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# Education Budgets

A Study of Selected Districts of Pakistan



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Pakistan/11/OS/039-1

The state shall provide free and compulsory education to all children of the age of five to sixteen years in such manner as may be determined by law.

Article 25-A  
*Constitution of Pakistan*

## Preface

UNESCO functions as an advisor to the Government, an advocate of international norms and standards, a convener of relevant stakeholders, a clearing-house for dissemination and sharing of information and knowledge, a laboratory of innovative ideas and a provider of technical assistance to improve national capacity.

In accordance with its mandate, UNESCO commissioned this study on the education budgeting processes followed in some selected districts of Pakistan. Its basic purpose was to trace the practices of budget allocation, priorities, utilization and people's participation in the preparation of education budgets. Conducted by the Centre for Peace and Development Initiative (CPDI), this study is a pioneer effort, providing invaluable information on, and lessons learnt in, education budget formulation for improvement of the education system in Pakistan, within the framework of the Local Governance Ordinance (LGO) 2011.

This report furnishes details of the annual education budget making process, its implementation and effectiveness along with the individual and comparative analyses of the education budgets in selected districts. The study highlights several aspects of the budget making process which seek serious policy attention to make it, among others, transparent and participatory. It raises issues that across districts budget allocations for the education sector are uneven, inadequate and annual increases are, at best, marginal in real terms. Salary-related expenses are predominant in district education budgets, allowing limited funds for non-salary expenditures essential for maintenance and development of the system. Weak governance persists as a serious challenge.

The key value of this study lies in its timing and its usefulness in the very near future. Of recent, given the additional challenges to education governance and finance, the budgeting process has gained prominence. In July 2011, under the 18th Amendment of the Constitution, education was fully devolved to the provinces. This has added to the responsibilities of the provinces as now the educational policy, planning and curriculum development has been placed within the provincial mandate. In addition, Article 25-A of the Constitution calls for the provision of free and compulsory education to all children of the ages five to sixteen years. With more resources awarded to the provinces under the 7th National Finance Commission (NFC) Award 2010, provincial education budgets are now expected to cater to a variety of additional dimensions. These are expected to address advocacy for appropriate legislation, enhancement of institutional capacity, curriculum development, increased coverage of service delivery, etc. Lessons learnt from this study would, indeed, provide invaluable guidance for improved budgeting procedures and practices.

UNESCO is grateful to all individuals involved in the preparation of this study, including Provincial and District Government officials, CPDI team, UN staff and the civil society at large.



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## Acronyms

ADP	Annual Development Programme
CCB	Citizens Community Board
DCO	District Coordination Officer
DDO	Drawing and Disbursing Officer
DMO	District Monitoring Officer
EDO	Executive District Officer
ESR	Education Sector Reform
F & P	Finance and Planning
FDE	Federal Directorate of Education
HEC	Higher Education Commission
ICT	Islamabad Capital Territory
LGO	Local Government Ordinance
MRC	Medical Reimbursement Charges
OSR	Own Source Revenue
PKR	Pakistan, Rupees
PTC	Parents and Teachers Council
PFC	Provincial Finance Commission
SMC	School Management Committee



## Executive Summary

This report presents the findings of a study of the education budgets of selected districts of Pakistan. The purpose of the study was to probe into the practices of budget allocation, priorities, utilization and people's participation in the preparation of education budgets. This was the first study of its kind, and was carried out by the Centre for Peace and Development Initiatives (CPDI) with the support of UNESCO.

This report furnishes details of the annual education budget making process, and its implementation and effectiveness in selected districts. The report also provides individual and comparative analyses of the education budgets in selected districts, in view of their total population and their developmental requirements.

The study examined six districts: Islamabad Capital Territory (ICT); Abbottabad District and Nowshera District in Khyber-Pakhtunkhwa Province; and Faisalabad City District, Jhelum District and Multan City District in Punjab Province.

Information for the study was collected through interviews and from secondary sources, including relevant documents for budget making and annual budget books.

The study found that many flaws occur in the budget making process and the process is neither open nor participatory. Local Government Ordinance (LGO) of 2001 and the Budget Rules of 2003 provide for public consultations, presentation of the draft budget in the Council and effective input by stakeholders, but such provisions are not followed in most of the districts studied. The process is dominated almost exclusively by government staff (Deputy District Officers for Education), and the views of teachers, parents, students and communities regarding needs and priorities are not taken into consideration at any stage of the process. Civil society is not consulted and the budget making process is treated as a confidential process. Furthermore, development priorities are not determined in an informed, transparent or fair manner. The Budget Calendar, as provided in the Budget Rules of 2003, is not followed and therefore does not ensure efficiency and public participation in the budgeting process. The budget making process starts very late and the process is not completed in time.

Across the districts, the budget allocations for the education sector are uneven and inadequate. Although there has been an increase every year in the education budget in some districts, the budget increase is minimal in real terms when Pakistan's double digit inflation rate is taken into consideration. Given the importance of teachers' salaries, salary related expenses make up the majority of the education budget. This leaves few funds for non-salary expenses (e.g. maintenance utilities, etc), however, which are important for the smooth functioning of educational institutions. Furthermore, access to non-salary funds is complicated.

In addition, spending on education tends to be biased in favour of education of males. In general, there are more boys' schools than girls' schools in the surveyed districts, and boys' schools consume more of the education budget than girls' schools.

Other major challenges identified include limited education staff and low capacity, premature transfers of concerned staff, political pressure on the budgeting process and over-dependence on provincial governments.

This report recommends fair, equitable and needs-based allocation of education budgets. The Budget Calendar should be strictly followed by the district governments. In particular, the provisions relating to stakeholder consultations, timely completion of proposals, technical sanctions and presentations of draft budgets should be adhered to. The overall budget for the education sector should be increased and it is recommended that efforts be made to improve the condition of schools by providing adequate facilities and support. Furthermore, non-salary allocations need to be increased significantly so that the schools can cover their operating expenses. It is also necessary to make access to the funds for schools simpler and transparent. In addition, it is recommended that greater provisions be made for girls' schools and that the disparity in the numbers of educational institutions for boys and girls be reduced.

# 1. Introduction

Effective education sector budgeting is crucial for ensuring a high quality of education and for improving the literacy rate. This study examines the education budgets in six districts of Pakistan: Islamabad Capital Territory, Abbottabad District, Nowshera District, Faisalabad City District, Jhelum District and Multan City District. This report provides a comparison and analysis of district education budgets vis-à-vis the total budget allocation for the education sector and examines compliance with the budget rules and calendar, gender and regional perspectives and implementation of the allocated budget.

## 1.1 Objectives of the Study

The study aimed to understand various trends in terms of education budget allocations, priorities, utilization and stakeholder participation in the budgeting process. It was expected that this study would provide useful data and would highlight the trends related to resource allocation for the education sector.

The specific objectives of the study were as follows:

- ... To review the budget making process for the education sector and assess whether it is effective and how it can be improved.
- ... To analyze the budget documents relating to the education sector, especially in terms of allocations and priorities, and gender and regional perspectives.
- ... To examine the implementation of education sector budget, especially the problem of flow utilization, and to analyze the roles of relevant institutions.
- ... To identify weaknesses and gaps at various stages of the budget cycle in relation to relevant procedures or responsible organizations, and to make appropriate recommendations for improvement.

## 1.2 Method

The study utilized both primary and secondary sources of information. The primary sources of information were interviews with key stakeholders. Interviewees included district education and finance officers, teachers and head teachers of public schools and parents. The secondary sources consisted of district budget books, budget-related laws and rules for the districts, and other related documents.

# 2. The Budget Making Process and District Management

## 2.1 The Budget Making Process

The management of financial resources available to the district governments and their further allocation and re-allocation is the responsibility of the Finance and Planning Department. For the education sector, budget preparation and related activities are jointly administered by the Elementary and Secondary Education Department and the Finance and Planning Department.

The budget making process generally involves steps for preparing estimates for revenue generation as well as for preparing expected expenditures.

**Definition: A Budget**

Conventionally, a budget is a financial report containing estimates of income and expenses or a plan for coordinating resource generation and utilization. In other words, it is a financial plan incorporating receipts (cash in-flow) and outlays (cash out-flow) in a fiscal period (two years, one year, six months or three months).

The budget rules of the provinces of Punjab and Khyber-Pakhtunkhwa provinces provide a detailed procedure and calendar for preparing annual budgets. According to the rules, the district governments must prepare the draft budget by the end of March, and should then discuss and debate the draft in the District Council and refine it in the light of feedback received from various stakeholders. The budget must be approved before the end of the month of June.<sup>1</sup>

The budget-making process for all districts in Punjab Province is governed by the Punjab District Government and Tehsil Municipal Administration Budget Rules 2003. Under these Rules, Budget Call Letters should be issued by the EDO Finance and Planning in September. All department heads, including the education department, are required to submit the first draft of their department budget till the end of December, including estimates for both current and development expenditures. Subsequently, the proposed development projects should then be referred to the District Development Committee for consideration. In the meantime, Citizen Community Boards (CCBs) are expected to develop proposals for development projects in their respective communities. These proposals should then be submitted to the district government through the relevant department heads, who evaluate the technical feasibility of the proposal. In March, the EDO Finance and Planning should compile the full departmental budgets, request justifications for any increase in spending, and obtain approval from the Development Committee for the proposed projects. The district *nazim* should then submit the draft budget to the council in April. The council is expected to enact the annual budget before the end of June. The process is very similar in Khyber-Pakhtunkhwa Province.

The Calendar shown in the table below should be followed for preparing the annual budget.

**Table 1: District Annual Budget Cycle**

July-September:	Consultation with stakeholders and priorities identified by the council.
September:	Budget call letter issued.
	Forms for estimation of receipts and expenditures also issued with call letter.
October:	Guidelines identifying priority areas for CCBs issued by district government
September-February:	Consolidation of estimates of revenue and expenditure.
	Identification of development projects and preparation of project outlines.
December:	CCB project proposals submitted to CCB Official.
1 March:	All the estimates, development project outlines and CCB proposals submitted to Budget and Development Committee.
March:	Finalization by Budget and Development Committee (including revised estimates for the current year).
	Approval of Annual Development Programme by the Budget and Development Committee.
1 April:	Draft budget submitted to council.
April:	Review of draft budget by the council including taxation proposals.
1 May:	Public opinion sought on taxation proposals.
1 June:	Public opinion and government vetting received.
May-June:	Revision and changes by Head of Offices and finalization by the Budget and Development Committee.

<sup>1</sup> The budget for Islamabad is prepared in a slightly different manner, as the Federal Government Rules apply and a local government system does not exist in Islamabad.

June:	Submission of final budget to the Council.
Before 30 June:	Approval of final budget by the Council.
July:	Communication of grants to concerned offices and accounts offices.
	Intimation of project approval or non-approval.
October:	Final Accounts for previous year.

**Source:** Punjab Government, District Government and TMA Budget Rules 2003, Lahore

For the federal government, in Islamabad, the annual budget-making process effectively starts in October each year, when the Ministry of Finance issues the Budget Call Circular. In response, all sub-offices, institutions, departments and divisions are expected to provide estimates for expenditures and development requirements. Hence, requirements are collected from nearly all levels within the education sector. The concerned ministries, divisions and departments are expected to submit detailed estimates of expenditures in a specified period i.e. between November and February. In March and April, the estimates of expenditures should be scrutinized. After this, the Ministry of Finance formulates the budgetary proposals, which should be presented in parliament in June for approval. The same procedure is applied to prepare the annual development plan. In this case, however, the development requirements submitted by ministries or divisions, in compliance with the Budget Call Circular, are scrutinized by the Planning and Development Division. This should occur in March. Later, these requirements are prioritized and approved through a process involving the Priorities Committee in the Ministry of Finance, the Annual Coordination Committee and the National Economic Council. Ultimately, the selected schemes are included in the annual development plan and are made a part of budgetary proposals that should be submitted to parliament in June for approval.

## 2.2. Analysis of the Budget Making Process

In Multan and Faisalabad city districts of Punjab Province, the budget rules are followed in terms of seeking public views, consulting stakeholders and presenting and discussing the draft budgets in the councils. The Multan City District Government has been striving to ensure compliance with Budget Rules. Since 2007, the government has prepared the annual budgets after holding consultative dialogues with various stakeholders. The government has also presented draft budgets in the Council, as required under Rule 57 of the District Government and TMA Budget Rules 2003.<sup>2</sup> These steps have helped to improve the quality of planning. Likewise, in Faisalabad City District, the government has made efforts to improve the budget-making process and has tried to prepare budgets for each educational institution, instead of following the usual practice of making block allocations. Furthermore, the government has published detailed budget books.

But in most districts the budget rules are not fully followed, particularly the budget calendar. What usually happens is that the budget making process is initiated in May and must be completed in hasty manner before the end of June. The budget rules are not fully implemented because of a range of political constraints, capacity issues and bureaucratic inefficiencies. As a result, several problems are reported, including those listed below.

... The deadlines set in the Budget Calendar are often ignored, which results in long delays in identification of development projects, preparation of estimates or proposals, and obtaining timely technical sanctions or finalization of draft budgets. These delays subsequently slow down the entire development process.

... Draft budgets are usually not ready in time and are not presented in the Council. These draft budgets are not easily accessible to the general public, which limits opportunities for public participation. This is partly because of the technical nature of budget documents and the fact that these are prepared and presented in English.

2 City District Government, Budget 2009/10 (Part-I), Multan.

... Stakeholders are not fully and effectively consulted in the process of identifying and prioritizing new development projects. Usually councillors submit the development schemes, which may be based on unjust favour or prejudice for a community, thus highlighting the priorities of one community and neglecting the other.

... Development funds are distributed among various Union Councils and, since the available funds are limited, very small projects can be implemented that sometimes require several years to complete. This impedes the smooth flow of Planning and Developments projects and prevents projects being accomplished within the defined time frame.

The process in Islamabad also has a number of drawbacks that require the attention of relevant authorities. The drawbacks are described below.

... The Budget Call Circular does not necessarily reach the lowest levels (i.e. primary and middle schools) and, hence, the lowest level bodies do not always get an opportunity to identify their needs.

As per the procedure, the Budget Call Circular is only sent to relevant drawing and disbursing officers, who are senior level officers and responsible for several sub-offices or schools. Usually the Budget Call Circulars are not taken seriously and are dispatched quickly. The officers rarely consult the sub-offices or schools under their jurisdiction before sending up information about the needs.

... Non-official stakeholders are not consulted at all.

Although parents, teachers, students and members of the communities are direct stakeholders, and their views must be heard and weighed in the course of assessing problems and needs for the annual budget, the formal procedure for budget making does not include any provision for consulting with non-official stakeholders, nor do the relevant authorities consult these stakeholders informally.

... The parliament and its committees are not involved in the process of identifying or prioritizing the needs and developing budgetary proposals. The parliament has very short time (10 to 15 days), for examining, analyzing and approving the whole annual budget.

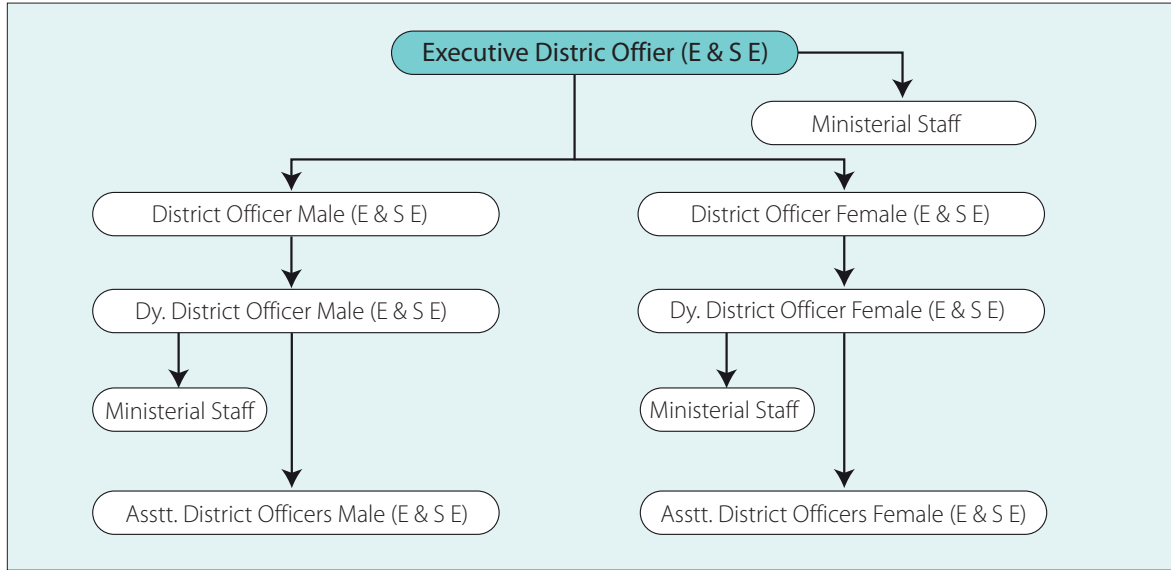
The steps from the issuance of the Budget Call Circular to the formulation of budgetary proposals exclude the elected leaders and members of the Parliament. It is only in June that the budgetary proposals are presented before the parliament for formal approval, when changes are unlikely. The role of elected representatives in budget making and approval is nominal, leaving too much discretion with the executive branch, which has little or no appreciation of the needs and demands expressed by communities.

## 2.3. District Responsibility and Management

In Khyber-Pakhtunkhwa Province, Local Government Ordinance 2001 assigned the responsibility for elementary and secondary education to the district governments. Likewise, in Punjab Province, the management and development planning of primary and secondary education has been assigned to the districts (under the Punjab Local Government Ordinance 2001).

Each district government is headed by an elected district *nazim*, who is responsible for overseeing and managing the administrative, planning and service delivery functions.

The figure below illustrates the administrative structure of the education department at the district level.

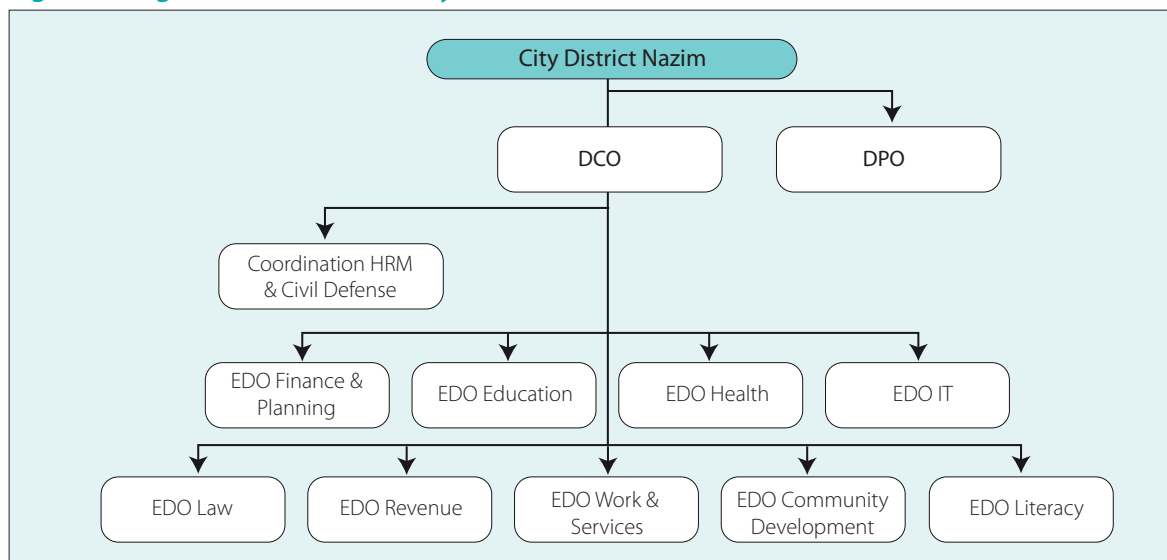
**Figure 1: Administrative Hierarchy at the District Level**

The authority for approving development plans and annual budgets, as well as exercising executive power, lies with an elected council. In each district, the District Coordination Officer (DCO) supports the *nazim* and serves as the head of administration and is responsible for various coordinating functions. Under him/her are the departments for various functions such as health, revenue and education.

At the district level, the Executive District Officer (EDO) is responsible for all types of pre-primary, primary, middle, high and higher secondary schools in the district. The EDO is responsible to the DCO and then to the district *nazim*. It is the EDO who is responsible for day to day functioning of the education department. The functions of this office include, among others, transfers and postings of teachers and other staff, monitoring, general administration, identification of new development needs and overseeing of programmes aimed at improving the quality of services delivered by the education department.

