



Government of the Punjab

The Citizens' Budget 2014-15



Inclusive Growth for All



ABOUT THIS BOOKLET

The Citizens' Budget 2014-15 is a new initiative of Government of the Punjab. It is being launched with the technical support of Sub-National Governance (SNG) programme to improve citizen's access to budgetary information with the objective to promote accountability and transparency in public financial management. It presents the provincial budget in a simple and lucid manner, highlighting its salient features and making it easy for the common man to understand.

It is expected that the information provided in this document will empower citizens to hold their elected representatives and public officials accountable and thus contribute to good governance.



The Citizens' Budget 2014-15



WHAT IS BUDGET?

Budget is a financial plan of the government for a particular fiscal year and provides projected revenues and expenditures. It also reflects Government's policy priorities and programmes to be implemented in that year. The Constitution of Islamic Republic of Pakistan, 1973 makes it mandatory for the provincial government to prepare and present the budget proposals for approval of the Provincial Assembly before the start of a financial year.

As the policies and programmes reflected in the budget affect the lives of all citizens, therefore, it is imperative for them to fully comprehend its implications. The budgetary documents are essentially prepared for internal use by the government and people find them complex and difficult to understand whereas, the Citizen's Budget presents this information in an easy to understand form.

Punjab's Vision for Inclusive Growth

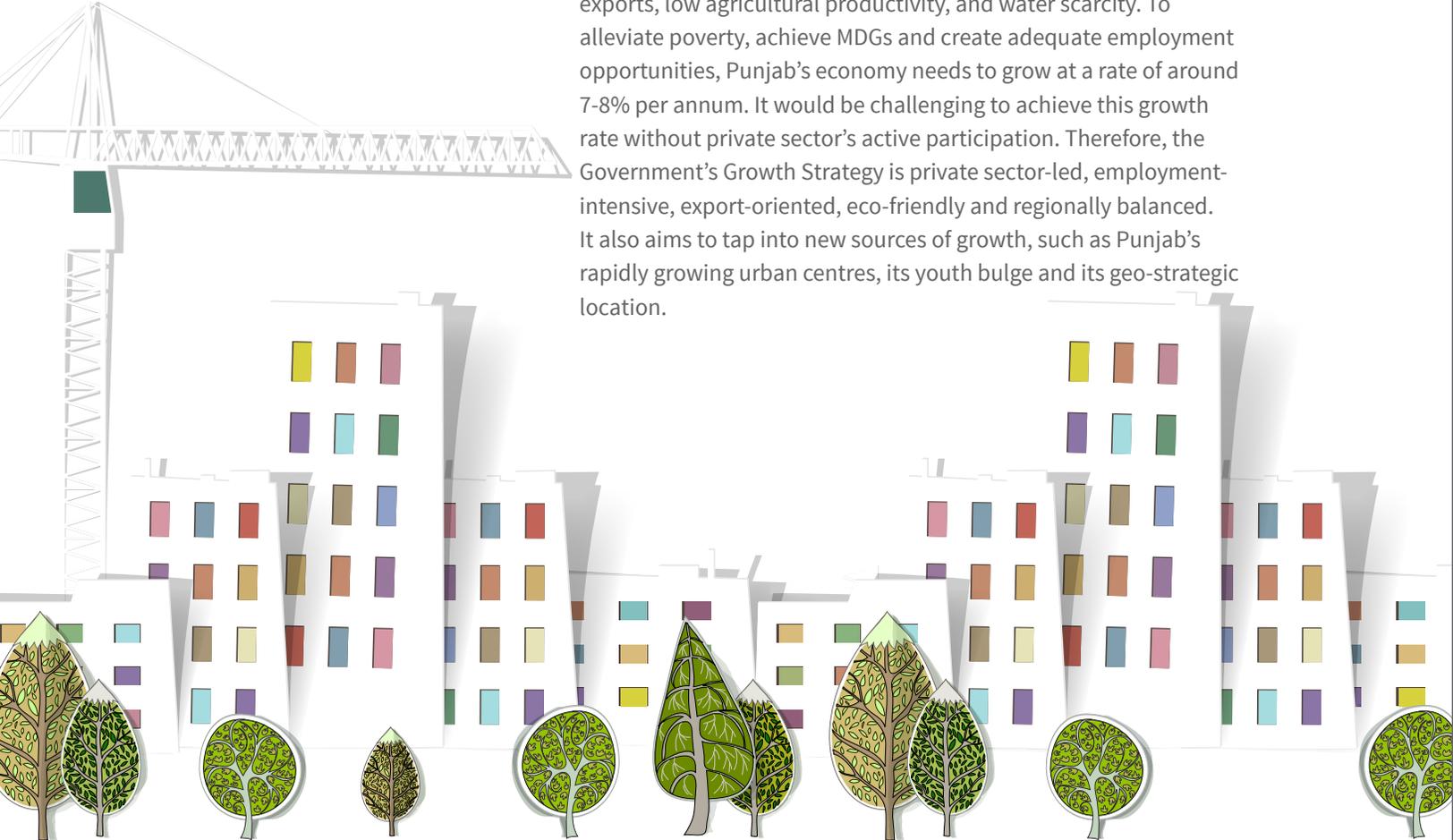
*Punjab as a **secure, economically vibrant, industrialised and knowledge-based province**, which is prosperous and competitive wherein every citizen enjoys high quality life.*

