulation relating to commerce;	• Setting up of Testing Laboratories for Sports Goods and Material Testing in Sialkot;	• Setting up testing labs
		• Strengthening domestic and international trade by facilitating private business;	• Registration of Geographical Indications (GI);	• Conducting studies on commerce
		• creating an influential network of accredited resources for business community;	• Capacity building of Commerce & Investment Department;	• Settig up storage facilities
		• Make Commerce &Investment Department as the provincial body for a powerful and influential network of accredited resources - a network that can serve the wider business community;	• Establishment of Translation Cell For Commercial Documents;	
		• Facilitating business and industry through development of industrial parks, Special Economic Zones, Export-processing zones, enterprises and business registration;	• Capacity Building of Punjab Chambers of Commerce & Industry in Punjab;	
		• Establishment of training facilities, laboratories including quality assurance, material testing facilities etc. to facilitate private sector in meeting internationally acceptable standards for	• Study on Barriers to Branding;	

		saving cost and time.		
			• Establishment of Technical Assistance for Building Brands;	
			• Feasibility Study on Establishing Business Facilitation and Incubation Complex;	
			• Establishment of Paddy / Wheat Storage Facility	
19	**Labour& HR Development**			
		• The development program envisages meeting challenges of the modern day labour force through improvement of working conditions and environment in labour institutions, capacity building and provision of state-of-the-art adequate facilities. Elimination of bonded labour in brick kilns and replacement of existing carpet looms with ergonomic looms for the empowerment of carpet weaving families for combating hazardous	• Provision of additional facilities and human resources at Centre for Improvement of Working Conditions & Environment (CIWC&E) / Industrial Relations Institute (IRI);	• Computerization of data and Information of the Factories and establishments

		child labour are also being introduced.		
			• Elimination of bonded labour in brick kilns in Punjab in general with major focus on Kasur& Lahore;	• Awareness of Workers & Employers on their Rights and Obligations under Labour Laws.
			• Introduction of ergonomic looms for carpet weaving families;	• Introduction of Ergonomic Looms for the Carpet Weavers
			• Awareness of workers and employers of their rights and obligations under the Labour laws; and	• Elimination of bonded labour in brick kilns
			• Establishment of information system of factories and computerization of data.	• Provision of additional facilities and human resources at CIWCE/IRI
20	**Transport**			
			• To provide accessible and time saving traveling	• To encourage and facilitate private sector investment in urban transport system

		• To develop environment friendly traffic system	• Introduction of environment friendly transport (CNG Buses)
		• To develop Rapid Mass Transit and integrated traffic management system	• Preparation of Transport Master Plan for Lahore with the assistance of JICA
		• To control vehicle emission	• Preparation of Transport Master Plans for all major cities of Punjab in coming years with in-house expertise of Transport Department developed by JICA.
		• To generate employment opportunities	• Capacity building of the department through Transport planning unit
21	**Emergency Service**		
		• Establishment of a system for emergency preparedness, response and prevention.	• The Government of Punjab instead of making haphazard interventions has established modern pre-hospital emergency management infrastructure in 35 districts of Punjab including Murree city.
		• Development of a safer community through proactive approach towards emergency management, community awareness and training.	• Prior to the expansion of Rescue 1122 project, the results of third party evaluation reveal this project to be exemplary in terms of training, quality care, response and professionalism.

		• To have positive socio-economic impact on the society by reducing disabilities and deaths due to injuries.	• As a result of the establishment of Punjab Emergency Service (Rescue 1122) in all districts of Punjab, a comprehensive Emergency Management and Disaster Response infrastructure has been established with trained Emergency Medical, Rescue & Fire Services along with Community &Disaster Emergency Response Teams for the first time in Punjab.
			• The sustainability of the Emergency Services Reforms has been ensured through the enactment of Punjab Emergency Service Act, 2006 unanimously passed by the Punjab Assembly which clearly defined the role, functions and responsibilities of the Rescue 1122 Service thus establishing an effective system for emergency preparedness, response and prevention in Punjab.

