

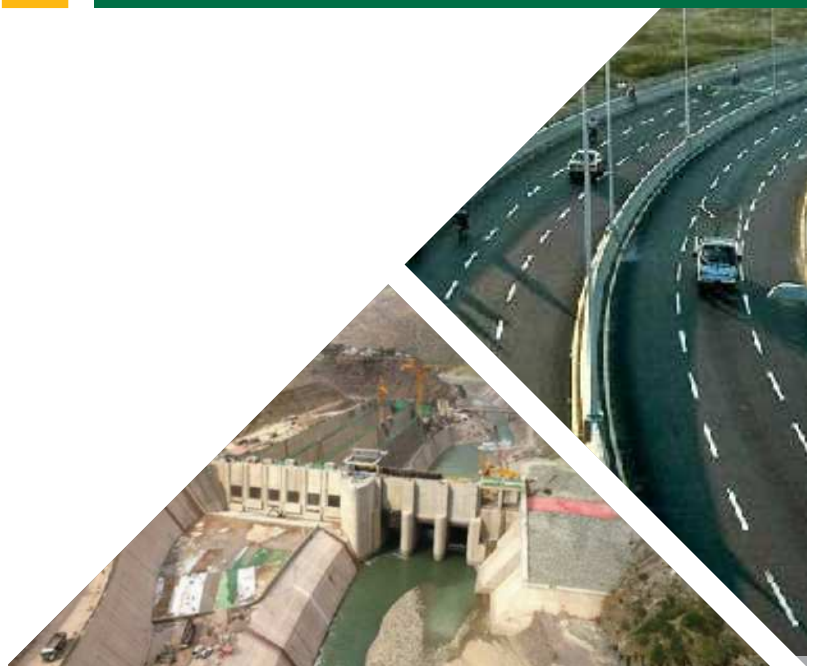
WHITE PAPER 2025-26



BUILDING FORWARD
A RESPONSIBLE KHYBER PAKHTUNKHWA



GOVERNMENT OF
KHYBERPAKHTUNKHWA
FINANCE DEPARTMENT



WHITE PAPER 2025-26



GOVERNMENT OF
KHYBERPAKHTUNKHWA
FINANCE DEPARTMENT



Message from Advisor to Chief Minister for Finance

Alhamdulillah, Khyber Pakhtunkhwa is moving in the right direction as we continue to improve our financial management and planning. This journey is not just about numbers it is about real progress that people can feel in their daily lives.

One of our main goals is to increase the province's own income by improving the way we collect and manage revenue. This helps us reduce our reliance on others and gives us more room to invest in development. We are building a financial system that is strong, reliable, and ready for the future.

The province's own-source revenue (OSR) has seen remarkable growth, with projections indicating that it will surpass PKR 93 billion target for the first time in the fiscal year 2024-25. This achievement is attributed to over 50 revenue mobilization measures implemented across both tax and non-tax sectors, as well as continuous tracking and assessment of revenue performance through quarterly reviews.

To further enhance fiscal stability, the KP government has established a Debt Management Fund, assuming deposit up to Rs 150 billion with plans to contribute an additional Rs 40-50 billion annually. This initiative aims to make the province's debt more sustainable and reduce its burden over time.

In addition, KP is undertaking pension parametric reforms to manage long-term liabilities effectively. These reforms include transitioning to a contributory pension scheme, reducing commutation rates, and aligning pensionable pay with basic pay.

Under the guidance of our leader Mr. Imran Khan and with the firm leadership of Chief Minister Ali Amin Gandapur, the government is taking bold steps to bring real change. We are focused on transparency, accountability, and making every rupee count for the benefit of the people.

I am truly thankful to the hardworking team behind this budget. Their efforts in planning, reviewing, and wisely allocating resources are helping shape a better future for our province. Today, the numbers reflect our direction next year, In Sha Allah, the results will be visible on the ground.

Muzammil Aslam
Advisor to Chief Minister for Finance



Message from The Finance Secretary

The White Paper for the fiscal year 2025–26 presents a simple and clear overview of the province's financial position, policy choices, and the thinking behind budget priorities. It is meant to help citizens understand how government resources are raised, managed, and spent and how those choices shape services and development across Khyber Pakhtunkhwa.

This year's budget process has been shaped by a careful balance between immediate needs and long-term goals. While resources remain tight, efforts have been made to make smart, fair, and forward-looking decisions. The focus has been on getting the most value from every rupee and making sure that the most important areas such as health, education, and infrastructure continue to receive attention and funding.

As always, preparing this document involved detailed coordination across departments, thorough analysis of past trends, and thoughtful projections for the future. It has been encouraging to witness the growing role of data, performance insights, and collaborative input in shaping financial decisions.

The White Paper goes beyond presenting financial statement, it reflects the government's priorities, policy direction, and the responsibility we carry in managing public funds responsibly. I sincerely appreciate the dedication and effort of the Finance Department team in preparing this year's documents with care, clarity, and purpose. Our focus remains on improving financial governance and making sure every budget decision contributes to better services and meaningful progress for the people of Khyber Pakhtunkhwa.

I would like to sincerely thank the team that worked on this year's White Paper. In particular, I appreciate Mrs. Tillat Fahad and Mr. Abdul Qayyum Khan for taking a lead role in putting this important document together. I also thank all other committee members for their support and efforts throughout the process. I also appreciate Mr. Muhammad Asif, SSF- Budget, who supervised the preparation of the document from the start till end.

**Amer Sultan Tareen
Finance Secretary**



LIST OF ACRONYMS

ADB	Asian Development Bank	MTBF	Medium Term Budgetary Framework
ADP	Annual Development Program	NEC	National Economic Council
AJK	Azad Jammu Kashmir	NEPRA	National Electric Power Regulatory Authority
BCC	Budget Call Circular	NFC	National Finance Commission
BE	Budget Estimates	NHP	Net Hydel Profit
BOK	Bank of Khyber	NSS	National Saving Scheme
BTR	Budget Transparency Review	O&M	Operation and Maintenance
C&W	Communication and Works	OGDCL	Oil & Gas Development Company Limited
CBO	Community Based Organization	OGRA	Oil and Gas Regulatory Authority
CDL	Cash Development Loans	OPL	Ocean Pakistan Limited
CDLD	Community Driven Local Development	PAC	Public Accounts Committee
CCI	Council of Common Interest	PRC	Purchase Reserves Center
CVT	Capital Value Tax	PEDO	Pakhtunkhwa Energy Development Organization
DGCD	District Governance and Community Development	PF	Pension Fund
DRM	Disaster Risk Management	PEPCO	Pakistan Electric Power Company
E&SE	Elementary and Secondary Education	PFM	Public Financial Management
FD	Finance Department	PIBS	Pakistan Investment Bonds
FATA	Federally Administered Tribal Areas	PPL	Pakistan Petroleum Limited
GB	Gilgit Baltistan	PSDC	Petroleum Social Development Committee
GPIF	General Provident Investment Fund	RBDC	Retirement Benefit & Death Compensation
GST	General Sales Tax	RE	Revised Estimates
HDF	Hydel Development Fund	ROA	Return on Assets
IDS	Integrated Development Strategy	ROE	Return on Equity
IPD	Inverse Population Density	SNGPL	Sui Northern Gas Pipeline Limited
IDA	International Development Association	SDPF	Strategic Development Partnership Framework
KCM	Kazi Committee Methodology	SME	Small & Medium Enterprises
KPFM	Khyber Pakhtunkhwa Funds Management	SSGCL	Sui Southern Gas Company Limited
KPOGCL	Khyber Pakhtunkhwa Oil & Gas Company Limited	SYFA	System of Funds Administration
KPRA	Khyber Pakhtunkhwa Revenue Authority	T-Bills	Treasury Bills
KPPRA	Khyber Pakhtunkhwa Public Procurement Authority		
KWh	Kilowatt hour		
LGA	Local Government Act		
LIBOR	London Inter Bank Offered Rate		
MCR	Minimum Capital Requirement		
MGCL	Mari Gas Company Limited		
MMBTU	Million Metric British Thermal Units		
MOL	Magyar OLaj		
MPCL	Mari Petroleum Company Limited		



EXECUTIVE SUMMARY

The White Paper is an important part of the annual budget document, highlighting the provincial government's financial priorities, key challenges, and policy direction. The White Paper for the financial year 2025–26 comes at a time when Khyber Pakhtunkhwa is facing multiple economic and fiscal pressures. Despite these challenges, the province has presented a surplus budget of Rs. 157 billion, showing strong commitment to responsible financial management under the theme “Building Forward: A Responsible Khyber Pakhtunkhwa.”

Total revenues for the year are projected at Rs. 2,119 billion, while total expenditures are estimated at Rs. 1,962 billion. Of this, Rs. 1,662 billion will be spent in the settled districts and Rs. 300 billion in the merged districts.

While national economic growth is projected to remain modest, KP province's contribution towards the national GDP is at around 10 percent, driven primarily by agriculture, mining, services, and small-scale industries. The province has budgeted its own-source revenue at Rs. 129 billion, comprising Rs. 83.5 billion from taxes and Rs. 45.5 billion from non-tax sources. In addition, Rs. 106 billion is anticipated under Net Hydel Profits. Despite these inflows, the province will continue to rely heavily on Federal transfers through tax assignments, grants, and other fiscal mechanisms.

The 2025-26 budget gives priority to health, education, transport, and social support. Rs. 35 billion has been allocated for the Sehat Card Plus Program to provide free healthcare services. Rs. 150 billion is set aside to manage government debt. To improve food security, Rs. 12.1 billion will be spent, and Rs. 11.9 billion is reserved for purchasing medicines. In education, Rs. 7 billion will be used to provide free textbooks. For public transport, Rs. 4 billion has been allocated to support the BRT system. Additionally, Rs. 2.5 billion has been kept for relief and emergency support.

Most of the province's spending will go toward salaries and pensions. The salary bill is Rs. 680.8 billion, and pensions are budgeted at Rs. 195 billion. Development spending is set at Rs. 547 billion and will focus on building infrastructure, improving services, and helping the poor.

The government is continuing to support the merged districts, even though the full funding promised by the Federal government has not been received. A total of Rs. 249.6 billion has been set aside for these areas Rs. 160 billion for current expenditure and Rs. 89.6 billion for development projects.

To strengthen financial management, the province is introducing key reforms such as creating a Debt Management Fund, starting pension reforms, and upgrading its budgeting systems. A new online portal has already launched to make financial information more transparent and easier to access.

This year's budget shows that the government wants to spend money wisely and help the people. By focusing on basic services, fixing financial systems, and continuing important changes, the province is working toward a better and more stable future for the people of Khyber Pakhtunkhwa.



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KP Public Debt Management
& Funds

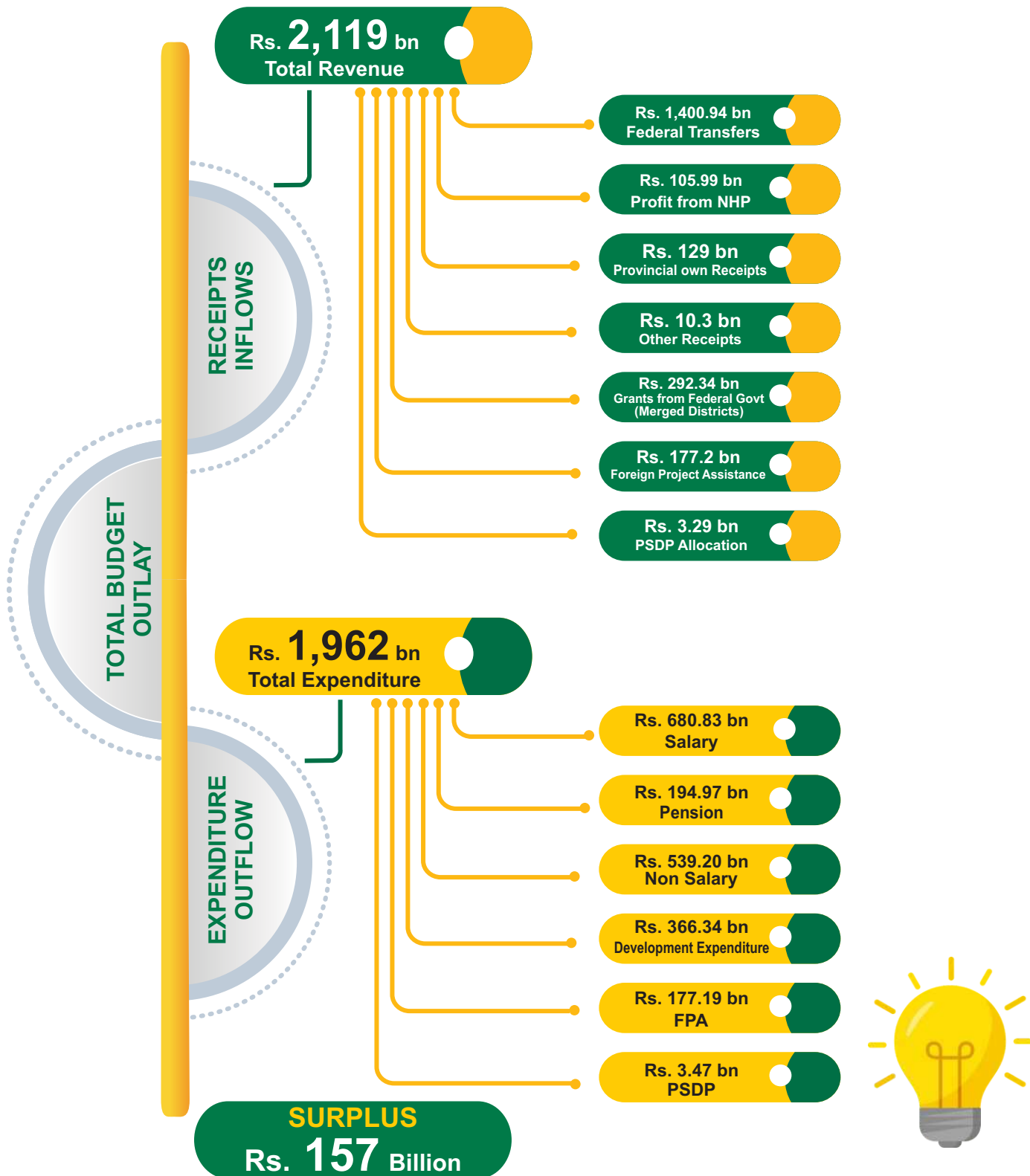
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Reforms for Fiscal Stability



A SNAPSHOT OF KHYBER PAKHTUNKHWA BUDGET 2025-26





Chapter 1

Macroeconomic Outlook 2025-26

As compared to 2024 in which global GDP growth rate was 3.2%, IMF has projected a moderate growth recovery prospect for the global economy. Though still below the historical average of 3.7% an anticipated growth rate of 3.3 % during 2025 and 2026 shows a ray of hope. (IMF, January 2025). Following table shows GDP growth of leading economies.

Global GDP Growth			
Country/Region	GDP Growth 2024 (%)	GDP Growth 2025 (%)	GDP Growth 2026 (%)
World	3.2	3.3	3.3
USA	2.1	2.7	2.1
Euro Area	0.8	1	1.4
China	4.8	4.6	4.5

Source: IMF, World Economic Outlook, January 2025.

Given this global outlook Pakistan's economic growth prospects are satisfactory as it is forecasted to gradually improve from year 2024 to year 2026. For year 2025, the economy was projected to grow at a modest rate of 2.68%. Moving into 2026, growth is anticipated to accelerate notably to around 4.3%, supported by improved macroeconomic indicators and increased investments.

Though Inflation remains a major concern for Pakistan's economic outlook, after reaching 23.4% in 2024, inflation rates are expected to decline to a single digit going forward. However, it is forecasted to rise slightly again in 2026, reaching around 8%, due to ongoing volatility in global commodity prices and domestic economic adjustments.

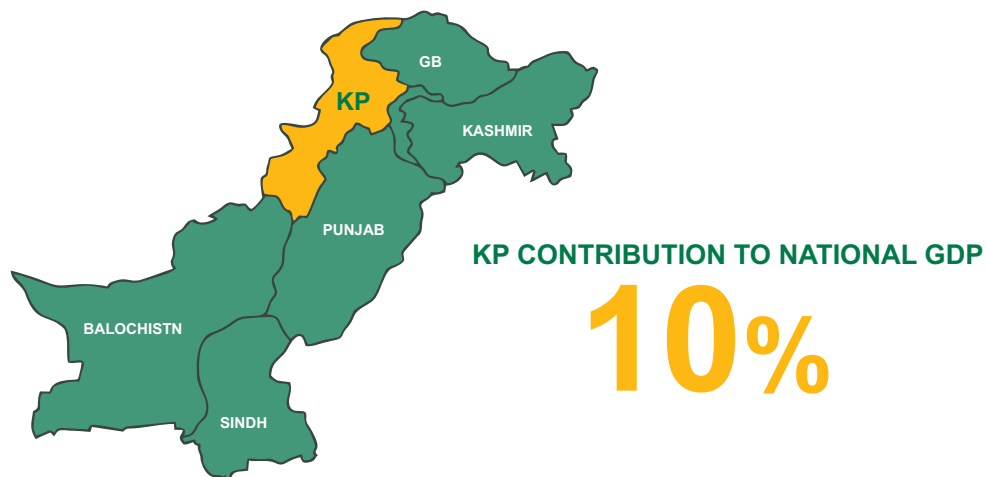
The external sector shows a mixed yet improving picture. Pakistan's current account deficit, as a percentage of GDP, is expected to narrow from -0.5% in 2024 to an improved -0.1% in 2025. A slight widening is anticipated again in 2026, settling at -0.4%, driven by increasing imports linked to economic recovery. Meanwhile, foreign exchange reserves have shown improvement, standing at \$10.5 billion, with strategic targets set to reach \$14 billion.

Fiscal and structural reforms remain central to Pakistan's economic stabilization strategy. Following table shows key economic indicators of Pakistan.

Pakistan Economic Outlook				
Key Economic Indicators				
Indicator	2024 Estimate	2025 Forecast	2026 Forecast	Source
Real GDP Growth	2.50%	2.60%	3.60%	IMF
Inflation Rate (CPI)	23.40%	5.10%	7.70%	IMF
Unemployment Rate	8.30%	8.00%	7.50%	IMF
Current Account Balance (% of GDP)	-0.50%	-0.10%	-0.40%	IMF
Policy Interest Rate	12.00%	TBD	TBD	SBP
Foreign Reserves (USD)	\$10.5B	\$14B	TBD	Reuters

According to the Pakistan Bureau of Statistics (PBS) and Planning Commission of Pakistan, Khyber Pakhtunkhwa (KP) makes a contribution of approximately 10% to Pakistan's national GDP. This contribution is mainly driven by agriculture, mining, remittances, and increasingly, services and industrial activity, including developments under the China-Pakistan Economic Corridor (CPEC), such as the Rashakai Special Economic Zone.

According to the Labor Force Survey 2020–21 published by the Pakistan Bureau of Statistics, Khyber Pakhtunkhwa has a Labor force of 11.29 million, which accounts for approximately 15.7% of Pakistan's total Labor force (71.76 million). The number of employed persons in KP is 10.22 million, representing 15.2% of the country's total employed population (67.3 million). The labor force participation rate in KP stands at around 41%, which is lower than the national average of ~47%, reflecting structural challenges in job creation, especially for youth and women.



Overall KP's economy is predominantly informal, and many workers are engaged in agriculture, construction, small-scale manufacturing, and cross-border trade. There is a growing shift toward services and entrepreneurship, supported by youth initiatives and skills development programs.

A comprehensive framework for estimating provincial GDPs is required due to its economic significance. This is essential not only for informed economic and fiscal planning but also for devising targeted policies, making sure effective resource allocation, and improving decision-making based on accurate economic data.



Chapter 2

Budget at a Glance

In a remarkable display of resilience and fiscal prudence, the Government of Khyber Pakhtunkhwa has unveiled a record surplus budget of approximately PKR 157 Billion for FY 2025-26. Despite fiscal challenges, floods, internal law & order situation and limited external support, the Government of Khyber Pakhtunkhwa has effectively introduced a people-centric budget aimed at improving service delivery.

The total expenditure of KP Government is estimated at a budget of PKR 1,962 billion including PKR 1,662 billion in the settled districts, and PKR 299.6 billion in the Merged Districts (Mds).

For the FY25-26 total estimated receipts are PKR. 2,119 billion Federal Transfers including Federal Tax Assignment, PKR. 1,400.94 billion War on Terror, Straight Transfers, and Windfall Levy are budgeted at a total of PKR 241.85.