Intermediate education (grades 11 and 12) is mainly the responsibility of the Department of Higher Education in the provincial government. This department manages the intermediate or degree colleges that offer arts and science courses. The higher secondary schools, which also cater to the needs of students in grades 11 and 12) are managed by the Elementary and Secondary Education Department of the District. The district budget, including the components related to education sector, is prepared by the district government and approved by the district council.

The administration in the districts is headed by the city district *nazim*, who is elected by the people through their directly elected representatives. The administrative hierarchy below describes the management system, which clearly puts the *nazim* on the top, whereas the District Coordination Officer serves as the head of administration.

**Figure 2: Organization Chart of City District Governments**

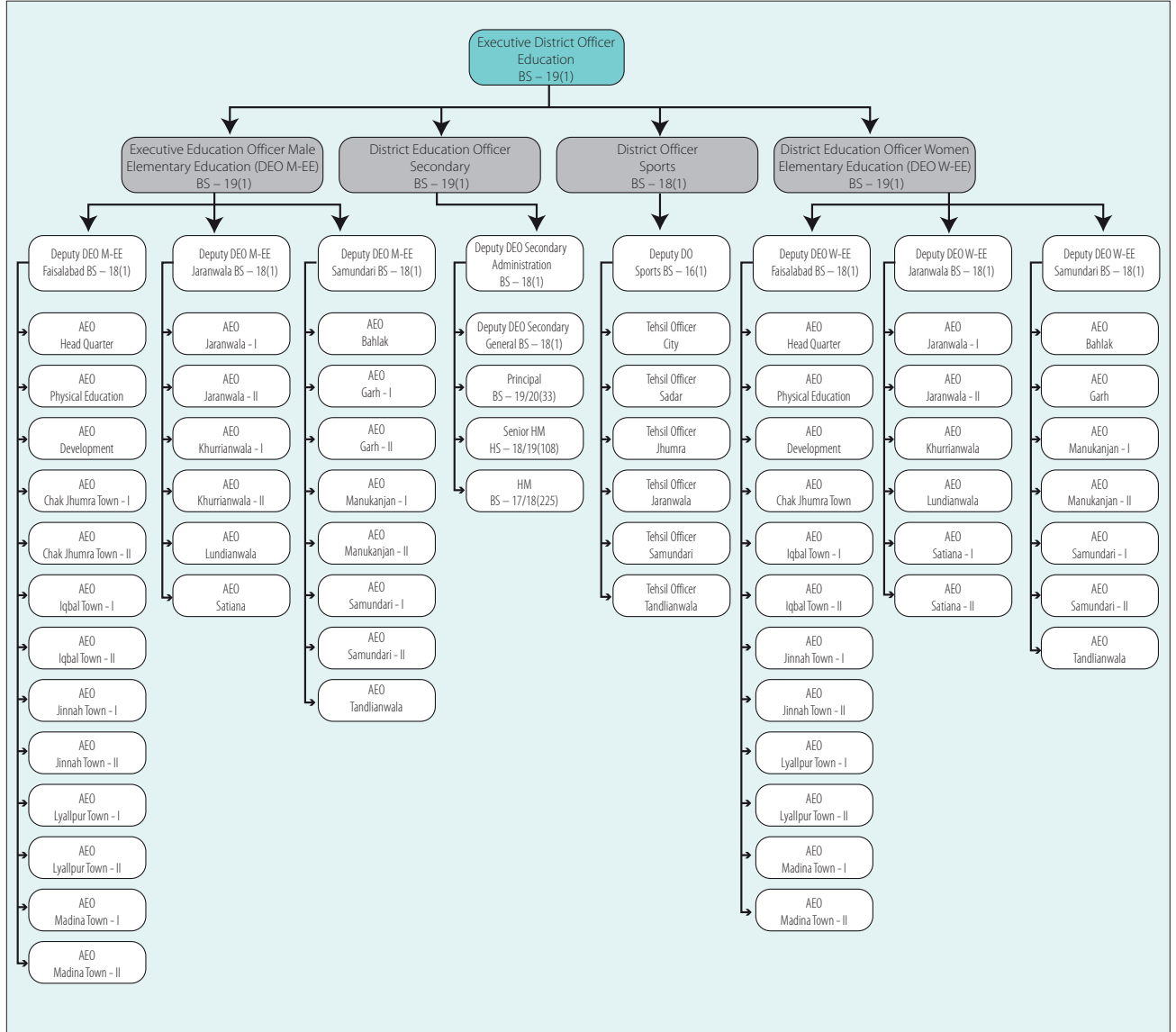
In the districts, the Executive District Officer for Education and the EDO for Literacy are responsible for matters related to education and literacy in the city district. The EDO/ E and EDO/ L report to District Coordination Officer (DCO). A number of district and deputy district officers work under the EDO/E and look after the various levels of education i.e. primary, middle and higher education.

While administration and management is the responsibility of district government, the district council has the authority to approve development plans and the annual budget of the district. It can also setup monitoring committees for various sectors, including education, to oversee the performance of the district government. The district councils have so far not been active enough to question the performance of the sectors falling under their jurisdiction. This lack of action is due to the general culture that puts little emphasis on accountability, and is also a result of the lack of participation of civil society and lack of interest by the media in terms of tracking annual development plans and budgets.

In Islamabad Capital Territory the federal government is responsible for providing education services, and the services are delivered through the Federal Directorate of Education (FDE), which is a department of the Federal Ministry of Education. Since the district does not have an elected district government, the participation of the population in decision making or oversight is limited, as it can only be exercised through the parliament or its committees on education, which have many other responsibilities related to the whole country. Even the processes related to development planning and identification of priorities have little input from the people living in Islamabad.

The FDE is responsible for the administrative and professional management of various types of educational institutions including primary, middle and high schools and higher secondary schools and colleges. The Directorate is also responsible for the provision of infrastructural facilities, recruitment of staff, monitoring and implementation of government policies. For the purposes of the FDE, Islamabad Capital Territory is divided into five sectors: one urban and four rural sectors (Bhara Kahu, Nilore, Sihala and Tarnol).

Figure 3: Organization Chart, District Education Department



Source: Office of EDO/E, Faisalabad available at <http://www.faisalabad.gov.pk/DepartmentsInfo.aspx?id=Education#orgn>



## 3. Comparative Analysis of District Education Budgets

### 3.1 District Education Budgets

The education department is the largest in the districts in terms of the number of staff and the allocation and utilization of funds. Overall, between 61 percent and 75 percent of the total current budget is allocated to the education sector. For example, Faisalabad City District Government allocated 62.6 percent of its total non-development budget to the education sector in 2008/09, and the current district budget for the education sector in Abbottabad in 2009/10 was 75 percent of the total current budget of the district. The table below presents the data for all six districts in 2009/10.

**Table 2: Current Education Budgets as a Percentage of Total Current Budgets, 2009/10**

District	Total Current Budget (millions, PKR)	Total Current Budget for Education Sector (millions, PKR)	Education Budget as Percentage of Total
Abbottabad	1797.00	1349.00	75.00
Faisalabad	6763.60*	4219.40*	62.60*
Islamabad**	-	-	-
Jhelum	1895.00	1337.00	70.50
Multan	4514.00	2755.00	61.00
Nowshera	1494.50	984.80	66.00

*Source:* Annual Budget Books of the Districts, 2008 - 2010

*Note:* \* In 2008/09

\*\* The education budget of Islamabad is a part of the overall Federal budget and, therefore, the relevant data in percentage terms would not be comparable with other selected districts. For this reason, the data for Islamabad is not presented in this table.

Districts usually have few funds available for development projects, except when extra allocations are made to the districts through special instruments. But only a small percentage of funds allocated for Annual Development Programmes (ADPs) of the districts are used for education-related projects.

In the district-level ADPs, priority is usually given to roads, electricity or parks. District ADPs make few or no allocations for education. The table below presents data about the funds allocated for education-related projects in the ADPs of the selected districts. As indicated in the table, two districts of Khyber-Pakhtunkhwa Province (i.e. Abbottabad district and Nowshera district) did not allocate anything at all for development projects related to education sector in recent years. If any education related projects were implemented in these districts, these were through the provincial ADP.

In Punjab province (Jhelum District, Multan City District and Faisalabad City District), district governments have allocated funds for education-related projects but mostly for smaller projects, leaving the responsibility of larger projects, such as revamping or building new schools, to the provincial governments. Only Faisalabad City District allocated a significant percentage (36.4 percent) for education-related development projects (in 2008/09), although it actually represents a small amount in view of the small size of the total ADP of the district.

**Table 3: Education Budget as a Percentage of the District Annual Development Programme, 2009/10**

District	Total Development Budget (millions, PKR)	Development Budget for Education Sector (millions, PKR)	Education Budget as Percentage of Total
Abbottabad	33.60	0.0	0.00
Faisalabad	166.70*	60.70*	36.40
Islamabad**	-	-	-
Jhelum	219.80*	6.00*	2.70
Multan	1300.00*	141.00*	10.80*
Nowshera	52.50	0.00	0.00

**Source:** Annual Budget Books of the Districts, 2008 - 2010

**Note:** \* In 2008/09

\*\* The education budget of Islamabad is a part of the overall Federal budget and, therefore, the relevant data in percentage terms would not be comparable with other selected districts. For this reason, the data for Islamabad is not presented in this table.

### 3.2 Current Education Budgets

The selected districts differ substantially in terms of per capita current allocations to the education sector. As the figures in the table below indicate, the per capita allocation is highest in Islamabad, with an allocation of 1,808 PKR in 2009/10. The per capita allocation is the lowest in Faisalabad, which is a city district but allocated only 777 PKR per capita for current expenditures in 2008/09.<sup>3</sup>

After Islamabad, per capita allocation is the highest in the district of Jhelum, in Punjab Province, which allocated 1,422 PKR per capita to the education sector. But the per capita allocations in the two districts of Khyber-Pakhtunkhwa Province (i.e. Nowshera and Abbottabad) are higher than those of Faisalabad and Multan, the city districts in Punjab Province.

**Table 4: Population and Current Education Budgets**

District	Population (in millions) 1998 Census	Allocation (millions, PKR) 2009/10	Per Capita Allocation (PKR) 2009/10
Abbottabad	0.88	1349.00	1533.00
Faisalabad	5.43	4219.40*	777.00*
Islamabad	0.80	1446.20**	1808.00**
Jhelum	0.94	1337.00	1422.00
Multan	3.12	2755.00	883.00
Nowshera	0.87	984.80	1132.00

**Source:** Annual Budget Books of the Districts, 2008 – 2010; Census Report 1998

**Note:** \* In 2008/09

\*\* Excluding relevant allocations for the Ministry, Federal Directorate of Education (FDE) or schools run by ministries or departments other than Ministry of Education.

3 The per capita allocations were calculated on the basis of population figures gathered from the 1998 census report. It is likely that the populations of districts such as Faisalabad, Multan and Islamabad have increased at a higher rate than other districts as a result of migration. If this fact is taken into consideration, the per capita allocations of these districts would be lower than the ones presented in this table.

### 3.3 Non-salary Allocations

The selected districts also differ in terms of the allocation of non-salary budgets. In 2008/09, both Islamabad and Faisalabad allocated about 7 percent of the districts' total current budgets for non-salary expenditures, as against 5.9 percent by Nowshera, 4.1 percent by Abbottabad, 4 percent by Multan and only 0.53 percent by Jhelum. A similar trend was evident in 2009/10, with Islamabad allocating the highest percentage and Jhelum the lowest.

Without adequate non-salary allocations, schools cannot maintain a good quality of service provision, because non-salary allocations are the only source of funds to meet the needs related to utilities, travel, stationery, communications and repair and maintenance.

**Table 5: Non-salary Allocations, 2008/09 and 2009/10**

District	Non-salary allocation 2008/09		Non-salary allocation 2009/10	
	Allocation (in millions PKR)	As % of Current Budget	Allocation (in millions PKR)	As % of Current Budget
Abbottabad	47.80	4.10	53.20	4.00
Faisalabad	295.70	7.00	n/a	n/a
Islamabad*	91.30	7.00	93.40	6.50
Jhelum	6.00	0.53	8.00	0.60
Multan	87.20	4.00	144.40	5.40
Nowshera	57.60	5.90	42.90	4.40

**Source:** Annual Budget Books of the Districts, 2008-2010

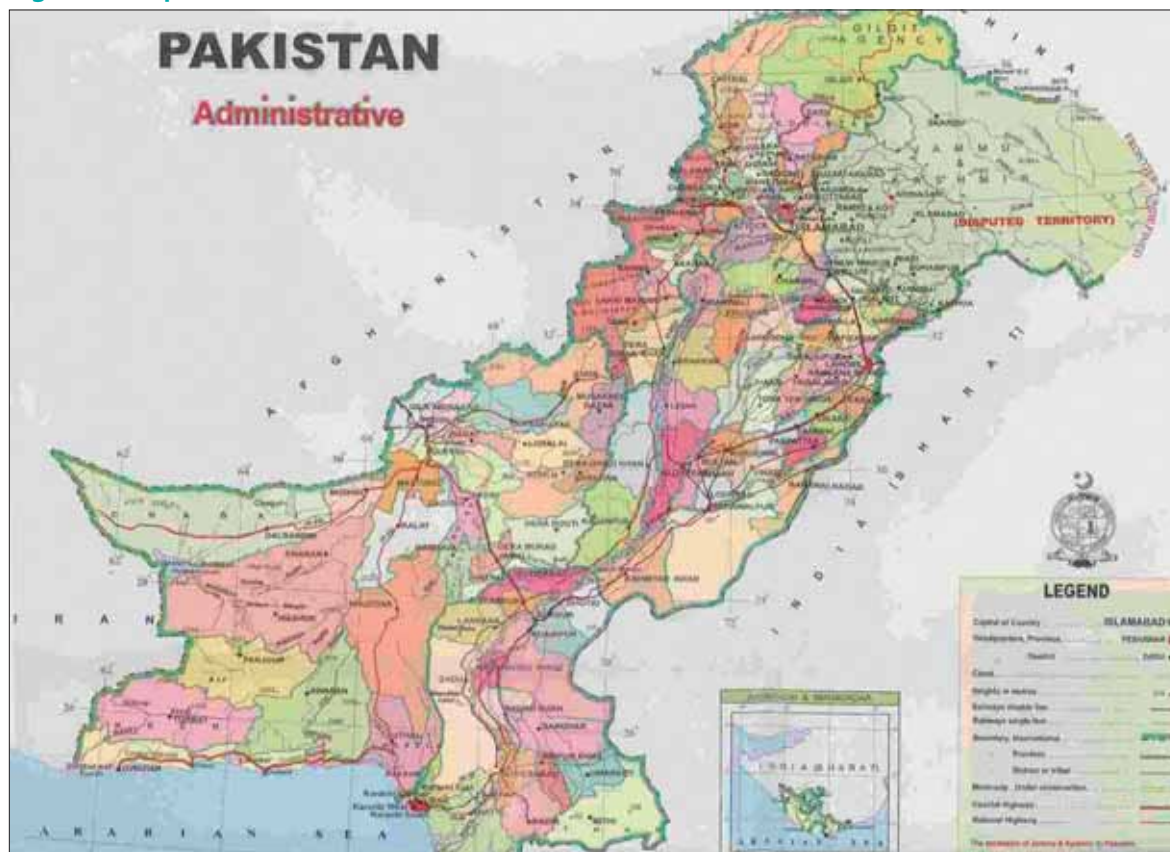
**Note:** \* Excluding relevant allocations for the Ministry and Federal Directorate of Education (FDE)

## 4. Islamabad Capital Territory

### 4.1. Profile of the District

Islamabad is capital of Pakistan, and is the tenth largest city in the country. The Rawalpindi-Islamabad metropolitan area is the third largest in Pakistan with a population of over 4.5 million inhabitants.

Figure 4: Map of Pakistan



Source: Ministry of Foreign Affairs available at [http://www.mofa.gov.pk/Maps/PAK\\_Administrative.jpg](http://www.mofa.gov.pk/Maps/PAK_Administrative.jpg)

According to census data, the total population of Islamabad Capital District (ICT) was 0.8 million in 1998, including 0.43 million males and 0.37 million females. Data from the Institute of Population Studies indicates that in 2009, the total population of Islamabad had grown to 1.21 million including 0.64 million males and 0.57 million females.<sup>4</sup> Islamabad is predominantly an urban district. In 2009, 71.9 percent of the district's population lived in urban areas.

Table 6: Rural and Urban Population of Islamabad District, 1998 and 2009 (millions)

Year	Urban	Rural	Total
1998	0.53	0.28	0.80
2009	0.87	0.34	1.21

Source: National Institute of Population Studies (NIPS), Islamabad

4 National Institute of Population Studies (NIPS), Islamabad.

**Table 7: Islamabad City Population, 1998 and 1981**

1998 Population				1981 Population	1981-98 Avg. Annual Growth Rate
Both Sexes	Male	Female	Average Household Size	Both Sexes	
529,180	290,717	238,463	6.11	204,364	5.76%

*Source:* Population Census Organization, Government of Pakistan

Islamabad is one of the districts in Pakistan in which the female population is lower than that of males. According to estimates for the year 2009, males make up 53.7 percent of the population and females make up 46.3 percent.

Islamabad boasts one of the highest literacy rates in Pakistan: 72.38 percent for the group aged 10 and above. There are a large number of education institutes in Islamabad. The higher education institutes in the capital are either federally funded or administered by private organizations and almost all of them are recognized by the Higher Education Commission (HEC) of Pakistan. Being the capital city, Islamabad provides its citizens with better infrastructure in nearly all sectors.

Islamabad is managed differently as, unlike in the provinces, the city district doesn't have an elected district government. Instead, the federal government is directly responsible for development and service delivery functions in Islamabad. There is a widespread perception that per capita resource allocation for development and service delivery in Islamabad is very high compared to other districts or regions in the country.

## 4.2. Education Sector in Islamabad

### 4.2.1 Educational Facilities in Islamabad

There are 401 government schools in Islamabad. Of these, 227 are primary schools, 54 are middle schools, 91 are high schools and 29 are higher secondary schools.

In the urban areas of Islamabad Capital Territory there are 121 government schools, while in the rural areas there are 280 schools. Although 72 percent of the population live in urban areas, most of the schools are located in the rural areas. This is because the rural population is dispersed over a large area and there has been a need for more schools in order to provide easy access. In the urban areas, where the population is concentrated, there are fewer schools but they are bigger and better equipped. There are also many private schools and colleges in the urban areas, which significantly reduces the demand for government schools. Private schools are unaffordable for people in the low and middle income groups, however.

**Table 8: Government schools in Islamabad Capital Territory**

	Primary	Middle	High	Higher Secondary	Total
Rural	165	45	59	11	280
Urban	62	9	32	18	121
Total	227	54	91	29	401

*Source:* Ministry of Education, Islamabad

Islamabad has 160 government schools for girls and 152 government schools for boys. In addition, there are 89 co-educational government schools.

## 4.2.2. Quality of Education

Although government schools and colleges are built on sizable plots with good physical infrastructure and have facilities such as playgrounds, these educational institutions have few funds available for maintaining facilities or improving the classroom environment. In addition, government schools have inadequate and ineffective monitoring, little incentive for good performance and a lack of accountability. Hence, the quality of the education provided at government schools is low.

The quality of education in the government schools and colleges of Islamabad has deteriorated over recent years. This deterioration has led to greater demand for private schools, which have grown significantly, especially in urban parts of Islamabad. Private schools provide a higher quality of education, in spite of being located in residential areas, in hired buildings without proper classrooms or playgrounds.

## 4.3. Education Budget Analysis

### 4.3.1. Budget Overview

In the year 2009/10, the total annual budget for the government-run education institutions in the capital and federal areas was 2,281 million PKR, as against 2,059 million PKR (revised budget) for the year 2008/09.

In per capita terms, in 2009/10 the government spent 1,886 PKR for pre-primary to college education in Islamabad. In 2000-01, the government allocated only 743 PKR per capita for education. Hence, over the past decade, the per capita allocation increased by 154 percent.

As shown in the table below, allocations to the education sector increased from 1.245 billion PKR in 2004/05 to 2.281 billion PKR in 2009/10. This represents an average increase of about 15.3 percent per year in nominal terms. As the inflation rate has been lower than the average increase, this indicates an increase in allocations for the education sector in real terms. Over the past two years however, the average nominal increase was lower, at 14.3 percent in 2008/09 and 10.9 percent in 2009/10. Given the higher inflation rates in this period, this is also a reduction in real terms.