22	**Tourism**			
		• Provision of infrastructure for the promotion of tourism in the province;	• Creation of tourist facilities at the potential sites of Khewra and Nankana;	• Construction of Tourism Complexes
		• Preservation and development of existing and potential tourist resorts in the province like Fort Munro, Khewra and Nankana Sahib;	• Construction of Tourism Complex at Trade Centre, MA Johar Town Lahore;	• Renovation / Up-gradation of tourest resorts
		• Co-ordination with other departments / agencies like Forest and Wildlife for the promotion of tourism i.e. wildlife based tourism (eco-tourism); and eco-tourism); and	• Rehabilitation and conservation of BibiJiwandi Tomb Complex, Uch Sharif;	• Surveys and Studies
		• Create awareness among masses to promote domestic tourism.	• Installation of Rope Way System with supporting facility from JhikaGali to Murree;	
			• Development of Tourist Village near Derawar Fort Cholistan, District Bahawalpur;	
			• Renovation / Up-gradation of LalSohanra Resort Bahawalpur;	
			• Improvement of Tourist Facilities in Murree;	

			• Establishment of a Tourist Resort at Khabeki Lake District Khushab;
			• Establishment of a Tourist resort at Uchalli Lake District Khushab; and
			• Surveys and Studies to prepare Master Plan to Develop Murree as a Pollution free Tourist Town.
E	**Others**		
	23	**Environment**	
		• Implement Pakistan Environmental Protection Act (PEPA 1997).	• Regulatory control on environmental pollution through capacity building of EPA Punjab.
		• Promote environmental awareness among the masses.	• Imparting environmental sustainability through capacity building of provincial departments in environmental management by training in various areas of environmental management including environmental impact assessment and life cycleaAssessment etc.
		• Implement National Environmental Quality Standards (NEQS)	• Grass root Initiatives through community based environmental improvement programme.
		• Promote R&D in pollution prevention and environmental improvement.	• Introduction of environment friendly indigenous technologies for various small and wedium enterprises in Punjab.

		• Monitoring of the quality of industrial effluents and municipal wastes.	• Motivation of research and educational institutions for development of indigenous pollution control technologies.	
		• Encourage sustainable development.	• Monitoring and characterization of surface water bodies in Punjab.	
		• Provide information on environment friendly technologies.	• Promotion and propagation of various sources of alternative energies suitable to geological and climatic conditions of Punjab particularly solar energy system.	
		• Conducting campaigns against smoky and noisy vehicles.	• Propagation of environmental monitoring and surveillance program to Identify and quantify the state of pollution.	
		• Review of IEE/ EIA and issue environmental approvals.		
		• Collaborate with NGOs/ CBOs for undertaking environment related projects.		
		• Coordinate with Federal Government and other Provinces on environmental issues / policies / laws.		
24	**Information, Culture & Youth Affairs**			
		• Project and promote policies and priorities of the Government of the Punjab	• Preservation and restoration of Shalamar Garden, Lahore (Five Year Programme)	• Preservation and restoration of heritages

		• Protect and conserve the cultural heritage of Punjab	• Preservation and restoration of Lahore Fort (Five Year Programme)	• Establishment/renovation of museums, arts councils and other cultural institutions.
		• Promote language, art and culture of the Punjab	• Archaeological / cultural heritage in the Punjab	
		• Document and survey the archaeological and cultural heritage of Punjab	• Establishment of Chakwal Museum at KallarKahar	
		• Preservation and restoration of historical / heritage buildings and monuments	• Establishment of museum and art gallery at Gujrat	
		• Expansion of existing network of Arts Councils and museums in Punjab	• Establishment of museum at Multan	
		• Conservation and up-gradation of crafts	• Re-construction of Murree Arts Council	
			• Construction of auditorium in arts councils at Sargodha, Bahawalpur, D.G. Khan, Gujranwala, Multan and Okara.	
			• Preservation / restoration of fort wall of Shujabad, PattanMinara.	
			• Construction of Information & Cultural Complex at Rawalpindi.	
			• Conservation and development of Katas Raj Complex.	
25	**Auqaf& Religious Affairs**			

	• The major parameter of the policy is to provide improved standards of religious services and facilities at mosques, shrines and peaceful environment for devotees. Religious harmony and promotion of unity amongst various sects of Islam has specially been focused. Standardized publication of the Holy Quran will be emphasized. Historic documents will be preserved and shrines in the neglected and far off areas will be restored.	• Construction of Quran Complex and Seerat Academy at Upper Mall (Shrine HazratMian Meer) Lahore;	
		• Re-Flooring of courtyard of Badshahi Mosque	
		• Addition / improvement of wash rooms / kitchens with eating rooms / dispensaries at shrines according to customized modular design;	
		• Restoration of shrines at UchSharif .	
		• Rehabilitation/ up-gradation of public facilities for visitors / zaireen at Shrine HazratNausha Pak, Ranmal Sharif.	
		• Rehabilitation / up-gradation of public facilities for visitors/zaireen at Mosque	

			HazratMadhooLalHussain.	
			• Rehabilitation / up-gradation of public facilities for visitors at Badshahi Mosque.	
			• Restoration works at Shrine HazratMian Mir.	
			• Development scheme/upgradation of public facilities for visitor/zaireen at Shrine HazaratMakhdoomRasheed, Multan. and	
			• Development scheme at DarbarHazrat Baba Bulley Shah Kasur.	
26	**Human Rights & Minority Affairs**			
		• In order to inspire a sense of belonging and confidence in the people through effective and efficient measure for the protection and promotion of fundamental human rights of public in general and minorities of Punjab in particular.	• Provision of facilities for the better community living to the minorities through Minority Development Funds(MDF)	• Development Schemes of Minorities.
			• Provision of free education to minority students through educational scholarships	• Awareness of Human Rights all over Punjab.
			• Raising awareness of human rights through the academia of all public sector universities in Punjab.	• Educational Scholarship for Minority Students.