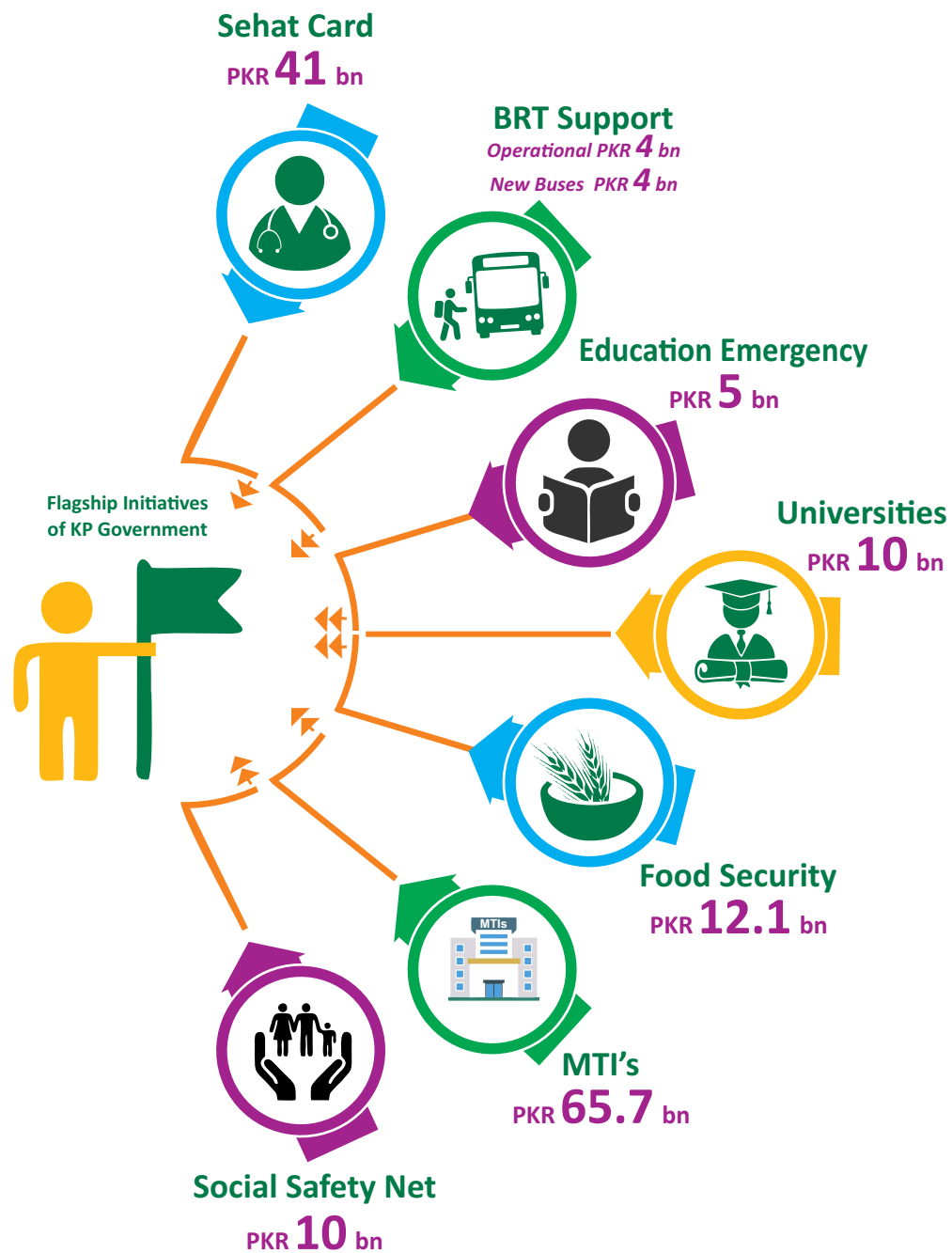
PKR. 106 billion is estimated against Net Hydel Profits (NHP) and Provincial Own Receipts are projected at PKR. 129 billion Grants from the Federal Government for Merged Districts are estimated at PKR 294.6 billion Finally, Foreign Project Assistance is budgeted at PKR 177.2 billion Tables 1a, 1b and 1c show a summary of budgeted receipts and expenditures for the fiscal year (FY) 2025-26 for the entire province. Compared to last year, this year's receipts reflect an increase of 20.80% over last year's budgeted receipts of PKR. 1,754 billion and an expenditure of PKR 1,962 billion reflects an increase of 18.62% of last year's budgeted expenditure of PKR 1,654 billion.

2.1 Key highlights for FY 2025-26 include:

- PKR. 41 billion allocated for the Sehat Sahulat Card including PKR. 35. billion for settled areas (current side) and PKR 6 billion for Merged Districts (development side).
- PKR. 12.1 billion allocated for Food Security, including PKR 10.6 billion for settled areas and PKR 1.5 billion for Merged Districts.
- PKR, 11.943 billion allocated for the Purchase of Medicines, including PKR. 11.7 billion for settled areas and PKR. 0.249 billion for Merged Districts.
- Ensuring access to quality education remains a priority therefore the Government of Khyber Pakhtunkhwa has announced special educational emergency and allocated PKR, 5 billion amount for furniture, and fixtures and 7.0 billion allocated for free textbooks to benefit all students.
- Urban mobility remains a priority in the budget with allocation of PKR 8.0 billion, including 4 billion for operational and 4 billion for purchase of new buses to improve access to public transportation and to provide relief in travel costs.
- An amount of PKR 2.5 billion is earmarked for relief measures.
- PKR 10.020 billion allocated for Social Safety Net, including PKR 10.010 billion for settled areas and PKR 0.010 billion for Merged Districts.

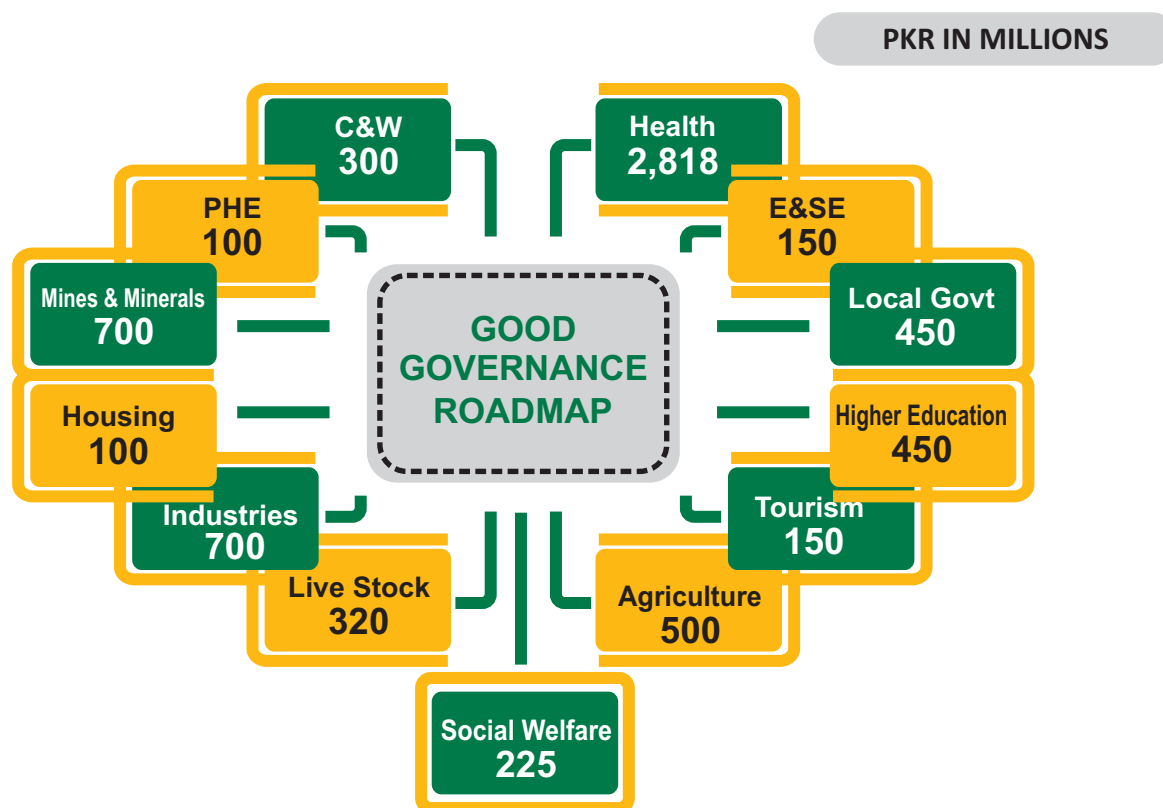


To improve service delivery for the people, the Government of KP has launched several flagship initiatives across key sectors such as Sehat Sahulat Card, Budgetary support to MTIs, allocations for Food security & Social Safety Net, grants to Universities and support for BRT.





In addition to the regular budget, the Khyber Pakhtunkhwa government allocated block grants to selected departments to strengthen governance and improve service delivery across key sectors.



Details of Khyber Pakhtunkhwa's Budget 2025–26, including total revenue and total expenditure, are provided in Tables 1a and 1b.



Table 1a						
Summary: Revenue for the year 2025-26						
PKR in Bn						
REVENUES						
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Total Revenues	1027.40	1184.80	1143.56	1754.00	1834.000	2119.00
Federal Transfers	590.50	698.70	895.30	1100.70	1182.49	1400.94
Federal Tax Assignment	498.60	586.40	721.60	902.50	966.55	1147.76
1 % for War on Terror	59.90	70.50	86.70	108.40	116.14	137.91
Straight Transfers	32.00	41.80	87.00	43.00	52.97	57.11
Windfall Levy	0.00	0.00	0.00	46.80	46.83	58.15
Profit from Hydro Electricity (NHP)	21.00	4.90	8.50	111.30	113.71	105.99
Net Hydel Profit (Current Year)	12.00	0.00	0.00	33.10	33.09	34.58
Arrears of Regular Net Hydel Profit (NHP)	9.00	4.90	8.50	37.10	38.02	28.80
Unreconciled Arrears (Indexation)	0.00	0.00	0.00	41.10	42.60	42.51
NHP as per AGN Kazi formula (KCM)	0.00	0.00	0.00	0.00	0.00	0.10
Provincial Own Receipts	62.10	66.90	84.76	93.50	96.42	129.00
Provincial Tax Receipts	41.80	41.80	54.80	63.20	70.00	83.50
Sales Tax on Services (KPRA)	27.50	30.70	35.90	39.00	37.50	45.50
Other Provincial Tax Receipts	14.30	11.10	18.90	24.20	32.50	38.00
Provincial Non-Tax Receipts	20.30	25.10	29.96	30.30	26.42	45.50
Other Receipts	174.5	246.1	0.3	31.6	45.4	10.3
Recovery from Designated Accounts	0.0	10.0	0.0	0.0	0.0	0.0
Recovery of Investment & loans	0.1	0.1	0.3	0.3	0.6	0.3
Withdrawal of profit from Pension Fund for payment of pensions	20.3	10.0	0.0	0.0	0.0	0.0
Other Miscellaneous Receipts					32.3	
Ways & Means Advance Facility from Fed. Govt.	154.1	226.0	0.0	31.3	12.5	10.0
Grants from Federal Govt. (MDs)	110.80	99.90	111.60	259.90	255.03	292.34
Grants for Current Budget	66.00	60.00	66.00	72.60	66.00	80.00
Additional Financing Demand for Current Budget	-	0.00	0.00	72.00	77.00	80.00
Development Grant (ADP + AIP)	44.80	39.90	45.60	76.00	72.75	89.60
Additional Financing Demand for Development Budget	-	0.00	0.00	0.00	0.00	0.00
3% NFC Share - Punjab	-	0.00	0.00	23.80	39.29	42.74
3% NFC Share - Sindh	-	0.00	0.00	11.30		
3% NFC Share - Baluchistan	-	0.00	0.00	4.20		
Foreign Project Assistance (FPA)	37.50	58.20	36.20	130.60	112.14	177.19
FPA Settled Districts	-	57.10	33.60	126.70	110.34	171.83
FPA Merged Districts	-	1.10	2.60	3.90	1.80	5.36
PSDP allocations for provincially executed projects	31.00	10.10	6.90	26.40	28.80	3.29



Table 1b						
Summary: Expenditure						
PKR in Bn						
EXPENDITURES						
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Total Expenditure	1077.00	1116.80	1110.57	1654.00	1834.00	1962.00
Current Revenue Expenditure	817.40	970.50	948.27	1237.72	1386.795	1415.00
Salary	323.60	408.30	508.43	603.80	586.08	680.83
Settled – Provincial	93.90	164.30	201.20	245.97	234.21	288.51
Settled – Devolved	177.50	182.30	232.15	263.07	263.07	288.609
MDs – Provincial	24.70	34.60	41.01	52.12	46.15	56.842
MDs – Devolved	27.50	27.10	34.08	42.64	42.64	46.865
Pension	91.90	112.30	139.03	166.84	167.48	194.97
Pension expenditure funded from taxpayer proceeds	90.60	109.70	135.65	162.40	162.89	190.297
Pension expenditure funded from Pension Fund profit	0.00	0.00	0.00	0.00	0.00	0.00
MDs	1.30	2.60	3.37	4.44	4.59	4.670
Non-Salary	401.90	449.90	300.809	467.07	633.24	539.20
Settled - Provincial O&M and Contingency	123.90	115.00	102.269	160.86	194.93	220.111
Settled – Devolved	17.50	12.90	17.866	29.59	29.59	37.545
NMAs – Provincial	11.00	6.70	9.690	31.90	36.08	37.637
NMAs – Devolved	2.50	2.20	2.968	9.89	9.89	10.339
MTIs	22.90	18.10	49.890	55.66	56.67	65.657
Food Security Net	10.00	5.00	32.554	26.70	27.30	12.100
Viability Gap Funding	0.00	0.00	0.000	0.01	0.00	0.000
Investment & Committed Contribution	1.10	0.50	20.500	23.00	173.00	42.000
Interest Payments	14.10	23.70	31.972	44.30	41.30	48.300
Grants to Local Councils	9.10	6.40	7.953	13.21	13.21	14.835
COVID-19 Contingency	0.00	0.10	0.014	0.30	0.30	0.330
Polio Eradication Programme		0.00	0.000	0.00	0.00	0.000
Pro-Poor Initiatives for Food Support	0.00	0.50	0.000	0.00	0.00	0.000
Capital Expenditure (Debt Principal Repayment)	189.80	21.30	25.100	40.36	38.47	40.4
Repayment of Ways & Means Advance to Fed. Govt.		237.50	0.033	31.30	12.50	10.000
Total Development Expenditure	259.60	146.30	162.30	416.286	447.21	547.00
Development Expenditure (Excluding FPA + PSDP)	205.30	109.00	119.20	259.29	306.26	366.34
ADP (Provincial - Settled Districts)	151.10	89.80	69.30	120.00	158.37	195.00
ADP (Devolved - Settled Districts)	1.80	1.20	0.00	24.00	30.60	39.000
ADP (Provincial - Merged Districts)	15.90	6.50	16.60	30.00	30.43	33.000
ADP (Devolved - Merged Districts)	36.50	0.00	0.00	6.00	6.00	6.6000
Accelerated Implementation Plan (AIP - Funded)	0.00	11.50	33.30	40.00	41.58	50
Accelerated Implementation Plan (AIP - Unfunded)	0.00	0.00	0.00	39.29	39.29	42.740
Foreign Project Assistance (FPA)	17.90	24.70	36.20	130.60	112.14	177.19
FPA Settled Districts	17.90	23.60	33.60	126.70	110.34	171.83
FPA Merged Districts		1.10	2.60	3.90	1.80	5.36
PSDP expenditure for provincially executed projects	36.40	12.60	6.90	26.40	28.80	3.47



Table 1c.			
Summary: Expenditure, Budget Estimates 2025-26			
PKR in Bn			
Head	Settled Districts	Merged District	Total
Total Expenditure	1662.396	299.604	1962.000
Total Current Expenditure	1255.000	160.000	1415.000
Salary	577.123	103.707	680.830
Pension	190.297	4.670	194.967
Food Security Net	10.600	1.500	12.100
Investment & Committed Contributions	42.000	0.000	42.000
Interest Payments	48.300	0.000	48.300
Non-Salary	346.330	33.123	379.453
TDP	0.000	17.000	17.000
Capital Expenditure (debt principal repayment)	40.350	0.000	40.350
Total Development Expenditure	234	39.6	273.6
ADP (Provincial)	195.000	33	228
ADP (Devolved)	39	6.6	45.6
AIP - Funded	0	50	50
AIP (Federally Funded)		50	50
AIP (KP Share)			0
AIP - Unfunded	173.39638	50.004	223.4
AIP (Punjab Share)	0	42.74	42.74
AIP (Sindh Share)			
AIP (Balochistan Share)			
FPA	171.830	5.358	177.188
Provincially Executed PSDP Expenditure	1.566	1.906	3.472
Total Development Expenditure	407.396	139.604	547.000

Due to budgeting conventions, budgeted figures in all categories are not always a reflection of actual spending at the end of the year (Figures 1 and 2). However, the Government of Khyber Pakhtunkhwa has been working on correcting this, by basing the salary budget on actual positions filled rather than on sanctioned positions, and by publishing data on actuals, on an annual basis.



Figure 1.1

Actual expenditure has historically lagged behind the budgeted expenditure figures

Yearly Expenditure
in PKR Billions

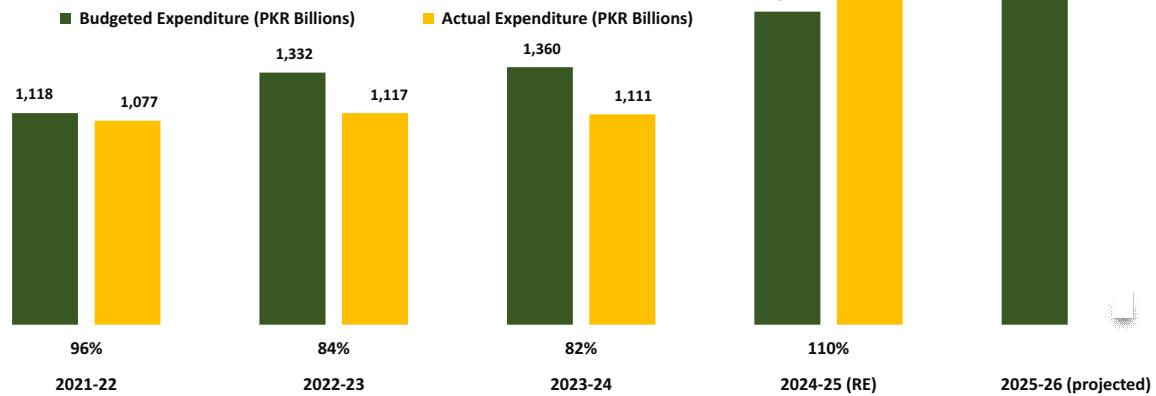
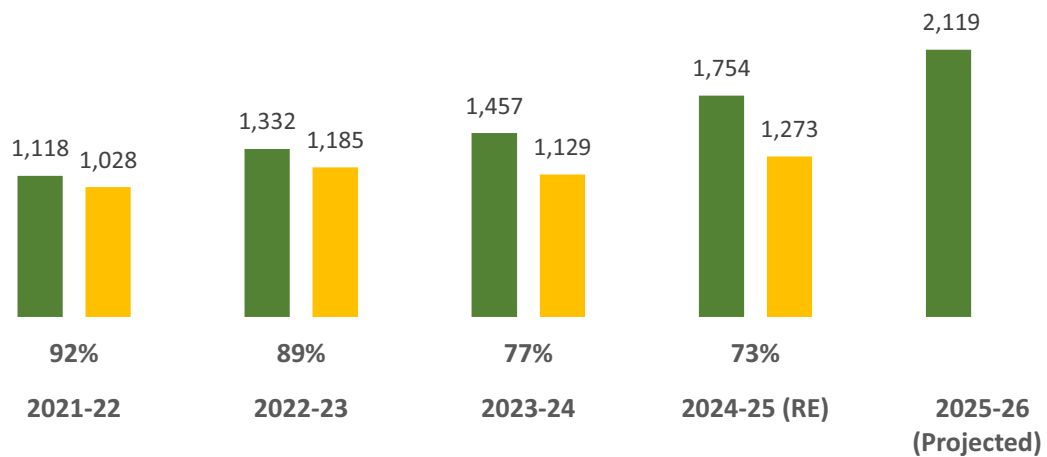


Figure 1.2

ACTUAL RECEIPTS VS. BUDGETED RECEIPTS YEARLY EXPENDITURE IN PKR BILLIONS

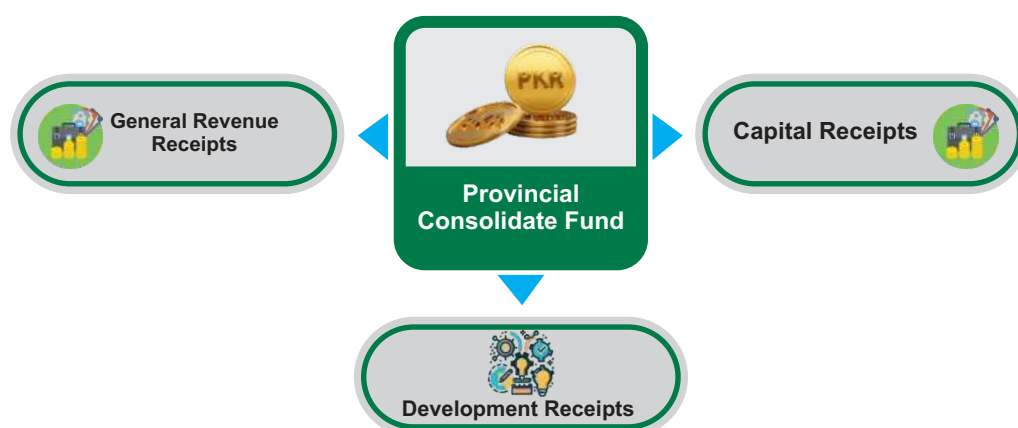
■ Budgeted Receipts (PKR Billions) ■ Actual Receipts (PKR Billions)



Chapter 3

Estimates of Receipts

The revenue of the Government of Khyber Pakhtunkhwa primarily comes from two main sources: Federal Transfers and Own Source Revenue. Federal Transfers include shares from the divisible pool under the NFC Award, straight transfers, and other grants. Own Source Revenue comprises provincial taxes, non-tax receipts, and income from property and enterprises.