Budget 2014-15 is aligned with the priorities set in the Punjab Economic Growth Strategy 2014-18. Before looking at the key features of the Budget, it is important to also present highlights of the Strategy.



GEARING UP FOR ECONOMIC GROWTH

Punjab is confronted with a myriad of challenges such as slow economic growth, declining investment, energy shortages, stagnant exports, low agricultural productivity, and water scarcity. To alleviate poverty, achieve MDGs and create adequate employment opportunities, Punjab's economy needs to grow at a rate of around 7-8% per annum. It would be challenging to achieve this growth rate without private sector's active participation. Therefore, the Government's Growth Strategy is private sector-led, employment-intensive, export-oriented, eco-friendly and regionally balanced. It also aims to tap into new sources of growth, such as Punjab's rapidly growing urban centres, its youth bulge and its geo-strategic location.



PUNJAB'S ECONOMIC GROWTH STRATEGY 2014-18

Targets (2018)

- 8% annual GDP growth
- Increasing Private Sector Investment from \$ 8 billion to \$ 17.5 billion
- Achieving all Millennium Development Goals
- Narrowing security gaps
- 2,000,000 skills graduates
- Increase exports by 15% per year
- 1 million quality jobs every year

Key outcomes

- Human capital and skills development
- Overcoming energy shortages
- Institutional reforms and good governance
- Gender mainstreaming
- Equitable regional development
- Export-led growth
- Productivity enhancement

DRIVERS OF GROWTH



Creating
Quality Jobs



Catalysing GDP
Growth



Ensuring
Effective
Security



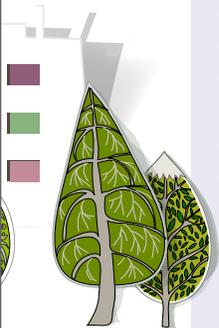
Private Sector
Investment
Revival



Export
Buoyancy



Providing Full
Social Sector
Coverage



OVERVIEW OF BUDGET 2014-15



SIZE OF TOTAL BUDGET: Rs. 1349.404 BILLION

Allocation of
Rs. 699.95 billion
for service delivery
to citizens
(15.2% higher compared to
budget allocation of Rs. 607.6
billion in FY 2013-14)

Development
budget increased
from Rs. 290 billion
to **Rs. 345 billion**
(increase of 18.9%)

Capital budget amounting
to **Rs. 304.453 billion**
including repayment of loans,
advances by Government
to autonomous bodies and
wheat procurement operation

Significant reasons for increase in size of current expenditure:

- Rs.29.1 billion increase in allocation for 'Pension'
- Rs.10.5 billion increase in operational budget for 'Police'
- Rs.7.9 billion for 'Ad-hoc Relief' to civil servants
- Rs.6.5 billion for maintenance and repair of roads, irrigation network and public buildings

WHERE DOES THE MONEY COME FROM

PROVINCIAL TAX COLLECTION

Agriculture Income Tax	2.019
Registration Fee	1.612
Urban Immovable Property Tax	8.265
Land Revenue	11.789
Tax on professions, Trades and Callings	0.583
Capital Value Tax on Immovable Property	5.433
Sales Tax	95.000
Provincial Excise	1.783
Stamp Duty	18.937
Motor Vehicle Taxes	11.805
Other Indirect Taxes	7.454
Total	164.680

Revenue: Monies that the province receives from its share in federally collected divisible pool of taxes, provincial taxes, user fees, royalties, grants and loans.