**Table 9: Yearly Allocations, 2004/05 to 2009/10**

Year	Total Allocation (PKR)	Increase over the previous year (%)	Allocation for Employees Related Expenses (%)	Operating Expenses and Others (%)
2009/10	2,281,967,000	10.90	88.90	11.10
2008/09	2,058,105,000	14.30	87.70	12.30
2007/08	1,800,248,000	- 6.00	87.40	12.60
2006/07	1,917,731,000	31.20	87.60	12.40
2005/06	1,462,178,000	17.40	91.90	8.10
2004/05	1,245,168,000	23.90	91.30	8.70

*Source:* Annual Budgets 2004/05 to 2009/10

As shown in the table above, in recent years at least 87 percent of funds have been allocated to employee related (salary) expenses, with a relatively small percentage of the funds allocated to operating and other expenses, which is insufficient. In the years 2004/05 and 2005/06, only 8.7 percent and 8.1 percent of the total allocated budget was allocated for non-salary expenses. In 2007/08, as the non-salary allocations went up to 12.6 percent of the total allocated budget but since then the non-salary allocations have declined again, down to 11.1 percent the total budget in 2009/10.

### 4.3.2. Allocations for Various Levels of Education

The annual budget for government educational institutions in Islamabad includes allocations for the following sub-sectors:

- ... Pre-primary and primary education affairs and services
- ... Secondary education affairs and services
- ... Tertiary education affairs and services
- ... Administration

The table below shows the allocations within the education sector in Islamabad. It shows that the highest percentage of funds is allocated for secondary education (i.e. from grade 6 to 10), followed by tertiary education (including college education up to masters level).

**Table 10: Allocations within the Education Sector**

	Budget Estimate 2006-2007	Budget Estimate 2007-2008	Budget Estimate 2008-2009	Budget Estimate 2009-2010
Pre-primary and primary education affairs and services	474,114,000	363,403,000	449,900,000	519,400,000
Secondary education affairs and services	785,216,000	723,353,000	851,001,000	926,830,000
Tertiary education affairs and services	655,613,000	708,944,000	752,005,000	830,058,000
Administration	4,788,000	4,548,000	5,199,000	5,679,000
Total	1,917,731,000	1,800,248,000	2,058,105,000	2,281,967,000

*Source:* Annual Budgets 2006/07 to 2009/10

The pre-primary and primary education sub-sector is allocated a significantly lower amount of funding. In 2009/10, 22.8 percent of the total education sector budget was allocated for pre-primary and primary education compared to 40.6 percent and 36.4 percent for secondary and tertiary education respectively.

The condition of primary schools, especially in rural areas, is poor, reflecting the fact that the amount of funding allocated to pre-primary and primary education is low. It is clear that additional funding is required for this sub-sector. The overall allocation for the education sector should be increased, so that funding for the pre-primary and primary sub-sector can be increased without reducing the funds available for secondary or tertiary education.

**Table 11: Sub-sector Allocations for Primary, Secondary and Tertiary Education**

	2003-2004 (%)	2004-2005 (%)	2005-2006 (%)	2006-2007 (%)	2007-2008 (%)	2008-2009 (%)	2009-2010 (%)
Pre-Primary and Primary Education Affairs and Services	25.00	23.70	26.10	24.70	20.20	21.90	22.80
Secondary Education Affairs and Services	39.30	39.40	39.80	40.90	40.20	41.30	40.60
Tertiary Education Affairs and Services	35.70	36.90	34.20	34.20	39.40	36.50	36.40
Administration	-	-	-	0.20	0.30	0.30	0.20
Total	100	100	100	100	100	100	100

*Source:* Annual Budgets 2003/04 to 2009/10

### 4.3.3. Allocations to Primary Education in Islamabad

In 2009/10, the total allocation for pre-primary and primary education in Islamabad Capital Territory was 519,400,000 PKR. This allocation was 15.5 percent higher than that for the previous year (449,900,000 PKR). An examination of the previous five years indicates, however, that the average annual increase was only 7.3 percent. Although the allocation went up significantly in 2006/07 it decreased again in the following year. In view of high inflation rates over the years, overall, there has been a reduction in the allocation of funds in real terms.

In 2009/10, 92.4 percent of the total funds were allocated to salaries (employee related expenses), leaving only 7.6 percent of the total funds to cover the costs of communication, utilities, travel, physical assets and repair and maintenance. A similar allocation was made in previous years, with 91.6 percent of total funds allocated to salaries in 2008/09, 89.8 percent in 2007/08, and 89.9 percent in 2006/07. The figures indicate that a declining percentage of funds are being allocated to non-salary expenses.

On average, in 2009/10, each primary school in Islamabad was allocated 697 PKR per month for communications, 3,070 PKR per month for utilities, 6,021 PKR per month for repair and maintenance and 875 PKR for travel and transportation. These allocations are inadequate for providing quality services, but it can be acknowledged that these amounts are higher than the amounts allocated to schools in other districts in the country.

Budget allocations are not determined on the basis of actual assessment of the needs. Few funds are allocated for communication because it is assumed that the schools only need to communicate with their staff and with education department officials. As there is no recognition of the need for communication between teachers and parents of the students, allocations for such communication expenses are not made. Likewise, it is assumed that the costs of utilities remain the same; any increases are ignored. Thus the allocations are inadequate.

**Table 12: Pre-primary and Primary Education Budget Allocations, 2005-2010 (in PKR)**

	Budget Estimate 2005/06	Budget Estimate 2006/07	Budget Estimate 2007/08	Budget Estimate 2008/09	Budget Estimate 2009/10
Employee related expenses	365,786,000	426,416,000	326,381,000	412,000,000	480,000,000
Operating expenses	11,410,000	14,705,000	15,304,000	16,000,000	17,000,000
Communication	1,978,000	2,380,000	2,373,000	1,872,000	1,900,000
Utilities	4,263,000	5,157,000	6,304,000	7,433,000	8,362,000
Occupancy costs	175,000	220,000	149,000	325,000	308,000
Travel and transportation	1,645,000	2,044,000	2,198,000	2,170,000	2,383,000
General	3,349,000	4,904,000	4,280,000	4,200,000	4,047,000
Physical assets/ purchase of durable goods	500,000	14,305,000	5,356,000	5,500,000	6,000,000
Repair and maintenance	3,500,000	16,688,000	16,362,000	16,400,000	16,400,000
Machinery and equipment	828,000	93,000	1,712,000	1,050,000	1,230,000
Furniture and fixture	1,035,000	4,290,000	4,280,000	4,200,000	4,500,000
Buildings and structure	1,637,000	10,700,000	9,938,000	9,785,000	7,280,000
Computer equipment			122,000	1,050,000	2,050,000
General		620,000	310,000	315,000	1,340,000
TOTAL	381,196,000	472,114,000	363,403,000	449,900,000	519,400,000

*Source:* Annual Budgets 2005/06 – 2009/10



#### 4.3.4. Middle Schools in Islamabad

In 2009/10, the total annual budget for middle schools in Islamabad Capital Territory was 187,400,000 PKR. This was 15.5 percent higher than for the previous year. Since 2005/06, the total allocation for middle schools has increased by about 16 percent per year. In comparison, the allocation for pre-primary and primary schools increased by only 7.3 percent on average.

As in the case of primary schools, most of the funds allocated for middle schools are consumed by salaries and allowances. In 2009/10, employee related allocations accounted for 94.6 percent of the total budget, with similar allocations in the previous four years. Between 2005 and 2010, non-salary allocations ranged between 4.5 percent and 7.5 percent.

In 2009/10, each middle school was allocated, on average, 1,267 PKR per month for communication costs, 3,315 PKR per month for utilities, 1,281 per month for travel and transportation and 6,173 per month for repair and maintenance.

**Table 13: Secondary Education (Middle Schools) Budget Allocations, 2005-2010 (in PKR)**

	Budget Estimate 2005/06	Budget Estimate 2006/07	Budget Estimate 2007/08	Budget Estimate 2008/09	Budget Estimate 2009/10
Employee related expenses	100,650,000	132,927,000	147,493,000	152,502,000	177,200,000
Operating expenses	2,400,000	3,175,000	3,609,000	4,200,000	5,200,000
Communication	521,000	561,000	705,000	721,000	821,000
Utilities	813,000	999,000	1,152,000	1,652,000	2,148,000
Occupancy Costs	111,000	111,000	-	-	-
Travel and Transportation	380,000	605,000	653,000	653,000	830,000
General	575,000	899,000	1,099,000	1,174,000	1,401,000
Physical assets	400,000	3,568,000	689,000	1,000,000	1,000,000
Computer equipment	-	2,200,000	-	-	-
Purchase of plant and machinery	300,000	732,000	274,000	300,000	-
Purchase of furniture and fixture	100,000	636,000	415,000	700,000	1,000,000
Repair and maintenance	800,000	3,992,000	4,364,000	4,500,000	4,000,000
Machinery and equipment	168,000	207,000	432,000	440,000	360,000
Furniture and fixture	280,000	149,000	1,088,000	825,000	1,200,000
Buildings and structure	352,000	3,575,000	2,754,000	2,795,000	1,795,000
Computer and equipment		61,000	90,000	440,000	600,000
General	-	-	-	-	45,000
Total	104,250,000	143,662,000	156,155,000	162,202,000	187,400,000

Source: Annual Budgets 2005/06 – 2009/10

#### 4.3.5. High Schools in Islamabad

In the year 2009/10, high schools in Islamabad were allocated 739,430,000 PKR. This allocation was only 7.35 percent higher than the previous year while, on average, inflation has been around 13.8 percent.

In high schools, as in other schools, most of the funds are allocated to employee related expenditures such as salaries and allowances. During the past five years, between 3.5 percent and 8.2 percent of the total funds were allocated to operating and other expenses. The employee related allocations amounted to 94.1 percent of the total high school budget in 2009/10, with similar figures in the previous five years.

In 2009/10, employee related allocations covered the salaries and allowances for 4,395 employees working in the high schools in Islamabad. Out of these employees, 656 belonged to officer grades, while the remaining 3,739 were lower grade staff. The average number of employees working in each high school was about 48.

Each high school receives, on average, about 25,536 per month for operating expenses, including communications, utilities, travel and transportation and general items like stationery. More specifically, for each month, only 3,531 PKR is made available for communication costs, 11,568 PKR for utilities, 7,383 PKR for travel and transportation and 3,053 PKR for general expenses.

It was observed that, on average, 8,767 PKR is allocated to each high school per month, for repair and maintenance. This category includes repairs and maintenance of transport, machinery and equipment, furniture and fixtures, computer equipment and buildings and structures.

**Table 14: Secondary Education (High Schools) Budget Allocations, 2005 – 2010 (in PKR)**

	Budget Estimate 2005/06	Budget Estimate 2006/07	Budget Estimate 2007/08	Budget Estimate 2008/09	Budget Estimate 2009-/10
Employee related expenses	460,777,000	588,870,000	523,399,000	645,000,000	695,553,000
Operating expenses	13,000,000	20,138,000	21,884,000	21,884,000	27,885,000
Communication	3,000,000	3,459,000	3,800,000	3,851,000	3,856,000
Utilities	6,008,000	7,374,000	8,623,000	9,753,000	12,633,000
Travel and transportation	2,565,000	4,696,000	5,088,000	5,112,000	8,062,000
General	1,427,000	4,609,000	4,373,000	3,168,000	3,334,000
Transfers		85,000	85,000	85,000	94,000
Physical assets	1,800,000	15,992,000	7,789,000	7,789,000	6,324,000
Computer equipment	-	4,400,000	175,000	-	0
Other stores and stock	535,000	1,100,000	1,150,000	1,180,000	1,180,000
Purchase of transport	-	880,000	-	-	0
Purchase of plant and machinery	1,000,000	2,779,000	2,002,000	1,697,000	1,544,000
Purchase of furniture and fixture	265,000	6,833,000	4,462,000	4,912,000	3,600,000
Repair and maintenance	1,700,000	16,469,000	14,041,000	14,041,000	9,574,000
Transport	951,000	1,301,000	1,448,000	1,448,000	2,500,000
Machinery and equipment	428,000	1,108,000	1,150,000	944,000	944,000
Furniture and fixture	321,000	2,720,000	2,576,000	2,360,000	2,360,000
Buildings and structures	-	-	8,050,000	8,109,000	2,000,000
Computer equipment	-	-	242,000	590,000	1,180,000
General	-	-	575,000	590,000	590,000
Total	477,277,000	641,554,000	567,198,000	688,799,000	739,430,000

Source: Annual Budgets 2005/06 – 2009/10

### 4.3.6 Development Budget

Islamabad, being the Capital Territory, falls within the jurisdiction of the federal government; it is not treated as a separate entity when making allocations. Its development needs, including the ones relating to the education sector, are made as part of the Annual Development Plan (ADP) of the federal government. Thus, the education-related development projects for Islamabad are presented in the development budget of the Ministry of Education.

In the budget for 2009/10, the federal government allocated 209 million PKR for building 11 new schools in Islamabad. Furthermore, 556.8 million PKR was allocated for upgrading existing institutions, introducing new classes, building new blocks or providing additional facilities. These are significant allocations and are very high if compared to other districts where allocations for education-related development projects are very low.

Implementation of development projects in Islamabad has encountered some serious problems, however, resulting in long delays and poor quality of work. The reasons for this include the following:

- ... The tendering process is slow as a result of bureaucratic red tape
- ... The staff responsible for implementing development projects are overburdened
- ... Delays in acquiring land or preparing feasibility reports
- ... Limited availability of competent contractors
- ... Delays in the procurement of funds
- ... Late submission of progress reports
- ... Frequent transfers and postings of responsible staff
- ... Reduction in funds or downward revisions in allocations in the budget

### 4.4. Major Issues and Concerns

From a review of budget documents and discussions with stakeholders, including teaching staff, a range of concerns have been identified that should be addressed by the concerned authorities. These concerns are summarized below.

- ... The salaries of teaching and other staff in government schools are low, which makes it difficult for the education sector to attract high quality staff. The living expenses in Islamabad are very high, so staff must take additional jobs, such as offering tuition services in private academies or at homes. This situation makes it difficult for the staff to focus exclusively on their own profession.
- ... As few funds are available to cover operating expenses, equipment, repair and maintenance, the facilities in government schools cannot be mobilized or kept in working condition. So, while toilets exist, funds are not sufficient to keep them in a hygienic and working condition. Likewise, science laboratories and playgrounds are not maintained.
- ... Schools face problems in accessing the funds allocated for them. The directors of primary and middle schools do not have the power of drawing and disbursing and, therefore, they must seek approval from the concerned authorized officers i.e. drawing and disbursing officers. The process is inefficient and can facilitate corruption.
- ... The budget making process is not open, transparent or participatory. It is dominated almost exclusively by the bureaucrats, while the views of parents, students and communities regarding the needs and priorities are neglected.
- ... Elected representatives exercise few or no rights, as there is no elected body for Islamabad. On the other hand, the federal parliament, which has the authority to exercise this privilege, does not have the time to discuss these matters.

... The procedure relating to utilization of funds is not transparent and lacks effective public oversight and accountability. As a result, there are complaints regarding inefficient utilization and delays in implementation of projects.

... Insufficient funds are allocated to meet special or additional needs of schools or teachers in rural areas. For instance, teachers serving in rural schools, especially in girls' schools, are not provided with transport, which makes it difficult for them to get to work and affects their morale. The teachers working in rural areas should be encouraged through providing incentives to overcome the hardships involved in working in those areas.

## 4.5. Recommendations

On the basis of the findings of the study, the following recommendations are suggested for the attention of policy makers, relevant authorities and stakeholders.

... The overall allocation for education in Islamabad Capital Territory should be increased.

... The condition of primary schools should be improved by providing adequate resources, facilities and technical support.

... Needs for operating expenses should be determined through an open consultation process, involving all the stakeholders. When determining needs, it is important to take into account the necessity of more frequent communications and interactions among teachers and parents as well as improving the classroom environment for higher quality learning.

... An appropriate and relatively easy mechanism should be established, by which the directors (heads) of primary and middle schools can claim and utilize the funds allocated for them.

... In the absence of a local government system in Islamabad, a citizens' consultative forum should be established to discuss education-related matters pertaining to Islamabad Capital Territory and advise the federal government on important issues and needs. The elected members of the National Assembly from Islamabad, eminent citizens, civil society representatives, heads of selected educational institutions and representatives of the FDE and Ministry of Education could constitute this forum.

... The special needs of girls' schools and rural schools should be carefully identified and emphasized.

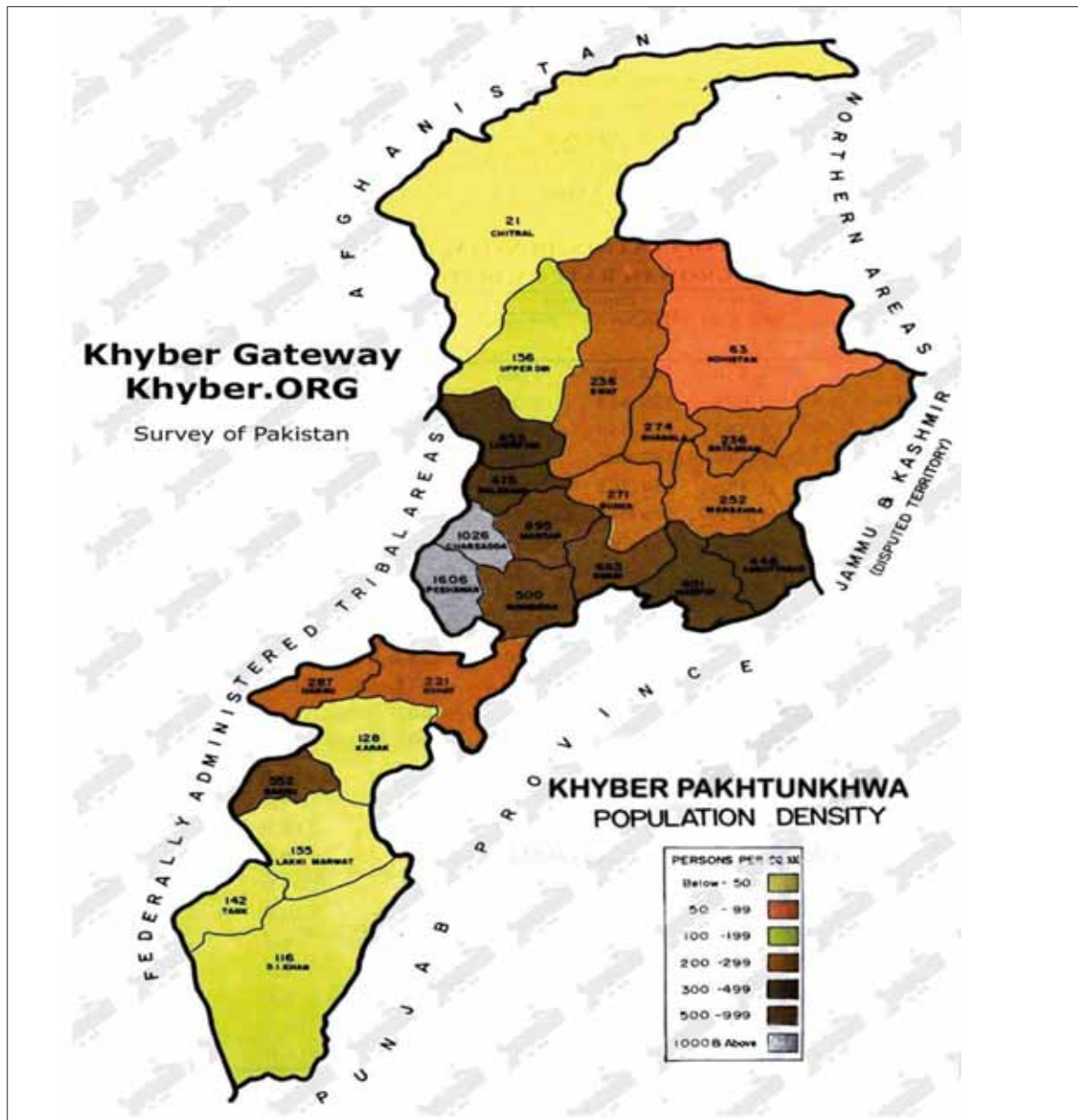
... Annual budgets must make necessary provisions with the primary objective of providing high quality education services to all.

