Government of the Punjab

HIGHLIGHTS
OF THE BUDGET

Finance Department

2021-22

HEADLINES

- Total Budget Outlay FY 2021-22 is Rs. 2,653 Bn.
- Development Budget for FY 2021-22 is Rs. 560 Bn which is 66.2% higher than last year’s ADP of Rs. 337 Bn.
- Current and Service Delivery Budget is Rs. 1,427.9 Bn up from Rs. 1,318.3 Bn with an increase of 8.3% as compared to last year.
- Tax Relief Package of more than Rs. 50 Bn continued for ease of business in the COVID-19 affected economy.
- Increase in salary and pension for government employees
  - 10 % increase in salary
  - 10 % increase in pension
  - 25 % Special Allowance for financially distressed employees
SALIENT FEATURES OF THE BUDGET FY 2021-22

Total Provincial Consolidated Fund Rs. 2,653 Bn
FBR Target Rs. 5,829 Bn (Punjab’s share Rs. 1,684 Bn)
Punjab’s Own Revenue Rs. 404.6 Bn
Estimated Provincial Surplus budgeted at Rs. 125 Bn
Largest increase in ADP from Rs. 337 Bn to Rs. 560 Bn (66.2% increase)

INCLUSIVE AND PARTICIPATORY BUDGETING FOR FY 2021-22

YOU PROPOSED

23% Education
12% Rural Economy
15% Agriculture & Livestock
10% Health
8% Infrastructure

CITIZENS’ PROPOSALS

WE DELIVERED

Rs. 204.3 Bn
Rs. 369.3 Bn
Rs. 442.1 Bn
Rs. 78.6 Bn
Rs. 96.8 Bn

ALLOCATIONS FOR FY 2021-22

FLAGSHIP INITIATIVES

Rs. 360 Bn District Development Package
Rs. 80 Bn Universal Health Insurance for Entire Population of Punjab
Rs. 105 Bn Road Rehabilitation and Development
5 Mother & Child Healthcare Hospitals
Rs. 31.5 Bn Agriculture Economy
Rs. 189 Bn South Punjab Development Portfolio
Rs. 6.5 Bn Upgradation of over 8,500 schools under Insaaf Schools Program (Phase-I)
Rs. 10 Bn Special Initiatives for Economic Stimulus and Growth
Rs. 86 Bn Punjab Rural Sustainable Water Supply & Sanitation Project
Establishment of 19 Universities

MAJOR INCREASES IN SECTORAL ALLOCATIONS IN FY 2021-22

30% Rs. 369.3 Bn Health
12.9% Rs. 442.1 Bn Education
57.9% Rs. 204.3 Bn Infrastructure Sector
57% Rs. 96.8 Bn Rural Economy
15.6% Rs. 162.1 Bn Local Government

Note: These percentages show the percent increase as compared to FY 2020-21
EMERGENT MEASURES AND ALLOCATION OF FUNDS TO COMBAT EFFECTS OF COVID-19 IN FY 2021-22

- Covid Specific Block Allocation of Rs. 6.5 Bn
- Specific block for SHC&ME of Rs. 2 Bn
- Specific block for P&SHC of Rs. 2 Bn
- Block for Emergent needs of Rs. 4 Bn

TAX RELIEF PACKAGE

- Continued tax relief package of more than Rs. 50 Bn for ease of business
- Property Tax (UIPT)
- Motor vehicle Tax
- Stamp Duty (Urban area)
- Discounts on e-payments
- Construction related sectors
- Sales Tax on Services Sector (for more than 10 services)

CURRENT AND SERVICE DELIVERY BUDGET (IN PKR Bn)

<table>
<thead>
<tr>
<th>FY 2020-21 (In PKR Bn)</th>
<th>FY 2021-22 (In PKR Bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>Pension</td>
</tr>
<tr>
<td>Salary</td>
<td>Pension</td>
</tr>
</tbody>
</table>

KEY INTERVENTIONS IN FY 2020-21

- Prudent financial management resulted in increase of ADP from Rs. 337 Bn to Rs. 375 Bn
- Punjab's own revenue increased by 13.1% during last financial year. FY 2021-22 target increased by 27.6%.
- Food subsidy and price control measures amounting to Rs. 87 Bn provided in FY 2020-21
- Wheat Minimum Support Price for farmers increased from Rs. 1400 to Rs. 1800