This chapter aims to present a detailed analysis of the total receipts of the provincial government for FY 2024-25 and provide projections for FY 2025-26. The receipts are categorized into:

- General Revenue Receipts
- Capital Receipts
- Development Receipts

These categories help explain the structure of fiscal inflows that support the province's expenditure priorities and development goals.

For FY 2025-26, the total estimated receipts for the province of Khyber Pakhtunkhwa are PKR 2,119 billion. This amount includes:

- PKR 1,147.76 billion from the Federal Tax Assignment
- PKR 129.00 billion from the province's own revenue
- PKR 106 billion from Net Hydel Profits
- PKR 137.91 billion as 1% share for the War on Terror
- PKR 292.34 billion in grants from the Federal Government to support the budget of the Merged Districts (until the NFC award is finalized)

These total receipts are 20.8% higher than the previous year's budgeted figure of PKR 1,754 billion.



3.1 General Revenue Receipts

General Revenue Receipts are the main sources of revenue that the government uses to pay for day-to-day operations like salaries, pensions, health, and education. These receipts come from three sources:

- Federal Transfers: Money the federal government gives to the province.
- Net Hydel Profits (NHP): Income earned from selling electricity produced by hydropower projects.
- Provincial Own Receipts: Money the province collects itself, like taxes and fees.

For the year 2025-26, Khyber Pakhtunkhwa expects to receive PKR 1,635 billion in General Revenue Receipts. This is more than last year's estimate of PKR 1,392 billion.

Here's how it breaks down:

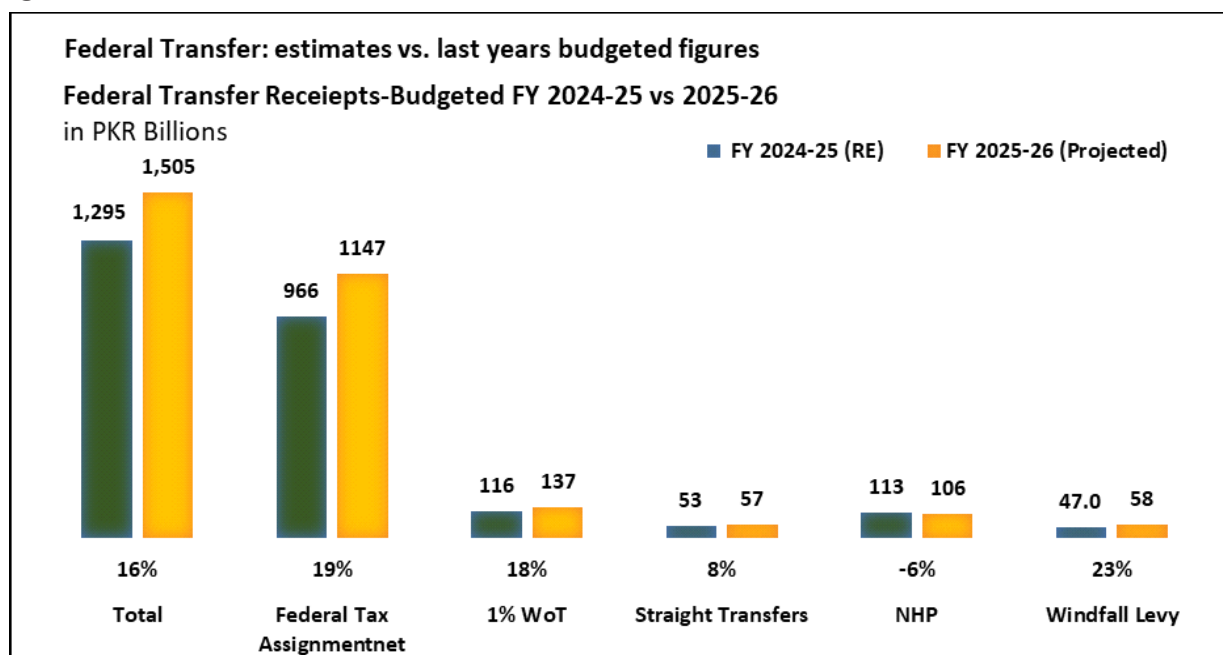
- PKR 1,400 billion will come from Federal Transfers
- PKR 106 billion from Net Hydel Profits
- PKR 129.00 billion from the province's own revenue sources

Transfers from the Federal Government consist of the following:

1. Khyber Pakhtunkhwa's share of the National Finance Commission (NFC) 7th Award
2. Profits from hydroelectricity, more commonly known as Net Hydel Profits (NHP)
3. Revenue from Oil & Gas

Together, these transfers constitute 92.2% of the total Revenue Receipts of the Province.

Figure 2.3





The 7th NFC Award applied the following the Multiple-Criteria Formula by giving weightages to each parameter such as :

- 82% to population,
- 10.3% to poverty and backwardness,
- 5% to revenue collection/generation
- 2.7% to Inverse Population Density (IPD)

Under clause 3(A) of Article 160 of the Constitution of the Islamic Republic of Pakistan, inserted through the 18th Constitutional Amendment, the share of the provinces in each future Award of the National Finance Commission shall not be less than the share given to the provinces in the previous Award. An amount of Rs. 1165.6 billion is expected to be transferred from the Federal Government to the Government of Khyber Pakhtunkhwa during the financial year 2025-26, under the head of the NFC award.

A comparison of horizontal distribution shares of Provinces in 7th NFC Award and the previous NFC Award is given in the table below.

Table 3b.					
Share of Provinces in the Divisible Pool as per 7 th NFC Award					
Province	% Share in the 6 th Award	% Share in 7 th NFC Award			
		Horizontal Share	1% for War on terror*	Grant for Compensation on account of OZ&T	Total % Share
Federal Share	62.5	42.5			
Provinces	37.5	57.5			
Punjab	53.2	51.74			
Sindh	24.96	24.55			
Khyber Pakhtunkhwa	14.78	14.62	1.8		16.42
Baluchistan	7.05	9.09			

Unfortunately, ever since the 7th NFC Award, no meaningful successor award came to the fore. The 8th NFC constituted on 21st July, 2010 and 9th NFC constituted on 24th April, 2015, reconstituted on 10th January, 2019 and 10th NFC constituted on 20th July, 2020 ended their respective five-year terms without making any recommendations. The 7th NFC Award took effect from 1st July, 2010, and it remains in vogue today. The Federal Government already sent request for nomination of the Member NFC from KP for 11th NFC Award. Prior to making new award the following consideration needs to be taken:

- A recalculation of the provincial share on the basis of the 2023 census.
- The integration of the demographics of the Merged Districts into the province, particularly the 2.94% share of the national population as per 2023 census.
- A permanent settlement of the issue of Net Hydel Profits determination in line with the Constitution under Article 161, and demand for a constitutional right for the imposition of Federal Excise Duty on Oil as per Article 161 (b) of the Constitution.

This necessitates a recalculation of the horizontal share of Khyber Pakhtunkhwa under any new formula for horizontal distribution to be finalized by the 10th NFC. The Prime Minister of Pakistan has also pledged 3% of the NFC share of Federal Government, Punjab and Khyber Pakhtunkhwa to be given to fund the



development needs of Merged Districts for the next 10 years, as per the Tribal Decade Strategy. The Government of Khyber Pakhtunkhwa will continue to comprehensively approach the next NFC Award for the realization of optimal share of the province inclusive of the Merged Districts and press upon all other federating units to honor their commitments, in order to ensure that the war-afflicted region enters the mainstream and integrates smoothly with the rest of the province. Realizing the central role of Khyber Pakhtunkhwa in the War on Terror, 1% of the Gross Divisible Pool was also assigned to it in addition to its otherwise share

Similarly *Net Hydel Profits (NHP)* are a provision of the 1973 Constitution of the Islamic Republic of Pakistan that safeguard the use of provincial water as a natural resource for power generation. It defines NHP as profits from the bulk generation of power at a hydroelectric station.

The total NHP budgeted for FY 2025-26 is PKR 106 bn. This is split into 4 categories i.e., collection under Net Hydel Profit, reconciled arrears of Net Hydel Profits, unreconciled Net Hydel Profits, and NHP as per the AGN Kazi formula.

Table 4						
Profits from Hydro-Electricity						
PKR in Bn						
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Total	21.00	4.90	8.50	112.30	113.71	105.99
Net Hydel Profit (Current Year)	12.00	0.00	0.00	33.10	33.09	34.58
Arrears of Previous years	9.00	4.90	8.50	37.10	38.02	28.80
Arrears (Indexation)	0.00	0.00	0.00	41.10	42.08	42.51
NHP as per AGN Kazi formula (KCM)	0.00	0.00	0.00	1.00	0.00	0.10

In consonance with Article 161 of 1973 Constitution, the Government of Khyber Pakhtunkhwa is entitled to receive revenues on account of the following:

- Royalty on Oil & Gas
- Gas Development Surcharge
- Excise Duty on Gas
- Excise Duty on Oil
- Petroleum Development Levy

The status of actual receipts from the Federal Government over the last 5 years and figures budgeted for this year are shown in the table below:

Table 5						
Actual Receipts from Federal Government on account of Oil & Gas						
PKR In Bn						
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Total	32	41.9	51	89.8	152	115.15
Royalty on Crude Oil	20.9	27.2	29	26.2	26.00	26.00
Royalty on Natural Gas	6.9	12.3	16	11.4	25.00	22.00
Gas Development Surcharge	2.7	1	5	2.7	0.00	7.00
Excise Duty on Natural Gas	1.5	1.4	1	2.7	2.00	2.00
Windfall Levy	-	-	0	46.8	99.00	58.15



According to 7th NFC Award, the share of Khyber Pakhtunkhwa, in the net proceeds of total royalties on crude oil in a year, is the proportion of crude oil produced in Khyber Pakhtunkhwa out of the total national production of crude oil in that year. Royalty on Oil and Gas is payable by the exploration and production companies to the Government at the rate of 12.50% of the wellhead value, 2% of which is retained by the Federal Government and the rest is paid to the Provincial Government. It is payable monthly within a period not exceeding 45 days of the end of the month of production in question, which if delayed beyond this stipulated period would attract fine at the rate of the London Inter Bank Offered Rate (LIBOR) plus two percent as may be determined as per Rule 38 (3) of The Pakistan Onshore Petroleum (Exploration & Production) Rules, 2013. The wellhead value is determined by the Government of Pakistan, after every six months.

Gas Development Surcharge is the margin available to the Government caused by the difference in the sale price for consumers as determined by OGRA and the prescribed price for Gas Companies on the basis of their fixed return, as defined in the Natural Gas (Development Surcharge), Ordinance, 1967. The prescribed price of Sui Northern Gas Pipeline Ltd (SNGPL) and Sui Southern Gas Company Limited (SSGCL) is based on wellhead price of gas, excise duty at wellhead, operation and maintenance cost, depreciation, and returns of gas company (17.5% SNGPL and 17% SSGCL) on assets.

As per the 7th NFC Award, *“each of the provinces shall be paid in each financial year as a share in the net proceeds to be worked out based on the average rate per MMBTU of the respective Province. The average rate per MMBTU shall be derived by notionally clubbing both the royalty on Natural Gas and Development Surcharge on Gas. Royalty on Natural Gas shall be distributed in accordance with clause (1) of Article 161 of the Constitution whereas the Development Surcharge on Natural Gas would be distributed by making adjustments based on this average rate”*.

Excise Duty on Gas is collected by the Federal Board of Revenue, and the proceeds so collected are reported to Finance Division on monthly basis for onward transfer to provinces. Excise Duty on Gas is currently being given at the rate of Rs.10 per MMBTU. Presently ten companies are working in Khyber Pakhtunkhwa that show promising prospects for oil and gas exploration in the province. Khyber Pakhtunkhwa is the first province to have established a Provincial Oil & Gas Company (KPOGCL) in 2013, under the administrative control of the Energy & Power Department for carrying out fast-track exploration and production of oil and gas.

Excise duty on oil is not paid to the province, as the rate has not been determined yet. Khyber Pakhtunkhwa produces more than 50% of the national oil production which means it absorbs the highest loss from the unavailability of this duty.

The Federal Government collects Petroleum Development Levy on different petroleum products. This collection is not distributed among the provinces as it is excluded from the Federal Divisible of the NFC, which is a violation of the rights of the provinces. Also, despite multiple efforts, excise duty on oil is not determined despite constitutional provision.

The Provincial Own Revenue Receipts for the financial year 2025-26 are estimated at **129 billion**, comprised of:

- Tax Receipts of **83.5 billion** including Sales Tax on Services **45.5 billion**, and;
- Non-Tax receipts of **45.5 billion**

Tax receipts are further categorized into Direct Taxes and Non-Direct taxes. Direct Taxes include taxes on Agriculture Income/Land, Urban Immovable Property (UIP) Tax, Tax on Transfer of Property Registration, Land Revenue & Profession, Trade, and Callings, etc. Indirect Taxes, a major component of tax receipts, comprises Sales Tax on Services, Provincial Excise, Motor Vehicle Tax, Stamp Duties, Cess of all types, Electricity Duty, etc.

- The budgeted **tax** collection for FY 2025-26 is **83.5**, which is **32%** higher than last year's budgeted figure. The Provincial Tax Receipts budgeted figures for FY 2025-26 are given in the table below.



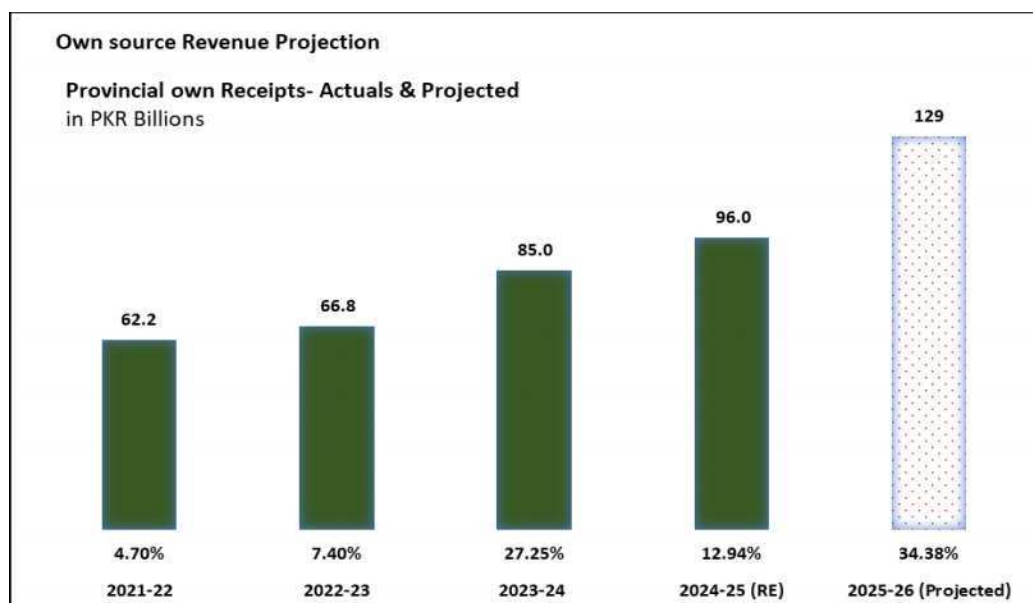
Table 6						
Provincial Tax Collection						
Rs. in Bn						
Tax Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Net Total	43.3	33.3	54.3	63.2	70.0	83.5
Total Direct Taxes	4.7	2.8	5.2	9.0	6.1	9.3
Land Revenue Fee	2.9	1.2	1.6	4.6	1.6	4.4
Property & Wealth Tax	1.5	1.3	2.0	2.8	2.8	2.8
Registration Fee	0.1	0.0	0.5	0.4	0.5	0.6
CVT Fee	0.0	0.0	0.2	0.1	0.2	0.2
Agriculture Income Tax	0.1	0.1	0.1	0.1	0.1	0.1
Professional Tax	0.1	0.2	0.8	1.0	0.9	1.2
Total Indirect Taxes	38.6	30.5	49.1	54.2	63.9	74.2
Sale Tax on Services (GST)	27.5	21.8	35.9	39.0	37.5	45.5
Motor Vehicle Tax	1.5	1.0	1.1	1.3	1.5	1.7
Stamp Duties Fee	4.9	2.3	2.9	4.3	2.6	4.3
Electricity Tax	1.4	1.7	3.0	5.1	5.3	5.2
PTA (Route Permit under MVT)	0.0	0.3	0.4	0.4	0.4	0.5
Tobacco Development Cess	0.4	0.3	0.5	0.5	1.3	1.6
Infrastructure Development Cess	2.9	3.0	5.9	3.0	10.0	10.0
Motor Vehicle Fitness (MVT)	0.0	0.1	0.1	0.1	0.1	0.1
Others	0.0	0.0	1.2	0.5	5.2	5.3
Less: Local Council Share	0.0	0.0	-1.9	0.0	0.0	0.0

Non-Tax revenue consists of major heads such as Receipts from General Administration, Economic Services, and Social Services receipts. The total non-tax receipts for FY 2025-26 are estimated at Rs. 45.5 billion.

Table 7						
Provincial Non-Tax Revenues						
PKR in Bn						
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Total	20.30	25.05	22.65	28.96	26.50	45.50
Mines & Minerals	6.30	6.57	6.42	7.65	10.50	14.00
Energy & Power	0.00	0.00	0.00	0.00	0.00	0.00
Police	1.60	1.84	1.96	3.56	3.00	3.27
Finance	1.20	1.15	2.87	0.90	4.30	17.50
Home	1.00	1.43	0.90	1.60	2.00	2.52
Health	0.70	0.49	5.10	0.88	0.90	1.20
Others	9.50	13.58	5.40	14.37	5.80	7.01



For the year 2025-26, an aggressive target of PKR 45.50 billion has been set in order to maximize revenue generation and push departments towards better performance. However, the government also conducts periodic third-party surveys to make sure there's no coercion in terms of tax collection to achieve targets. The following graph shows OSR projections:



3.2 Capital Receipts

Capital Receipts are funds received by the government from sources other than regular income, such as:

- Money recovered from investments made by the Hydel Development Fund
- Loan repayments from government employees
- Payments from SNGPL (Sui Northern Gas Pipelines Limited)
- Payments from financial and non-financial institutions, and autonomous or semi-autonomous bodies

For the financial year 2025-26, the total estimated capital receipts are PKR 10.3 billion.

Table 8						
General Capital Receipts						
	PKR in Bn					
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Total	174.5	246.1	9.3	31.6	13.1	10.3
Recovery from Designated Accounts	0.0	10.0	9.0	0.0	0.0	0.0
Recovery of Investment & loans	0.1	0.1	0.3	0.3	0.6	0.3
Withdrawal of profit from Pension Fund for payment of pensions	20.3	10	0	0	0	0
Ways & Means Advance Facility from Fed. Govt.	154.1	226.0	0.0	31.3	12.5	10.0



3.3 Development Receipts

Development Receipts consist of grants received for Merged Districts and the Public Sector Development Programmed (PSDP). Amounts received under each head of Development Receipts are depicted in the table below.

Table 9						
Development Grants for NMAs & PSDP						
	PKR In Bn					
Head	Actuals 2021- 22	Actuals 2022- 23	Actuals 2023- 24	Budget 2024- 25	Revised 2024-25	Budget 2025-26
Total Development Grants	141.8	110.0	118.5	286.3	283.8	295.6
Grants from Federal Govt. (MDs)	110.8	99.9	111.6	259.9	255.0	292.3
Grants for Current Budget	66.0	60.0	66.0	72.6	66.0	80.0
Additional Financing Demand for Current Budget	-	0.0	0.0	72.0	77	80
Development Grant (ADP + AIP)	44.8	39.9	45.6	76.0	72.74702	89.6
Additional Financing Demand for Development Budget	-	-	-	-		
3% NFC Share - Punjab	-	-	-	23.8	39.286	42.74
3% NFC Share - Sindh	-	-	-	11.3		
3% NFC Share - Balochistan	-	-	-	4.2		
PSDP allocations for provincially executed projects	31.0	10.1	6.9	26.4	28.8	3.3

In the year 2023-24, the Federal Government has reduced the grant for current budget of MDs as compared to the previous year. This has happened for the first time since the merger of erstwhile FATA in 2018 following the successful passage of the 25th amendment. The total allocation for the current grants of MDs has been reduced to Rs. 60 billion, which is wholly composed of salary and non-salary, with zero allocation for TDPs. The actual expenditure incurred for the year was Rs. 73 billion, Rs. 13 billion more than the budgeted allocation – putting an additional burden on the province.

In FY 2024-25, the Federal Government increased the grant for the current budget of MDs as compared to the previous year. The total allocation for the current grant of MDs was increased to Rs. 66 billion, which was wholly composed of salary and non-salary, with zero allocation for Temporarily Displaced Persons (TDPs). The Rs. 66 billion allocations is insufficient because in the 10 months of the current financial year the actual monthly current expenditure for MDs stands at Rs. 7.5 billion, resulting in actual current expenditure of Rs 75 billion so far. Based on the above, a minimum actual expected expenditure of Rs. 96 billion is projected for FY 2024-25. The complete current budget estimate for FY 2024-25 stood at Rs. 113 billion including Temporary Displace Persons (TDPs).

In FY 2025-26, to adequately meet the current budget needs of MDs, the provincial budget reflects the requirement of 295.6 billion (including 80.00 billion for Temporary Displace Persons (TDPs)).



Besides the state trading of the Provincial Government covers wheat procurement and is kept separate from all other transactions of the Provincial Government. Receipts and expenditure on state trading in wheat are credited and debited respectively to the Food Account of the Provincial Government which is maintained separately with the State Bank of Pakistan. Funds required for the procurement of wheat are normally obtained from commercial banks and guaranteed by the Government. The last three years of budget estimates and actuals are shown below.