Share in federally collected divisible pool of taxes	804.196*
Revenue from provincial taxes	164.680
Revenue from user fees, grants and royalties	64.197
Borrowing (including the borrowing for commodity operation)	316.331
Total	1,349.404

WHY CITIZENS MUST PAY TAXES

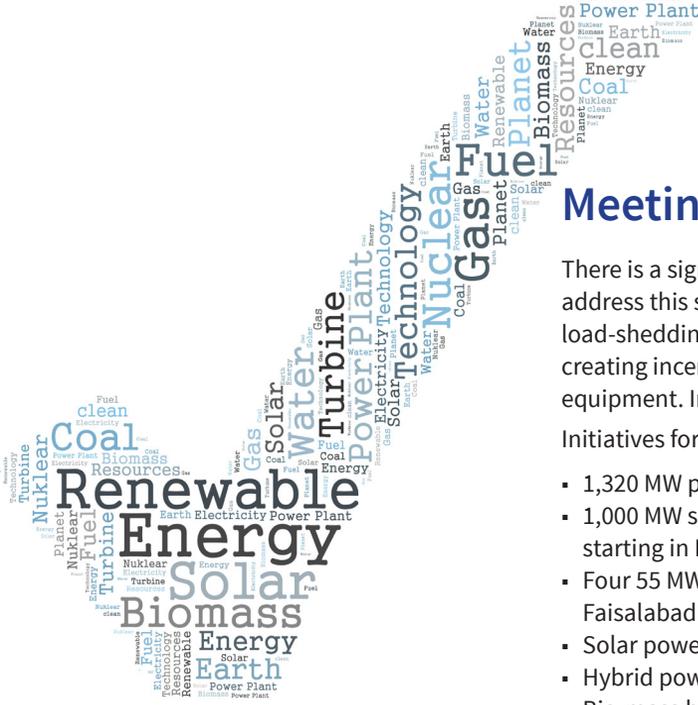
Government requires money to function and provide services to its citizens. The taxes and fees paid by them are used to finance these services. The Government would not be able to provide for law and order, education, health, roads, system of justice, water supply and sanitation and other services, if citizens fail to pay their taxes. That is why tax is defined as 'a compulsory levy'.

The taxpayers are more likely to hold the Government accountable. Furthermore, taxation helps the Government establish a system in which resources are collected from rich and used to provide services to all citizens.

* In billion rupees

WHERE DOES THE MONEY GO

Expenditure: Money spent by the Government on public service delivery and investments to deliver these services		Rs. in billion	Rs. in billion
GENERAL PUBLIC SERVICES		438.875	
Transfers to Local Governments and other		298.822	Construction and Works
Provincial assembly, Finance Department, Pension Payment and Debt Servicing		132.772	Agriculture
General Administration		7.281	Irrigation and Land Reclamation
PUBLIC ORDER AND SAFETY AFFAIRS		114.390	Forestry
Police		82.530	Fisheries
Law Courts (High Court and Lower Judiciary)		11.482	Food
Administration of Public Order (Including Rescue & Emergency Services)		12.849	Energy
Prison Administration and Operations (Jails)		7.470	Industries
Fire Protection (Civil Defence)		0.059	Mines
EDUCATION		84.925	ENVIRONMENT PROTECTION
HEALTH		73.222	HOUSING AND COMMUNITY AMENITIES
ECONOMIC AFFAIRS		242.289	Community Development (including Ashiana Housing Scheme)
Labour		0.954	Water Supply & Sanitation
Roads		38.304	RECREATION, CULTURE AND RELIGION
			ZAKAT, SOCIAL WELFARE, etc
			REPAYMENT OF LOANS, ADVANCES & COMMODITY OPERATION
			TOTAL
			1349.404



Meeting the Challenge of Energy Crisis

There is a significant gap between Punjab's energy requirement and its availability. To address this shortfall, and complement the Federal Government's effort to eliminate load-shedding, Government of the Punjab plans to conserve 2,000 MW electricity by creating incentives for manufacturers of electronic appliances to produce energy efficient equipment. In addition, **Rs. 31.077 billion** has been committed to this important sector.