## 5. Abbottabad District

### 5.1. Profile of the District

Abbottabad is a district in Khyber-Pakhtunkhwa Province. The district is predominantly mountainous and rugged, and experiences high levels of rain and humidity. Abbottabad District has an area of 1,967 square kilometres and, according to the latest estimate, it has a population of about one million people.

Figure 5: Map of Khyber Pakhtunkhwa and Northern Areas



Source: Survey of Pakistan available at <http://www.khyber.org/maps.shtml>

Abbottabad is the largest city in the Hazara region. The district is divided in 2 *tehsils*: Abbottabad and Havelian. There are 51 Union Councils in the district.



In general, the primary school enrolment rates in Abbottabad are impressive but enrolment rates decline gradually towards the higher levels of education.

According to the 1998 census figures, the literacy rate in the district was 56.6 percent. In the rural areas it was 51.85 percent and in the urban areas it was 76.73 percent. These literacy rates are significantly higher than the rates reported during the previous census, in 1981. In 1981, the overall literacy rate in the district was only 27.97 percent, with only 23.32 percent of the population in the rural areas being literate. By 2009, the literacy rate in Abbottabad district had improved further. It is estimated that the overall literacy rate of those aged over 10 years has increased to 65 percent.

There is a large gap in literacy rates between males and females. According to the 2009 census, the literacy rate of males in Abbottabad was 79 percent while for females it was only 52 percent. The gap has diminished over the past decade, however. In 1998, the literacy rate among males stood at 74.52 percent and at 39.11 percent among females. In rural areas the female literacy rate was even lower, at only 34.18 percent. But when these literacy rates are compared to districts of Punjab Province or other districts of the Khyber- Pakhtunkhwa region, they are impressive.

**Table 16: Literacy Ratio by Sex and Location, 1981 and 1998**

	1981			1998		
	Both	Male	Female	Both	Male	Female
All Areas	27.97	43.48	11.23	56.61	74.52	39.11
Rural	23.32	39.16	7.34	51.85	71.33	34.18
Urban	53.87	63.32	39.02	76.73	85.69	64.71

*Source:* Population Census Organization, Government of Pakistan, District Census Report of Abbottabad, 1999

## 5.2. Education Sector in Abbottabad

### 5.2.1. Education Facilities in Abbottabad

There are 1,867 public schools in Abbottabad District. Out of these, 1,214 are for boys and 653 are for girls. This indicates a huge gender gap in terms of government-run educational facilities. The table below shows that little progress was made between 1998 and 2009. The number of schools increased by only 615, from 1,252 in 1998 to 1,867 in 2009. There was even less progress in terms of girls' educational institutions, with girls' schools increasing by only 131; from 522 in 1998 to 653 in 2009.

**Table 17: Number and Types of Schools in Abbottabad, 1998 and 2009**

	1998			2009		
	Male	Female	Total	Male	Female	Total
Primary Schools	523	455	978	1 050	540	1590
Middle Schools	68	40	108	90	77	167
High Schools	62	24	86	62	29	91
Higher Secondary Schools	7	3	10	12	7	19
Total	730	522	1 252	1 214	653	1 867

*Source:* Bureau of Statistics, Government of Khyber-Pakhtunkhwa, E&S Education Department, Finance & Planning Department and the Education Management Information System (EMIS); and Population Census Organization, Government of Pakistan.

### 5.2.2. Financing of Education

Public education in Abbottabad district is predominantly financed through funds provided by the federal and provincial governments. The main channel for this financing is the Provincial Finance Commission (PFC) award, through which the provincial government distributes funds among the districts falling within its jurisdiction. The criteria for allocations include: population size and level of development. The needs for development and non-development requirements of the districts are evaluated periodically through official channels by the provincial government.

The district is dependent on provincial or federal funding because it mobilizes very limited resources on its own. In Abbottabad the federally funded Education Sector Reforms Programme and Education for All (EFA) projects are significant sources of funds. In addition, a number of foreign-aid programmes provide funding for various components of education through grants, loans and technical assistance.

### 5.2.3. Education Quality

The district is among a few districts known for their good results in the education sector, particularly because of good private education facilities but also because of some well-known government-run institutions. Interestingly, the institutions offering the highest quality of schooling mostly serve the settlers and boarders rather than the local population. Local people are often not able to send their children to the good schools and higher education institutions located within the district, as they tend to have lower incomes.

In general, the quality of education in government schools is below expectations and of minimum standards. It is particularly so in schools in rural and remote areas. The poor quality of infrastructure and instruction in government schools is responsible for low enrolments, high drop-out rates and high failure rates. Enrolment is especially low in secondary schools. This is because only a small proportion of students progress to these levels. Of those enrolled at this stage, about two thirds are male students.

## 5.3. Education Budget Analysis

### 5.3.1. Budget Overview

In 2009/10, the total education budget of the district was 1,349 million PKR; higher than the allocation of 1,165 million PKR in 2008/09 but slightly lower than the revised allocation in 2008/09 (about 1,394.5 million PKR). In 2006-07, the total district education budget was only RS 941.6 million, which means that the budget increased by about 43 percent between 2006 and 2010. On average, this amounts to an increase of about 10 percent per year, which is very low given the high inflation in Pakistan over this period.

In addition, funds have also been spent in the district through the provincial Education Sector Reform (ESR) programme. In 2009/10, the total education budget for the district, inclusive of ESR funds, was 1,352 million PKR. In per capita terms, Abbottabad District had an allocation of 1,352 PKR in 2009/10.

The table below provides data about the district education budget as well as for the ESR. As shown in the table, the allocation for ESR has decreased significantly since 2006/07. The table also shows the percentage change in the total education budget of the district compared to the previous year.



**Table 18: Total Education Budget of Abbottabad District (Estimates and Revised Estimates), 2006 - 2010**

Year	Total District Budget (PKR)	ESR (PKR)	TOTAL (PKR)	Change from the previous year (%)
Budget Estimate 2006/07	941,560,880	16,757,000	958,317,880	-
Revised Estimate 2006/07	960,215,000	16,287,000	976,502,000	1.9
Budget Estimate 2007/08	1,084,754,630	4,193,000	1,088,947,630	11.5
Revised Estimate 2007/08	1,139,703,430	4,405,000	1,144,108,430	5.1
Budget Estimate 2008/09	1,165,264,800	2,936,000	1,168,200,800	2.1
Revised Estimate 2008/09	1,394,486,500	3,041,000	1,397,527,500	19.6
Budget Estimate 2009/10	1,349,231,520	2,961,000	1,352,192,520	-3.2

*Source:* District Government, Abbottabad

### 5.3.2. Salary Budget

The Elementary and Secondary Education Department is the largest among the departments of Abbottabad district. The salary component of the department budget constitutes the largest financial allocation of the budget. Over the past four years, the salary component of the education department budget was around 78 percent of the total budget each year.

In 2006/07 the salary allocation was 933,082,710 PKR and rose to 1,296,021,810 PKR by 2009/10, an increase of 39 percent. In this department, the number of posts increased from 9,931 in 2006/07 to 10,160 in 2009/10.

**Table 19: Salary Component of the Education Department Budget, Abbottabad District**

Year	Salary Budget (PKR)	Total Budget (PKR)	ESR (PKR)
Budget Estimate 2006/07	933,082,710	941,560,880	16,757,000
Revised Estimate 2006/07	940,360,580	960,215,000	16,287,000
Budget Estimate 2007/08	1,036,305,930	1,084,754,630	4,193,000
Revised Estimate 2007/08	1,082,354,950	1,139,703,430	4,405,000
Budget Estimate 2008/09	1,117,427,600	1,165,264,800	2,936,000
Revised Estimate 2008/09	1,331,949,020	1,394,486,500	3,041,000
Budget Estimate 2009/10	1,296,021,810	1,349,231,520	2,961,000

*Source:* District Government, Abbottabad

A review of the financial releases made monthly by the provincial government to the district government indicates that, in general, the funds released by the provincial government to the district government for salary purposes have never matched the related district estimates. The funds issued under the heading of salaries have usually been 45 percent less than the district estimates. In this way, the district has consistently been deprived of the financial benefit it could have secured by re-allocating the savings under the salary head for new vacancies occurring during any financial year. Furthermore, the practice of releasing funds on monthly basis creates hindrances in the effective management of the salary budget.

In addition, employees of the department often face delays in the approval and release of the Revised Estimates. The Medical Reimbursement Charges (MRCs) and Leave Salary, including Leave Encashment admissible at the time of retirement, are the worst-hit subheadings of the salary budget. Being directly related to the employees' service benefits and to the motivation of employees, any negative effect has a significant impact on the professional performance of the staff of this department. This is reportedly one of the reasons for teachers' unauthorized leave and for highly inflated and fake MRCs.

Although the provincial government regains the salary shortfall on the basis of actual expenditure incurred during a financial year, the set procedure and the channels create problems beyond the control of the district government, especially the Education Department. There exist serious capacity constraints among the Drawing and Disbursing Officers and their support staff in relation to understanding the various sub-headings of the salary budget and the prescribed budget forms. As a result, instead of being needs based, the salary budget is often a repetition of the previous financial year with no possibility of rectification before the Revised Estimates is produced.

### 5.3.3. Non-salary Budget

The non-salary budget of the department includes various subheadings that provide the funds that are essential for operation and maintenance and for the routine activities of the administrative offices and subordinate offices. Besides the vital utilities like electricity, gas, telephone, the non-salary budget covers costs such as transportation, travelling allowances, repair and maintenance, and purchase of equipment and furniture. The most important amongst them are Petty Repairs and Classroom Consumables, which are based on the number of classrooms in a given institution. These funds are part of the PFC award and their present rate is 5,000 PKR and 2,000 PKR per classroom per annum, respectively. The mode of utilization is specified and governed under the Parent Teacher Council (PTC) guidelines issued by the provincial government and amended from time to time. Special funds amounting 6.7 million PKR were provided to the district under the Terms of Partnership in 2007/08. These funds were utilized through PTCs for provision of various basic facilities in 2008/09.

The non-salary revised budget estimates rose from 19,854,420 PKR in 2006/07 to 53,209,710 PKR in 2009/10. The grants mentioned under headings of Petty Repairs and Classroom Consumables have been provided for the last three financial years.

The table below shows that in Abbottabad more than 95 percent of the total education budget is allocated for salaries, while less than 5 percent is allocated for the non-salary requirements of the education department and related institutions. In 2006/07, the original allocation for non-salary expenses was less than 1 percent, but was later increased to 2.1 percent in the revised budget for the same year.

**Table 20: Non-salary Budget Compared with the Total Education Budget, 2006-2010**

Year	Non-salary budget (PKR)	Total budget (PKR)	Non-salary budget as % of total
Budget Estimate 2006/07	8,478,150	941,560,880	0.90
Revised Estimate 2006/07	19,854,420	960,215,000	2.10
Budget Estimate 2007/08	48,448,700	1,084,754,630	4.50
Revised Estimate 2007/08	57,348,480	1,139,703,430	5.00
Budget Estimate 2008/09	47,837,200	1,165,264,800	4.10
Revised Estimate 2008/09	62,537,480	1,394,486,500	4.50
Budget Estimate 2009/10	53,209,710	1,349,231,520	4.00

*Source:* District Government, Abbottabad

All non-salary funds are released to the concerned DDOs in time each year but the mechanism of their utilization and verification is not simple because of various issues. The amount of funds is very small and even this meagre allocation is not being utilized efficiently.

### 5.3.4 Development Budget

The development needs of the education department are identified and prioritized by the political leaders representing the constituencies of the district. Most often, the development priorities identified by political leaders focus on establishing new schools or upgrading existing ones (from primary level to middle-school level, or from middle to high-school level). But such development needs have been met by the provincial government or through including them in umbrella schemes of the provincial ADP. No such project could be funded through the district ADP as the cost of even the smallest school or upgrade is usually beyond the scope of the union councils' programme supported by the district government.

During the past four financial years, 41 new primary schools were established in the district and five new middle schools. But in these four years, not a single new high school was established (except for high schools that have been converted from middle schools). This is said to be because primary schools fit well in the wish lists of the priority-setters. Instead of building one high school comprising at least 10 classrooms, five primary schools of two classrooms each can be built for the same price.

**Table 21: Development Projects, Abbottabad, 2005-2009**

2005/06		Number of boys' schools				Number of girls' schools				Total
		06/07	07/08	08/09	2005/06	06/07	07/08	08/09		
New schools	Primary	6	3	7	5	2	7	6	5	41
	Middle				2				3	5
	High									0
Upgrading from primary to middle-school level				4	3	5		1	2	15
Upgrading from middle to high-school level			2	4		3	3	1		13

*Source:* District Government, Abbottabad

The data regarding the upgrading of existing schools, shows that a total of 15 primary schools have been upgraded to the level of middle schools during the past four years. In the same period, a total of 13 schools were upgraded from middle to high schools.

When examined from gender perspective, it is clear that there has not been any special effort to reduce the vast disparity in the number of education facilities for boys and for girls. In the past four years, 20 out of the 41 new primary schools were built for girls and three out of the five middle schools were built for girls. While almost an equal number of girls' and boys' schools were built, there should be a greater number of girls' schools being built in order to redress the existing imbalance and to ensure all girls can access schools easily.

### 5.4. Major Issues and Concerns

This study has identified several concerns that require the attention of policy makers and other stakeholders. These concerns are summarized below.

- ... Most of the education sector budget is consumed by employee-related expenses. As a result, little remains for non-salary expenses. Without adequate provisions for non-salary costs such as communication, consumables, utilities and transport, it is not possible to expect improvement in enrolments or in the quality of education delivered in government schools.
- ... The district has very limited resources available for the implementation of development projects. The district government has not been able to build any new schools from due to the scarcity of the funds and it has to depend solely on the provincial ADP.

... The budget calendar, as provided in the Budget Rules of the Khyber Pakhtunkhwa Government, is not strictly followed. As a result, the process of budget making, from preparation to implementation, cannot be executed satisfactorily, and stakeholders are deprived of their right to participation.

... There is a vast disparity in the numbers of boys' and girls' educational facilities in Abbottabad but little is being done to address this gap. Girls need more schools (than boys) to be able to have easy access to education.

... Female teachers face difficulties when posted away from their places of residence. It is important that they are adequately compensated and that they are able to easily get to work (e.g. through providing transport to female teachers) and perform their duties.

## 5.5. Recommendations

In view of the findings of this study, the following recommendations are suggested.

... An increase is needed in the resources allocated through the PFC award and it is necessary that the districts also improve their own resource generation capacity and efforts.

... It is necessary to increase the non-salary allocations considerably so that schools can operate effectively.

... Efforts should be made to improve the procedures and the capacity of the staff to ensure that schools can access and utilize the funds efficiently.

... The budgetary allocations should be subject to the performance of the relevant institutions. Such Performance Based Budgeting, with a well defined monitoring policy, can help improve the quality of education.

... All stakeholders, including the students, teachers and communities, should be consulted in the process of identifying the budgetary needs of schools. Schools should highlight the priorities of the students, teachers and parents at the time when they submit their proposals.

... The Budget Calendar should be followed to ensure public participation in the process.

... Adequate provisions should be made for existing girls' schools and to build new girls' schools in order to overcome the disparity in the numbers of educational institutions for boys and girls in the district.

## 6. Nowshera District

### 6.1. Profile of the District

Nowshera District is located in Khyber-Pakhtunkhwa Province along the bank of Kabul River. It lies to the west of Attock District of Punjab province and to the east and south-east of the districts of Peshawar and Charsada. On its northern border are the districts of Mardan and Swabi and in the south is the district of Kohat. Nowshera District consists of one tehsil and 48 union councils. In 1998, Nowshera District had four Municipal Committees, three Cantonments and one Town Committee.

**Figure 7: Map of Nowshera District**



The total area of the district is 1,748 square kilometres. According to the 1998 census figures, its total population is 0.87 million, including 0.46 million males and 0.42 million females. Census data indicates that the population growth rate of the district is 2.9 percent per annum and it was estimated that by 2009 the population would be around 1.3 million.

**Table 22: Population and Annual increase, 1951-2009 (in Millions)**

	1951	1961	1972	1981	1998	2009 (Estimated)
Population	0.223	0.227	0.411	0.538	0.874	1.300
Average annual growth	-	2.20	3.40	3.20	2.90	-

*Source:* Population Census Organization, Government of Pakistan, Census Report of Nowshera, 1999

According to 1998 census data, Nowshera is a predominantly rural district, with only about one quarter (26 percent) of the population living in urban areas. But in view of current trends, which show a tendency for migration to urban areas, it is likely that the urban population has increased since 1998.

In 1981, the literacy rate of the district was 23.8 percent. The overall literacy rate increased significantly between 1981 and 1998. In 1998, the overall literacy rate of the district was 42.5 percent. For females, it was 22.7 percent, while for males it was 60.6 percent. The improvement in literacy rates was especially significant for females, as it increased from 8.7 percent in 1981 to 22.7 percent in 1998.

There is a significant rural-urban difference in terms of literacy rates. In 1998, only 37.6 percent of the population in rural areas was literate, as against 55.6 percent in urban areas. In the years between 1981 and 1998, the literacy rate of rural women increased from 4.9 percent to 18.1 percent, whereas in the case of rural men it increased from 27.1 percent to 56.5 percent.

**Table 23: Literacy Ratio by Sex and Location – 1981 and 1998 – Nowshera District**

	Area 1981 1998					
	Both	Male	Female	Both	Male	Female
All Areas	23.80	36.80	8.70	42.50	60.60	22.70
Rural	16.20	27.10	4.90	37.60	56.50	18.10
Urban	43.50	58.10	21.20	55.60	70.40	36.60

**Source:** Population Census Organization, Government of Pakistan, District Census Report of Nowshera, 1999

## 6.2. Education Sector in Nowshera

### 6.2.1. Education Facilities

There are 736 functional government-run primary schools in Nowshera District, out of which 425 schools are for boys and 311 are for girls. In 2009, the total number of students enrolled in primary schools was 113,796 (63,782 boys and 50,014 girls). The number of teachers in the government-run primary schools is 2,990 (1,832 male teachers and 1,158 female teachers). The average number of students in government primary schools is 155, and the average teacher-student ratio is 1:38.

**Table 24: Numbers of Primary Schools, Students and Teachers in Nowshera District**

	Number of schools	Number of students enrolled	Number of teachers
Male	425	63 782	1 832
Female	311	50 014	1 158
Total	736	113 796	2 990

**Source:** District Government Nowshera

The overall gross enrolment ratio for all schools in the district (including government schools, non-government schools and *deeni madaris*) is 96 percent. Out of the total, the gross enrolment ratio in government-run primary schools is 60 percent and in non-government primary schools is 34 percent.

The district has 176 secondary schools (i.e. middle, high and higher secondary schools), out of which 115 are for boys and 61 for girls. A significant gender disparity exists, with 28,570 boys enrolled but only 15,340 girls enrolled (43,910 students in total). The average number of students enrolled in government-run secondary schools is 249.

**Table 25: Numbers of Secondary Schools, Students and Teachers, Nowshera District**

	Middle schools			High schools			Higher secondary schools		
	Schools	Students	Teachers	Schools	Students	Teachers	Schools	Students	Teachers
Male	50	5175	307	56	18187	809	9	5208	242
Female	37	3345	170	17	7530	183	7	4465	135
Total	87	8520	477	73	25717	992	16	9673	377

*Source:* District Government Nowshera

The total number of teachers employed in secondary schools in Nowshera District is 1,846 (1,358 male and 488 female). The average teacher-student ratio in government-run secondary schools is 1:24.

The gross enrolment ratio in government-run secondary schools is 26 percent and in non-government secondary schools is 11 percent. Altogether, the gross enrolment ratio is 37 percent at secondary level. In other words, about 63 percent of children of secondary level age are either out of school or in *deeni madaris*.

## 6.2.2. Financing of Education

The district depends primarily on grants received from the provincial government under the PFC award. The district's income sources include local taxes, license fees, investment fees, tender fees, building rents and donations. A very high percentage of the district budget is spent on recurrent expenses, such as salaries.

## 6.2.3. Quality of Education

As in other districts, the public sector education system in Nowshera suffers from serious weaknesses in terms of providing high quality education. As a result, parents who can afford to do so send their children to private schools. The poor quality of education in government schools is a result of a range of factors including inadequate facilities (e.g. lack of drinking water and shortage of toilets), lack of well-trained and motivated teachers, limited availability of subject specialists, lack of science laboratory equipment and weak monitoring and accountability.