Table 10						
Account II (Food) - including MDs						
						PKR in Bn
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Total	65.7	67.0	69.0	103.3	103.1	113.5
State Trading (Account -II)	65.7	67.0	69.0	103.3	103.1	113.5

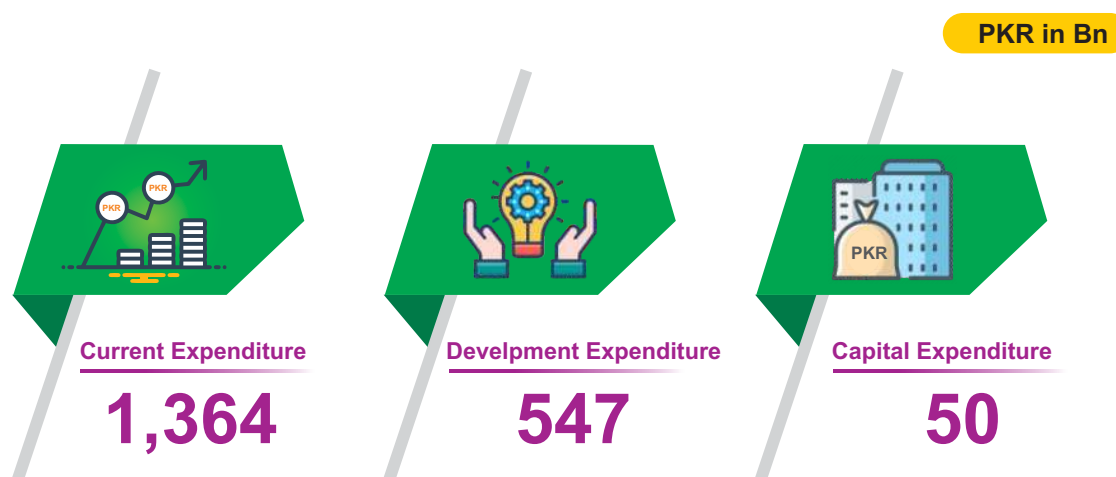
Chapter 4

Estimates of Expenditure

The total expenditure of the Government of Khyber Pakhtunkhwa for the fiscal year 2025-26 is estimated at PKR 1,962 billion. This encompasses three major categories:

- **Current Expenditure**
- **Capital Expenditure**
- **Development Expenditure**

Out of the total estimated expenditure, PKR 547 billion has been earmarked for Development Expenditure, showing the government's strong focus on infrastructure, service delivery, and inclusive economic growth. The remaining allocations cover essential operational and administrative costs under current and capital expenditure.



Pensions and salaries at both provincial and district levels constitute PKR 194.97 billion and 680.83 respectively of the total budget. This includes a rise in the overall salary bill by 9.8% and an increase in the pension bill by 16.76% compared to the previous year.

The total budgeted expenditure marks a 18.62% increase from the previous year's allocation of PKR 1,654 billion, underlining the government's commitment to sustaining public services, meeting growing employee-related obligations, and accelerating development initiatives.

This year, the Government of Khyber Pakhtunkhwa has allocated its highest-ever development budget, a commitment to accelerating economic recovery, creating job opportunities, and reducing regional inequalities. The enhanced development outlay is designed to stimulate growth across key sectors and promote more balanced and inclusive progress throughout the province.

A detailed classification of current and development expenditures is outlined below.

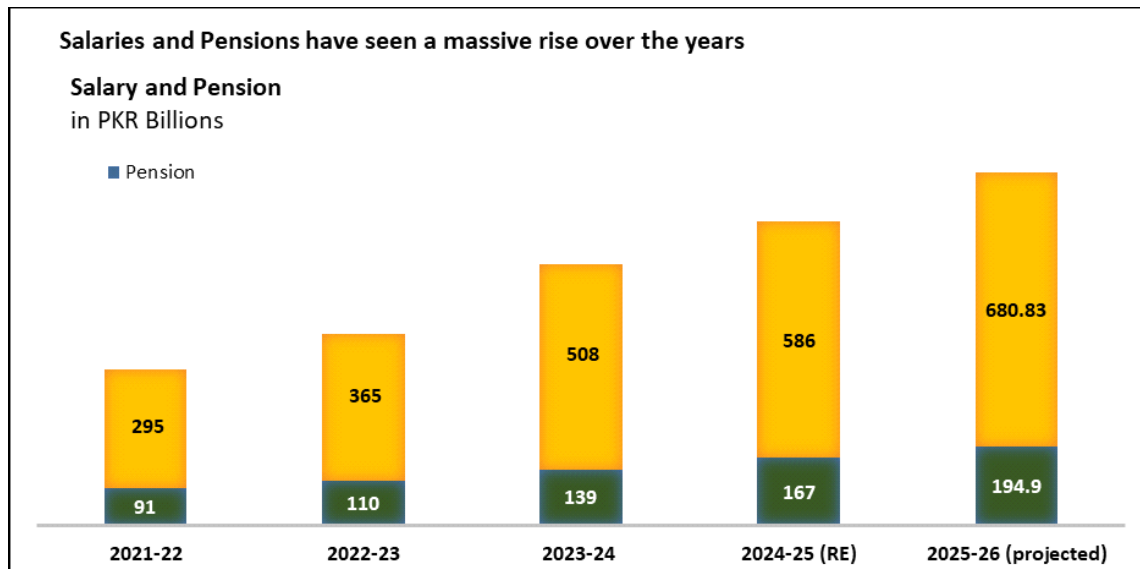


Table 11						
Details of Provincial Expenditure						
PKR. in Bn						
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Total	1,265.96	1,375.4	1,067.40	1,653.30	1,834	1,962
Current Expenditure	816.70	970.40	923.14	1,165.34	1,335.825	1,364.65
Capital Expenditure	189.76	258.70	25.06	71.66	50.970	50.35
Development Expenditure	259.50	146.30	119.20	416.30	447.30	547

4.1 Current Expenditure

Current expenditure includes both salary and non-salary, as well as debt servicing and pension payments.

Figure 3.1



The above table shows the detailed breakdown of current expenditure since 2021-2022 actual as well as budgeted 2025-2026. Total projected salary bill in Financial Year 2025-26 will be PKR. 680.39 billion. This is approximately 12.68% increase in the salary bill since from PKR. 603.80.

The pension bill for FY 2025-26 is budgeted at PKR 194.97 billion, including PKR 4.67 billion allocated for Merged Districts (MDs). Along with salaries, this category constitutes the largest share of the provincial government's expenditure. The rising cost of pensions and salaries has limited fiscal space for other priorities particularly the development budget and non-salary spending. As a result, important areas such as infrastructure upgrades, provision of school textbooks, and essential medicines in healthcare facilities face funding constraints.

The pension increase for FY 2025–26 has been set at 7%, compared to 17.5% in the previous year. This shows the KP Government's effort to create fiscal space for development spending and adopt a more cautious and responsible approach to managing recurring expenditures.



Table 12						
Current Expenditure						
PKR in Bn						
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Total	415.50	520.60	647.46	770.65	753.56	875.36
Salary	323.60	408.30	508.43	603.80	586.08	680.39
Settled - Provincial	93.90	164.30	201.20	245.97	234.21	288.07
Settled - Devolved	177.50	182.30	232.15	263.07	263.07	288.61
MDs - Provincial	24.70	34.60	41.01	52.12	46.15	56.84
MDs - Devolved	27.50	27.10	34.08	42.64	42.64	46.86
Pension	91.90	112.30	139.03	166.84	167.48	194.97
Pension expenditure funded from taxpayer proceeds	90.60	109.70	135.65	162.40	162.89	190.30
Pension expenditure funded from Pension Fund profit	0.00	0.00	0.00	0.00	0.00	0.00
MDs	1.30	2.60	3.37	4.44	4.59	4.67

Clause (i) of Article 37 of the Constitution of Islamic Republic of Pakistan 1973 requires decentralization of government administration to facilitate expeditious disposal of business to bring about convenience and meet essential requirements of the public. In order to achieve that end, local government institutions were established in the province of Khyber Pakhtunkhwa through Local Government Act (LGA), 2013. The Local governments so established are to function within the Provincial framework and to faithfully observe the federal and provincial laws. The Government of Khyber Pakhtunkhwa enacted LGA, 2013 as a landmark step to deepen its commitment to good governance and with a view to bringing the state closer to the public. Consequently, Local Government System was established and notified as a result of enforcement of Section 120 of LGA, 2013 on 5th June, 2015.

In pursuance of approval of the Competent Authority (Chief Minister), interim PFC Award for the FY 2025-26 for a period of one year viz 01-07-2025 to 30-06-2026 regarding allocable share(s) of the resources to be transferred to Local Governments out of Divisible Pool of Provincial Consolidated Fund with a view to meet the requirements of Local Governments on account of Salary, Non-Salary, Grant to Local Councils and Development, the following share/grants are allocated to local governments for Financial Year 2025-26:-

Table 13						
Share of Local Government in Current Expenditure (Settled)						
PKR in Bn						
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Total	204.100	201.600	256.987	303.800	303.726	338.840
Salary	177.500	182.300	232.150	263.100	263.073	288.609
Non-Salary	17.500	12.900	17.866	29.600	29.587	37.545
Grant to Local Councils	9.100	6.400	6.971	11.100	11.066	12.686



4.2 Capital Expenditure

The Government of Khyber Pakhtunkhwa is committed to managing its debt carefully to support the province's ongoing economic growth by directing funds to productive sectors. As per Article 167(4) of the Constitution of Pakistan (1973), KP government borrowing limit has been set at Rs. 44 billion, as communicated by the National Economic Council (NEC).

For the financial year 2025-26, KP government capital expenditure mainly includes loans and advances given to provincial government employees, along with repayments of the principal amount of debt. These details are provided in the table below.

Table 14						
Expenditure on Capital Accounts						
PKR in Bn						
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Total	169.0	247.3	25.3	71.7	48.5	50.4
Loans & Advances to Provincial Government Employees.	2.7	0.3	0.3	0.4	3.5	0.4
Capital Expenditure (Debt Principal Repayment)	12.2	21.0	25.0	40.0	35.0	40.0
Repayment of Ways & Means advances to Federal Government	154.1	226.0	0.0	31.3	10.0	10.0
Repayment of PDA through Supplementary (Transport Deptt)	0.0	0.0	0.0	0.0	2.5	0.0

4.3 Development Expenditure

Development expenditure is one of the most important part of this year's budget. The Government of Khyber Pakhtunkhwa is committed not only to investing a large amount in the province's development but also to planning and using these funds in an organized and effective way.

Several steps have been taken to improve the Annual Development Programme (ADP). These include introducing a new ADP policy and guidelines, reducing the backlog of ongoing projects (throw-forward), and launching a new release policy to make sure funds are used wisely throughout the year. For FY 2025-26, the development budget is set at PKR. 547 billion. The main goals are to support economic recovery, create jobs, improve human development, and strengthen public services.

Out of this amount, PKR. 137.66 billion has been allocated for the development of merged districts. This includes funding through the ADP, Foreign Project Assistance (FPA), and the Accelerated Implementation Plan (AIP).



Table 15.						
Development Expenditure						
	PKR in Bn					
Head	Actuals 2021-22	Actuals 2022-23	Actuals 2023-24	Budget 2024-25	Revised 2024-25	Budget 2025-26
Development Expenditure	259.60	146.30	162.30	416.30	447.21	547.00
Annual Development Programme + Accelerated Implementation Programme	205.30	109.00	119.20	259.30	306.26	366.34
ADP (Provincial - Settled Districts)	151.10	89.80	69.30	120.00	158.37	195.00
ADP (Devolved - Settled Districts)	1.80	1.20	0.00	24.00	30.60	39.00
ADP (Provincial - Merged Districts)	15.90	6.50	16.60	30.00	30.43	33.00
ADP (Devolved - Merged Districts)	36.50	0.00	0.00	6.00	6.00	6.60
Accelerated Implementation Plan (AIP - Funded)	0.00	11.50	33.30	79.30	41.58	50.00
Accelerated Implementation Plan (AIP - Unfunded)	0.00	0.00	0.00	0.00	39.29	42.74
Foreign Project Assistance (FPA)	17.90	24.70	36.20	130.60	112.14	177.19
FPA Settled Districts	17.90	23.60	33.60	126.70	110.34	171.83
FPA Merged Districts	0.0	1.10	2.60	3.90	1.80	5.36
PSDP expenditure for provincially executed projects	36.40	12.60	6.90	26.40	28.80	3.47

This year's budget shows that the government wants to spend money wisely and help the people. By focusing on basic services, fixing financial systems, and continuing important changes, the province is working toward a better and more stable future for the people of Khyber Pakhtunkhwa.

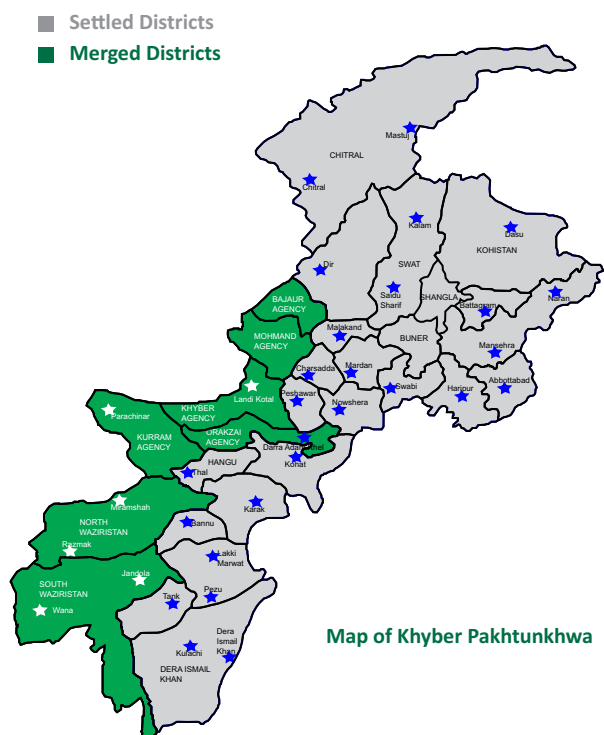
Chapter 5

Merged Districts

The 25th Constitutional Amendment officially merged the Federally Administered Tribal Areas (FATA) into Khyber Pakhtunkhwa. This essentially meant political, administrative, and fiscal integration and mainstreaming of Merged Districts with the Province. Resultantly the 26th Amendment to the Constitution was made thereby enhancing the representation of Merged Districts in NA from 6 to 12 MNAs and in KP provincial assembly from 16 to 24 MPAs.

The administrative merger was successfully completed during 2018-19 through the integration of all Directorates of Merged Districts in Civil Secretariat with respective Administrative Departments of Khyber Pakhtunkhwa. Financial Integration was also successfully achieved through the presentation of an integrated 2019-20 budget, marking a historic moment in our history.

At the time of the merger, the development of FATA was acknowledged as a collective national responsibility, and all provinces promised that a due contribution of 3% from the divisible pool will be diverted towards the growth and prosperity of the Merged Districts (MDs). This 3% was promised to bring MDs at par with other regions in terms of economic development. However, the commitment of the other provinces failed to materialize, with KP the only province fulfilling its mandate of diverting its own settled district resources to stimulate economic activity in the Merged Districts.



5.1 Budget Numbers for the FY 2025-26 for Merged Districts

The overall current and development expenditure of the Merged Districts is around PKR 294.3 bn (excluding FPA). Current expenditure is expected to be around PKR 160 bn.



Table 16a	
Expenditure of Merged Districts	
	PKR in Bn
HEAD	B.E 2025-26
Total	299.604
Current Expenditure	160.000
Salary	103.707
Non-Salary - O&M and Contingencies	56.293
Development Expenditure	139.604
ADP (Provincial - NMDs)	33.000
ADP (Devolved - NMDs)	6.600
Accelerate Implementation Plan (AIP - Funded)	50.000
Accelerate Implementation Plan (AIP - Unfunded)	42.74
FPA	5.358
PSDP	1.906

5.2 Underfunding of MDs Current Budget

Since the merger, the multiple unavoidable factors have gradually led to the ballooning of current side expenditures. These factors included expansion of government functions into Merged Districts along with the extension of multiple services such as successfully conducting local government elections, setting up Tehsil Municipal Administrations and Village Councils, and expanding state authority through administrative integration and judiciary extension.

These initiatives required a workforce commensurate with the expanded government functions and service delivery systems. In addition to that, the workforce was considerably expanded because of the absorption of levies and khasadars into regular positions and shifting of human resources engaged in regular functions from project mode to the current side. As a result, the current side budget saw a significant increase.

In the 10 months of the current financial year, the actual monthly current expenditure for MDs stands at Rs. 7.5 billion, resulting in actual current expenditure of Rs 75 billion. Based on the above, a minimum actual expected expenditure of Rs. 96 billion is projected for FY 2024-25. Moreover, Rs. 2.8 billion expenditures for TDPs were incurred during this period, while the budget allocation for TDPs has been slashed from Rs. 17 billion to zero over the course of the previous five years. The complete current budget estimate for FY 2024-25 stood at Rs. 113 billion including TDPs.



GENERAL ABSTRACT OF BUDGET ESTIMATES (M.Ds) CURRENT EXPENDITURE

DEMAND NO	DEPARTMENTS	BUDGET ESTIMATES 2024-25	REVISED ESTIMATES 2024-25	POSTS 2025-26	BUDGET ESTIMATES 2025-26		
					SALARY	NON SALARY	TOTAL
61	GENERAL ADMINISTRATION	147,702,000	408,292,000	100	67,673,000	91,516,000	159,189,000
61	TREASURIES	129,064,000	100,527,000	114	139,313,000	5,744,000	145,057,000
61	FINANCE	8,871,962,000	4,621,889,000	78	2,548,383,000	8,027,208,000	10,575,591,000
61	PLANNING & DEVELOPMENT	315,991,000	373,497,000	293	403,370,000	5,651,000	409,021,000
61	BUREAU OF STATISTICS	7,374,000	4,922,000	10	6,967,000	430,000	7,397,000
61	REVENUE & ESTATE	13,384,000	84,873,000	8	12,247,000	3,341,000	15,588,000
61	EXCISE AND TAXATION DEPARTMENT	58,403,000	57,740,000	173	65,470,000	8,494,000	73,964,000
61	HOME & TRIBAL AFFAIRS	750,728,000	1,340,361,000	546	799,561,000	71,345,000	870,906,000
61	JAILS & CONVICTS SETTLEMENT	454,634,000	461,889,000	594	472,158,000	36,531,000	508,689,000
61	ADMINISTRATION OF JUSTICE	1,032,660,000	1,028,165,000	1,025	1,061,294,000	93,175,000	1,154,469,000
61	HIGHER EDUCATION, ARCHIVES & LIBRARIES	2,623,087,000	2,324,554,000	2,333	2,939,153,000	67,417,000	3,006,570,000
61	HEALTH	14,559,189,000	15,095,849,000	15,707	12,132,291,000	4,389,135,000	16,521,426,000
61	COMMUNICATION & WORKS	1,858,851,000	1,816,457,000	2,529	1,967,948,000	141,628,000	2,109,576,000
61	ROADS HIGHWAYS & BRIDGES (REPAIR)	233,905,000	233,981,000			250,978,000	250,978,000
61	BUILDINGS & STRUCTURES (REPAIR)	161,800,000	198,416,000			202,408,000	202,408,000
61	PUBLIC HEALTH ENGINEERING	1,579,091,000	1,845,645,000	2,492	1,498,344,000	310,399,000	1,808,743,000
61	LOCAL GOVERNMENT	84,127,000	96,825,000	66	91,631,000	25,644,000	117,275,000
61	AGRICULTURE	434,294,000	417,281,000	516	435,026,000	69,424,000	504,450,000
61	ANIMAL HUSBANDRY	471,968,000	537,956,000	151	138,029,000	390,069,000	528,098,000
61	FORESTRY (WILDLIFE)	1,482,846,000	1,420,419,000	2,036	1,548,255,000	130,671,000	1,678,926,000
61	FISHERIES	64,971,000	58,605,000	78	62,034,000	10,951,000	72,985,000
61	IRRIGATION	368,301,000	335,014,000	345	356,951,000	61,872,000	418,823,000
61	INDUSTRIES	41,785,000	40,001,000	56	41,916,000	4,851,000	46,767,000
61	MINERAL DEVELOPMENT AND INSPECTORATE OF MINES	153,200,000	174,972,000	295	168,352,000	23,877,000	192,229,000
61	POPULATION WELFARE	31,597,000	32,142,000	15	18,126,000	18,219,000	36,345,000
61	TECHNICAL EDUCATION AND MANPOWER	405,002,000	455,940,000	398	432,102,000	21,387,000	453,489,000
61	LABOUR	47,208,000	61,280,000	107	52,978,000	12,482,000	65,460,000
61	INFORMATION & PUBLIC RELATIONS	47,642,000	106,488,000	39	51,787,000	5,284,000	57,071,000
61	SOCIAL WELFARE, SPECIAL EDUCATION & WOMEN EMPOWERMENT	695,036,000	721,424,000	100	106,226,000	607,317,000	713,543,000
61	ZAKAT & USHER	38,568,000	48,147,000	68	42,450,000	4,627,000	47,077,000
61	AUQAF DEPARTMENT RELIGIOUS MINORITY		-			237,820,000	237,820,000
61	SPORTS, CULTURE, TOURISM & MUSEUMS	41,631,000	45,119,000	42	45,867,000	2,300,000	48,167,000
61	ENERGY & POWER	25,013,000	42,650,000	28	32,659,000	387,000	33,046,000
61	TRANSPORT & MASS TRANSIT DEPARTMENT	21,109,000	20,221,000	104	24,731,000	3,027,000	27,758,000
61	ELEMENTARY & SECONDARY EDUCATION	1,533,632,000	1,773,720,000	280	344,294,000	1,754,234,000	2,098,528,000
61	RELIEF REHABILITATION AND SETTLEMENT	18,220,556,000	18,360,898,000	1,989	1,350,966,000	17,101,830,000	18,452,796,000
61	POLICE	27,010,760,000	27,489,025,000	36,159	27,383,441,000	3,444,915,000	30,828,356,000
61	GRANT TO LOCAL COUNCILS	2,148,000,000	2,148,000,000			2,147,945,000	2,147,945,000
61	PENSION	4,438,912,000	4,592,382,000	-	95,000	4,669,924,000	4,670,019,000
61	TEHSIL SALARY	42,637,897,000	42,637,897,000		46,864,877,000	-	46,864,877,000
61	TEHSIL NON SALARY	9,886,551,000	9,886,551,000			10,338,578,000	10,338,578,000
61	SUBSIDIES	1,500,000,000	1,500,000,000			1,500,000,000	1,500,000,000
TOTAL (REVENUE BUDGET)		144,628,431,000	143,000,014,000	68,874	103,706,965,000	56,293,035,000	160,000,000,000
CAPITAL EXPENDITURE - FOOD (ACCOUNT-II)							
66	STATE TRADING IN FOOD GRAINS AND SUGAR	244,477,000	244,477,000	120	113,134,000	257,773,000	370,907,000



5.3 Development in Merged Districts

Development funding has grown massively in the MDs after its merger with Khyber Pakhtunkhwa. An amount of Rs 115.286 billion has been allocated for the development of the merged District in FY 2024-25. This amount also includes 39.286 billion as the 3% NFC share from other provinces and Rs. 9 billion as KP's share. However, in FY 2024-25, against the spirit of merger of erstwhile FATA with Khyber Pakhtunkhwa, the Federal Government notified a Steering Committee on 16-01-2025 to identify development needs of Merged Districts, channelize Accelerated Implementation Plan (AIP) funds, and recommend development schemes in Merged Districts for execution by Federal Executing Agencies. This arrangement of funds under AIP endangers the entire AIP portfolio of 277 schemes amounting to Rs. 349.5 billion (total cost), and halting these schemes will severely impact the development works in Merged Districts. In FY 2024-25 against allocation of Rs 42.315 billion Federal Government has only released Rs. 6.3 billion while KP government has released Rs 25.9 billion having bridge financing of Rs 19.6 billion.