Initiatives for this sector include:

- 1,320 MW power plant in Sahiwal in partnership with Chinese investors
- 1,000 MW solar power plant near Bahawalpur, with an estimated production of 100 MW starting in December 2014
- Four 55 MW coal-based power plants, 2 each for industrial estates in Lahore and Faisalabad
- Solar power plant at Islamia University Bahawalpur
- Hybrid power plants using fuels such as Bagasse-cum-Coal
- Bio-mass based power plants near wheat and rice producing areas

Eliminating energy shortfall can bring increase of 2 percentage points to economic growth of Punjab



Developing Skills for the Future

77% increase in allocation from Rs. 6.2 billion to **Rs. 10.9 billion** is a significant step towards:

- Creating more jobs for youth
- Contributing to economic growth of the province
- Producing 250,000 skill graduates in 2014-15



Improving access, quality and coverage of school education

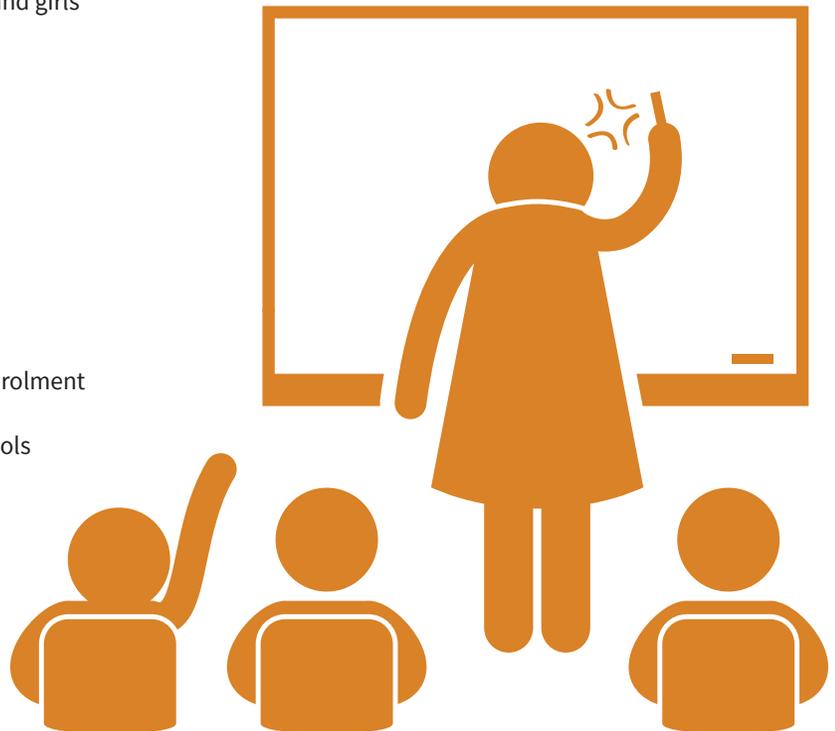
In line with Government's commitment to provide better educational services in Punjab an estimated amount of **Rs. 273 billion (2% of GRP)** would be spent on improving access, quality and coverage including the expenditure at district level.

In addition, to achieve MDG targets by 2018, the Government aims to:

- Enrol and retain estimated 4.5 million out of school boys and girls of ages 5-9 in primary schools
- Improve access to schools
- Achieve gender parity
- Reduce regional disparities
- Promote child-friendly environments for learning
- Provide quality education

Major initiatives

- Providing missing facilities in 15,000 schools
- Upgrading 200 Primary and Elementary Schools
- Creating IT Labs in 500 Secondary Schools with highest enrolment
- Building of 500 New Primary Schools
- Providing more than 20,000 additional classrooms in schools with highest enrolment
- Creating IT Labs in 500 Elementary Schools
- Reconstructing 1,300 dangerous school buildings
- Converting existing IT Labs on Solar Energy in 1,200 high schools