## 6.3. Education Budget Analysis

### 6.3.1. Budget Overview

In 2009/10, the total annual budget of Nowshera District was 1,547 million PKR, slightly lower than the revised budget of 1,599.5 million PKR for the previous year (2008/09). About 80 percent of the total annual budget was allocated to salaries, with the remaining 20 percent allocated to non-salary and development expenditures.

In 2009/10, the district budget for the education sector was 984.8 million PKR, which amounted to 63.7 percent of the total budget of the district. The education budget allocated 941.9 million PKR for salaries and 42.9 million PKR for non-salary expenditures. Accordingly, only 4.4 percent of the education budget was allocated for non-salary expenditures. In per capita terms, Nowshera District allocated about 757.5 PKR per person for education in 2009/10.

**Table 26: Nowshera District Budget (in Millions PKR)**

Year	Salaries	Non-salary expenses	Total
2009/10 Estimate	941.90	42.90	984.80
2008/09 Revised	917.80	57.60	975.40
2008/09 Estimate	786.80	40.70	827.50
2007/08 Revised	788.60	46.00	834.60
2007/08 Estimate	789.30	39.50	828.80

*Source:* Annual Budgets, Nowshera District Government

### 6.3.2. Salary Budget

In 2009/10, the total salary budget for the primary schools in the district was 449.7 million PKR, 26.7 percent higher than the original allocation of 355 million PKR in 2008/09. This increase in the salary budget is primarily because of the government's decision to increase the staff salaries.

In 2009/10, only 35 percent of the total salary budget for the education sector was allocated for the salaries of the staff of girls' primary schools. This reflects gender discrimination in the provision of school facilities in the district, with fewer schools for girls and therefore fewer teachers.

**Table 27: Salary Budget of Primary Schools, 2008-2010 (PKR)**

	Salary Budget 2008/09	Salary Budget 2008/09 Revised	Salary Budget 2009/10
Boys' primary schools	233,008,700	271,742,480	292,540,680
Girls' primary schools	121,998,400	149,602,020	157,159,870
Total (all primary schools)	355,007,100	421,344,500	449,700,550
Salary budget of boys' primary schools (%)	65.6	64.5	65
Salary budget of girls' primary schools (%)	34.4	35.5	35

*Source:* Annual Budgets, Nowshera District Government

Between 2008/09 and 2009/10, the number of staff decreased in both girls' and boys' schools. For girls' primary schools, there were 1,574 posts in 2009/10, as against 1,747 in 2008-09. While in boys' schools there were 2,144 posts in 2009/10, as against 2,284 in 2008/09.

In 2009/10, the total salary budget for middle schools was 107 million, which is less than the revised salary budget of 132 million PKR for the previous year. There was, however, an increase of 40.8 percent over the original allocation of 76 million PKR for the year 2008/09.

It is evident from the salary allocations that in middle schools, as in primary schools, there is a huge disparity between the numbers of boys' and girls' schools. In 2009/10, only 34.4 percent of the total salary allocation for middle schools was allocated for employees of girls' schools. In both boys' and girls' schools there has been a decrease in the number of employees in recent years. In 2009/10, there were 1,574 posts at boys' schools, as against 1,747 in 2008/09. At girls' middle schools, there were 352 posts, as against 321 in 2008/09.



**Table 28: Salary Budget of Middle Schools in Nowshera District, 2008-2010**

	Salary Budget 2008/09 (PKR)	Salary Budget 2008/09 Revised (PKR)	Salary Budget 2009/10 (PKR)
Boys' middle schools	47,567,800	104,284,090	70,274,250
Girls' middle schools	28,544,100	27,697,480	36,877,380
Total (all middle schools)	76,111,900	131,981,570	107,151,630
Salary budget of boys' middle schools (%)	62.5	79	65.6
Salary budget of girls' middle schools (%)	37.5	21	34.4

*Source:* Annual Budgets, Nowshera District Government

The allocations of the salary budget depend on the numbers of employees working in each school. In Nowshera District this number ranges between 34 and 46 at higher secondary schools. In spite of the decline in the number of staff in recent years, the salary budget has been increasing. This is because of the annual increase in the staff salaries.

**Table 29: Salary Budget of Higher Secondary Schools in Nowshera District, 2008-2010**

	Number of Staff	Salary Budget 2008/09 (PKR)	Salary Budget 2008/09 Revised (PKR)	Salary Budget 2009/10 (PKR)
Govt. Higher Secondary School, Pirpai	43	7,057,400	7,763,510	8,340,840
Govt. Higher Secondary School, Risalpur	46	7,761,000	8,606,590	11,945,590
Govt. Girls Higher Secondary School, Dak Ismaiel	34	3,976,900	3,997,460	4,792,090
Govt. Girls Higher Secondary School, Rashakai	35	2,849,400	3,502,250	4,636,200

*Source:* Annual Budgets, Nowshera District Government

High schools in Nowshera District normally have a staff of between 17 and 37 persons, though there are some schools with fewer or more staff. Annual salary allocations of high schools generally range between 2.2 million and 6.8 million PKR.

The table below shows the salary budgets from a randomly selected group of high schools (three boys' and three girls' high schools).

**Table 30: Salary Budget of High Schools in Nowshera District, 2008-2010**

	Number of Staff	Salary Budget 2008/09 (PKR)	Salary Budget 2008/09 Revised (PKR)	Salary Budget 2009/10 (PKR)
Govt. High School, Makhulkay	17	2,246,600	2,192,900	2,252,380
Govt. High School, Gandheri Payan	18	2,189,500	2,253,300	2,513,630
Govt. High School, Pahari Kati Khel	18	2,444,700	2,391,520	2,680,320
Govt. Girls High School, Shaidu	33	4,229,200	4,823,230	5,180,920
Govt. Girls High School, Kheshgi	19	2,187,100	2,358,570	2,665,390
Govt. Girls High School, Pirpai	37	6,159,600	6,497,060	6,788,150

*Source:* Annual Budgets, Nowshera District Government

### 6.4.3. Non-salary Budget

As in other districts, very limited funds, ranging from between 2.62 percent to 5.84 percent, have been made available for non-salary expenditures in recent years. Though there have been some increases in the non-salary allocation it remains a very small percentage of the total budget.

**Table 31: Non-Salary Budget Vis-à-Vis the Total Education Budget**

Year	Non-salary budget (PKR)	Total budget (PKR)	Non-salary budget as % of total
Budget Estimate 2006/07	19,583,500	748,818,000	2.62
Revised Estimate 2006/07	22,456,403	725,546,738	3.10
Budget Estimate 2007/08	3,9464,050	789,260,694	5.00
Revised Estimate 2007/08	46,029,098	788,580,100	5.84
Budget Estimate 2008/09	40,680,603	786,821,800	5.17

*Source:* Annual Budgets, Nowshera District Government

The funds allocated for non-salary expenses are usually insufficient to cover the requirements of each school. In 2008/09, for example, only 0.105 million PKR was allocated for science equipment needs in the whole district. This amount could only meet the equipment needs of two schools.

### 6.4.4 Development Budget

Since most of the district budget is consumed by salaries and allowances, few funds are available for non-salary or developmental needs. In the Annual Development Programme in 2009/10 few funds were allocated for development projects in the education sector. Three ongoing projects (under the Special Programme) received RS 1.6 million PKR in 2009/10.

Development projects for education sector are usually implemented by the provincial government through the provincial ADP and there is little participation of the district government in the decision-making at the provincial level.

The table below lists 15 education-related development projects implemented by the Khyber-Pakhtunkhwa provincial authorities in Nowshera District between 2005/06 and 2008/09. Of the 195 schools affected by the projects, 120 were boys' schools and 75 were girls' schools. It is clear from these figures that the provincial government has not made it a priority to build or upgrade girls' schools despite the relative lack of education facilities for girls.

**Table 32: Annual Development Programme, 2005/06 to 2008/09**

S#	Name of scheme with year	Girls' schools (No.)	Boys' schools (No.)	Total allocation (Million PkR)	Total cost (Million PkR)
1	Upgrade of five middle schools to high schools ( 2006/07)	2	3	2.900	26.240
2	Provision of basic facilities in primary schools in Nowshera (2006/07)	30	45	4.000	48.499
3	Establishment of 10 primary schools in Nowshera (2006/07)	4	6	9.174	16.080
4	Establishment of seven girls' primary schools in District Nowshera (2007/08)	7	0	5.000	11.788
5	Establishment of eight boys' primary schools in Nowshera (2007/08)	0	8	4.500	13.472
6	Establishment of nine primary schools in Nowshera (2008/09)	3	6	0.000	23.814
7	Reconstruction of building of GHS No.2 Nowshera (2005/06)	-	2	26.870	26.870

S#	Name of scheme with year	Girls' schools (No.)	Boys' schools (No.)	Total allocation (Million PKR)	Total cost (Million PKR)
8	Construction/Reconstruction of three secondary schools in Nowshera (i.e. GGHS Pabbi; GHS Saleh Khana; GHS Khaisari) (2006/07)	1	2	7.500	40.722
9	Establishment of Nowshera public school (2006/07)	-	1	0.000	100.000
10	Construction of 50 additional classrooms in schools in Nowshera (2007/08)	18	32	13.268	31.744
11	Upgrade of seven primary schools in Nowshera (2007/08)	3	4	4.080	28.737
12	Upgrade of seven middle schools to high schools in Nowshera (Year 2007/08)	2	5	6.000	43.796
13	Reconstruction of building of GHS No.1 Nowshera (2007/08)	-	1	7.704	11.407
14	Upgrade of five primary schools to middle schools in Nowshera (2008/09)	3	2	0.000	26.530
15	Upgrade of five middle schools to high schools (2008/09)	2	3	0.000	38.960
Total		75	120	90.996	488.659

Source: Annual Budgets of the Khyber-Pakhtunkhwa Province Government, 2005/06 to 2008/09

## 6.4. Major Issues and Concerns

A number of issues and concerns were identified relating to the education budget in Nowshera, as listed below.

- ... The overall education budget of the district is very low and is not adequate to meet its education needs.
- ... The non-salary budget of schools in Nowshera is very low and needs to be substantially increased. Currently, the schools cannot meet their basic needs during the year and, as a result, the quality of education suffers.
- ... The district government has the capacity to develop new projects in the education sector but the scarcity of the funds and the lack of resources make it reliant on the provincial government for the execution of such projects.
- ... There is a huge disparity in terms of available educational facilities for boys compared to girls.
- ... Stakeholders, such as teachers, students and communities, currently have little input in assessing needs and determining priorities with regard to the budget preparation process.

## 6.5. Recommendations

The related recommendations are presented below.

- ... It is recommended that the size of the education budget be increased. The district government is advised to take steps to increase its own revenues and also seek an increase in the funds provided by the provincial government under the PFC award.
- ... It is recommended that the provincial government provide additional resources to the district instead of implementing development projects in the elementary and secondary education sector on its own.
- ... The relative lack of education facilities for girls needs to be addressed, especially at the secondary level where there are far fewer girls' high schools than boys' high schools. It is recommended that each annual development programme should accord priority to female education until the disparity is removed.

... The budget making process should be improved and made consistent with the budget rules. The annual budget for the education sector should be need-based and should be prepared and approved through a transparent and open process.

... The district government should be given the authority and responsibility for planning and implementing development projects.

## 7. City District Faisalabad

### 7.1. Profile of the District

Faisalabad is one of the major cities in Pakistan, the largest after Karachi and Lahore. It is widely known for its textile industry. The total area of the district is 5,856 square kilometres. It is bounded by Hafizabad and Sheikhpura to the north and northeast, by Sheikhpura, Okara and Sahiwal to the east and southeast, and by Jhang and Toba Tek Singh to the west and southwest.

Under Local Government Ordinance 2001, Faisalabad was declared as a City District. Until 2001, it had the status of divisional headquarters within the overall administrative arrangement of the provincial government. The City District consists of eight towns: Lyallpur, Madina, Jinnah, Iqbal, Samundri, Tandianwala, Jaranwala and Chak Jhumra.

In 1901, Faisalabad was a small town, with a total population of only 9,171. Its population increased rapidly, reaching 179,000 in 1951 and 2,009,000 in 1998.<sup>5</sup>

**Table 33: Population of Faisalabad City, 1981 and 1998**

Total Population in 1981	Total Population in 1998	Male Population in 1998	Female Population in 1998	Total Population in 2010 (estimated)
1,104,209	2,008,861	1,053,085	955,776	2,480,878

*Source:* Population Census Organization, Government of Pakistan, District Census Report of Faisalabad

Between 1951 and 1998, the population has increased at a rate of between 1.4 percent and 4.10 percent.

**Table 34: Population and Percentage Increase 1951-1998**

	1951	1961	1972	1981	1998
Population (in millions)	1.549	1.990	3.164	3.562	5.430
Average growth rate		2.50	4.10	1.40	2.50

*Source:* Population Census Organization, Government of Pakistan, District Census Report of Faisalabad

According to census data, in 1998 42.7 percent of the population of Faisalabad lived in urban areas. At that time, Faisalabad district included one municipal corporation, three municipal committees and four town committees. In view of the broader trend of rural-urban migration, it is expected that the urban population has further increased since 1998.

In 1998 the literacy rate of the district was 51 percent. This represented a significant increase in literacy since 1981 when the literacy rate was 31.8 percent. For women the literacy rate in 1998 was 42.2 percent while for men it was 60.9 percent. In 1981 the literacy rate for women was 20.7 percent.

<sup>5</sup> These figures are for the Faisalabad city only, not for the whole district.

There is a significant disparity in literacy rates between rural and urban areas. In 1998, only 42.5 percent of the population in rural areas were literate, as against 64.2 percent in urban areas. The disparity was particularly large for women. In rural areas only 30.3 percent of women were literate, while in urban areas the literacy rate for women was 57.9 percent. Rural literacy rates have improved over the years, however. Between 1981 and 1998, the literacy rate of rural women increased from 14.1 percent to 30.3 percent.

**Table 35: Literacy Ratio by Sex and Location – 1981 and 1998**

	1981			1998		
	Both	Male	Female	Both	Male	Female
All Areas	31.8	41.6	20.7	51.9	60.9	42.2
Rural	25.6	36	14.1	42.5	53.9	30.3
Urban	46.2	54.6	36.5	64.2	69.8	57.9

*Source:* Population Census Organization, Government of Pakistan, District Census Report of Faisalabad

## 7.2. Education Sector in Faisalabad

### 7.2.1. Education Facilities

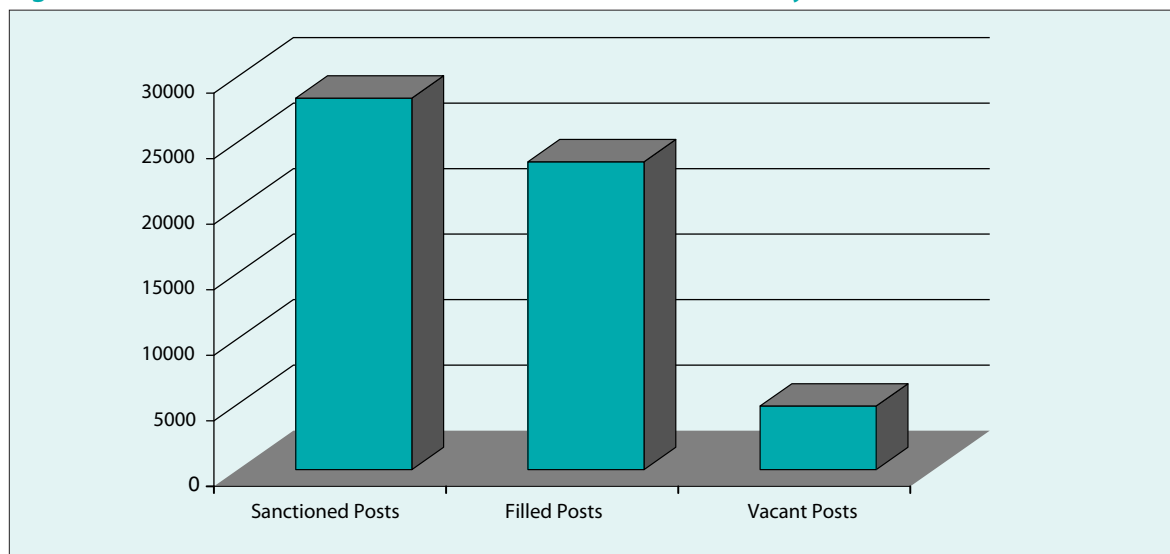
In Faisalabad City District, the total number of schools is 2,838, including 1,522 schools for boys and 1,316 schools for girls. Thus, there is a significant disparity in the numbers of girls' and boys' schools.

**Table 36: Public Sector Schools in Faisalabad District**

	Boys' schools	Girls' schools	Total
Mosque Schools	135	4	139
Primary Schools	1,053	858	1,911
Middle Schools	126	300	426
Secondary Schools	198	138	336
Higher Secondary Schools	10	16	26
Total	1,522	1,316	2,838

*Source:* District Education Department

About 4,858 education posts (17 percent of the total employment posts) are vacant in the district. This is a significant percentage, especially given that the total number of posts is believed to be less than the required number. As a result of the large number of vacancies, many schools have insufficient numbers of teachers. This is particularly the case in relation to subject specialists, such as English teachers, in almost all types of schools.

**Figure 8: Staff Positions in the Education Sector, Faisalabad City District, 2009**

Source: District Budget Books

### 7.2.2. Financing of Education

In City District Faisalabad, government-run education up to the secondary level is predominantly financed through funds provided by the federal and provincial governments. As in other districts, the main channel for this financing is the PFC award, whereby the provincial government distributes funds among the districts falling within its jurisdiction. The City District mobilizes very few resources on its own. In the 2008/09 budget, the Own Source Revenue (OSR) of the district amounted to only 280 million PKR, which was a very small amount in relation to the size of the district and its population.

Under the local government system, the provincial government issues the funds to the district governments, which are empowered to decide how to spend the funds. This is decided through voting in the district council. But as most of the budget must be spent on staff salaries, the district government can only decide the allocation of a small amount of the funds.

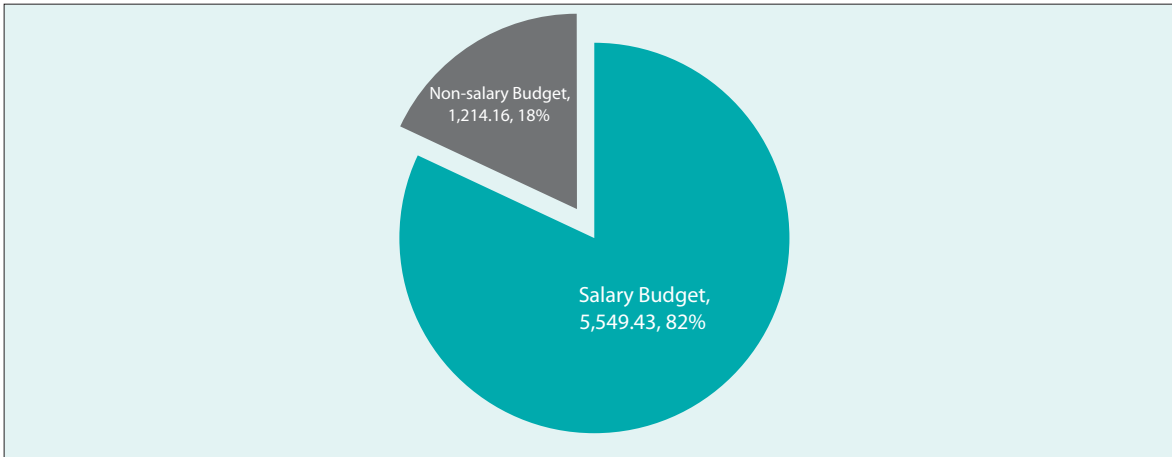
### 7.2.3. The quality of Education

As is the case in other districts, the quality of education in Faisalabad government-run schools is generally perceived as being poor, although there are some notable exceptions. Drop-out rates in government-run schools are high. This is partly due to general societal problems such as the need for children to work to support their families, but also because of the lack of good facilities and lack of well-trained and motivated teaching staff, which lead to poor learning outcomes among students. Given the low quality of many government-run schools, a large number of private schools have been established, which charge high fees and thereby can afford to provide better facilities as well as well-trained and motivated teachers and, therefore, provide a higher quality of education.