The total allocation for the development grant was projected at Rs. 115.286 billion (including 39.286 billion as the 3% NFC share from other provinces and Rs. 9 billion as KP's share.) from Rs. 57 billion in the previous year. Yet, the Federal Government chose to renege on its commitment to the Tribal Decade Strategy and slashed development funding to erstwhile FATA.

Moreover, exacerbating the situation, releases for the year fell short by 87.386 billion compared to the allocated development grant for FY 2024-25 of Rs 115.286. This reduction in funding severely hampers the progress and development initiatives in the MDs, which have seen significant growth in development funding since their merger with Khyber Pakhtunkhwa. Despite the decreased allocation for development for the fiscal year, the shortfall in releases undermines the government's commitment to development in MDs and jeopardizes crucial development projects in the region. The decline in funding signals a concerning setback in the efforts to address the developmental needs of the MDs and underscores the urgency for the Federal Government to honor its commitments towards their socio-economic upliftment.

This year, the requirement for development spending in MDs is Rs 115.286 (including Rs.39.286 billion share to be contributed from the provinces), as reflected in the province's budget. This enhanced amount reflects the critical nature of development funding requirements of MDs. The MDs are at risk of falling further behind in crucial infrastructure projects, education, healthcare, and other essential services. The stark contrast between the federal allocated budget and the actual developmental requirements of the MDs highlights the pressing need for increased attention and support from the Federal Government to ensure the sustainable development and prosperity of these regions.

During the merger, Rs. 100 billion was committed annually for 10 years as part of the Tribal Decade Strategy, in addition to the current grant and merged area annual development plan allocations. Out of the Rs 700 billion committed for the Accelerated Implementation Program, only 132.1 billion has been received, resulting in a shortfall of 567.9 billion from 2018-19 to 2024-25 (11 months up to May).

Key Principles for Utilizing Merged Areas Development Plan Funds

The Government of Khyber Pakhtunkhwa realizes the special status of Merged Districts for not just the province but all of Pakistan which is why it has set itself the following principles for utilizing funds earmarked for Merged Districts.



- Funds to be outside of the annual development plan, so they can be used flexibly.
- Spending with a direct impact on people to be prioritized; as opposed to procuring land, building offices, etc.
- The primary focus is to spend in the social sectors i.e., health, education, jobs, and wealth creation – and programs that have a rapid impact.
- A second focus is on improving infrastructure for Merged Districts, and on projects with economic impact; roads; electricity infrastructure.
- Planning to consider that Merged Districts is now an integrated part of Pakhtunkhwa; implications are significant; for example, East-West connectivity is more important than North-South connectivity.

One Fund concept; assuming Merged Districts business as usual funding is protected until the new NFC decision, and adequate funding is guaranteed, the money can be used on projects that may be federal in nature – e.g., building the electricity grid; Torkham Railway line, etc.

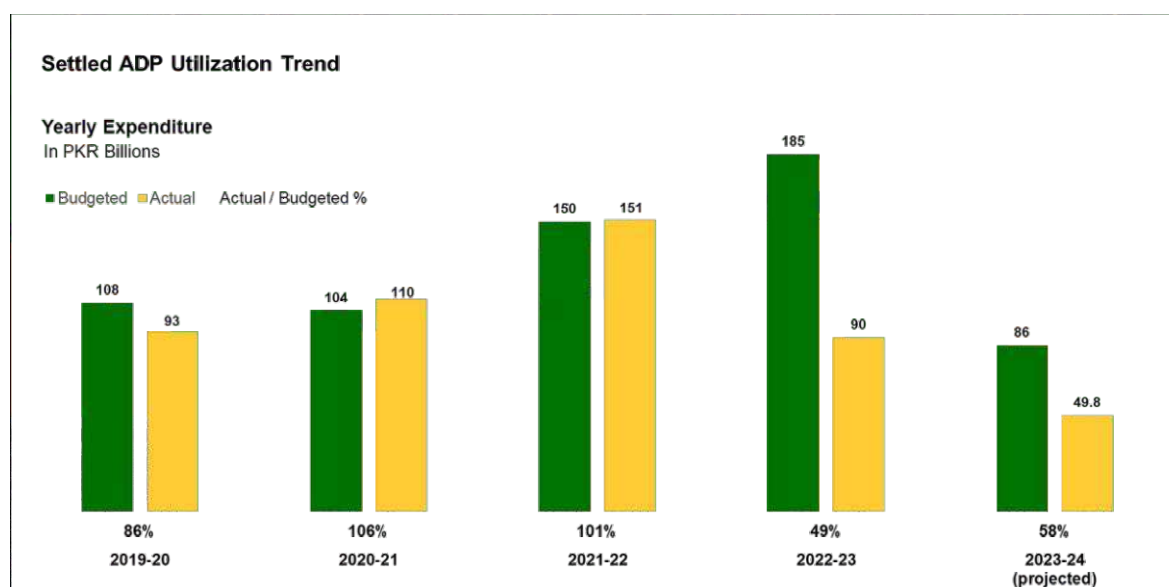
Chapter 6

Annual Development Programme (ADP) for the FY 2025-26

The Annual Development Programme (ADP) is a key tool for any Government to plan, execute, and monitor development spending in the province. Approved by the Provincial Assembly as part of the annual budget, the ADP has legal backing under the 1973 Constitution of Pakistan. The ADP reflects the government's vision and priorities, aiming to achieve provincial goals. Its formulation considers factors such as policy choices, financial outlay, economic growth, public impact, service delivery, infrastructure improvement, poverty eradication, addressing development lags, and ensuring value for money. This involves making strategic policy and investment decisions.

Over the years, Khyber Pakhtunkhwa has remained committed to these principles of ADP. The Province has consistently focused on maximizing economic growth, improving public services, and addressing regional development disparities. The utilization trend of ADP for settled districts, given below, demonstrates the province's dedication to maximizing development and improving the quality of life for its residents.

Figure 5.1



The Planning & Development Department (P&DD) is a key stakeholder of the Provincial Government, serving as the primary policy and decision-making body and overseeing the Provincial development portfolio. It plays a vital role in formulating policy guidelines for development projects based on available resources. The department is responsible for the appraisal, processing, and approval of projects to ensure alignment with provincial development strategies. It also manages the release and re-appropriation of funds to promote efficient utilization of schemes.

2. Monitoring and Evaluation (M&E) is one of the core functions of the P&D Department. Its primary objective is to establish a rigorous and responsive system for monitoring & evaluating development projects, including donors funded initiatives and service delivery across Khyber Pakhtunkhwa.

**VISION:**

To align development plans with provincial priorities, ensuring the efficient allocation and utilization of resources while fostering sustainable growth across all sectors, and incorporating strategies that ensure planned long-term economic, social, and environmental sustainability.

POLICY:

Formulate provincial vision, policies, and strategies for economic planning in line with stakeholders inputs and NEC guidelines.

Establish a coordinated planning and development system across all government departments.

Promote private sector development and enhance participation through Public Private Partnerships (PPPs).

Align development partners' priorities and systems with those of the provincial government.

To improve delivery of public services.

Enhancing the productivity sectors.

Reducing poverty, inequality and addressing vulnerability.

Ensuring balanced urban, regional and gender development.

Accelerated and balanced economic growth .

Special Packages for areas to bring them at par with developed areas.

3. ACHIEVEMENTS DURING FY 2024-25:

In Financial Year 2024-25, an amount of **Rs. 350,587 million** was allocated to **1920** Nos of schemes, as per details given below:

(PKR in Million)			
Program/Area	Local	Foreign Aid	Total
KP ADP	144,000	124,688	268,688
MAAs ADP	36,000	5,899	41,899
AIP	40,000	0	40,000
Total:	220,000	130,587	350,587

A total of **536** schemes were targeted for completion during FY 2024-25, out of which **441** schemes have been completed.

Up to April 2025, a total of 17th PDWP meetings were held, during which **613** schemes considered/discussed. A total of **487** schemes were approved at a cost of **Rs. 599.143** billion.

The CPEC Cell of P&D Department, Khyber Pakhtunkhwa, coordinate and oversee the progress of CPEC projects in various sectors of Khyber Pakhtunkhwa. During the FY 2024-25, the following CPEC projects have been completed:

Reconstruction/Rehabilitation of Fully Damaged Schools in Tehsil Bara, District Khyber (Cost: PKR 774.262 million)

China-Pakistan Joint Agricultural Demonstration Center – Phase I (Cost: PKR 425.73 million)

884 MW Suki Kinari Hydropower Project (Cost: PKR 553,940 million)

Provision of Agricultural Equipment and Tools – Phase II (Cost: PKR 245.4 million)

Planning & Development Department through its Monitoring & Evaluation System has been regularly monitoring the developmental projects (Provincial/Federal), including non-ADP schemes, developmental project funded by districts, donors funded projects, besides service delivery in Khyber Pakhtunkhwa.

During FY 2024-25, a total of **550** projects of ADP 2024-25 were physically monitored:



KP ADP = 457 schemes

MAAs ADP = 30 schemes

AIP = 63 schemes

A total of **1785** M&E reports were issued during FY 2024-25. The concerned Departments have been sensitized to rectify the deficiencies and assure quality of work as per planned targets in development schemes.

Geo tagging of each monitored scheme in place & synchronized with PCFMS.

The P&D Department formulated/developed the Strategic High Impact Flagship Targets (SHIFT) and get it approved from the Provincial Cabinet. The SHIFT is a portfolio of carefully selected, flagship project that serve as central link for drinking sustainable development, fostering collaboration, and delivering significant benefits to the province. This document covers 51 No of projects, spread across 18 sectors, having portfolio of Rs.500.00 billion.

Keeping in view the keen interest of the Provincial Government on the development program, the allocations of different sectors were enhanced to the tune of Rs.39.90 billion through ADP plus, duly approved by the Provincial Government.

The Bureau of Statistics, Planning & Development Department has published its annual statistical publications, including Development Statistics, Important District-wise Socio-Economic Indicators, and Khyber Pakhtunkhwa in Figures for 2024-25. All these publications are available on the Bureau of Statistics' official portal www.kpbos.gov.pk, for use by public offices, partner organizations, researchers, and academia.

The Khyber Pakhtunkhwa Bureau of Statistics has successfully completed the Comprehensive Food Security and Livelihood Assessment in 21 districts of the province in collaboration with the University of Peshawar and the World Food Programme. Additionally, the Health & Population Household Survey, under the NHSP, has been conducted for the Health Department with technical support from the World Bank and the Population Council.

The Bureau of Statistics is currently compiling and analysing sectoral data to estimate the Provincial GDP for the financial year 2024-25. The results are expected to be available for Provincial Management in early June 2025.

Daraban Economic Zone: Costing and Transaction Structure has been finalized and will be approved from the PPP unit/PPP Committee chaired by Hon'ble Chief Minister.

Integrated Tourism Zone (ITZ) Thandiani: Procurement in process. the EOI has been floated in national and international media. Private partner will be selected by October.

Integrated Development Package for Zakhakhel:- An amount of Rs. 420 million were released to Zakhakhel Package during CFY that greatly helped to rebuild the critical infrastructure in roads, irrigation, DWSS, Local Government, Agriculture and Forest which were severely affected during militancy.

Integrated Development Package for North Waziristan:- An amount of Rs. 224 million was provided to Integrated Area Development Package North Waziristan for various interventions in irrigation, TEVTA trainees and youth engagement Program.

Integrated Development Package for South Waziristan:- The PC-I was revised during CFY 2024-25, where separate provision of Rs. 1 Billion were earmarked for South Waziristan (Upper) and South Waziristan (Lower). A total of 50 internees have been recruited under the project as part of the capacity-building and youth engagement component. All schemes under the Work Plan have been approved and ready for execution.



Khyber Pass Economic Corridor:- The Inclusive Business Development Park has been inaugurated, accommodating 18 diverse types of businesses. Enterprise development training has been successfully completed for 503 entrepreneurs across 455 business establishments. The Khyber Pass Economic Corridor (KPEC) Development Plan for Western Greater Peshawar has been finalized.

To manage the urbanization in the Province and make cities of Khyber Pakhtunkhwa engines of economic growth, 12 Nos Master Plans (Divisional/district headquarter cities of Khyber Pakhtunkhwa have been prepared and handed over to Local Government and Rural Development Department for implementation.

The ADB-funded Food Security Project, was initiated to ensure food availability and resilience in Kyber Pakhtunkhwa.

ECNEC approved the ADB-supported Rural Road Development Project, aimed at enhancing infrastructure and improving connectivity in underdeveloped and remote regions.

The Billion Tree Facilitation Support Project, supported through KfW grants was continued to contribute toward deforestation control and environmental sustainability.

Two Centers of Excellence for renewable energy (solar and micro-hydro) were established in Peshawar and Swat, funded by KfW, promoting clean energy initiatives.

Implementation of the KP-RIISP (Khyber Pakhtunkhwa Rural Investment & Institutional Support Project) is underway, focusing on infrastructure development in marginalized and deprived areas.

A significant economic development initiative, supported by MAGP (Multi-Donor Accelerated Growth Program), was launched to stimulate investment in productive sectors across merged areas, fostering economic growth and prosperity.

Under the District Development Program (DDP) for merged districts, PKR 1,340 million was released to support local development priorities.

Under the District Development Initiative (DDI), PKR 6,900 million was provided to various districts across the province, with PKR 860 million specifically directed toward merged districts.

4. TARGETS FOR FY 2025-26:

The total outlay of development funds for Financial Year 2025-26 is **Rs.500,788 Million** (Local & Foreign Aid), as per details given below:

(PKR in Million)	
Program	Allocation
KP ADP	405,830
MAs ADP	44,958
AIP	50,000
Total:	500,788

Break-up of Local and Foreign Aid component 2025-26:

Local Component: **Rs. 323,600 Million**

Foreign Aid: **Rs. 177,188 Million**

Total No of schemes reflected in ADP 2025-26: **2159**

Ongoing: 1349

New: 810

Total No of Foreign Assistance schemes included in ADP 2025-26 is **49** under 19 different sectors, with allocation of Rs.177,188 million (Grant: Rs.11654.10 & Loan: Rs.165,533.90 million)

A maximum allocation (**73%**) has been proposed for ongoing schemes to ensure their timely completion and to minimize throw-forward liabilities.

484 schemes are targeted for completion in ADP 2025-26 (KP ADP: **353**, MAs ADP/AIP: **131** schemes).

The P&D Department, Khyber Pakhtunkhwa committed to continues the benefits from CPEC and actively



coordinating with Federal Government and Chinese counterparts to safeguard and promote KP's strategic interests within the broader CPEC framework. The following major projects are in pipelines/progress:

Peshawar to D.I. Khan Motorway (360 km) (Cost: PKR 276,000 million)

Dir to Chakdara Motorway (30 km) (Cost: PKR 38,900 million)

Construction of 6,415 prefabricated housing units for Lady Health Workers (LHW) across Pakistan (KP's share: 318 units)

Reconstruction and rehabilitation of 139 partially damaged schools in merged areas

Construction of Burn Center at Mufti Mehmood Memorial Teaching Hospital, D.I. Khan (Cost: PKR 194 million)

10 pilot-based DWSS schemes equipped and installed PKR 4,452 million under the CPEC project Solarization of 800 DWSS Schemes

To expand the M&E coverage, drone imagery and mapping of projects will be started.

Evaluation studies will be enhanced from 02 up to 08 per annum (Evaluation studies of Projects (post completion) focusing on utility, objectives achieved, sustainability in light of RBM.

The following initiatives will be taken in FY 2025-26 under the PPP Unit of P&D Department:

Launching of Daraban Economic Zone

Launching of Mankiyal ITZ

Construction of Road Connecting Indus Highway (N-55) at take-off Bannu Link Road with Hakla DI Khan Motorway

Cohort-II of Elementary and Secondary Education Schools to be processed under PPP

Peshawar Development Authority Blue Area in Phase-V under PPP Mode

Vehicle Emission Testing project in Transport Department

Theme Park in Mamu Khatki under PPP Mode

Gandhara digital complex project of ST&IT under PPP Mode

The Urban Policy Unit of P&D Department will take the following major initiatives during the FY 2025-26:

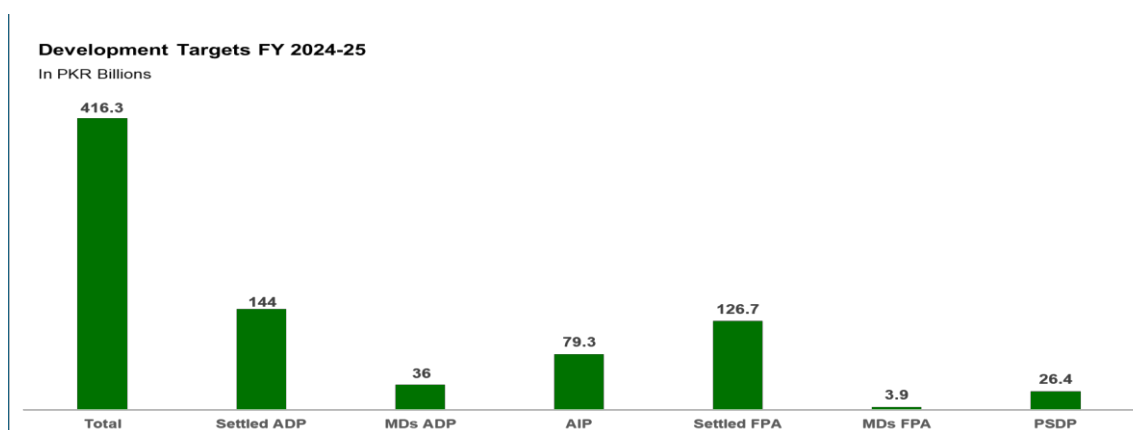
Preparation of Master Plans of remaining Divisional/District Headquarter cities.

Preparation of Master Plan for Tourism Potential Area.

District Land Use Plan (22 Districts).

5.4 Future Targets FY 2025-26

The total outlay of development funds for FY 2025-26 is Rs. 416.3 billion for, as per details given below:





Sector wise Breakdown Allocations

The detailed breakup of the 2024-45 development budget for each sector is shown in table 17.