PUNJAB’S OWN REVENUE (TAX AND NON-TAX) (IN PKR Bn)

<table>
<thead>
<tr>
<th>Departments</th>
<th>BE 2020-21</th>
<th>RE 2020-21</th>
<th>BE 2021-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRA</td>
<td>125.00</td>
<td>141.150</td>
<td>155.90</td>
</tr>
<tr>
<td>BOR</td>
<td>56.00</td>
<td>56.200</td>
<td>66.95</td>
</tr>
<tr>
<td>Excise &amp; Taxation</td>
<td>32.364</td>
<td>30.500</td>
<td>42.80</td>
</tr>
<tr>
<td>Energy + Transport</td>
<td>7.522</td>
<td>0.800</td>
<td>7.95</td>
</tr>
<tr>
<td>Non-Tax</td>
<td>96.181</td>
<td>129.914</td>
<td>132.00</td>
</tr>
<tr>
<td>Total</td>
<td>317.067</td>
<td>358.564</td>
<td>404.60</td>
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</table>
**MAJOR INITIATIVES OF THE GOVERNMENT**
(This is not an exhaustive list)

**HOUSING & PUBLIC HEALTH ENGINEERING**
- Waste water treatment plant at Babu Sabu Lahore – Rs. 35.1 Bn
- Provision of clean drinking water through Punjab Aab-e-Pak Authority to more than 70 million population in all Districts of Punjab – Rs. 11.6 Bn
- Construction of Flyovers and underpasses in Lahore – more than Rs.10 Bn

**IRRIGATION**
- Construction of Jalalpur Canal – Rs. 32.72 Bn
- Remodeling of SMB Link Canal & enhancing capacity of Maili Syphon – Rs. 4.03 Bn
- Disaster & Climate Resilience Project – Rs. 10.7 Bn
- Trimmu Barrage, Punjnad Head Works – Rs. 16.8 Bn

**SOCIAL WELFARE & BAIT UL MAAL**
- Panagahs at all Divisional Headquaters in Punjab – Rs. 793 Mn
- Violence Against Women Centres at DG Khan, Rawalpindi & Lahore – Rs. 425.5 Mn
- Disabled Person Management Information System – Rs. 196.4 Mn

**PUBLIC PRIVATE PARTNERSHIP PROJECTS**
- Lai Expressway, Rawalpindi to Islamabad – Rs. 55 Bn
- Okara-Satgara-Syedwala-Jaranwala-Chak Jhumra Expressway Road – Rs. 25.4 Bn
- Sialkot Ring Road – Rs. 15.9 Bn
- Installation of Water Meters in Lahore – Rs. 10.4 Bn
- Multan Yehari Road – Rs. 12.01 Bn

**FOREST**
- Ten Billion Tree Tsunami Program (Phase-I) – Rs. 13.1 Bn
- Establishment of Dargai Gill Forest Park – Rs. 398 Mn
- Development of Pabbi National Park – Rs. 150 Mn

**LAW & ORDER AND EMERGENCY SERVICES**
- Prisons Management Information System for all prisons – Rs. 290 Mn
- Rescue 1122 Service in all Districts of Punjab – Rs. 683 Mn
- Motorbike Ambulance Service in remaining 27 Districts of Punjab – Rs. 984 Mn

**TRANSPORT**
- Procurement of 200 Eco Friendly Urban Buses for major cities of Punjab – Rs. 3.4 Bn
- Construction of 200 Bus Stops / Shelters including Bus Information System in Lahore – Rs. 498 Mn
- Centralized Automated Fare Collection and Bus Scheduling System – Rs. 312 Mn

**ENERGY**
- Renewable Energy Sector Program – Rs. 12.86 Bn
- Establishment of Punjab Grid Company
- Punjab Ujala Program for School Solarisation – Rs. 1.53 Bn
- Solarisation of 303 schools (for differently abled children) – Rs. 250 Mn

**ENVIRONMENT**
- Installation of Air Quality Monitoring System across Punjab
- Installation of Water Quality Monitoring System across Punjab
MAJOR INITIATIVES OF THE GOVERNMENT
(This is not an exhaustive list)