## 7.3. Education Budget Analysis

### 7.3.1. Budget Overview

In 2008/09, the total budget of Faisalabad City District was 6,763.6 million PKR. Out of this amount, 5,549.4 million PKR was allocated to salaries and 1,214.2 million PKR (around 18 percent of the total) was allocated to non-salary expenses.

**Figure 9: The Faisalabad City District Budget, 2008/09**

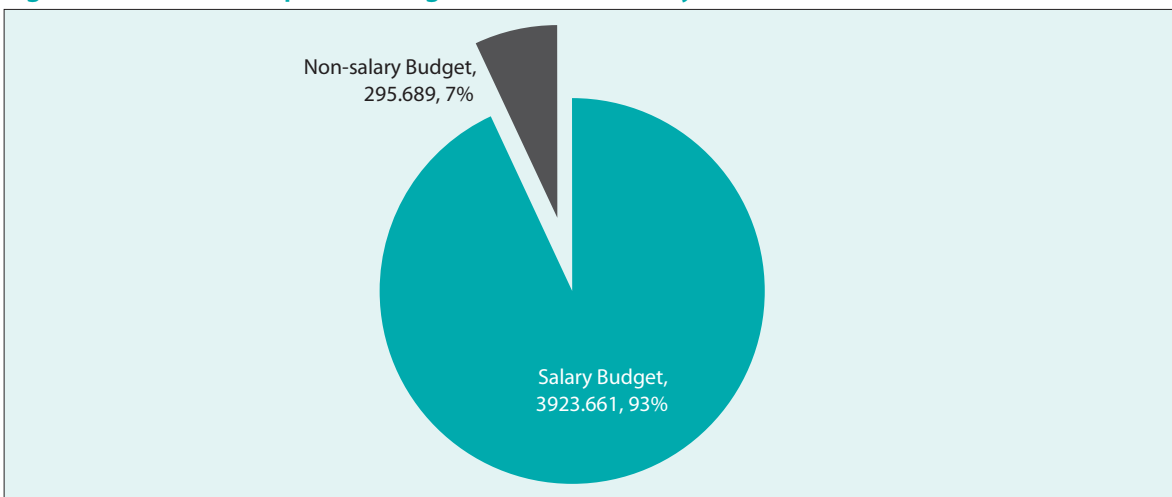
Out of the total budget of 6,763.6 million PKR, the city district government allocated 4,219.4 million PKR (62.6 percent) to the education sector. While this appears impressive, the amount of funds is insufficient to meet the education needs of the population.

### 7.3.2. Salary and non-salary budget

The education budget of the district is divided into two parts: the non-development budget and the development budget. In general, the government aims to increase both parts of the education budget each year, irrespective of the actual needs and requirements.

The non-development budget of the education sector can be divided into salary and non-salary budgets. The salary budget includes the expected expenditures on salaries and allowances to employees, whereas the non-salary budget covers expenditures such as communications, utilities, travel and transportation and maintenance. In 2008/09, out of the total non-development budget of 4,219.4 million PKR, 3,923.7 million PKR was allocated for salaries and only 295.7 million PKR was allocated for non-salary expenses.

The non-development budget of the education department is normally not fully utilized due to the large number of vacant posts, a lack of understanding of disbursement and procurement procedures, complex audit rules and fear of audit objections. An analysis of the non-development budget for the year 2007/08, for example, indicates that the education department of Faisalabad City District spent only 85 percent of the total salary allocation.

**Figure 10: Non-development Budget of Faisalabad City District, 2008/09**

An examination of the figures for the years between 2006/07 and 2008/09 indicates that there has been only a small increase in the amount of funds allocated to the education sector over this three-year period. Although the allocation to the education sector in 2007/08 increased by 24 percent over the previous year, and the allocation in 2008/09 increased by 14 percent, the actual increase was low in view of the high inflation rate over this period.

In general, about 93 percent of the non-development budget is allocated for salaries. Only a small amount remains for expenditures such as operating costs, communications, utilities, travel and transportation, occupancy costs (rents, etc), stationery, employees' retirement benefits, grants, subsidies, transfer allowances, purchases of physical assets and repair and maintenance.

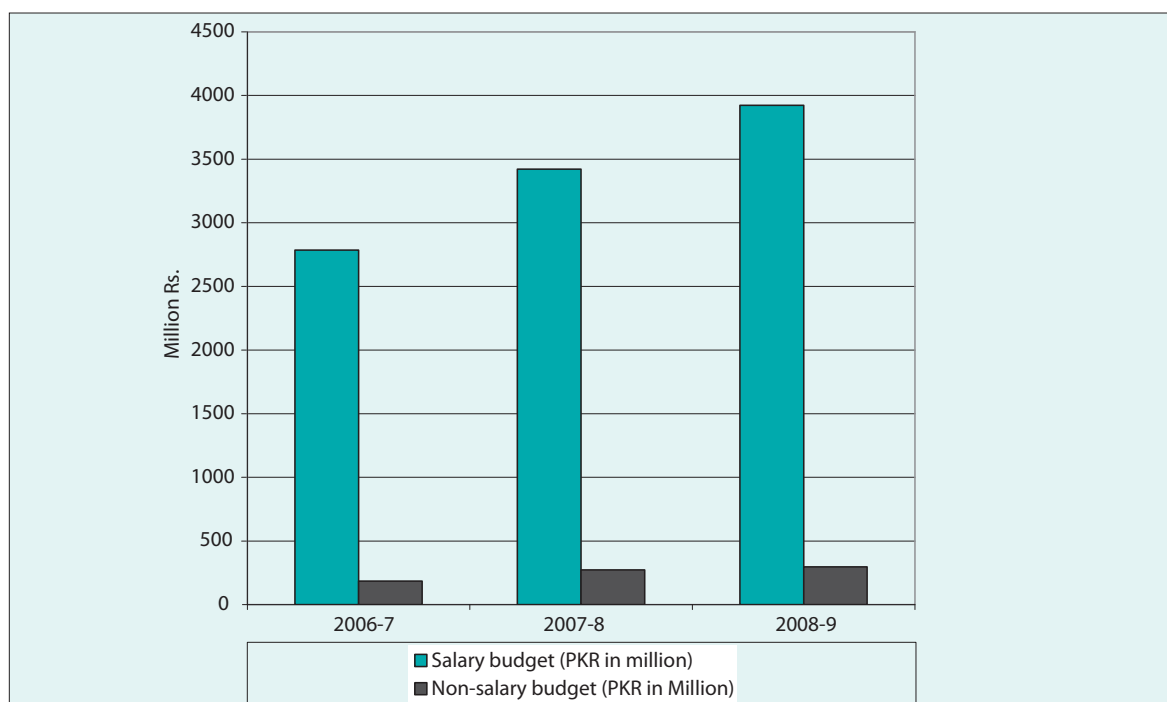
**Table 37: Salary and Non-salary Budgets, Education Sector, 2006/07 – 2008/09**

Year	Total non-development budget (millions, PKR)	Salary budget (millions, PKR)	Non-salary budget (millions, PKR)	Percentage of non-salary expenses in total budget
2006/07	2971.201	2786.253	184.948	6
2007/08	3694.110	3421.341	272.769	7
2008/09	4219.350	3923.661	295.689	7

*Source:* City District Faisalabad Budgets

The figure below illustrates the large difference in the amount allocated to salaries compared to the amount allocated to non-salary expenses.

**Figure 11: Salary and Non-salary Allocations, Education Sector, Faisalabad City District 2006-2009**



The salary budget is usually allocated against the number of employment positions in the education sector of the district. Because many of the posts are vacant, a certain percentage of the salary budget is not consumed and these funds either lapse or are re-allocated during the year.

In general, schools receive few funds to cover operating expenses. As shown in the table below, very small amounts are allocated for some expenses. For example, schools receive 119 PKR per month, on average, for telephone expenses. This amount is not sufficient to even cover the monthly rent for one telephone line. Similarly, the average amount budgeted for electricity per school per month is



464 PKR. This amount is hardly sufficient to run two fans for a month. But even this meagre budget is higher than what the schools actually receive. The administration of the EDO and DEOs are also dependent on the same budget, leaving very little for the operating expenses of the schools.

**Table 38: Operating Expenses in the Education Sector – Selected Categories, 2008/09**

Operating expenses	Total amount in budget for 2008/09 (PKR)	Amount per school, per year (PKR)	Amount per school, per month (PKR)
Telephone and trunk calls	4,080,013	1,437	119
Gas	1,493,000	525	44
Electricity	15,806,304	5,568	464
Water	4,581,838	1,614	134
Stationery	7,903,475	2,784	231

*Source:* City District Faisalabad Budget, 2008/09

Looking at the amounts of the non-salary allocations for several randomly selected schools in Faisalabad City District, it is clear that no uniform criterion is adopted for making allocations. While two primary schools have not been allocated any funds at all for operating expenses, physical assets and repair and maintenance, another primary school has been allocated small amounts for those expenses.

**Table 39: Non-salary Budgets of Selected Schools, Faisalabad City District, 2008/09**

School name	School level	Salary-related expenses (PKR)	Operating expenses (PKR)	Physical assets (PKR)	Repair and maintenance (PKR)
GGMMS Chak 240 GB Jaranwala	Primary	457 999	0	0	0
GGPS Chak 26 GB Satiana	Primary	505 892	20 500	15 000	1 000
GPS Chak 115 GB I	Primary	597 351	0	0	0
PRI G. Technical High School, Faisalabad	High	13 553 894	347 374	300 000	100 000
H.M.G.H.S 164 RB, Faisalabad – 74	High	1 045 720	27 500	100 000	0
PRI G.H.S.S(B)72/GB Jaranwala-2	High	10 891 769	179 609	110 000	60 000
H.M.G.D.P.H.S N. Wala Bangla, Faisalabad	High	2 726 730	49 089	110 000	5 000

*Source:* City District Faisalabad Government

A closer examination of the figures reveals that budgets are prepared in an arbitrary manner, without taking into account the actual needs, as identified by schools themselves, and without considering where there have been changes in prices. Budgets are often prepared by looking at the amount budgeted the previous year.

It should be noted, however, that in addition to funds allocated in the district budget, primary and middle schools receive some funding from the provincial government, through the school management committees (SMCs). Each primary school receives a grant of 25,000 PKR per year, and each middle school receives 50,000 PKR per year. But these allocations are meagre, amounting to only around 2,000 PKR per month for primary schools and around 4,000 PKR per month for middle schools. High Schools do not receive any additional funds from the provincial government. But the SMCs also manage the Farooq-e-Taaleem Fund, which is sustained through monthly contributions by the students.

### 7.3.3. Development Budget

The development budget is meant for new buildings or for upgrading and expansion of existing facilities. In 2008/09, the government implemented 98 projects relating to education development, at an estimated cost of 75.9 million PKR. The average cost of each project is about 0.74 million PKR. But only 60.7 million PKR was allocated for the development projects in 2008/09; the remaining amount will be allocated in future years.

The Annual Development Programme of 2008/09 included only three projects regarding building of new institutions, all the others were projects relating to upgrading facilities. Out of the three new construction projects, only one was planned to start in 2008/09, the other two projects were ongoing. The three projects and their budget allocations are presented in the table below.

**Table 40: New Development Projects in the Education Sector 2008/09**

Project	Total cost (PKR, millions)	Amount spent in previous years	Budget allocation for 2008/09 (PKR, millions)
Construction of Institute of Learning EDO (Education) Faisalabad.	17.700	0	17.700
Establishment of Govt. Girls College at Chak Jhumra.	17.633	15.077	1.253
Establishment of Boys College at Chak Jhumra.	18.590	15.967	0.733

*Source:* Annual Development Plan, City district Government, Faisalabad, 2008/09

It is not clear why only a small amount (1.253 million PKR) was allocated for the establishment of the Girls Degree College at Chak Jhumra. The total estimated cost of the project is 17.633 million PKR, and an amount of 15.077 million has already been spent. Given that the remaining amount required to complete the project is 2.556 million PKR, the allocation of only 1.253 million PKR appears to be a deliberate attempt to prolong the length of the project. Unfortunately, this is a common practice in district budget allocations, as the district authorities try to inflate the number of development projects, causing long delays in the completion of existing projects. Such delays usually result in increases in the cost of the projects.

In 2008/09, out of the 98 projects for the education sector, only 65 projects were funded. The remaining ongoing projects, on which some work had already been performed, were not allocated any funds.<sup>6</sup> This indicates that there are long delays in the implementation of projects already approved and begun. The table below presents some facts about the district's education development activities

**Table 41: Key Points in the Faisalabad City District Education Development Budget, 2008/09**

	Amount / Number
The total number of development projects in 2008/09	98
The number of projects started in previous years (ongoing projects)	37
Ongoing projects that will not get funding in 2008/09	33
Amount required to complete ongoing projects	22.742 million PKR
Amount allocated to ongoing projects	2.310 million PKR
New projects begun in 2008/09	61
Budget allocation to new projects starting in 2008/09	58.347 million PKR
Projects that were to be started and completed in 2008/09	54

*Source:* Annual Development Plan, City district Government, Faisalabad, 2008/09

## 7.4. Major Issues and Concerns

The issues and concerns identified in relation to the education budget of Faisalabad City District are presented below.

- ... The total number of official posts in the education department of Faisalabad City District is 28,351. This includes both teachers and support staff. Out of the total, 17 percent of the posts are vacant, including over 3,000 teaching staff positions.
- ... Even though the districts have responsibility for the education sector, the district authorities have little autonomy over recruiting new staff or rationalizing staff requirements according to changing needs.
- ... The district government does not undertake needs based budgeting in the education sector. The budget for non-salary items is distributed on the basis of the number of classrooms. This approach benefits only the schools that have proper buildings and not the schools without adequate buildings (about 15 percent of the schools).
- ... The ad-hoc nature of education planning is particularly visible in the education development budgets. There is a tendency to ignore ongoing development projects and initiate new projects. This wastes the money that has been spent on ongoing projects in previous years.
- ... The funds provided to SMCs by the provincial government are not in line with the needs of the associated schools.

## 7.5. Recommendations

The related recommendations are presented below.

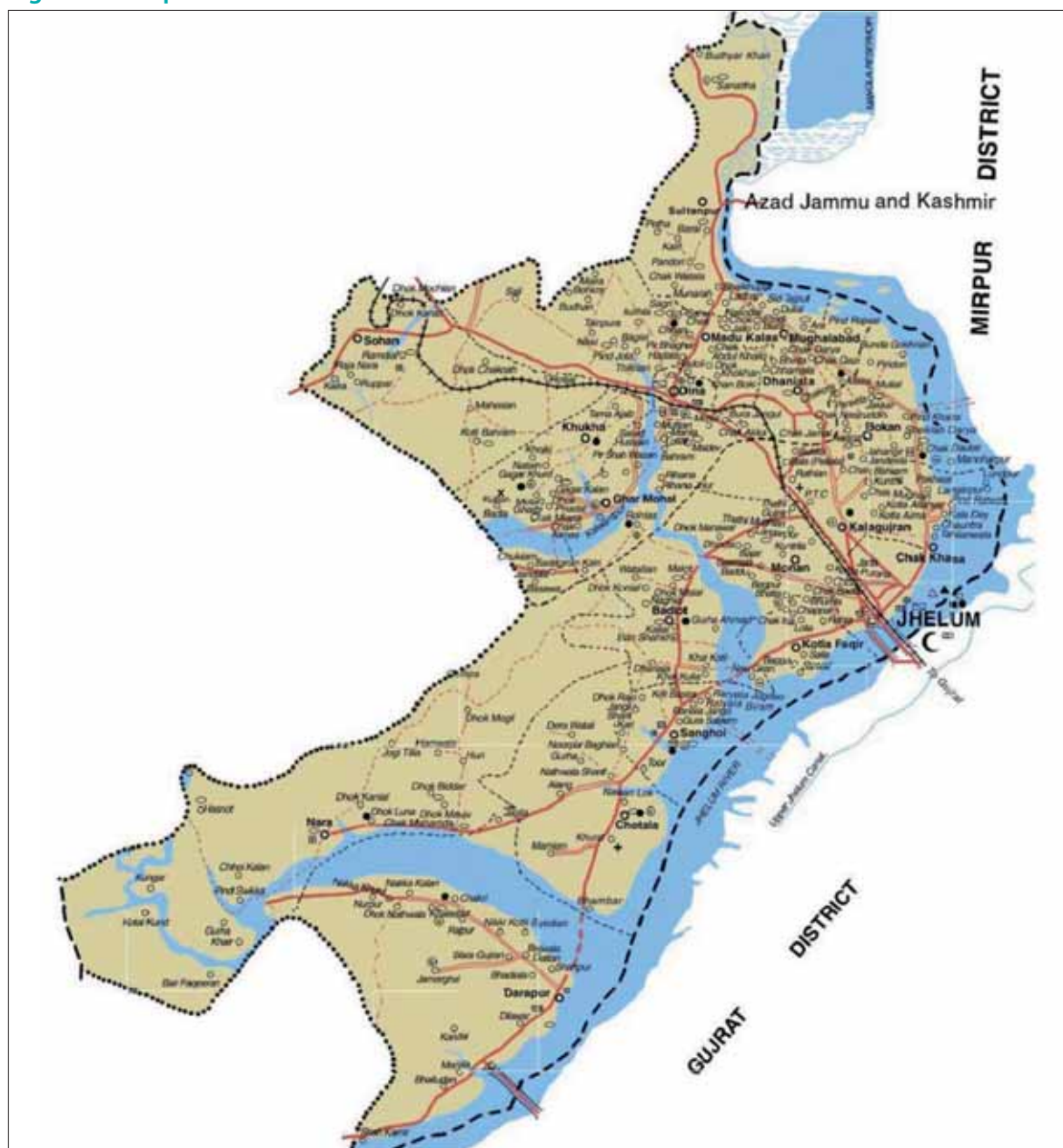
- ... Vacant posts should be filled immediately to ensure that schools have adequate staff numbers.
- ... District education authorities should be given more powers for local decision making, so that they can perform their responsibilities more effectively and efficiently.
- ... The education departments should initiate needs based budgeting at the school level, so that budget allocations more realistic and responsive to actual needs.
- ... As few funds are available for development projects, careful plans should be made for spending these funds and ongoing projects should be completed within a set timeframe.
- ... Non-salary allocations should be increased significantly so that schools can meet their operational needs. At the same time, a mechanism should be devised to ensure that the procedure for receiving the allocations is easy and transparent so that the schools can put their plans into practice effectively.
- ... The procedure of providing grants should be improved and made needs-based. There is also room for improving the capacity of SMCs for utilizing transfers in a transparent and judicious manner.
- ... The budgetary allocations should be subject to the performance of the institutions. Such performance based budgeting, with a well defined monitoring policy, would help improve the quality of education.
- ... All stakeholders, including the students and communities, should be able to participate in the process of identifying the budgetary needs of the schools. This should be made possible at the time when schools must submit their requirements in response to the Budget Call Letter.
- ... Adequate provisions should be made for the existing girls' schools and efforts should be made to reduce the difference in the numbers of educational institutions for boys and girls in the district.

## 8. Jhelum District

### 8.1. Profile of the district

Jhelum District is situated in the north-east of Punjab province. It is bounded in the north by Rawalpindi District, in the south by Mandi Baha-ud-Din, Gujrat and Sargodha, in the east by Azad Jammu and Kashmir and in the west by Chakwal and Khushab, from which it is separated by the Kohistan-e-Namak mountain range.

Figure 12: Map of Jhelum District



According to census figures, the total population of Jhelum district was 936,957 in 1998, with a population density of 261 per square kilometre. The population is largely rural, as shown in the table below.

It is estimated that in 2009 the population of Jhelum District was 1,103,000, a 15 percent increase since 1998. In 2009, the rural population was about 73 percent of the total.

**Table 42: Rural and Urban Populations of Jhelum District, 1998 and 2009**

Year	Urban	Rural	Total
1998	252 978	683 979	936 957
2009 (estimated)	297 810	805 190	1 103 000

*Source:* Population Census Organization, Government of Pakistan

According to the Punjab Provincial Education Department's annual literacy statistics for 2006, Jhelum District has a literacy rate of 74 percent, which is the highest in Punjab province. The district's education department claims that the literacy rate for those aged under 15 years old is as high as 90 percent.

## 8.2. Education Sector in Jhelum

### 8.2.1. Education Facilities

In Jhelum the numbers of boys' schools and girls' schools are almost equal. There are 502 government boys' schools and 515 government girls' schools. In these 1,071 schools, 161,726 students are enrolled. High schools have 562 students per school on average (most of the high schools have 10 classrooms) and primary schools have 83 students per school on average.