Sector	KP				MA				AIP	G.Total	Sector Share %
	Local ADP	FPA	PSDP	Total	Local ADP	FPA	PSDP	Total			
AGRICULTURE	4,839.44	5,614.18	-	10,453.62	2.00	0.00	-	2.00	2,410.00	12,865.62	2.35%
AUQAF, HAJJ, RELIGIOUS & MINORITY AFFAIRS	1,410.00	-	-	1,410.00	21.00	-	-	21.00	132.96	1,563.96	0.29%
BOARD OF REVENUE	690.00	-	-	690.00	59.37	-	-	59.37	882.63	1,632.00	0.30%
BUILDING	-	-	334.18	334.18	-	-	124.00	124.00	-	458.19	0.08%
DRINKING WATER & SANITATION	8,204.84	2,520.00	-	10,724.84	1,024.39	-	-	1,024.39	1,630.00	13,379.22	2.45%
ELEMENTARY AND SECONDARY EDUCATION	6,340.54	5,040.00	-	11,380.55	2,772.60	261.80	-	3,034.40	4,399.98	18,814.93	3.44%
ENERGY AND POWER	2,893.55	24,360.00	15.00	27,268.55	258.00	-	-	258.00	1,646.25	29,172.80	5.33%
ENVIRONMENT	93.26	-	-	93.26	-	-	-	-	-	93.26	0.02%
Establishment & Administration	1,109.71	-	-	1,109.71	110.00	-	-	110.00	-	1,219.71	0.22%
EXCISE TAXATION & NORCOTICS CONTROL	222.18	-	-	222.18	26.00	-	-	26.00	-	248.18	0.05%
FINANCE	21.00	13,496.00	-	13,517.00	2.00	-	-	2.00	-	13,519.00	2.47%
FOOD	229.00	-	-	229.00	-	-	-	-	109.00	338.00	0.06%
FORESTRY	3,900.43	705.32	-	4,605.75	21.00	-	-	21.00	318.18	4,944.94	0.90%
HEALTH	13,585.73	20,328.80	646.66	34,561.19	7,330.52	-	372.32	7,702.83	6,324.00	48,588.02	8.88%
HIGHER EDUCATION	4,771.52	-	-	4,771.52	530.00	-	-	530.00	972.72	6,274.24	1.15%
HOME	1,816.00	-	-	1,816.00	4,370.22	-	-	4,370.22	811.01	6,997.22	1.28%
HOUSING	807.46	-	-	807.46	-	-	-	-	10.00	817.46	0.15%
INDUSTRIES	1,767.71	302.40	-	2,070.11	320.25	-	-	320.25	765.91	3,156.27	0.58%
INFORMATION	53.01	-	-	53.01	-	-	-	-	28.00	81.01	0.01%
LABOUR	210.43	-	-	210.43	-	-	-	-	-	210.43	0.04%
LAW& JUSTICE	5,391.29	-	-	5,391.29	59.37	-	-	59.37	1,010.00	6,460.66	1.18%
Livestock & Dairy Development	2,483.87	0.00	-	2,483.87	265.00	-	-	265.00	1,330.00	4,078.87	0.75%
LOCAL GOVERNMENT	5,230.18	200.00	455.34	5,885.52	737.50	-	471.10	1,208.60	11.00	7,105.12	1.30%
MINES AND MINERALS	251.17	-	-	251.17	39.00	-	-	39.00	-	290.17	0.05%
MULTI SECTORAL DEVELOPMENT	41,409.57	9,567.60	-	50,977.17	3,101.38	5,096.00	-	8,197.38	9,768.85	68,943.40	12.60%
POPULATION WELFARE	545.90	-	-	545.90	14.00	-	-	14.00	86.37	646.27	0.12%
Public Private Partnership	250.00	-	-	250.00	-	-	-	-	-	250.00	0.05%
RELIEF & REHABILITATION	2,096.93	-	-	2,096.93	-	-	-	-	1,103.28	3,200.21	0.59%
ROADS	35,445.39	51,257.49	115.00	86,817.88	8,347.27	-	938.40	9,285.67	9,848.96	105,952.51	19.37%
ROYALTIES & CESS DEVELOPMENT	6,500.84	-	-	6,500.84	-	-	-	-	-	6,500.84	1.19%
SOCIAL WELFARE	1,403.74	-	-	1,403.74	57.00	-	-	57.00	325.00	1,785.74	0.33%
SPORTS TOURISM ARCHAEOLOGY CULTURE AND YOUTH AFFAIR	7,600.00	-	-	7,600.00	492.00	-	-	492.00	791.00	8,883.00	1.62%
ST&IT	1,186.09	84.00	-	1,270.09	-	-	-	-	362.50	1,632.59	0.30%
TEHSILS ADP	39,000.00	-	-	39,000.00	6,600.00	-	-	6,600.00	-	45,600.00	8.34%
Tourism	3,871.00	8,400.00	-	12,271.00	107.22	-	-	107.22	487.91	12,866.13	2.35%
TRANSPORT	493.61	-	-	493.61	500.00	-	-	500.00	291.59	1,285.20	0.23%
URBAN DEVELOPMENT	7,442.81	19,020.40	-	26,463.21	900.00	-	-	900.00	1,002.43	28,365.64	5.19%
Urban Policy Unit	-	910.00	-	910.00	-	-	-	-	-	910.00	0.17%
WATER	20,431.80	10,024.00	-	30,455.81	1,532.92	-	-	1,532.92	3,140.48	35,129.21	6.42%
3% NFC Other Provinces Share Unfunded									42,740.00	42,740.00	7.81%
Grand Total	234,000.00	171,830.20	1,566.18	407,396.38	39,600.00	5,357.80	1,905.82	46,863.62	92,740.00	547,000.00	100.00%



Department-wise Breakdown of Development Budget

A department-wise breakdown of development figures (excluding PSDP) is given in table below.

DEPARTMENT WISE BUDGET ESTIMATES 2025-26

PKR. In Million

Department	BE 2025-26		
	Settled	MDs	Total
3% NFC Other Provinces Share Unfunded		42,740.000	42,740.000
Development		42,740.000	42,740.000
AGRICULTURE DEPARTMENT	22,033.716	4,076.598	26,110.314
Current	10,656.464	1,664.596	12,321.060
Salary	7,179.301	1,401.488	8,580.788
Non Salary	3,477.163	263.109	3,740.272
Development	11,377.252	2,412.002	13,789.254
AUQAF, RELIGIOUS, MINORITY & HAJJ DEPARTMENT	3,916.443	391.780	4,308.223
Current	2,506.442	237.820	2,744.262
Salary	86.121		86.121
Non Salary	2,420.321	237.820	2,658.141
Development	1,410.001	153.960	1,563.961
COMMUNICATION AND WORKS DEPARTMENT	100,976.438	21,821.593	122,798.031
Current	14,424.376	2,562.962	16,987.338
Salary	5,619.255	1,967.948	7,587.203
Non Salary	8,805.121	595.014	9,400.135
Development	86,552.062	19,258.631	105,810.693
DEBT SERVICING	98,300.000		98,300.000
Current	98,300.000		98,300.000
Non Salary	98,300.000		98,300.000
DISTRICT ADP	39,000.000	6,600.000	45,600.000
Development	39,000.000	6,600.000	45,600.000
ELEMENTARY AND SECONDARY EDUCATION DEPARTMENT	311,896.411	51,863.198	363,759.608
Current	300,515.867	44,428.815	344,944.681
Salary	262,549.131	39,660.084	302,209.215
Non Salary	37,966.736	4,768.731	42,735.467
Development	11,380.544	7,434.383	18,814.927
ENERGY AND POWER DEPARTMENT	27,702.592	1,937.299	29,639.891
Current	434.043	3.046	467.089
Salary	299.976	32.659	332.635
Non Salary	134.067	0.387	134.454
Development	27,268.549	1,904.253	29,172.802
ENVIRONMENT AND FORESTRY DEPARTMENT	11,608.955	2,018.107	13,627.062
Current	6,909.942	1,678.926	8,588.868
Salary	5,985.845	1,548.255	7,534.100
Non Salary	924.097	130.671	1,054.768
Development	4,699.013	339.181	5,038.194
ESTABLISHMENT & ADMINISTRATION DEPARTMENT	10,661.067	269.189	10,930.256
Current	9,551.362	159.189	9,710.551
Salary	4,936.631	67.673	5,004.304
Non Salary	4,614.731	91.516	4,706.247
Development	1,109.705	110.000	1,219.705
EXCISE AND TAXATION DEPARTMENT	2,125.083	99.964	2,225.047



Current	1,902.902	73.964	1,976.866
Salary	1,594.769	65.426	1,660.195
Non Salary	308.133	8.538	316.671
Development	222.181	26.000	248.181
FINANCE DEPARTMENT	17,883.164	15,392.572	33,275.736
Current	4,366.162	15,390.572	19,756.734
Salary	2,233.931	2,687.696	4,921.627
Non Salary	2,132.231	12,702.876	14,835.107
Development	13,517.002	2.000	13,519.002
GOVERNMENT INVESTMENT	42,000.000		42,000.000
Current	42,000.000		42,000.000
Non Salary	42,000.000		42,000.000
GRANT TO LOCAL COUNCILS	12,686.662	2,147.945	14,834.607
Current	12,686.662	2,147.945	14,834.607
Non Salary	12,686.662	2,147.945	14,834.607
HEALTH DEPARTMENT	245,992.647	30,548.260	276,540.907
Current	211,431.461	16,521.426	227,952.887
Salary	72,753.538	12,132.291	84,885.829
Non Salary	38,677.923	4,389.135	43,067.058
Development	34,561.186	14,026.834	48,588.020
HIGHER EDUCATION, ARCHIVES & LIBRARIES DEPARTMENT	45,173.809	4,509.290	49,683.099
Current	40,402.288	3,006.570	43,408.858
Salary	26,865.668	2,939.153	29,804.821
Non Salary	13,536.620	67.417	13,604.037
Development	4,771.521	1,502.720	6,274.241
HOME & TRIBAL AFFAIRS DEPARTMENT	135,338.574	37,389.176	172,727.750
Current	133,522.575	32,207.951	165,730.526
Salary	105,884.659	28,655.160	134,539.819
Non Salary	27,637.916	3,552.791	31,190.707
Development	1,815.999	5,181.225	6,997.224
HOUSING DEPARTMENT	2,237.356	10.000	2,247.356
Current	1,429.893		1,429.893
Salary	100.268		100.268
Non Salary	1,329.625		1,329.625
Development	807.463	10.000	817.463
INDUSTRIES, COMMERCE & TECHNICAL EDUCATION DEPARTMENT	8,491.648	1,586.416	10,078.064
Current	6,421.555	500.256	6,921.811
Salary	3,479.919	474.018	3,953.937
Non Salary	2,941.636	26.238	2,967.874
Development	2,070.093	1,086.160	3,156.253
INFORMATION & PUBLIC RELATIONS DEPARTMENT	898.933	85.071	984.004
Current	845.926	57.071	902.997
Salary	435.460	51.787	487.247
Non Salary	410.466	5.284	415.750
Development	53.007	28.000	81.007
INTER PROVINCIAL COORDINATION DEPARTMENT	114.718		114.718
Current	114.718		114.718
Salary	93.328		93.328
Non Salary	21.390		21.390
IRRIGATION DEPARTMENT	40,383.805	5,092.223	45,476.028
Current	9,928.000	418.823	10,346.823



Salary	6,631.977	356.951	6,988.928
Non Salary	3,296.023	61.872	3,357.895
Development	30,455.805	4,673.400	35,129.205
LABOUR DEPARTMENT	1,126.757	65.460	1,192.217
Current	916.327	65.460	981.787
Salary	667.061	52.978	720.039
Non Salary	249.266	12.482	261.748
Development	210.430		210.430
LAW & PARLIAMENTARY AFFAIRS DEPARTMENT	21,465.115	2,223.837	23,688.952
Current	16,073.822	1,154.469	17,228.291
Salary	13,428.605	1,061.294	14,489.899
Non Salary	2,645.217	93.175	2,738.392
Development	5,391.293	1,069.368	6,460.661
LIVESTOCK & DAIRY DEVELOPMENT DEPARTMENT	13,128.044	4,296.846	17,424.890
Current	10,644.172	2,701.846	13,346.018
Salary	7,899.146	1,865.170	9,764.316
Non Salary	2,745.027	836.676	3,581.702
Development	2,483.872	1,595.000	4,078.872
LOANS & ADVANCES	350.000		350.000
Current	350.000		350.000
Non Salary	350.000		350.000
LOCAL GOVERNMENT DEPARTMENT	52,128.630	4,089.180	56,217.810
Current	19,779.909	967.148	20,747.057
Salary	6,353.212	824.801	7,178.013
Non Salary	13,426.696	142.347	13,569.043
Development	32,348.721	3,122.032	35,470.753
MINES & MINERAL DEVELOPMENT DEPARTMENT	2,324.182	231.229	2,555.411
Current	2,073.009	192.229	2,265.238
Salary	1,094.271	168.352	1,262.623
Non Salary	978.738	23.877	1,002.615
Development	251.173	39.000	290.173
PENSION	190,296.832	0.095	190,296.927
Current	190,296.832	0.095	190,296.927
Salary		0.095	0.095
Non Salary	190,296.832		190,296.832
PLANNING & DEVELOPMENT DEPARTMENT	59,779.789	18,382.646	78,162.435
Current	1,391.775	416.418	1,808.193
Salary	1,125.894	410.337	1,536.231
Non Salary	265.881	6.081	271.962
Development	58,388.014	17,966.228	76,354.242
POPULATION WELFARE DEPARTMENT	5,117.609	421.655	5,539.264
Current	4,571.708	321.286	4,892.994
Salary	3,813.614	249.903	4,063.518
Non Salary	758.094	71.383	829.477
Development	545.901	100.369	646.270
PROVINCIAL ASSEMBLY	4,267.955		4,267.955
Current	4,267.955		4,267.955
Salary	2,990.900		2,990.900
Non Salary	1,277.055		1,277.055
PUBLIC HEALTH ENGINEERING DEPARTMENT	27,512.142	4,463.130	31,975.272
Current	16,787.306	1,808.743	18,596.049



Salary	9,377.564	1,498.344	10,875.908
Non Salary	7,409.742	310.399	7,720.141
Development	10,724.836	2,654.387	13,379.223
RELIEF REHABILITATION AND SETTLEMENT DEPARTMENT	14,272.060	19,556.076	33,828.136
Current	12,175.126	18,452.796	30,627.922
Salary	5,203.427	1,350.966	6,554.393
Non Salary	6,971.699	17,101.830	24,073.529
Development	2,096.934	1,103.280	3,200.214
REVENUE & ESTATE DEPARTMENT	25,042.519	11,068.161	36,110.680
Current	24,352.518	10,126.165	34,478.683
Salary	12,277.917	3,759.540	16,037.457
Non Salary	12,074.601	6,366.625	18,441.226
Development	690.001	941.996	1,631.997
SCIENCE TECHNOLOGY & INFORMATION TECHNOLOGY DEPARTMENT	3,842.971	362.500	4,205.471
Current	2,572.881		2,572.881
Salary	181.643		181.643
Non Salary	2,391.238		2,391.238
Development	1,270.090	362.500	1,632.590
SPORTS, CULTURE, TOURISM & MUSEUMS DEPARTMENT	9,980.119	1,616.136	11,596.255
Current	2,380.119	333.136	2,713.255
Salary	1,576.235	199.269	1,775.504
Non Salary	803.884	133.867	937.751
Development	7,600.000	1,283.000	8,883.000
TOURISM & CULTURE DEPARTMENT	14,411.477		14,411.477
Current	2,140.485		2,140.485
Salary	563.244		563.244
Non Salary	1,577.241		1,577.241
Development	12,270.992		12,270.992
TOURISM DEPARTMENT		595.126	595.126
Development		595.126	595.126
TRANSPORT & MASS TRANSIT DEPARTMENT	9,209.966	819.344	10,029.310
Current	8,789.964	27.758	8,817.722
Salary	619.395	24.731	644.126
Non Salary	8,170.569	3.027	8,173.596
Development	420.002	791.586	1,211.588
ZAKAT, USHER, SOCIAL WELFARE, SPECIAL EDUCATION & WOMEN EMPOWERMENT DEPARTMENT	17,889.180	1,224.519	19,113.698
Current	16,485.443	842.519	17,327.961
Salary	3,550.504	200.552	3,751.056
Non Salary	12,934.938	641.967	13,576.905
Development	1,403.737	382.000	1,785.737
FOOD DEPARTMENT (Account-I)	10,829.013	1,609.000	12,438.013
Current	10,600.012	1,500.000	12,100.012
Non Salary	10,600.012	1,500.000	12,100.012
Development	229.001	109.000	338.001
Grand Total (Account-I)	1,662,396.380	299,603.620	1,962,000.000
FOOD DEPARTMENT (Account-II)	113,104.774	370.907	113,475.681
Current	113,104.774	370.907	113,475.681
Salary	1,032.132	113.134	1,145.266
Non Salary	112,072.642	257.773	112,330.415

Chapter 7

KP Public Debt Management & Funds

Public debt plays an important role in supporting government finances, especially when there is a gap between revenue and expenditure. Borrowing allows the government to continue providing essential services and invest in development projects without putting immediate pressure on taxpayers. If the government avoids borrowing altogether, the only alternative to raise funds would be to increase taxes, which can hurt economic growth and burden citizens. Therefore, debt becomes a necessary tool to manage public finances in a balanced and strategic way.

However, public debt is beneficial only when it is borrowed responsibly and used for projects that are sustainable and productive. If the loan is used for infrastructure, energy, or education projects that generate economic activity, such investments can repay the debt through their own returns, including user fees or higher tax revenues from increased growth. In such cases, debt servicing becomes manageable without putting stress on the government's budget. Hence, public debt is not bad in itself; it becomes a problem only when used inefficiently or without proper planning.



Public Debt Management

In Khyber Pakhtunkhwa (KP), the total loan is not very large when looking at how much the government pays back each year. At present, only about 3.5% of the province's total income goes toward loan repayment. This shows that KP can handle its loans without much difficulty and there is no serious pressure on the budget. If the government continues to use loans for useful projects that help the economy grow, it will be easy to repay them in the future.

7.1 Domestic Debt

Currently, there is no domestic debt liability against the Provincial Government as on 1st July 2025.

7.2 Foreign Debt

Khyber Pakhtunkhwa's current loan portfolio consists only of foreign loans taken from international partners on soft terms. These loans are long-term, usually spread over 20 to 25 years, with the first five years as a grace period where no repayment is required. The interest rate on these loans is quite low, mostly between 2% and 4% per year. Most of these loans more than 80% are in US Dollars.

These loans are used for specific development projects, based on agreements between the KP Government and the Federal Government. The Federal Government provides sovereign guarantees to the internal lenders and then passes the loans on to KP under the same terms.

As of 1st July 2025, the Government of Khyber Pakhtunkhwa has a total outstanding foreign loan amount of Rs. 723,199 million. These loans have been taken from international organizations like the World Bank, Asian Development Bank (ADB), Japan International Cooperation Agency (JICA), and the International Fund for Agricultural Development (IFAD).



Description	Outstanding/Loan Disbursed	Principal Repayments	Disbursements	Outstanding/ Loan Disbursed
-	30th June 2024	1 Jul 2024 – 30 June 25	1 Jul 2024 – 30 June 2025	30th June 2025
KP Foreign Loan	679,547	30,705	87,363	723,139
Exchange Rate	285	280	280	280

During the Financial Year 2024-25, the Province's outstanding debt portfolio has increased by 6.41%, primarily influenced by two key factors:

- I. Increase in net receipts (disbursements less principal repayments) was PKR 56,658 million which is an increase of 8.34% from the previous year.
- II. Decreases in foreign currency exchange rates from 285 to 280 which had a weighted average impact of -1.75% (PKR -13,066 million)

Details of Principal repayment and Interest payments Budget Estimates and Revised Estimates are as

PKR in Million			
Nomenclature	(BE) 2024-25	(RE) 2024-25	(BE) 2025-26
Principal	40,000.000	35,000	40,000
Interest	27,000.910	20,000	25,000
Debt Servicing	67,000.910	55,000	65,000

The table below provides a breakdown of the Foreign Debt stock, along with creditor-wise composition and the yearly on year change in debt stock:

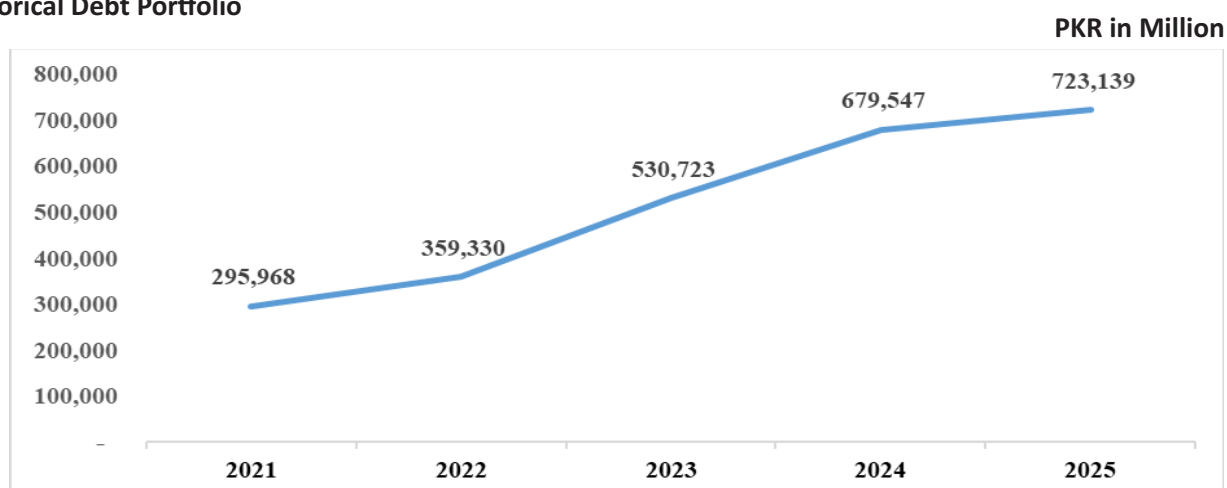
Lenders	FY 2023-24 PKR in Mn	FY 2024-25 PKR in Mn	% Change
ADB	305,203	323,635	6.04%
IDA	291,265	307,056	5.42%
JICA	23,344	24,115	3.30%
AFD	40,206	38,539	-4.15%
IFAD	2,105	3,380	60.57%
Germany	499	459	-8.01%
IBRD	719	856	19.08%
AIIB	16,205	25,099	54.88%
Total	679,547	723,139	--

The table below summarizes the key ratio analysis of provincial debt portfolio, Debt Servicing and Outstanding Debt Stock as a 52% of KP Total Revenue remains within the threshold limits prescribed by the Fiscal Responsibility and Debt Management Act 2022 which shows that the province is in a position to service its debt obligations.