HIGHLIGHTS OF SERVICE DELIVERY IN SCHOOL EDUCATION

Education services to 12.5 million students (11 million in public schools and 1.5 million in private school under Punjab Education Foundation projects). Of these students, approximately 51% are girls (637,500 girls)

Over 60 million free textbooks

Incentives for teachers in low-performing schools to improve educational outcomes through the High Improvers Programme

Stipends for 4,800,000 girl students in poor districts

An increased (Rs.7.3 billion up from Rs.3.6 billion last year) non-salary budget to schools for school improvement

30,000 additional science teachers

Improved monitoring & evaluation systems

Training for more than 85,000 teachers

Standardized exams at Grade-V and Grade-VIII to monitor learning outcomes of students as well as performance of teachers

Special Education

The province has 27,515 students with disabilities in 250 Special Education institutions.

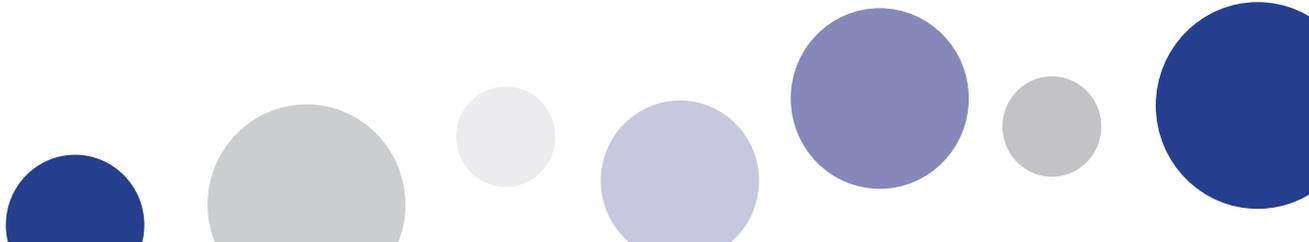
Important initiatives include:

- Merit-based scholarships and stipends to encourage enrolment and improve special education.
- Other incentives include free uniforms, text and braille books, pick & drop facilities, boarding & lodging facilities and teaching aids for special students.
- Inclusive education in Bahawalnagar, Bahawalpur, Bhakkar, Chiniot, DG Khan, Layyah, Lodhran, Muzaffargarh, Pakpattan, R. Y. Khan and Rajanpur
- Nine Special Education Centres and six new institutions for Special Education
- Upgrade three Special Education Schools

Adult and Youth Literacy

The Government will address adult and youth illiteracy through:

- 5,440 Non Formal Basic Education Schools in 32 Districts benefitting 190,400 learners
- 1,000 Non Formal Basic Education Schools in 11 Southern Districts with low literacy rate benefitting 30,000 learners
- 667 Functional Literacy Centres in selected 36 Tehsils for more than 1 million illiterate adults
- 12,500 centres in collaboration with NGOs, CBOs, CSOs and unemployed youth, benefitting 250,000 learners
- A crash literacy program for youth, women and adults in rural areas to achieve MDGs targets





Law and Order

Provision of security to its citizens and upholding of law and order is of paramount importance to Government of the Punjab. Security is also a pre-requisite to sustainable economic growth. Therefore, the Government has proposed an allocation of **Rs. 82.530 billion** for Police.

16.5 % increase in operational budget for Police

Block allocation of Rs. 3.5 billion for counter-terrorism

Establishment of a Command and Control Centre for Police

Urban Development & Mass Transit

Dense and rapidly growing urban areas act as engines of growth. An allocation of **Rs. 41.900 billion** has been made by Government of the Punjab for establishing:

- Mass Transit Systems in Rawalpindi-Islamabad and in Multan and Faisalabad benefiting 150,000 people everyday in each of the cities
- Orange Line Metro Train Project in Lahore in collaboration with the Government of China
- Low Income Housing (Ashiana)
- River Ravi Front Project (water treatment plant, theme park, lake and housing facilities)
- Construction of canal expressway from Gutwala to Sahianwala (Faisalabad)



The Lahore Metro Bus (Green Line)

What does it mean for the average citizen?