**Table 43: Numbers of Boys' and Girls' Schools in Jhelum District**

Category of school	Boys'	Girls'	Total	Enrolment
Higher secondary schools	5	6	11	14 364
High schools	55	43	98	55 084
High schools (MC)	0	01	01	436
Elementary schools	61	68	129	26 407
Primary schools	377	376	753	62 353
Community model schools	0	15	15	1 831
Primary schools (MC)	04	06	10	1 251
Total	502	515	1017	161 726

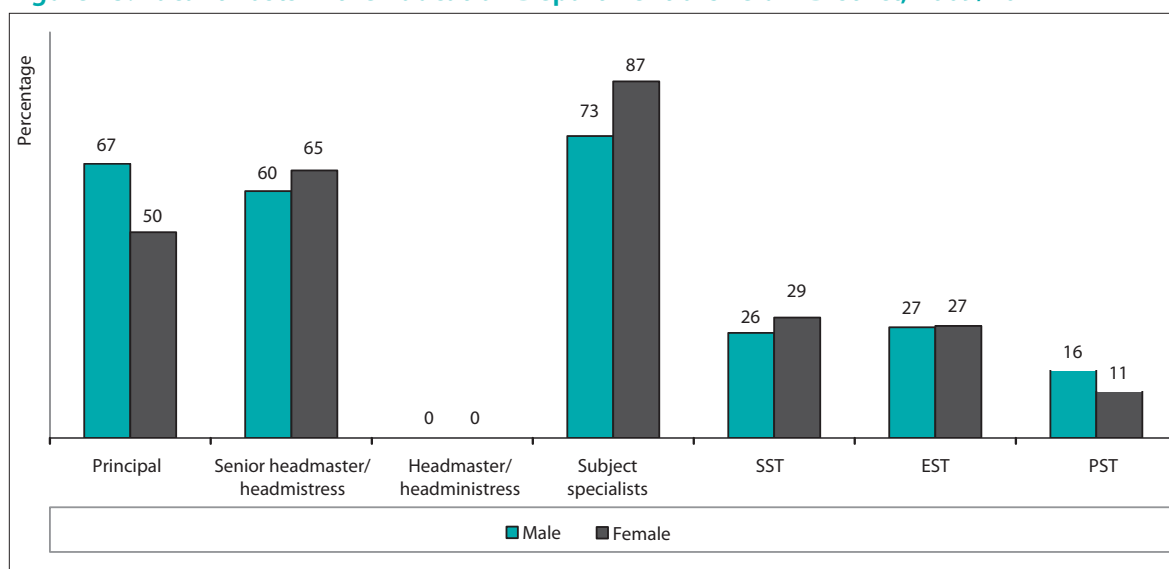
*Source:* Office of Executive District Officer/ Education, DJhelum District

In the 1,017 schools, there are 6,375 teaching posts. But more than 20 percent of these posts are vacant. There should be 3,552 male teachers but according to the figures collected from the EDO office in Jhelum, 817 posts (23 percent) are vacant. Similarly, out of 2,823 female teacher posts, 561 (20 percent) are vacant. Among subject specialists, 73 percent of male posts are vacant while 87 percent of female posts are vacant. This lack of subject specialists directly affects the quality of education in Jhelum District.

**Table 44: Number of Posts in the Education Sector, Jhelum District**

Name of post	Official posts			Vacant posts		
	Male	Female	Total	Male	Female	Total
Principal	9	4	13	6	2	8
Senior headmaster/headmistress	35	20	55	21	13	34
Headmaster/headmistress	17	18	35	0	0	0
Subject specialists	109	60	169	80	52	132
SST	427	294	721	109	86	195
EST	1,145	867	2,012	308	236	544
PST	1,810	1,560	3,370	293	172	465
	3,552	2,823	6,375	817	561	1,378

Source: Office of Executive District Officer for Education, Jhelum District

**Figure 13: Vacant Posts in the Education Department of Jhelum District, 2009/10**

Source: Office of Executive District Officer for Education, Jhelum District

Apart from public schools, Jhelum District also has private schools (primary, middle and secondary levels). The table below indicates the numbers and types of private schools in the district.

**Table 45: Numbers and Types of Private Schools in Jhelum District**

	Boys' schools	Girls' schools	Co-educational schools	Total
Primary	2	4	249	255
Middle	2	0	71	73
Secondary	5	1	69	75
Total	9	5	389	403

Source: Census of Private Educational Institutions in Pakistan, 1999-2000

About 57,000 children are enrolled in these private schools, including over 26,000 girls. The numbers of students enrolled in private education in Jhelum are presented in the table below.

**Table 46: Student Numbers in Private Schools in Jhelum District**

	Boys' schools	Girls' schools	Total
Primary	26 302	21 117	47 419
Middle	3 735	3 578	7 313
Secondary	1 232	1 653	2 885

*Source:* Census of Private Educational Institutions in Pakistan, 1999-2000

According to the Census of Private Educational Institutions in Pakistan in 1999/00, 2,980 teachers were associated with the private education institutions of Jhelum District. In primary schools 86 percent of teachers are female, with 1,103 female teachers and 180 male teachers. Female teachers also make up the majority of teachers in middle and high schools (84 percent and 81 percent respectively).

**Table 47: Number of Teachers in Private Schools in Jhelum District**

	Male teachers	Female teachers	Total
Primary	180	1103	1283
Middle	106	550	656
Secondary	199	842	1041
Total	485	2495	2580

*Source:* Census of Private Educational Institutions in Pakistan, 1999-2000

The school to teacher ratio in private primary schools is 1:5. The student to teacher ratio in private primary schools is 1:37.

**Table 48: School to Teacher, School to Student, and Student to Teacher Ratios in Private Schools, Jhelum District**

	School to Teacher ratio	Student to School ratio	Student to Teacher ratio
Primary	5	186	37
Middle	9	100	11
Secondary	13	34	3

*Source:* Census of Private Educational Institutions in Pakistan, 1999-2000

### 8.2.2. Financing of Education

As in other districts, in Jhelum the public sector education (up to the secondary level) is mainly financed by the federal and provincial governments through the PFC award. Accordingly, the provincial government distributes funds among the districts falling within its jurisdiction. Jhelum District faces a scarcity of resources. In the budget, from 2007/08 for instance, the district's own revenues amounted to only 26.3 million PKR, 11 percent of the total annual estimated receipts of 2,444.2 million PKR.

## 8.3. Education Budget Analysis

### 8.3.1. Budget Overview

In 2009/10, the total education budget of Jhelum District was 1,337 million PKR, which represented a 19 percent increase from the original allocation of 1,122 million PKR in 2008/09. But the original allocation of RS 1,122 million was revised down to 1,065 million, so the actual increase was greater.

In 2007/08, the total district education budget was only 1,011 million PKR. Between 2007 and 2010, the budget has increased by about 32 percent. This amounts to an increase of about 10 percent per year on average, which is very low given the high inflation in the country.

**Table 49: Education Sector Budget, Jhelum District**

Year	Budget (millions, PKR)	Change from previous year (millions, PKR)	Change from previous year (%)
2007/08	1 011	-	-
2008/09	1 065	54	5
2009/10	1 337	272	25.5

*Source:* Office of EDO Jhelum District Government Budgets, 2007 - 2010

In 2008/09, the budget allocation for education increased by 5 percent in nominal terms compared to the previous year. In real terms this was actually a decrease, as the inflation rate far exceeded the nominal increase of 5 percent.

In 2009/10 there was a 25 percent increase in the budget compared to the revised budget of 2008/09. This indicates there may have been some real increase over this year, but only if no subsequent downward revisions were made during the year. The table below shows that downward revisions are common.

**Table 50: Original and Revised Budget Estimates, Education Sector, Jhelum District**

Year	Original budget (millions, PKR)	Revised estimates (millions, PKR)	Change (millions, PKR)	Change (%)
2007/08	1 046	1 011	(-)35	(-)3
2008/09	1 122	1 065	(-)57	(-)5
2009/10	1 337			

*Source:* District Government Budgets 2007-2010, Jhelum District

In per capita terms, the Jhelum District Government spent 8,267 PKR per student per year and 688 PKR per student per month in 2009/10 (provided that the full amount of 1,337 million PKR was spent during the year).

### 8.3.2. Salary Budget

The salary component of the district budget for Elementary and Secondary Education constitutes the largest allocation for the education department. This allocation raised from 1,116 million PKR in 2008/09, to 1,330 million PKR in 2009/10, an increase of 13 percent.



**Table 51: Salary Budget as Percentage of Total Budget**

Year	Current budget (millions, PKR)	Salary budget (millions, PKR)	Salary budget compared to total budget (%)
2008/09	1 122	1 116	99.47
2009/10	1 337	1 329	99.40

*Source:* District Government Budgets 2007-2010, Jhelum District

The Education Department is the largest of the departments in the district. In this department, the number of posts is 8,745. Of these, teaching staff consist of 6,375 personnel. The remaining 2,370 either belong to support staff or general administration. The percentage of general and support staff in the education department is 27, which is very high.

About 1378 positions are vacant in the Jhelum District education department. But it is the practice in many departments to calculate the budget based on all the existing posts. Thus, at the end of the year, the budgeted amounts are not fully consumed.

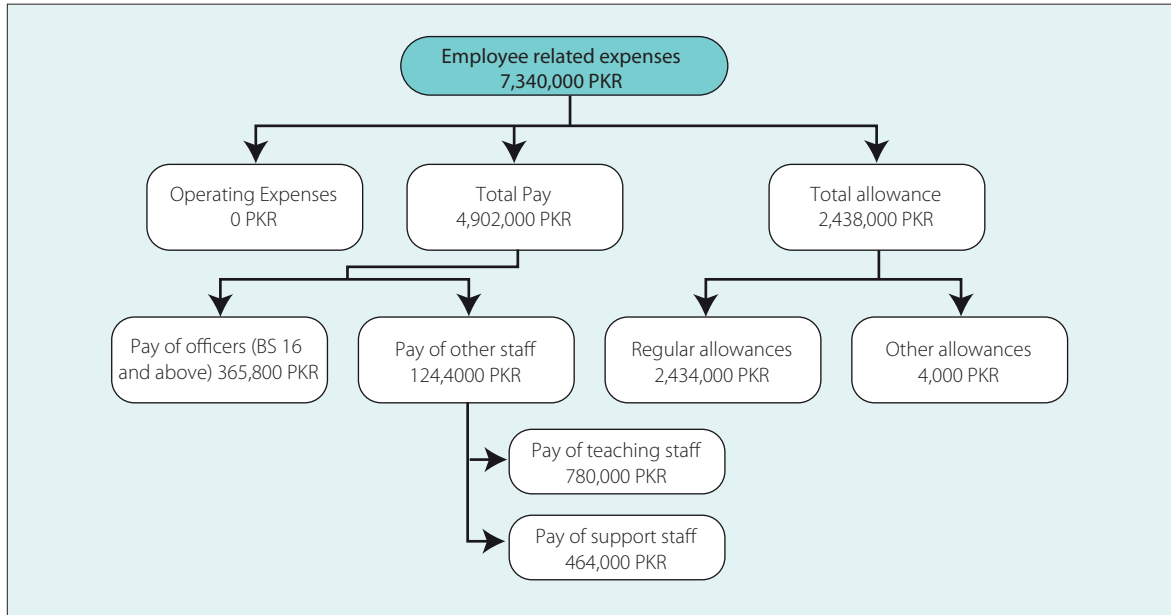
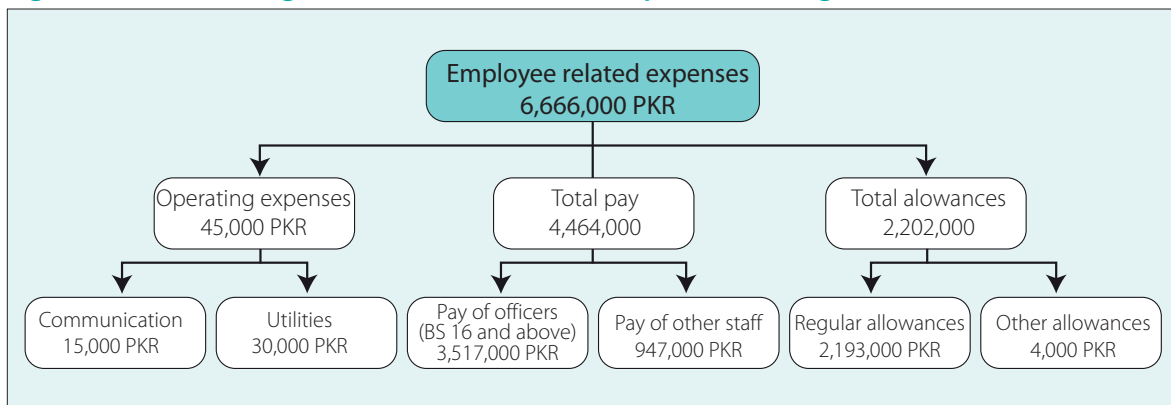
### 8.3.3. Non-salary Budget

An examination of the education budget of the Jhelum District Government indicates that the salary component of the education department budget is around 99.5 percent of the total. Only 0.5 percent of the education budget is allocated to non-salary expenditures. As in other districts, these non-salary allocations are supposed to cover the costs of utilities, communications, travelling expenses and maintenance of buildings.

In 2009/10, the district government allocated 4,863,000 PKR for non-salary expenses. The total number of schools in Jhelum District is 1,017 and, thus, each school received about 4,781 PKR on average. Accordingly, each school received only 398 PKR per month, on average, for operating expenses. This amount excludes the administrative expenditures of the EDO and its subordinate offices. This lack of funds explains the pathetic condition of the public sector schools, in which no water is available for drinking, no electricity is available for running the fans and no furniture or other facilities can be maintained. The school administrations either accept these facts or charge the students fees for the upkeep of school facilities.

More disturbing is the fact that the 0.5 percent allocation for non-salary expenses rarely reaches the schools. The funds for day-to-day operating expenses are placed at the disposal of administrative offices and schools find it extremely difficult to access these funds.

School budgets have very few funds allocated to non-salary expenses. Looking at Government Comprehensive High School, Jhelum, for example, in 2008-09, an amount of 45,000 was allocated to operating expenses, including 30,000 PKR as utilities charges and 15,000 PKR as communication expenses. But even this meagre amount was removed from the school budget the following year. In 2009/10, the total allocation of was 7,340,000 PKR and out of this amount, nothing was allocated to cover operating expenses. It is not known how the school will cover these expenses.

**Figure 14: School Budget for the Government Comprehensive High School, 2009/10****Figure 15: School Budget for the Government Comprehensive High School, 2008/09**

Primary and middle schools get some funding support, however, from the provincial government. As in other districts, these funds are managed by the Education EDO in collaboration with the DMO, and the funds are utilized by the SMCs. Through this mechanism, each primary school gets a grant of 25,000 PKR per year and each middle school receives 50,000 PKR per year. As the non-salary allocation in the Jhelum district budget is only 0.5 percent of the total education budget, schools have to rely almost solely on the funds provided through SMCs to cover non-salary expenditures. But these allocations amount to only around 2,000 PKR per month for primary schools and around 4,000 PKR per month for middle schools, so are not adequate. This situation is even worse for high schools, which do not receive any additional funds and have to depend solely on the funds collected through the Farooq-e-Taaleem. This fund is maintained through students' monthly contributions.

### 8.3.4 Development Budget

In Jhelum District, the local government system is being debated and development schemes of the district have become victims of the consequent uncertainty. As of August 2010, the development budget for 2009/10 had not been presented in the district council. When asked, the Finance and Planning EDO reported that the development budget had been sent to the Punjab Provincial Government for approval but had not yet been approved.

An examination of the previous years' development budgets indicates that there are two main kinds of development programmes being implemented in the education sector in Jhelum: one kind is implemented by the district government through its own ADP and the other kind is implemented through the grants received from the provincial government.

The total allocation for the development programme in the education sector in 2008/09 was 6.019 million PKR. This amount was allocated to six schemes related to building boundary walls or additional class rooms. No new schools was planned to be built during the year, nor was there any allocation for upgrading any schools. The six development schemes require a short time for completion but they are planned over a period two or three years. This is largely due to local politics whereby local political leaders insist on the inclusion of schemes for their areas and more development schemes are approved but, since the overall funding is limited, with small allocations for each. This means they must be completed over several years. Moreover, the higher number of development schemes makes the district development plans look more robust. The table below lists the development schemes in the education sector in Jhelum in 2008/09.

**Table 52: Jhelum District Development Schemes 2008/09 - Education Sector**

Development Schemes	Total Cost (millions, PKR)	Expenditure up to 30 June 2008 (millions, PKR)	Allocation for 2008/09 (millions, PKR)
Const./Raising of B/Wall, Gate and Gate Pillars and Restoration of TMA Building for GGHS No.2 Jhelum	0.537	0.308	0.229
Construction of Boundary Wall GGHS, Kala Gujran, Tehsil Jhelum	0.927	0.010	0.917
Construction of Boundary Wall MC Girls Primary School, Machine Mohallah, Tehsil Jhelum	0.684	0.336	0.348
Construction of 4 Classrooms in GGES, Khalas Pur, Tehsil Jhelum	1.836	0.010	1.826
Construction of 4 Classrooms in GGES, Nagial, Tehsil Sohawa	1.836	0.010	1.826
Construction of Boundary Wall and Earth Filling in GBES, Pinanwal, Tehsil PD Khan	1.873	1.000	0.873
Total	7.693	1.674	6.019

**Source:** District Government, Annual Development Plan 2008/09, Jhelum

The Annual Development Plan of Jhelum District indicates that there were no requests for upgrading and building of new schools in 2008/09. There were 16 Citizen Community Board (CCB) projects on board in 2008/09 but nothing was allocated to education projects, instead the funds went towards health, irrigation and road projects.

In 2008/09 the provincial government allocated 251 million PKR for development projects in Jhelum Districts. These projects included upgrading of existing schools and education sector reform. Here too, the projects were planned over several years, regardless of their size. The table below lists the schemes planned by the provincial government.

**Table 53: Provincial Grants in the Education sector in Jhelum District, 2008/09**

Development schemes	Total cost (millions, PKR)	Expenditure up to 30 June 2008 (millions, PKR)	Allocation for 2008/09 (millions, PKR)
Education Sector Reform	64.151	30.812	17.470
Upgrading of schools	72.500	0.000	72.500
Construction of library rooms in 38 elementary schools	9.006	0.000	9.006
Punjab Education Sector Reform Programme (I, II, III, IV)	428.378	276.319	152.059
Total	468.196	307.131	251.035

*Source:* District Government, Annual Development Plan 2008/09, Jhelum

In 2008/09 the total development budget for the district, including the grants provided by the provincial government, amounted to 257.054 million PKR. Of this amount, the share of the district government was only 2.4 percent. This indicates that the districts have few resources available to plan and implement the development projects on their own.

## 8.4. Major Issues and Concerns

The major issues and concerns related to the education sector and its budget in Jhelum district are as listed below.

- ... Schools have very few funds to cover their operating expenses as no allocations were made in the budget for this purpose. As a result, the school administrations have to depend upon the contributions made by the students.
- ... More than 25 percent of the in teaching staff positions are vacant in Jhelum District.
- ... The development portion of the education budget is very low and it is not possible for the district government to start new projects with this small amount.
- ... Funds provided to SMCs by the provincial government are not based on any assessment of needs of the schools.

## 8.5. Recommendations

The related recommendations are listed below.

- ... The annual budget should be needs-based and provide for all necessary expenditures. It is necessary to revisit the education requirements of Jhelum District and set new priorities in the education sector.
- ... More resources are required for the smooth running of the education system. The district government should increase the amount of resources allocated to the education sector. An increase in the overall budget for the education sector in the district will only be possible, however, if the resources of the district, along with the resources allocated through the PFC award, witness a significant increase.
- ... The mechanism of providing SMC grants needs to be improved and made needs-based. There is also a need to improve the capacity of SMCs for utilizing such transfers in a transparent and judicious manner.
- ... It is imperative to fill the vacant teaching positions immediately. In the absence of teaching staff in the schools, the quality of the education provided in the district will suffer.
- ... The Budget Calendar should be followed strictly to ensure efficiency and public participation in

the budget making process. All stakeholders, including the students and communities, should be consulted and their views must be weighed and incorporated at the time when schools are required to submit their requirements in response to the Budget Call Letter.