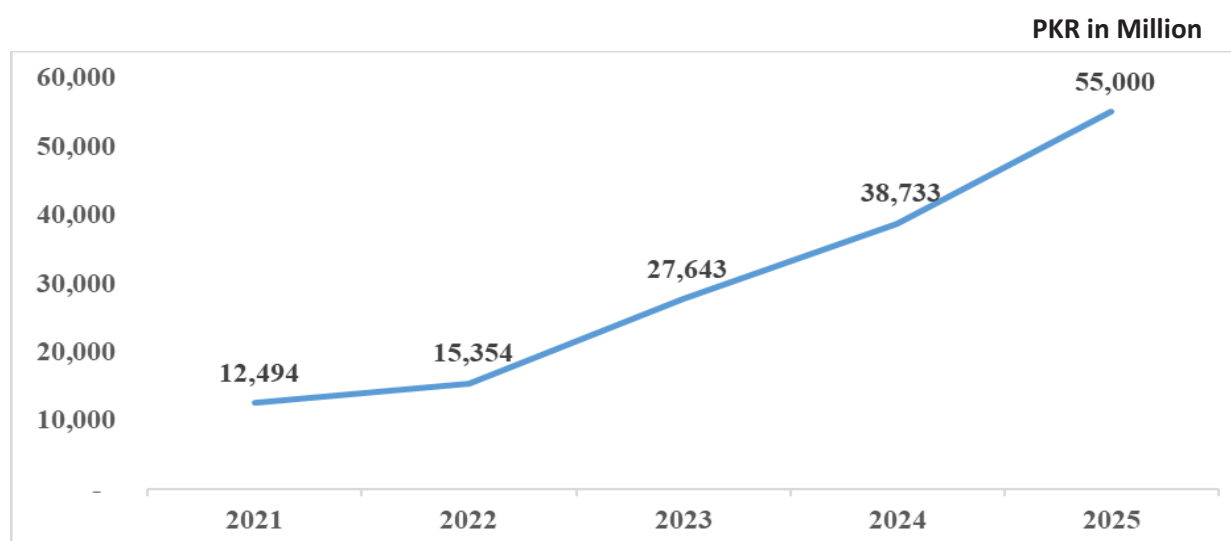


Description	Actual FY 2023-24	Actual FY 2024-25	% Change
KP Outstanding Foreign Debt (PKR in Mn)	679,547	723,139	6.41%
Exchange Rate	285	280	-1.75%
Disbursements (PKR in Mn)	100,750	87,363	-13.29%
Principal Repayments (PKR in Mn)	24,782	30,705	23.90%
Interest Payments (PKR in Mn)	13,951	18,647	33.66%
Debt Servicing(PKR in Mn)	38,733	49,352	27.42%
KP Total Revenue (PKR in Mn)	943,525	1,100,000	16.58%
Debt Servicing as % of Revenue	4.11%	4.49%	
DebtOutstanding as % of KP Total Revenue	72.0%	65.7%	

Historical Debt Portfolio



Historical Debt Servicing





7.3 Khyber Pakhtunkhwa Fund Management (KPFM)

To complement its debt strategy and address long-term liabilities, the Government of Khyber Pakhtunkhwa has developed an institutionalized fund management system under the Khyber Pakhtunkhwa Funds' Management (KPFM) framework. The province has established five dedicated funds: the General Provident Investment Fund, Pension Fund, Hydel Development Fund, Retirement Benefit and Death Compensation Fund, and the newly created Debt Management Fund.

These funds were created through separate Acts, Ordinances, or Rules and are managed by independent Boards composed of government and private sector representatives. The funds serve specific policy objectives—such as pre-funding employee retirement liabilities, financing hydel energy projects, or supporting debt servicing—and are structured as separate financial entities with independent audits. The Finance Department oversees fund operations through professional staff, focusing on prudent investment, accountability, and long-term sustainability.

The Khyber Pakhtunkhwa loan portfolio consists of two categories: Active Loans and Closed Loans. Currently, there are more than 30 Active Loans, while the remaining fall under the Closed Loans category. Active Loans refer to those where the grace period is still ongoing, and project implementation is in progress. In contrast, Closed Loans are those where the grace period has ended, the repayment of the principal amount has commenced, and the related project activities have been completed. A detailed list of both Active and Closed Loans is provided at Annex-I.

7.3 (I) KP - Fund Management Strategy and Performance

Over the years, KP funds have shown steady growth, driven by sound investment policies and regular government contributions. For instance, the General Provident Investment Fund and the Pension Fund have evolved into sizable pools of capital that help offset future employee-related liabilities. Similarly, the Hydel Development Fund has supported key energy projects, while the Retirement Benefit and Death Compensation Fund provides a social safety net for government employees. The recently launched Debt Management Fund marks a forward-looking initiative to use idle government funds for reducing the province's debt burden.

Across all funds, the strategy focuses on achieving long-term returns by investing in secure, income-generating instruments such as government securities and term deposits. Going forward, the province aims to diversify investments, improve fund governance, and integrate digital systems for more efficient fund administration and timely service delivery.

Khyber Pakhtunkhwa Funds' Management (KPFM) is an institutional framework set up by the Government of Khyber Pakhtunkhwa to manage financial reserves, meet retirement benefit obligations of public employees, and reduce borrowing costs over time. To pre-fund these growing liabilities, KP Government established five dedicated funds under separate Acts, Ordinances, or Rules approved by the Provincial Cabinet or KP Assembly:

Khyber Pakhtunkhwa Pension Fund Act, 1999

Khyber Pakhtunkhwa General Provident Investment Fund Act, 1999

Khyber Pakhtunkhwa Hydel Development Fund Ordinance, 2001

Khyber Pakhtunkhwa Retirement Benefit and Death Compensation Act, 2014

Khyber Pakhtunkhwa Debt Management Fund Rules, 2024

Each fund is a separate pool of money sponsored by GoKP and legally held in trust. A dedicated Board manages each fund to protect the interests of its members. Fund accounts are audited by the Director General (Commercial) Audit and, where needed, by independent chartered accountant firms.

Finance Department, through professional staff, handles the day-to-day management of these funds. This



includes investment planning, performance monitoring, and reporting. The overall goal is to support long-term financial sustainability for both pension obligations and development financing in the province.

The primary objective of these funds is to generate a stable long-term return by investing public money in a safe and efficient manner. The goal is to earn returns above the risk-free rate, and where applicable, meet or exceed a set benchmark. To achieve this, the funds follow a balanced investment strategy focused on minimizing risk while maximizing returns. Most investments are made in long-term and low-risk instruments such as government securities, term deposits, and other approved asset classes. Over time, the strategy aims to diversify investments further to improve returns and maintain financial sustainability.

The asset allocation strategy of Khyber Pakhtunkhwa's public funds currently follows a conservative investment approach. Most investments are placed in low-risk instruments such as Treasury Bills (T-Bills), Bank deposits, and National Savings Schemes (NSS) instruments. This approach prioritizes capital preservation and liquidity, and make sure that funds remain secure while delivering steady and predictable returns.

With the development of internal capacity and growing investment expertise, the KP Fund Management is now moving towards a more diversified portfolio. The purpose is to increase returns while keeping the risk at a reasonable level, protect the original investment, and support the long-term financial needs of the province. New options like long-term government bonds, corporate debt, and even real estate are being considered to make the portfolio stronger and more effective over time.

7.3 (ii) General Provident Investment (GPI) Fund

The General Provident Investment (GPI) Fund was established by the Government of Khyber Pakhtunkhwa (GoKP) in 1991-92 with an initial equity of Rs. 200 million. Over time, the Fund has grown, reaching an estimated size of Rs. 172.9 billion in FY 2024–25. Of this amount, Rs. 38 billion has been contributed directly by KP Government. The Fund was created to manage and invest the balances of General Provident (GP) accounts maintained for civil servants of the province.

The Fund operates under a dedicated Act and its corresponding Rules. A seven-member Board governs its operations, including five ex-officio members from the provincial government and two representatives from the private sector. The Board is supported by committees such as the Investment Committee, which evaluates and recommends investment options. In addition to returns on investments, the Fund receives periodic equity injections from GoKP. Over time, it has become a key financial instrument for managing the retirement-related liabilities of provincial employees.

The governance framework of the GPI Fund is designed to promote transparency, efficiency, and accountability. The Board provides strategic oversight, while the Investment Committee reviews and recommends investment options based on risk, return, and liquidity criteria. The fund's financial accounts are audited by the Auditor General of Pakistan and may also be reviewed by reputable external audit firms. These mechanisms help safeguard public funds and maintain trust in fund operations.

The Fund's investment strategy has traditionally focused on low-risk instruments such as Treasury Bills, bank deposits, and National Savings Schemes. This conservative approach has delivered steady returns while protecting the principal amount. With growing fund size and improved institutional capacity, the Fund is gradually moving toward a more diversified portfolio. Long-term government securities, corporate bonds, and other stable investment avenues are being considered to improve returns while managing risk prudently.

Despite steady growth, the Fund faces challenges such as inflation eroding real returns, limited diversification



options, and reliance solely on government contributions. To address these issues, Finance Department is working on risk mitigation measures including enhanced fund management systems, improved investment guidelines, and capacity building for fund managers. Future strategies also include digitalization of fund operations and exploring new financial instruments to strengthen long-term sustainability.

The GPI-Fund has evolved into a financially stable and self-sustaining vehicle for the Government of Khyber Pakhtunkhwa, delivering consistent returns through prudent investment practices. It now generates sufficient income to cover markup payments on GP Fund balances without requiring extra budgetary support.

Looking ahead, the Fund will concentrate on protecting principal investment, maintaining sustainable returns at a reasonable risk level, and expanding into a more diversified portfolio to support long-term financial security for public employees and ease future fiscal pressure on the government.

GPI Fund - Financial Overview

PKR in million

Year	Opening Balance	GoKP Equity Injection	Profit Earned	Interest Paid to GoKP	Closing Balance
2018–19	61,250	0	6,205	–	67,484
2019–20	69,039	0	8,457	–	77,496
2020–21	77,496	0	7,091	–	84,581
2021–22	84,581	0	8,270	–	92,857
2022–23	92,857	0	12,895	10,000	95,752
2023–24	95,752	10,000	19,413	–	124,800
2024–25*	124,800	10,000	19,048	–	172,896

*Estimated for FY 2024–25

7.3 (iii) Pension Fund (PF)

The Pension Fund (PF) was established in FY 1997–98 by the Government of Khyber Pakhtunkhwa (GoKP) with an initial equity of Rs. 150 million to address the province's growing pension obligations. As of FY 2024-25, the Fund's estimated size has grown to Rs. 80.9 billion, including Rs. 35 billion in equity contributions from GoKP. The Fund is governed under the Pension Fund Act, 1999, along with its associated Rules, and is managed by an independent Board. Similar in structure to the General Provident Investment (GPI) Fund, the PF Board includes one key differencea representative from the Peshawar High Court, nominated by the Chief Justice, serves in place of a subscriber representative.

Fund governance is supported by specialized committees, with the Investment Committee, chaired by the Secretary Finance responsible for evaluating and recommending investment decisions. Unlike contributory pension systems, the Pension Fund operates under a non-contributory model, with no deductions from employee salaries, making the Government of Khyber Pakhtunkhwa solely responsible for meeting pension obligations.

In accordance with Section 4(2) of the Pension Fund Act, a total of Rs. 26 billion was drawn from the Fund between FY 2020 and FY 2023 to support provincial pension payments. To strengthen the Fund's capacity and restore its financial position, the Government allocated Rs. 20 billion to the Pension Fund in FY 2024–25. An equivalent amount of Rs. 20 billion was also injected into the General Provident Investment (GPI) Fund during the same fiscal year.

The Pension Fund has evolved into a key financial instrument to manage long-term pension liabilities in Khyber Pakhtunkhwa. In 2022, the introduction of the Contributory Provident (CP) Fund Scheme for new government employees marked a major reform, aimed at gradually shifting the pension burden and lowering unfunded liabilities. Alongside these policy changes, continued equity injections and investments in secure, high-yield instruments are strengthening the Fund's financial base. The current strategy is focused on preserving capital, generating reliable returns with controlled risk, and reducing reliance on annual budgetary allocations—ultimately contributing to long-term fiscal sustainability.



Pension Fund - Financial Overview

PKR in million

Year	Opening Balance	GoKP Equity Injection	Profit Earned	Utilized for Pension Payments	Closing Balance
2018–19	42,548	0	3,810	0	46,358
2019–20	46,358	3,000	5,353	0	54,711
2020–21	54,711	0	6,073	6,000	53,680
2021–22	53,680	0	4,590	10,000	48,270
2022–23	48,270	0	6,434	10,000	44,704
2023–24	44,704	10,000	7,801	–	62,506
2024–25*	62,506	10,000	8,351	–	80,857

*Estimated for FY 2024–25

7.3 (iv) Hydel Development Fund (HDF)

The Hydel Development Fund (HDF) was established by the Government of Khyber Pakhtunkhwa in 1992 with an initial allocation of Rs. 50 million. Governed under a dedicated Act and Rules, the Fund serves a distinct purpose compared to the GPI and Pension Funds.

Its core mandate is to finance hydropower development across the province, particularly through projects implemented by the Pakhtunkhwa Energy Development Organization (PEDO). The Fund is overseen by a ten-member Board, chaired by the Chief Minister, with nine ex-officio members, eight from GoKP and two representatives from the private sector, including the Managing Director of Bank of Khyber and a nominee from a public sector bank or financial institution. An Investment Committee, chaired by the Chief Secretary, reviews and recommends investment decisions.

The Fund is fully financed by KP Government's own resources and does not receive any employee contributions, tax-based inflows, or automatic deductions. HDF plays an important role in providing flexible funding to support the capital needs of key hydropower projects, serving as a catalyst for clean energy generation in the province. It has allowed PEDO to plan and execute projects more efficiently by bridging funding gaps and reducing reliance on international lenders or domestic commercial financing.

The Hydel Development Fund has contributed to the expansion of hydropower infrastructure in Khyber Pakhtunkhwa. With the successful completion and commissioning of several major projects, many initiatives have now transitioned from development to revenue-generating operational phases. As a result, the Fund's future focus will shift from large-scale project financing to supporting the sustainability, optimization, and reinvestment of proceeds from operational assets.

Going forward, PEDO is expected to gradually rely more on internally generated revenue to finance ongoing and future projects, reducing its dependence on the HDF. The strategic direction now centers on maximizing returns from existing investments, maintaining operational efficiency of hydel assets, and to make sure that the Fund remains a reliable, reserve-based instrument for targeted interventions when needed. This marks an important evolution in the Fund's role, from development funding to long-term financial sustainability of the province's energy sector.



Hydel Development Fund - Financial Overview

PKR in Million

Year	Opening Balance	GoKP Equity / PEDO	Profit Earned	Fund Utilized	Closing Balance
2017–18	16,413	15,000	915	7,297	25,031
2018–19	25,031	0	2,114	7,106	20,039
2019–20	20,039	0	1,724	9,175	12,588
2020–21	12,588	2,000	1,200	9,552	6,236
2021–22	6,236	3,282	342	10,169	30
2022–23	30	7,226	367	5,426	2,197
2023–24	2,197	6,000	2,357	6,400	4,154
2024–25*	4,154	1,500	763	4,384	2,033

*Estimated for FY 2024–25

7.3 (v) Debt Management Fund (DMF)

The Debt Management Fund (DMF) was established by the Government of Khyber Pakhtunkhwa in FY 2024-25 to support public debt servicing and reduce the overall cost of borrowing. The Fund operates by investing unutilized government balances in low-risk, income-generating instruments, with the objective of creating additional fiscal space for development priorities and service delivery. The Fund is governed under the Khyber Pakhtunkhwa Debt Management Fund Rules, 2024, and is supervised by a Management and Oversight Committee chaired by the Chief Secretary. Finance Department manages the Fund through a dedicated team of professionals with expertise in fund management. In FY 2024–25, the Government transferred PKR. 150 billion to the Fund as seed capital.

These funds have been invested in secure, high-yield instruments such as term deposits with commercial banks and short-term government securities (e.g., T-Bills). As a result, the DMF has begun generating income, which will be used to partially offset debt servicing obligations and reduce the pressure on the annual budget. The Debt Management Fund marks a strategic shift in the province's approach to managing debt and liquidity. By converting idle government balances into productive investments, the Fund helps finance a portion of debt obligations without relying solely on budgetary resources. This approach not only supports timely debt servicing but also promotes financial discipline and more efficient cash management. Looking ahead, the focus will remain on expanding the investment portfolio in a prudent manner, to make sure steady returns while safeguarding public resources. As the Fund continues to grow, its role in reducing borrowing costs and enhancing fiscal sustainability will become even more important. The DMF is expected to serve as a long-term financing tool that supports both budget stability and improved debt management practices.

Debt Management Fund – Financial Overview

PKR in Million

Year	Opening Balance	Government Equity	Profit Earned	Transfer to Treasury	Closing Balance
2024–25*	–	150,000	4,067	–	154,067

*Estimated for FY 2024–25



7.3 (vi) Retirement Benefit and Death Compensation (RBDC) Fund

The Retirement Benefit and Death Compensation (RBDC) Fund was introduced by the Government of Khyber Pakhtunkhwa under the Khyber Pakhtunkhwa Civil Servants Retirement Benefits and Death Compensation Act, 2014, with effect from November 6, 2014. The Fund was created as a contributory scheme to enhance the social protection framework for government employees. Unlike other provincial funds, the RBDC Fund is financed through direct contributions from civil servants, similar to the Benevolent Fund, and not through government equity. It provides financial support to employees or their families in the event of retirement, disability, or death during service.

The Fund is managed by Finance Department through the Fund Management Unit and is overseen by a twelve-member Board chaired by the Chief Secretary. The Board includes ten ex-officio government members and two representatives from civil servants. A dedicated Management Committee, chaired by the Secretary Finance, facilitates the timely processing of claims. So far, employees have contributed nearly Rs. 30 billion to the Fund, out of which Rs. 16.9 billion has been disbursed to eligible claimants.

The RBDC Fund has emerged as an important tool for strengthening social protection for civil servants in Khyber Pakhtunkhwa. With a growing contribution base and reliable disbursement mechanism, the Fund plays an important role in supporting families during retirement or unforeseen loss. The strategic focus ahead includes enhancing the investment portfolio to generate stable returns, making sure of timely claim processing, and adopting digital systems for improved service delivery.

Future plans also involve periodic review and expansion of the Fund's benefit structure, potentially incorporating pre-retirement and post-retirement support. The provincial government aims to build institutional capacity, strengthen fund governance, and partner with professional fund managers to manage investments efficiently. These measures will help secure the Fund's long-term sustainability and improve benefits for current and future government employees.

RBDC Fund – Financial Overview

PKR in Million

Year	Opening Balance	Contribution Received	Total Available	Profit Earned	Benefits Disbursed	Closing Balance
2016–17	–	–	–	–	–	0
2017–18	0	5,452	5,452	77	2,398	3,131
2018–19	3,131	4,157	7,288	473	1,725	6,036
2019–20	6,036	3,816	9,852	756	1,331	9,277
2020–21	9,277	3,455	12,732	714	2,890	10,556
2021–22	10,556	3,505	14,061	1,033	2,719	12,375
2022–23	12,375	3,475	15,850	2,038	2,210	15,678
2023–24	15,678	3,670	19,348	3,682	2,317	20,713
2024–25	20,713	3,291	24,004	3,716	2,824	24,896
2025–26*	24,896	3,698	28,594	2,887	3,530	27,951

*Estimated for FY 2025–26



7.4 THE BANK OF KHYBER

The Bank of Khyber (BOK' or 'the Bank') was established in 1991 through an Act of the Provincial Assembly of Khyber Pakhtunkhwa (KPK) (formerly N.W.F.P.). The Bank started its commercial operations in November 1991 and became a scheduled Bank with the State Bank of Pakistan in 1994. The Bank was listed on the Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Ltd) in 2006.

The Bank is continuing with its transformation journey and investing in strengthening its foundations, deepening of products & services offering, building of network and digital capacity to achieve strong and sustainable growth. The core objective of this journey is to serve all the stakeholders, including our customers and patrons with agile, accessible and accelerated banking experience.

The Bank has recently announced the initiation of the process for conversion to a full-fledged Islamic Bank and will be taking all the necessary steps towards achievement of this landmark initiative as per the plan.

The Bank successfully launched the Native Digital app, introducing enhanced features and significantly improving customer experience along with added security.

The Bank successfully launched the digital debit card integrated with the Mastercard payment scheme. The card offers enhanced safety and convenience through two-factor authentication, ensuring secure e-commerce transactions. This has shown promising growth, with a strong and engaged user base.

During 2024, the Bank was declared as an agent of SBP for issuance E-Stamps across KP.

PACRA and VIS Credit Rating Co. Ltd has maintained a long-term credit rating of the Bank at A+ (Single A Plus). Moreover, short-term credit ratings were also maintained at 'A-1' (A-One). The ratings are reflective of the high credit quality of the Bank (June-2024).