27	**Access to Justice Programme**			
		• Improve the efficiency, timeliness and effectiveness in judicial services.	• suring an independent, accountable, transparent and professional police service free from political interference. Fostering better police – citizen relations. Modernizing police investigation techniques and processes. Ensuring compliance with human rights	• Construction/renovation of jails, police offices and residences
		• Bringing greater quality in accessibility in justice services for the vulnerable poor.	• Ensuring an independent, accountable, transparent and professional prosecution service. • Developing processes to ensure that only cases fit for trial are submitted to and remain in the court process.	
		• To secure and sustain entitlements and thereby reduce vulnerability of the poor.	• Ensuring integrity systems. Establishment of a professional and competent inspectorate of the prosecution service for monitoring and evaluation of prosecutorial services.	

		• To strengthen the legitimacy of state institutions.	• Capacity building of judicial officers. • Introducing modern and professional court management techniques. Improving judicial governance. Reform of civil and criminal process to ensure justice in an efficient manner. Creating a mechanism for enforcement of regulatory laws.	
		• To create conditions conducive to pro-poor growth especially by fostering investor's confidence.	• Improving standards in jail to ensure healthy and hygienic living. Increasing transparency in jail administration procedures. Ensuring quick and secure transport of prisoners. Introducing statutory sentencing guidelines providing for non-custodial sentences in minor offences. Strengthening institutions dealing with non-custodial sentences.	
		• Comprehensive reforms in justice sectors especially focusing i) Judicial reforms (Including administrative justice institutions) ii) Police reforms iii) Prosecution reforms iv) Legal education reforms.	• Working towards improvement of publicly owned legal education institutions.	

			• Formulating and enforcing parameters for quality legal education. Promoting legal research and academic scholarship.	
28	**Planning & Development**			
		• Governance reforms	Extending social sector coverage	• PRMP
		• Extending social sector coverage	• Improved delivery of public services	• Urban Unit
		• Improved delivery of public services	• Reducing poverty and inequality	• Walled City Lahore Project
		• Reducing poverty and inequality	• Enhancement of private sector participation through public private partnership	• MEPA/Bureau of Statistics
		• Enhancement of private sector participation through public private partnership	• Ensuring balanced urban, regional and gender development	• Admn. Wing P&D
		• Ensuring balanced urban, regional and gender development	• Accelerated economic growth	
		• Accelerated economic growth	• Research and Development	
F	**Special Programme / Packages**			
1	**District / TMA Development Programme**			
2	**Special Infrastructure**			

		• projects under this sector cater for major urban transportation and mass transit needs in the provincial metropolis. These projects, owing to their potential impact on economic growth, are placed as a separate sector under present MTDF.		• Lahore Ring Road
				• Block allocation for fast moving / ongoing schemes
3	**Special Packages**			
4	**New Initiatives / Medical Colleges**			
a.	**LOW INCOME HOUSING**	• Focus on Area Development Schemes (ADS)/ housing projects.	• Development of comprehensive criteria for selection of district/ city.	• Area development in different parts of Punjab province
		• Identify potential areas and projects based on Joint venture (JV), PPP and BOT modalities for housing sector infrastructure.	• Review of existing criteria for selection of sites/location and applicants.	
		• Prepare land use, investment and asset management plans for systematic growth of urban areas and future investment in housing sector.	• Development of ADS and 3-marla housing schemes for low income groups.	

		• Develop satellite, intermediate and Industrial towns as employment centers	• Joint venture (JV), PPP and BOT mode projects identification.
			• Transfer of completed schemes to the TMAs