SPECIALIZED HEALTHCARE & MEDICAL EDUCATION
- Universal Health Insurance for entire population of Punjab – Rs. 80 Bn
- Tertiary Care Hospital-Nishhtar-II, Multan – Rs. 8.8 Bn
- Institute of Urology & Transplantation, Rawalpindi – Rs. 6.8 Bn
- Institute of Cardiology, D.G. Khan – Rs. 4.2 Bn
- Teaching Hospital (Sheikh Zayed-II) Rahim Yar Khan – Rs. 6.8 Bn

PRIMARY & SECONDARY HEALTHCARE
- Provision of Free Medicines – Rs. 12.9 Bn
- Mother & Child Health Hospitals (Mianwali, Rajanpur, Layyah, Bahawalnagar, Attock)
- Mother & Child Health & Nutrition Program – Rs. 6.7 Bn
- Trauma Centres (15 new & operationalization of existing 26) – Rs. 5 Bn

HIGHER EDUCATION
- Rehmatul-Lil-Alameen Scholarship – Rs. 834 Mn
- University of Applied Engineering and Emerging Technologies, Sialkot – Rs. 16.65 Bn
- Establishment of 19 Universities in different districts in Punjab

AGRICULTURE & FOOD SECURITY
- Punjab Irrigated Agriculture Productivity Improvement Project (PIPIP) – Rs. 41.7 Bn
- National program for Improvement of watercourses Phase-II – Rs. 18.33 Bn
- Agriculture Transformation Plan – Rs. 51.9 Bn
- Subsidy on Agricultural Inputs – Rs. 4 Bn
- Promotion of high value agriculture through solarisation of drip & sprinkler irrigation system – Rs. 1.93 Bn

COMMUNICATION & WORKS
- 1130 Schemes under District Development Package – Rs. 31 Bn
- 154 roads under Rural Accessibility Program (Phase – II) – Rs. 14.5 Bn
- Lahore - Sialkot Motorway – Rs. 9.5 Bn

SOCIAL PROTECTION
- Punjab Human Capital Investment Project – Rs. 32 Bn
- Cash assistance under Sarparast Program (for widows & orphans) – Rs. 1 Bn
- 150,000 beneficiaries under Hamqadam Program (for persons with disabilities) – Rs. 3.6 Bn
- Bata-Himmat Buzurg Program (For elderly people) – Rs. 1.94 Bn
- Masawaat Program for Transgenders – Rs. 50 Mn

INDUSTRIES AND SKILL DEVELOPMENT
- Punjab Rozgar – Rs. 10 Bn
- Hunarmand Nojawan – Rs. 1.5 Bn
- Surgical City at Sialkot – Rs. 1.7 Bn

LOCAL GOVERNANCE
- District Development Package across Punjab – Rs. 360 Bn
- Punjab Rural Sustainable Water Supply and Sanitation Project – Rs. 86 Bn
- Punjab Intermediate Cities Improvement Investment Program – Rs. 27.2 Bn
- Preservation and promotion of cultural heritage by Walled City of Lahore Authority – Rs. 2.1 Bn
- Punjab Cities Program (PCP) – Rs. 3 Bn

MINES & MINERALS
- Potential Evaluation of coal, iron ore and other minerals in Koh-e-Suleman Range – Rs. 180 Mn
- Strengthening and Digitization of Working of Inspectorate of Mines, Lahore – Rs. 99.3 Mn
The Budget making exercise for the year 2021-22 was an arduous and demanding task. Regardless of the financial constraints in the wake of Covid-19 pandemic, higher resource allocation for health and social protection sectors has been the primary aim of the Government. With the economy now showing signs of recovery, infrastructure development has picked up as a major avenue for public spending. Policy measures have been taken to facilitate private sector investment in this sphere. Housing, Public Works, and Industrial sectors have been prioritized owing to their ability to generate much-needed economic impetus and for providing opportunities of job creation.

The underpinning features of this year’s budget are prudent fiscal management, largest increase in development allocation, stimulus to the economy, inclusive budget making, focus on austerity and improved service delivery. Emphasis has been laid on education, healthcare and social protection along with tapping the potential resources and economic regeneration. Transparency and accountability in terms of public resource management, allocation and effective utilization are the salient contours of the budget formulation.

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