On average, the Lahore Metro Bus provides transportation to approximately 145,000 passengers per day, of which about:

- 30% are females, which means approximately 43,500 women with increased mobility and access to work, health facilities and educational institutions
- 40,600 students have increased access to school, colleges and universities
- 62,350 or 43% of passengers are labourers who travel at low cost and save time
- 17,400 government servants who also travel to and from the office



Roads

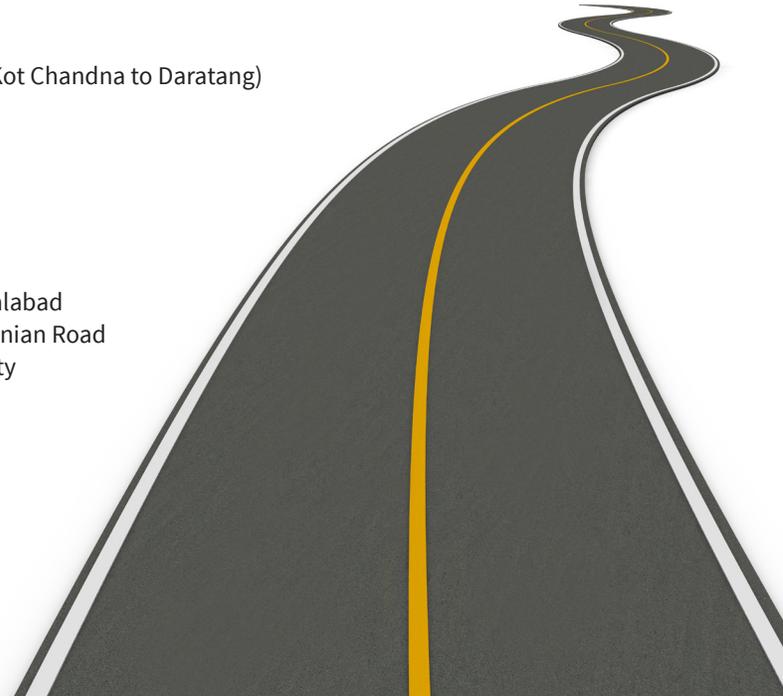
Allocation of Rs. 36.5 billion has been proposed for building and maintaining roads

- Establish east-west communication linkages
- Open up under-developed areas
- Trigger economic activities by interlinking different economic and service sectors
- Improve connectivity with sister provinces
- Develop better access to international borders for future trade

Development Projects

- Construction of Bridge over River Indus Near Miran Pur R.Y.Khan
- Construction of Flyover on G.T Road at Aziz Road Cross Gujranwala
- Widening / Improvement (W/I) of Sargodha-Bannu Road (Phase-II Kot Chandna to Daratang)
- W/I of road from Yazman to Ahmedpur East Bahawalpur
- Construction of approach road to Icha Bangla, R.Y.Khan
- Construction of dual carriage way from Burewala to Chichawatni road, Vehari
- W/I Construction of road from Laksian Pull at Km 130 of Lahore Sargodha Road to Lilanai
- Widening/ Improvement of Chiniot - Faisalabad Road, District Faisalabad
- Construction of Over-head Bridge on the railway lines between Jhanian Road to Police Station Saddar and Abdul & Ghafoor Road at Khanewal city

*Allocation of Rs. 4.9 billion for
Maintenance and Repair of 10,300 km
of roads*

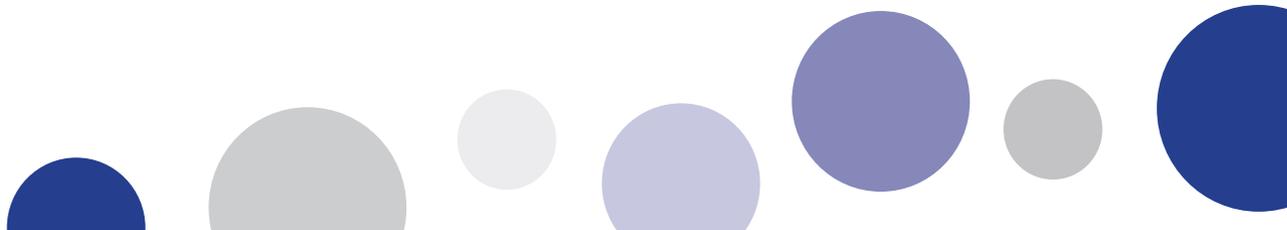


Water Supply & Sanitation

In order to ensure that the citizens of Punjab have access to clean water, the Government has allocated **Rs 27.243 billion**, including Rs. 5 billion for *Saaf Pani Project*