ANNEXURE A-5

MILLENNIUM DEVELOPMENT GOALS AND TARGETS BY 2015		
MDG Goal #	Description	Targets by 2015
1	Eradicate extreme poverty and hunger	Target 1A: Halve the proportion of people living on less than $1 a day Target 1B: Achieve Decent Employment for Women, Men, and Young People Target 1C: Halve the proportion of people who suffer from hunger
2	Achieve universal primary education	Target 2A: By 2015, all children can complete a full course of primary schooling, girls and boys
3	Promote gender equality and empower women	Target 3A: Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015
4	Reduce child mortality rate	Target 4A: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate
5	Improve maternal health	Target 5A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio Target 5B: Achieve, by 2015, universal access to reproductive health
6	Combat HIV/AIDS, malaria, and other diseases	Target 6A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS Target 6B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it Target 6C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases
7	Ensure environmental sustainability	Target 7A: Integrate the principles of sustainable development into country policies and programs; reverse loss of environmental resources Target 7B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss Target 7C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation (for more information see the entry on water supply)
8	Develop a global partnership for development	Target 8A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system Target 8B: Address the Special Needs of the Least Developed Countries (LDC) Target 8C: Address the special needs of landlocked developing countries and small island developing States Target 8D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

Target 8E: In co-operation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries

Target 8F: In co-operation with the private sector, make available the benefits of new technologies, especially information and communications

ANNEXURE A-6
DAMAGE NEEDS ASSESSMENT OF FLOODS IN PUNJAB

FLOOD 2010 (Infrastructure Damages) (18-10-2010)				
Data received & evaluated for PDMA Notified Districts				
Sector	**Completely Damaged**	**Partially Damaged**	**Details Received to date**	**Cost (Millions)**
C&W				
(i) Food affected	-	3489 kms	Details of 835 kms has been receieved to date	4985.839 (Detail not available scheme-wise)
(ii) Rain affected	-	261 kms		
Irrigation & Power				
(i) Irrigation Channel	-	461	Details of Irrigation works was provided. No data on prescribed performas has been received to date	3239.945 (Detail available scheme-wise)
(ii) Flood Bunds	-	67		
HUD & PHED				
(i) R.W.S Schemes	-	218	Most of the PHED schemes have been rehabilitated and 80 are reported as damage as of 23rd September 2010	123.742 (Detail available scheme-wise)
(ii) R.D Schemes	-	20		
School Education				
(i) School Buildings	313	965	Data for 1278 schools has been received as of 26th September 2010	859.055 (Scheme-wise cost for 1278 schools only)
(ii) Equipment	446	623		
Higher Education				
(i) College Buildings	2	6	Data for all 8 has been received as of 26th September 2010	
(ii) Equipments	3	5		
Literacy & Non-Formal Education				
(i) School Buildings	262	163	Data from 425 Non Formal Schools has been received as of 26th September 2010	
(ii) Equipments	249	159		
TEVTA				
(i) Building	4	4	Data of 8 buildings has been received as of September 22, 2010	
(ii) Equipment	-			
Health				
(i) BHUs	3	36	Data for all 39 BHUs has been received. No further updates has been provided to the urban	

			Unit since 9 September, 2010
(ii) RHCs	-	7	Data for 7 RHCs has been received as of 9 September 2010
(iii) Dispencaries	-	3	Data for 3 Dispanseries has been received and all partially damaged as of 9 September 2010
(iv) THO	1	3	Data for all THQs has been received as of 9 September 2010
(v) Residences	1	26	Data as reported at District level till 9 September 2010
		LG & CD	
(i) No. of Uces affected	-		
		Agriculture	
(i) Area	2165295		Total inundated area=2.16 Million acres, Crop area irreversably loss=1.85 Million acres. Information on Godowns was not under
(ii) Crop loss	1853875		
(iii) Buildings	54	28	
		Livestock	
(i) Loss of Animals (Private)	4193	-	Information of 90 buildings at District level has been received. Tehsil level information is still wated.
(ii) Loss of Birds	1807800	663	
(iii) Buildings	-	99	
		Forestry, Wildlife, Fisheries	
(i) Area in acres	723		Received summary shows 723 acres damage including areas not notified by the PDMA but not in line with District level data.
(ii) Buildings	-		
(iii) Equipments	-		
		Industries	
(i) Private Industries Unit	-		Summary showing 800 basline industrial units in flood affected areas was provided by concerned DCO/EDO IP, however, no
(ii) Public Buildings	-		
		Others	
(i) Buildings	-		No buildings and equipment data has been received under other sectors namelv Energy. SWM, WSS, Housing etc. Data on Auqaf Departemnt's Buildings are under its heading.
(ii) Equipment	-		
		Police	
(i) Buildings	21	34	Received data for shows different numbers than earlier estimated
		Auqaf (Shrines)	
(i) Buildings	2	7	Data of 9 shrines and 9 buildings has been received as of September 09, 2010
		Population Welfare	

(i) Buildings	22	33	Summary data has been received from Population Welfare Department of September 09, 2010	
(ii) Equipment	19	15		
		Lahore High Court		
(i) Buildings	-	2	Data for both buildings has been received as of September 22, 2010	
		Housing		
(i) Pacca	81722	193773	289197	Total 328,964 houses were damaged
(ii) Katcha	207475	20394	39767	