... The budget making process needs to ensure adequate provisions for existing girls' schools.

## 9. Multan City District

### 9.1. Profile of the District

Multan, one of the oldest cities in South Asia, is located in the centre of Pakistan, in the southern part of Punjab Province. It is situated on the east bank of the Chenab River and is bounded in the east by Lodhran and Khanewal Districts, in the north by Khanewal District, in the south by Bahawalpur District and in the west by Muzaffargarh District.

Multan City District covers an area of 3,721 square kilometres. In 2005, it was designated as a City District, which consists of 6 towns: Boson, Shah Rukan-e-Alam, Mumtazabad, Shershah, Shujabad and Jalalpur. According to 1998 census, Multan district had a population of over 3.8 million. In 1951, the total population of Multan district was 0.7 million, and it is estimated to have increased to about 5 million by 2009. In terms of population, Multan city is the sixth largest city in Pakistan.

**Table 54: Population and Percentage Change, 1951-2009**

	1951	1961	1972	1981	1998	2009 (Estimated)
Population (millions)	0.725	0.984	1.506	1.970	3.117	5.000
Average annual change (%)	-	3.10	3.70	3.20	2.70	-

*Source:* Population Census Organization, Government of Pakistan, District Census Report of Multan

According to the census data, in 1998 42.2 percent of the total population of Multan lived in urban areas. At that time Multan district included one Municipal Corporation, one Municipal Committee, one Cantonment and three Town Committees. In view of the rural-urban migration trend, it is expected that the urban population had increased by 2009, but reliable statistics are not available.

According to the 1998 census, the overall literacy rate of the district was 43.4 percent. For women it was 32.3 percent and for men it was 53.3 percent. In 1998, the overall literacy rate had nearly doubled since the 1981 census, when it had been reported as only 23.5 percent. For women, the literacy rate had increased from 12.9 percent in 1981 to 32.3 percent in 1998.

The 1998 census had shown a significant rural-urban difference in terms of literacy rates. In 1998, only 29.5 percent of the population in rural areas were literate, as against 60.9 percent in urban areas. Likewise, only 16.2 percent of women were literate in rural areas, whereas the literacy rate of women in urban areas was 53.2 percent. The literacy rate of men is increasing faster compared to that of women. In the years between 1981 and 1998, the literacy rate of rural women increased from 6.2 percent to 16.2 percent, while for rural males it increased from 25.8 percent to 41.6 percent.

**Table 55: Literacy by Sex and Location – 1981 and 1998**

	1981 (%) 1998 (%)					
	Both	Male	Female	Both	Male	Female
All Areas	23.50	32.60	12.90	43.40	53.30	32.30
Rural	16.70	25.80	6.20	29.50	41.60	16.20
Urban	41.30	50.30	30.70	60.90	67.50	53.20

*Source:* Population Census Organization, Government of Pakistan, District Census Report of Multan, 1999

## 9.2. Education sector in Multan

### 9.2.1. Education Facilities

In Multan City District the total number of schools is 1,857, including 922 schools for boys and 935 schools for girls. It is one of the few districts in the country where the number of girls' schools is higher than that of boys'. But when it comes to secondary and higher secondary schools, the number of boys' schools is higher than the number of girls' schools. For example, the total number of secondary schools in the district is 132, but only 31 are for girls.

**Table 56: Public Schools in Multan District**

	Boys' schools	Girls' schools	Total
Mosque Schools	244	9	253
Primary Schools	484	783	1 267
Middle Schools	85	107	192
Secondary Schools	101	31	132
Higher Secondary Schools	8	5	13
Total	922	935	1 857

*Source:* City District Government, Multan

The total number of students enrolled in public schools in Multan district is 1,384,236. Out of these, almost 15 percent (205,084) are enrolled in primary schools. Although the number of girls' secondary schools is far lower than the number for boys, more girls than boys are enrolled in secondary schools.

**Table 57: Enrolment Numbers in Multan District**

	Girls enrolled	Boys enrolled	Total
Pre Primary	45 505	39 761	85 266
Primary	113 382	91 702	205 084
Middle	39 840	23 419	63 259
Secondary	17 467	11 568	29 035
H.Sec.	615	977	1 592
Total	216 809	167 427	384 236

*Source:* City District Government, Multan

### 9.2.2. Financing of Education

Government-run education in Multan, up to secondary level, is supported by the federal and provincial governments through funds from the Provincial Finance Commission (PFC) award whereby the provincial government distributes funds among the districts falling within its jurisdiction. Multan City District has limited resources to bring into use on its own. In the 2009/10 budget, the Own Source Revenue of the district amounted to only 204 million PKR, which included 58.5 million PKR in arrears. Hence, the OSR share in the total district budget was only 2.8 percent.

### 9.2.3. Quality of Education

As in other districts, the government-run schools are not up to the mark in terms of performance and productivity. This has created room for the growth of private schools. These schools mostly existed in urban areas but are now also being established in rural areas.

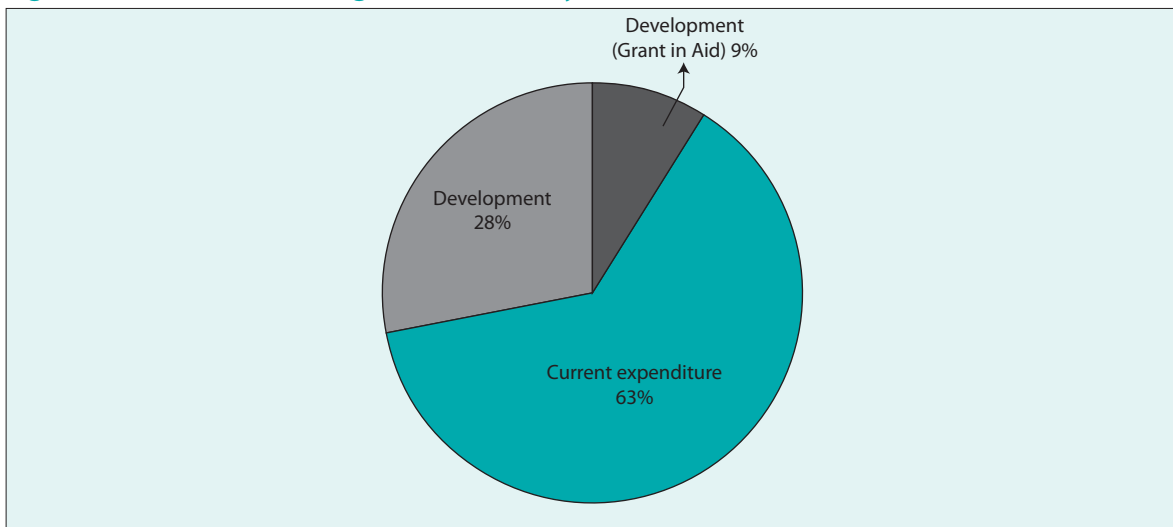
The lack of facilities, inadequate teaching staff and lack of motivation among teachers, means that the government-run schools usually fail to properly manage children and keep them interested in continuing their schooling. As a result, enrolment remains low, particularly at secondary levels.

## 9.3. Education Budget Analysis

### 9.3.1. Budget Overview

In 2009/10, the total annual budget of Multan City District was 7,264.6 million PKR. Of this, 4,514 million PKR were for non-development expenditures and 2750.5 million PKR were for development projects. Hence, the development budget is over 37 percent of the total budget of the district.

**Figure 16: Total Annual Budget of Multan City District, 2009/10**



Of the total non-development budget of 4,514 million PKR, the allocation for the education sector amounts to 2,755 million PKR. Thus, about 61 percent of the total non-developmental budget for the district is allocated to the education sector. This looks impressive but the amounts allocated fall short of the needs of the people in the district.

The percentage of funding allocated to education has decreased over the past five years. In 2004/05, the total allocation for the education sector was 1,403,646,000 PKR out of the total non-developmental budget of 2,062,938,000 PKR for the whole district.<sup>7</sup> Thus, about 68 percent of the total non-developmental budget was being spent on education.

### 9.3.2. Salary Budget

In Multan City District, each year about 95 percent of the total non-developmental education budget is allocated for the payment of salaries of teaching and other staff, with only about 5 percent allocated for non-salary expenditures.

7 City District Government, District Budget (Part-I) – 2005-06, Multan

**Table 58: Salary and Non-salary Budgets for EDO (Education Group) in Multan District**

Type	Budget Estimate 2008/09 (PKR)	Revised Estimate 2008/09 (PKR)	Budget Estimate 2009/10 (PKR)
Salary expenses	2,059,611,000	2,380,070,600	2,539,248,000
Non-Salary expenses	87,217,000	105,953,580	144,403,000
Total	2,146,828,000	2,486,024,180	2,683,651,000
Non-Salary expenses as percentage of Total	4 %	4.30 %	5.40 %

*Source:* City District Government, Budget 2009/10 (Part-I), Multan

The allocation for salaries is usually planned in accordance with the number of posts in the district. As in other districts, however, many of the teaching positions are vacant and a certain percentage of the salary budget is not consumed and, as a result, it either lapses or is re-allocated.

### 9.3.3. Non-salary Budget

In 2004/05, the non-salary expenditures for education were only 3.9 percent of the total non-development expenditures. Since then, the percentage has increased. In 2008/09, the funds allocated for non-salary expenditures for education sector amounted to 4 percent of total non-developmental allocations and increased to 5.4 percent in 2009/10.

In 2009/10, the non-salary allocations for all departments in the total non-development budget amounted to 585 million PKR. Thus, in overall terms, Multan City District allocated about 13 percent of the total non-developmental budget for non-salary expenses. Hence, the non-salary allocation of only 5.4 percent for the education sector is far less than the 13 percent in the overall district budget.

As in other districts, the non-salary allocations for schools are drastically inadequate. In 2007/08, the boys' primary schools under Markaz Sher Shah were allocated only 82,000 PKR for non-salary expenses for the whole year. The number of staff positions at these schools was 198. In the budget for 2009/10, the non-salary allocation was zero for these schools, so for non-salary expenditures the schools must rely on SMCs. Likewise, the boys' primary schools under Markaz Shujabad were allocated only 105,000 PKR for non-salary expenses for the whole year. The number of staff at these schools was 298. Here too, the non-salary allocations were reduced to zero in 2009/10, as separate allocations were made through SMCs. Girls' schools also have inadequate allocations for non-salary expenses. In 2007/08, the girls' primary schools under Markaz Qadir Pur Ran were allocated only 70,000 PKR for non-salary expenses. The total number of staff at these schools was 201. No allocation was made for non-salary expenses in 2009/10.

A similar situation is observed in high schools. For instance, in 2009/10 the total budget of Government Girls Higher Secondary School Piran Ghaib was 10,635,000 PKR, including only 186,000 PKR for non-salary expenses. Most of the non-salary allocation was directed to utilities, communication, travel and repair and maintenance. Likewise, Government Girls High School Kabootar Mandi had a total annual budget of 8,415,000, including only 210,000 PKR for non-salary expenses.



**Table 59: Salary and Non-salary Budgets of Selected High Schools, 2009/10**

School	Salary Expenses	Non-Salary Expenses					Total
		Communication	Utilities	Travel & Transport	General	Repair and Maintenance	
Govt. Bukhari Public High School Multan	10,487,000	12,000	105,000	5,000	32,000	8,000	162,000
Govt. High School Piran Ghaib Multan	7,040,000	1,000	25,000	5,000	32,000	8,000	71,000
Govt. High School Bohar Multan	4,696,000	13,000	24,000	5,000	31,000	10,000	83,000
Govt. High School Allah Abad Shujabad	3,970,000	1,000	35,000	10,000	35,000	14,000	95,000
Govt. Girls High School No. 2 Shamasabad, Multan	24,194,000	11,000	165,000	7,000	33,000	10,000	226,000
Govt. Girls High School Kabootar Mandi Multan	8,205,000	10,000	90,000	5,000	75,000	30,000	210,000
Govt. Girls High School Matotli Shujabad	3,638,000	1,000	19,000	5,000	31,000	10,000	71,000

*Source:* City District Government, Budget 2009/10 (Part-II), Multan

In addition to funds allocated in the district budget, primary and middle schools are partly supported by funds from the provincial government. In Multan district, these funds are managed jointly by the EDO Education and District Monitoring Officer, and are utilized by the school management committees. Through this mechanism, each primary school receives 25,000 PKR per year, and each middle school receives 50,000 PKR per year. As in other districts, high schools do not receive funds from the provincial government. These schools must rely on the monthly contributions made by the students to the Farooq-e-Taaleem Fund.

### 9.3.4. Development Budget

In 2009/10, the Multan City District Government allocated about 28 percent of its total annual budget for development projects. Another 10 percent of the total amount was provided to the district by the provincial government. The total allocation for development projects amounted to 2,750.5 million PKR.

The table below lists the development projects that were planned or implemented between 2007 and 2009. It shows that in 2007/08 only 14 percent of the total funds allocated for development in the district were directed to education or literacy projects. This percentage further shrank to 11 percent during the year following revisions of the budget.

**Table 60: Share of Education in the Annual Development Plan, Multan City District, 2008/09**

	Budget estimate 2007/08 (millions, PKR)	Revised budget estimate 2007/08 (millions, PKR)	Allocation 2008/09 (millions, PKR)		
			Ongoing	New	Total
Education	249.70	129.70	67.40	70.00	137.00
Literacy	1.00	0.00	0.00	4.00	4.00
Total (Education+ Literacy)	250.70	129.70	67.40	74.00	141.00
Total all sectors (Excluding CCB)	1772	1183	558	742	1300
Education and Literacy allocations as percentage of total	14 %	11 %	12 %	10 %	10.80 %

*Source:* City District Government, Annual Development Programme 2008/09, Multan

In 2008/09, the share of literacy and education in the overall allocations for development projects was 10.8 percent. In this year, the total development budget of the district, excluding CCBs, was about 1,300 million PKR, but only 141 million PKR was allocated for development projects in the education sector.

An analysis of the development budget of the district for the years 2007/08 and 2008/09 indicates that in these years education was among the top three development priorities of the government in terms of allocated funds. The top three priorities were: agricultural extension and farm to urban link roads; roads; bridges and widening / improvement of chowks (cross roads); and education.

**Table 61: Top Three Development Priorities of Multan City District, 2007-2009**

	Budget Estimate 2007/08 (millions, PKR)	Revised Budget Estimate 2007/08 (millions, PKR)	Budget Estimate 2008/09 (millions, PKR)
Agricultural extension and farm to urban link roads	591.90	608.70	499.80
Roads, bridges and widening / improvement of chowks	277.50	180.40	241.90
Education	249.70	129.70	137.40

*Source:* City District Government, Annual Development Programme 2008/09, Multan

## 9.4. Major Issues and Concerns

The study of the education sector budgeting in Multan has identified several concerns that require the attention of policy makers and other stakeholders. These are as listed below.

- ... The overall size of the education budget is inadequate.
- ... Relatively few funds are allocated for non-salary expenses, e.g. communications, transport, consumables and utilities. This hampers the management of the school and adversely impacts on the quality of the education provided.
- ... Funds provided to SMCs by the provincial government are not based on any assessment of needs of the schools.
- ... Few resources are available for implementing development projects. Development of the education sector is among the top three priorities but it is ranked below road and bridge construction in terms of importance.
- ... The district government has not followed the timeframe outlined in the Budget Rules. In general, there has been a lack of consultations with stakeholders, and completion of proposals and presentation of the draft budget has not been on time. It is encouraging, however, that the Multan City District Government has already taken some steps to improve this.

## 9.5. Recommendations

In view of the findings of this study, the following recommendations are made:

- ... The overall budget should be increased through allocating more resources through the PFC award and by improving the efforts for generating more resources by the district government itself.
- ... The non-salary allocations should be increased significantly so that schools can adequately cover their operating costs. Simultaneously, efforts should be made to improve the procedures and human resource capacities in order to ensure that schools can efficiently access and utilize funds allocated for operating expenses.
- ... The funds provided to the school SMCs should be based on an assessment of the schools' needs. The budgetary allocations should be linked with the performance of the institutions.

- ... The capacity of the SMCs for effective and transparent utilization of the funds should be improved.
- ... Higher priority should be given to education development, as education of the population is as important as roads and bridges.
- ... Consultations with the stakeholders, including the students, teachers and communities, must be ensured at the time when schools are required to submit their requirements in response to the Budget Call Letter.

## 10. Recommendations

This study of the education budgets of six districts in Pakistan has identified common issues across districts in terms of allocations of resources for education. On the basis of such findings, the following recommendations are presented for the attention of decision-makers.

- ... Currently, the budget allocations for the education sector are uneven, in per capita terms, across the districts. Budget allocations for Islamabad, Abbottabad and Jhelum districts are significantly higher in per capita terms than those for Multan, Nowshera and Faisalabad districts. It is recommended that budget allocations for education be made fair, equitable and needs-based and that the less-developed districts are given priority and additional resources, so as to bring all the districts to a relatively equal level.
- ... The overall budget for the education sector should be increased. This requires that the resources allocated through the PFC award and the district's own resources witness a significant increase.
- ... The poor condition of the primary schools in the districts requires concerted efforts for the provision of better resources, facilities and technical support.
- ... The amounts allocated to non-salary expenses should be increased significantly so that schools can cover their operating expenses. Simultaneously, efforts should be made to improve procedures and human resource capacities in order to ensure that schools can efficiently access and utilize funds allocated for operating expenses. Sufficient funds should also be provided to schools for sports and annual tournaments.
- ... An appropriate mechanism should be devised whereby primary and middle schools can easily access and utilize the funds that are allocated for them. Currently, the primary and middle schools do not have any staff to maintain accounts, nor do the head teachers of these schools have the powers of drawing and disbursing officers. As a result, the schools find it difficult to access or utilize the funds that are allocated for them, as the head teachers have to get approval from relevant drawing and disbursing officers, who are often not accessible. It may be more practical to link primary and middle schools with the nearby high or higher secondary schools, whose headmasters have the powers of drawing and disbursing officers.
- ... Budgetary allocations should be proportional to the performance of the institutions. Such Performance Based Budgeting, with a well defined monitoring policy, can help improve the quality of education.
- ... All stakeholders, including the students and communities, should be consulted in the process of identifying the budgetary needs of the schools. For example, needs for operating expenses should be determined through an open and a consultative process involving all stakeholders. In particular, the budget making process must take into account the need for more frequent communications and interactions with teachers and parents as well as improving the classroom environment so as to enhance learning.
- ... Consultation with stakeholders should be made possible at the time when schools are required to submit their requirements in response to the Budget Call Letter. Transparency and effective inputs and oversight by public representatives in the annual budget need to be strengthened and implemented in letter and spirit.

- ... In Islamabad Capital Territory, until the government decides to introduce the local government system in Islamabad, the citizens should be able to convey their views and suggestions to the government through a consultative forum. The elected members of the National Assembly from Islamabad, eminent citizens, civil society representatives, heads of selected educational institutions and representatives of Federal Directorate of Education and Ministry of Education could constitute this forum.
- ... Education departments should make it a priority to reduce the disparity between the numbers of educational institutions for boys and girls and make schools more accessible for girls.
- ... Annual budgets must make necessary provisions to meet the special needs of girls' schools and rural schools. For example, budgets should include provisions for transport, annual study tours or additional allowances for teachers to keep them motivated to serve in these schools.
- ... It is recommended that urgent steps are taken to fill the vacant posts for both teaching and non-teaching staff, so as to improve the quality of instruction.
- ... Though the districts have been assigned the responsibility for educational matters, they have little authority to hire new staff or adjust positions according to their needs. It is recommended that district authorities be given more powers for this kind of decision making, so that the district governments can perform its tasks more efficiently.
- ... The funds available for development projects are usually inadequate. A few districts get a disproportionately higher amount of funds, but it generally happens only when a senior political leader uses his or her political influence. It is recommended that adequate development funds be provided to all districts, and that these funds be provided on the basis of clear and fair criteria, thus minimizing the chance of any influence on allocations in favour of, or against, some districts.
- ... As little money is available for development projects, it is recommended that development funds be utilized rationally, based on proper planning. The current approach emphasizes the initiation of new projects while ignoring ongoing ones. This can lead to wasting of the money that has been spent on ongoing projects in previous years.
- ... The mechanism of providing grants to schools needs to be improved and made needs-based. Currently, funds provided to SMCs by the provincial government are not based on an assessment of the needs of the schools.
- ... It is recommended that steps be taken to improve the capacity of SMCs for utilizing funds in a transparent and judicious manner.

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