The Government will also implement the following projects:

- Clean drinking water for all
- Bulk Water Supply Project from River Jhelum to Murree
- Urban Water Supply Scheme Gujrat
- Sewerage Scheme Khanpur City, Phase-II
- Water supply scheme Sadiqabad, Rahim Yar Khan
- Urban water supply scheme Chakwal based on Khai Dam
- Comprehensive water supply & sewerage scheme Mianwali
- Water supply scheme based on Naroomi Dhan spring Phase-II, Tehsil Pind Dadan Khan, Jhelum



Irrigation

Pakistan was among the 'water abundant' countries in 1981, but is now turning into a 'water-scarce country'. Therefore conserving water and improving efficiency of water usage is a high priority of the Government. To this end, an allocation of **Rs. 46.175 billion** has been proposed in the budget.

Our target is to achieve higher efficiency of irrigation system through conservation of existing water and development of new resources.

Background

Punjab has the largest canal irrigation network in the world with 13 barrages, 25 large canals, 3093 distributaries, 55 small dams, more than 1000 drainage tubewells and 2100 miles long flood protection bunds.

This year's budget provides for 103% Increase in allocation for repair & maintenance of irrigation network from Rs.2.8 billion to Rs.5.7 billion in accordance with revised yardstick

Improvements in canals in South Punjab under Punjab System Improvement Project

Improvements in canals in South Punjab under Punjab System Improvement Project

59% increase in allocation of development resources to Irrigation

Restoration of barrages

- New Khanki Barrage
- Jinnah Barrage
- Sulemanki Barrage

Restoration of Canal Systems

- Lower Bari Doab Canal System
- Pakpattan Canal
- Lower Chenab Canal

Agriculture

The Government is committed to transforming the agriculture sector into a science-based vibrant and internationally linked sector that cannot only meet food security challenges, but also compete in the domestic and international market. Therefore an allocation of **Rs. 27.677 billion** amount has been proposed in the budget.

Targets

- Crop seeds target of 80,000 million tons
- 1,962 teams to persuade farmers to use latest production technology for four major crops
- 50,557 villages visited
- Visits to 2,739,753 farmers
- Improvement of 1,525 canal watercourses
- Provision of 500 Laser Leveling Units
- Installation of 10,000 high efficiency irrigation schemes
- 20,000 acres area to be developed
- 3,000 tubewell bores to be drilled
- 864 ground water exploration surveys
- 4000 acre area to be reclaimed through various soil conservation measures

Increasing agricultural productivity is key to Punjab's economic growth

Projects

Punjab irrigated agriculture productivity improvement programme

Biogas supplemented agriculture tube wells

Enhancing vegetable production and promotion of pulses cultivation



Governance & IT

- Land Records Management Information System for computerisation of record of property rights
- Command and Control Centre for Police
- Public Facilitation Centers for provision of a number of public service under one roof
- IT Centric interventions and smart monitoring
- Citizens engagement and public perception analysis survey for improvements in governance
- Introduction of E-stamp paper in Punjab

Social Protection

- Wheat subsidy: Rs. 10 billion
- Transport subsidy: Rs. 2.8 billion
- Subsidy on agricultural inputs: Rs. 5 billion
- Ramzan package: Rs. 5 billion
- Health Insurance Scheme: Rs. 4.0 billion
- Free medicines: Rs. 8.8 billion
- Kidney treatment: Rs. 0.6 billion
- Vaccination of livestock: Rs. 0.5 billion

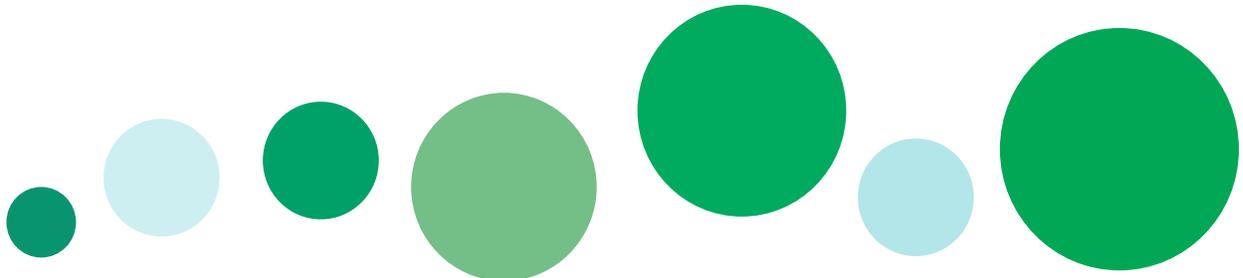
Local Governments

- Transfer of **Rs.271.280 billion under PFC Award, 2006** including Rs.12 billion for development program of local governments
 - **District Government: Rs.245.671 billion**
 - **TMAs: Rs.19.6 billion**
 - **UAs: Rs.6.0 billion**
- Establishment of Model Cattle Markets
- Eliminating ponds from major villages to improve sanitation / eradicate diseases through Bio-remediation (Phase-II)
- Pilot Project for Solid Waste Management in rural areas

Programmes Targeting Women

Gender mainstreaming is one of the key drivers of Government of the Punjab's Economic Growth Strategy. The Government is committed to raising the status of women and girls through offering opportunities for their welfare and well-being:

- 24/7 emergency obstetrics and newborn care in BHUs in select districts – to be extended to whole province by 2016
- 4,800,000 stipends for girl students in poorer districts as incentive for girls education
- Block allocation of Rs. 900 million for women development projects
- 50% quota in skill trainings for women
- Integrated Reproductive Maternal New Born & Child Health (RMNCH) & Nutrition Program
- Voucher scheme for working women to have hostel facility at public expense
- Support to working women through skill development training, entrepreneurship training and Rozgar Bank
- Toll-free women helpline for domestic violence complaints, inheritance rights, employment information, police support, etc.
- Day care centres to help working women



SOUTH PUNJAB

Inclusive growth and regional equity are important features of Budget 2014-15. Accordingly, a very high priority has been assigned to Southern Punjab which is reflected in allocation of **36% of total development budget** for this region.

Following are some of the important projects to be implemented in South Punjab:

Poverty Alleviation

- South Punjab Poverty Alleviation Project for skill development and asset creation for 10,000 poor families in Bahawalnagar, Bahawalpur, Rajanpur and Muzaffargarh
- Punjab Economic Opportunities Program for skill development

Energy

- Quaid-e-Azam Solar Park
- Solar Power Plant at Islamia University Bahawalpur

Education

- Establishment of Sub Campus of University of Agriculture Faisalabad at Burewala
- Khawaja Farid University of Engineering & IT, R.Y.Khan
- Upgradation of DHQ Hospitals Multan, Vehari, D.G.Khan & Muzaffargarh
- Sheikh Zayed Medical Complex (Phase-II) R.Y.KHAN
- University of Veterinary and Animal Sciences, Bahawalpur

Health

- Thalassemia Unit & Bone marrow Transplant Center at BVH, Bahawalpur
- Medical College Bahawalnagar
- Cardiology and Cardiac Surgery Block & ICU at BVH, Bahawalpur
- Children Hospital, Multan

Irrigation

- Construction of dual carriageway from Ghanta Ghar to chowk Katchery Multan
- Construction of dual carriageway from MDA Chowk to Northern Bypass, Multan
- Dualisation of Khanewal Lodhran Road
- Pakpattan Canal and Sulemanki Barrage
- Remodeling of SMB Link Canal and Enhancing Capacity of Mailsi Syphon
- Management of Hill Torrent / Flood Protection of Rajanpur
- Remodeling and Extension of Tayyab Drain, Rajanpur

Water & Sanitation

- Replacement of outlived sewer lines in Multan
- Sullage Carrier from Bosan Road Disposal Station to Sewage Treatment Plant Multan