Previously, BOK's efforts toward National Financial Literacy Program (NFLP) (2017-2022) were recognized by State Bank of Pakistan - Banking Services Corporation (SBP-BSC), Peshawar whereby the Bank was awarded First Position. For NFLP 2024-2025, BOK became the first Bank in Pakistan to achieve 100% completion of classroom sessions and street theaters by January 2025. The target included 55 classroom sessions and 15 street theaters.

7.4 (I) PERFORMANCE REVIEW FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2024

The Bank reported a profit before tax of Rs 8,135 million, reflecting a 21% increase compared to 2023. Net profit after tax for the year ended December 2024 rose by 4%, from Rs 3,481 million to Rs 3,615 million.

As at December 31, 2024 the total asset base of the bank stood at Rs 477,564 million.

Other Key Performance Indicators are as follows:

The Net Mark-up / Interest Income for 2024 stood at Rs.16,492 million as compared to Rs. 13,893 million in the corresponding year.

Advances (net) of the Bank increased by 44.6% and stood at Rs.146,882 million as compared to Rs.101,588 million (Dec 2023)

Investments (Net) increased by 26.6% and stood at Rs. 282,767 million as against Rs. 223,348 million as of December 31, 2024.

7.4 (ii) PERFORMANCE REVIEW FOR THE QUARTER ENDED MARCH 31, 2025

The Bank reported an impressive performance for the first quarter of financial Year 2025 with its Profit After Tax (PAT) rising sharply by 108% year-on-year (YoY) to reach Rs1.6 billion.



The Bank's Net Markup/Interest Income (NII) surged by 45% YoY to Rs. 5.1 billion, reflecting robust balance sheet management and successful reduction in funding cost achieved during the period. Non-markup/interest income also recorded significant growth, rising by 64% YoY to Rs 900 million, mainly driven by gain on securities amounting to Rs. 521 million.

As a result of the strenuous recovery efforts and prudent lending strategy followed by Management, the Bank achieved net reversal of provision for Rs. 118 million, compared to the net provision of Rs.190 million in the same period last year.

S. #	Description	PKR in Million						
		Financial Year/Period Ended						
		FY-2019	FY-2020	FY-2021	FY-2022	FY-2023	FY-2024	Q1-2025 (Quarter)
1	Deposits	182,168	203,072	221,876	248,906	282,292	277,642	338,620
2	Advance (net)	109,742	129,063	124,549	127,515	101,588	146,882	68,463
3	Investments (net)	146,911	113,479	184,399	173,669	223,348	282,767	330,077
4	Total Assets	306,305	288,300	358,606	344,984	383,186	477,564	457,754
5	Profit Before Tax	2,261	3,806	1,680	920	6,702	8,135	3,403
6	Profit After Tax	1,306	2,152	1,104	455	3,481	3,615	1,603

The Bank paid a healthy Cash Dividend of Rs.1.70 per share for the year 2024 (2023: Cash dividend of Rs. 1.50 per share and issue of 5% Bonus shares).

7.4 (iii) FUTURE OUTLOOK

Going forward, the Bank will continue its emphasis on sustainable profitability, asset quality improvement and diversification of portfolio through proactive management strategies.

The Bank will focus on enhancing asset quality while maintaining growth momentum. The cornerstone of the Bank's philosophy remains improvement of service quality standards and providing state-of-the-art banking services by leveraging technology and skilled human resources.

Furthermore, the Bank will prioritize increasing advances across all economic segments, i.e. Corporate, SMEs, Agriculture and Consumer financing to increase its Advance-to-Deposit Ratio. Simultaneously, we target to diversify and improve the deposits composition to further reduce the funding cost of the Bank.

7.5 The Khyber Pakhtunkhwa Revenue Authority (KPRA)

The Khyber Pakhtunkhwa Revenue Authority (KPRA) was set up under the KP Finance Act, 2013 as an independent body to collect Sales Tax on Services and other provincial taxes. Over the years, KPRA has become an important institution helping the province increase its own source revenues (OSR), bring more services under the tax net, and support better delivery of public services.

In the first 10 months of FY 2024–25 (July to April), KPRA collected PKR 42.1 billion, showing strong performance. Sales Tax on Services grew by 27.3% compared to last year, while Infrastructure Development Cess increased by 115%. By the end of the year, total collections are expected to reach PKR 50.7 billion.

This year, KPRA also expanded its tax base through the KP Finance Act, 2024. New sectors were added like healthcare, passenger transport, health insurance, and digital services. Tax rates were increased for restaurants and wedding halls, and the Cess rate was doubled and applied to exports and transit trade. These steps have helped improve collections and brought KPRA in line with modern tax practices.

The following table highlights KPRA's revenue performance over recent fiscal years:



PKR in Billion

Taxes/Cess	FY 2022-23	FY 2023-24	FY 2024-25 (Jul to Apr)	Projected May and Jan (FY 2024-25)
Sales Tax on Services	27	31.8*	32.6	7.5
Infrastructural Development Cess	3.5	5.8	9.5	1.1
Total	30.5	41.7	42.1	8.6

(*Collection in FY 2023-24 is exclusive of the reimbursement of an amount of Rs. 4.1 Bn received to the province from FBR on account of Cross Input Tax Adjustment. In the current FY no amount has been reimbursed from FBR)

10-Months (Jul to Apr) Collection for Last Three Fiscal Years:

Taxes/Cess	FY 2022-23	FY 2023-24	FY 2024-25
Sales Tax on Services	21.8	25.6	32.6
Infrastructural Development Cess	2.95	4.4	9.5
Total	24.75	34.1	42.1

In FY 2024-25 (Jul-Apr), KPRA achieved a remarkable 27.3% growth in Sales Tax on Services (STS) collections and a 115% increase in Infrastructure Development Cess (IDC) reflect KPRA's concerted efforts in expanding the tax base, strengthening compliance, and implementing targeted enforcement measures.

7.5 (I) Tax Reforms and Sectoral Expansions

As part of its reform agenda, KPRA introduced new taxable service sectors through the KP Finance Act, 2024, incorporated into the Second Schedule of the KP STS Act, 2022. These sectors and their revenue contributions include:

Rationalizing tax rates for wedding halls – **(Total Growth 40%)**

Increasing tax rate on Restaurants to 6% – **(Total Growth 21%)**

Health Care Services – **(30 Million Additional)**

Passenger Transport Services – Inter & Intra Provincial Transport Services **(200 Million)**

Health Insurance Services **(450 Million)**

Banks declared as Collection Agent – Payments made to Facebook, Netflix, Google and other similar online and social media platforms are now taxed under the category of IT & Digital Services- **(60 Million)**

Increase in rate of Cess (from 1% to 2%) plus imposition of Cess on Exports and Transit Trade

These initiatives not only diversified KPRA's revenue streams but also aligned with global best practices in taxing digital and service-based economies, positioning Khyber Pakhtunkhwa as a forward-thinking province in fiscal management.

Looking ahead, KPRA is committed to sustaining its momentum through strategic reforms and innovative measures aimed at optimizing revenue collection, broadening the tax base, and enhancing compliance. The following initiatives are planned for FY 2025-26:

KPRA will continue to refine tax rates and explore new sectors to broaden the tax base. This includes identifying untapped service sectors and ensuring equitable taxation across all sectors, thereby reducing reliance on existing contributors while enhancing overall revenue.

KPRA is transitioning to a negative list framework for its statutory schedules. This list will



comprehensively outline exempted services—whether through existing notifications, the Second Schedule, or those outside provincial jurisdiction—streamlining tax administration and reducing ambiguity for taxpayers.

KPRA is prioritizing a dual approach of digital innovation and conventional administrative reforms to minimize the compliance gap.

7.5 (ii) Digital Initiatives

Transition from traditional return filing to the IRIS system, with the adoption of a Single Sales Tax Return (SSTR) for sectors like Oil & Gas and Microfinance Banks.

Deploying the Restaurant Invoice Management System (RIMS) to enhance tax administration efficiency.

Leveraging the existing provisions within the KP STS Act to encourage reporting of tax evasion, fostering a culture of accountability.

Leveraging social media platforms to conduct awareness sessions, educating taxpayers on compliance requirements and benefits.

7.5 (iii) Conventional Administrative Reforms

Sourcing data from statutory bodies such as SECP, NADRA, and PTA to improve taxpayer identification and compliance monitoring.

Implementing a Risk-Based Audit and focus on high-risk areas.

Finalizing an MoU with the FBR and other provinces for data sharing, despite ongoing deliberations over discrepancies in the draft agreement. Consensus is expected soon, enabling seamless collaboration and enhanced revenue oversight.

KPRA aims to invest in capacity building for its workforce, equipping them with advanced tools and training to handle emerging challenges in tax administration. This includes fostering partnerships with international organizations to adopt global best practices in revenue management.

Chapter 8

REFORMS FOR FISCAL STABILITY & ADMINISTRATIVE EFFICIENCY

The Government of Khyber Pakhtunkhwa has undertaken a series of targeted reforms to strengthen fiscal stability and improve administrative efficiency. These efforts focus on controlling expenditures, enhancing revenue generation, streamlining pension liabilities, and adopting modern governance practices. By aligning policies with long-term sustainability goals, the province aims to improve service delivery, reduce fiscal pressures, and create a more accountable and performance-driven public sector.

This reform journey has been made possible through strong collaboration with development partners, particularly the World Bank (through KPRMP and SPEED), the Sustainable Energy and Economic Development (SEED) program supported by the FCDO, and the Sub-National Governance (SNG-II) program. Following are the detailed key reforms introduced and implemented during the year.

Public Sector Reforms



8.1 Cash Management Policy - Road Map

The Treasury of Khyber Pakhtunkhwa is managed through State Bank of Pakistan, with the National Bank working as its agent to report daily cash balances. However, over time, the government has allowed departments to open separate bank accounts in commercial banks. These accounts hold both budgeted and extra funds but are not connected to the main system, so their balances are not reported. As a result, the money in these accounts has grown over the years, creating concern for the government since this cash is not part of the central account at the State Bank.

To improve financial control, the Government of Khyber Pakhtunkhwa is introducing Cash Management Policy reforms under the Public Financial Management (PFM) Act, 2022. These reforms will connect all government bank accounts with the central treasury system at the State Bank of Pakistan. This will help track cash balances in real time and stop departments from keeping unused funds in commercial bank accounts.

Bringing all cash under one system will make government finances more transparent and improve how budgets are used. It will also reduce the need for extra borrowing by making better use of available funds, leading to more responsible spending and better public services.

To address this issue, the Cabinet of Khyber Pakhtunkhwa approved the Cash Management Policy and Framework 2020 in January 2021. Under this policy, all Designated Accounts (DAs) funded through the provincial budget must be closed, and their balances transferred back to the Treasury Single Account (TSA) for disbursement through the centralized system. Additionally, Designated Accounts operated by departments using own-source revenues are to be consolidated daily into the TSA to ensure transparency and centralized cash control.

To support the implementation of the Cash Management Policy, Finance Department established a Liquidity Management Committee (LMC) and a Treasury Desk to monitor cash operations and provide monthly reporting.

To further control and reduce the number of Designated Accounts, detailed guidelines were developed and shared with all departments. These guidelines allow each Drawing and Disbursing Officer (DDO) to maintain only one Designated Account with a zero balance.

For the monitoring of numbers of Designated Accounts and the balances in these accounts, a mechanism for statistical reporting of quarterly balances and number of accounts, was agreed with the State Bank of



Pakistan and implemented. These reports provided a solid basis for working on Designated Accounts. To report of status of implementation of CMP, trend analysis on Quarterly Reports and numbers of DAs were prepared and shared with Finance Department.

An Accounting Procedure for reversal of Cash Balances to TSA and Consolidation of Designated Accounts as linked accounts was prepared and vetted from the Controller General of Accounts (CGA). The Accounting Procedure was further shared with SBP to initiate daily Consolidation.

To provide legal cover for closing of DAs and to support SBP in transfer of budgetary funds back to TSA, the Government promulgated a new law of Public Financial Management Act 2022.

To pilot the consolidation of DAs balances, on the request of State Bank of Pakistan, Standing Debit Instructions (SDI) were prepared and signed by DAs signatories of KPPRA, which were shared with SBP to start the daily consolidation process (the format for SDI was provided by SBP).

The departments which were reluctant to sign the SDI were provided with another option for shifting of their cash operations on the Reserve Fund Accounts. The procedure for operations of these Reserve Funds was prepared and vetted from Controller General of Accounts and Accounts Heads for six Reserve Funds for six Authorities of Khyber Pakhtunkhwa were got created in the Chart of Accounts.

Cash Management was included as a separate module in the e-Governance functionality for reporting on DAs Cash in and Out flows and Cash Forecasting. The Government fulfilled all requirements and daily sweeping mechanism was start during January 2024.

8.2 Financial management and transparency for PSEs

Another key reform is the launch of the “Governance, Finance & Compliance” portal, designed to improve public sector management in Khyber Pakhtunkhwa. The portal supports greater transparency, timely access to financial data, and stronger oversight of Public Sector Entities (PSEs).

The portal has two main parts:

(i) Finance Tool: This helps PSEs enter and manage financial data in one place. It creates reports like income statements, balance sheets, cash flow statements, and budget updates. These reports are shared with departments and senior officials to support better planning and decision-making.

(ii) Governance Tool: This tracks governance structures, board details, internal controls, and policy compliance for each PSE. It also stores key documents to support transparency and regulatory checks.

The portal was officially launched by the Chief Minister on 13th March 2025. It brings clear benefits:

One system for all financial reporting

Better monitoring by senior officials

Reliable data for planning

Stronger audit trails and accountability

Less duplication and more organized reporting

In the reform journey of the Government of Khyber Pakhtunkhwa, development partners have played an important role in driving progress and supporting institutional improvements. The Sustainable Energy and Economic Development (SEED) programme and the Sub-National Governance Programme (SNG-II), both funded by the Foreign, Commonwealth and Development Office (FCDO), have been key partners of the KP government since 2020.

These programmes focus on promoting public and private investment particularly in climate-resilient infrastructure and supporting policy reforms that strengthen public financial management, enhance private sector participation, and develop the Public-Private Partnership (PPP) framework. Working closely with the Finance Department, SEED and SNG-II have provided valuable technical support across



several critical reform areas.

With help from SEED (funded by FCDO), the Government of Khyber Pakhtunkhwa approved a pension reform plan in 2022 to reduce the rising pension costs. The main steps taken include:

Raising the Minimum Voluntary Retirement Age to 55 Years, resulting in annual savings of Rs. 12 billion.

Passing the KP Civil Servants Pension Rules 2021, which:

Restrict pension benefits to direct dependents and parents only.

Eliminate dual pensions and end family pension eligibility for active employees.

These changes are expected to save Rs. 1 billion annually .

Enhancing Family Pension from 75% to 100% to better support widows and dependents.

These reforms, made possible with SEED's support, are an important step toward making the pension system more affordable and better focused on those who need it most.

8.3 Mobilizing Private Investments

The Provincial Government has mobilized private investment with the support of development partner's in sectors such as tourism, Roads and energy and power. In tourism sector transaction advisory support has been provided for three integrated tourism zones (ITZs) in Thandiani, Ganool and Mankiyail. These intervention will be instrumental in promoting sustainable in KP and bring in billion of Rupees worth of investment.

Similarly, under public private partnership with the technical assistance of development partners work on KP flagship initiative Swat Motorway-II PKR 49 Billion was done, which is expected to benefit over five million commuters annually once completed In energy sector with the support of development partners next 5 years business plan 2025-30 for PEDO is under process to strengthen the organization's commercial readiness and help the province for its pipeline future hydro power projects.

Recently, SEED also collaborated with the Government of Khyber Pakhtunkhwa to organize a series of Roadshows in all major cities across Pakistan, to showcase provincial investment opportunities in energy. The events featured large turnouts from key corporate players who demonstrated strong interest in exploring opportunities for investment in KP.

SEED is supporting GoKP for developing carbon market project inventories in 2 sectors i.e. forests and renewable energy. This will lead to an estimated Rs. 6.8bn of potential investment from renewable energy certificates over 25 years and Rs. 30bn per annum potential investment in the forests sector, respectively. SEED is also helping the GoKP register its portfolio of renewable energy projects for International Renewable Energy Certificate (IREC) registration, which will allow them to be traded in the voluntary carbon market.

In the infrastructure and housing sector, SEED is supporting the Peshawar Development Authority for developing the Blue Area Commercial Development project worth Rs. 40bn. SEED has also helped the KP Housing Authority develop the Joint Venture Regulations which paved the way for the Nowshera Mega City project. This project has already generated Rs. 8bn in private investment, with 3,400 housing units auctioned off till date.

Creating an enabling policy environment for private investment

SEED has filled gaps in KP's policy and institutional regime for Public-Private Partnerships in the province. SEED has developed rules and activated structures that enable the GoKP to partner with private investors for executing PPP projects in critical sectors. A total of 19 commercially viable PPP projects are currently in the pipeline.



To improve the broader business enabling environment, SEED is also working with the Government on modernising the provincial regulatory framework, making it simpler, clearer, and more business-friendly. A draft Asan Karobar Bill is currently under review with the Government, which will define how the Aasan Karobar portal will be managed and funded, how back-office operations of government departments and agencies will be integrated and how grievances will be handled from business that use it.

8.4 Improving Public Investment Management (PIM)

SEED supported the Government of Khyber Pakhtunkhwa in improving its score under the IMF's Public Investment Management and Assessment (PIMA) framework. The province's score increased from 4.33 in 2021 to 4.6 in 2023. This improvement shows better project planning, use of alternative funding options, and smoother implementation of development projects.

To support this progress, SEED developed seven tools for public investment management. These tools help departments plan and execute development projects more effectively. These include technical checklists, model terms of reference (TORs), budget guidelines, and a climate-resilient infrastructure handbook, all of which are now available on the new PIM online portal.

A major achievement by SEED was the development of Pakistan's first locally developed and legally binding Highway Bridge Design Code. This code was officially launched by the Chief Minister of Khyber Pakhtunkhwa. It provides technical standards for safer and more reliable bridge construction across the province.

SEED is also helping the province develop a Road Asset Management System (RAMS). This system will keep track of the condition of roads, help plan maintenance, and support better budgeting for road infrastructure. The system has already been soft-launched and is expected to be completed and handed over by June 2025.

8.5 KP Green Financing Strategy

Khyber Pakhtunkhwa is playing active role in Pakistan's efforts to deal with the effects of climate change. Climate change is a serious problem that puts people's lives, jobs, and the economy at risk. To face these challenges, the KP government is following national policies that focus on adapting to climate change.

Understanding the need to protect the environment, the government has made it a priority. This year, it has set aside Rs. 3,278 million in the budget to support forestry and environmental conservation efforts across the province.

The Forest and Environment Department has made considerable progress across various fronts. It has achieved 73% of the targets under the 10 Billion Tree Tsunami Programme and completed a carbon inventory for designated forest areas. Innovative tools like a forest surveillance system have been introduced to curb illegal timber trade and forest fires, while patrol squads have been strengthened to improve enforcement. Notable efforts also include the setup of a Knowledge Park in Kohat and pilot implementation of the Range Management Policy to support sustainable land use.

8.6 Improving basic services in Schools & Health Facilities

Improving Basic Services in Schools and Health Facilities through Special Budget Support – KP-SPEED Project The KP Government is enhancing service delivery across over 32,500 public schools that cater to approximately 5.9 million students. Special budget support under the KP-SPEED Project will be used to provide classroom materials, fund minor repairs, and introduce a capitation grant per student to promote extracurricular activities such as sports and school events. Similarly, special funding is being extended to more than 2,500 primary healthcare facilities in both urban and rural areas. This support will help address increasing demands for essential medicines, medical supplies, and operational needs. The intervention is



expected to improve the availability of basic items, maintain uninterrupted services like electricity and water, and enhance the overall quality of patient care.

8.7 Social Uplift Initiatives: Jobs, Housing, and Clean Energy Support

The Government of Khyber Pakhtunkhwa (KP) has launched several social initiatives to improve the lives of people, especially those from low-income backgrounds. These efforts address basic needs such as jobs, housing, energy, and healthcare.

Each program is designed to provide practical support to communities and help families live with dignity and self-reliance. The goal is to create long-term opportunities that reduce poverty and improve quality of life across the province.

Focus remains on reducing financial pressure on households, creating equal opportunities, and delivering essential services to areas where gaps exist. These programs support people in starting businesses, building homes, accessing clean electricity, and receiving quality healthcare without extra financial burden.

Solarization Program

The solarization program in KP is helping households and public institutions shift to clean and affordable energy. Thousands of homes are being provided with solar panels, free of cost, especially in remote and off-grid areas. Public buildings like schools, mosques, and hospitals are also being solarized to make sure uninterrupted services.

The use of solar energy has helped lower electricity bills, reduce dependence on traditional power sources, and promote environmental sustainability. This initiative supports both individual families and government efforts to cut costs and improve energy access.

Ehsaas Nauwjawan Rozgar Program

The Ehsaas Nauwjawan Rozgar Program is creating job opportunities by providing interest-free loans to youth for small business ventures. Loans range from PKR 100,000 to PKR 5 million, with flexible repayment options and grace periods. These loans are provided through the Bank of Khyber and Akhuwat Microfinance.

This initiative encourages young people to start their own businesses and support economic growth. Many youth have already used this opportunity to launch shops, services, and other small enterprises, building stable incomes for their families.

Ehsaas Apna Ghar Program

The Apna Ghar Program supports low and middle-income families in building or improving their homes. Interest-free loans of up to PKR 1.5 million are provided, repayable over seven years in easy monthly instalments.

This program is helping families secure safe and permanent housing, improving living conditions, and promoting community stability.

Sehat Sahulat Card

The Sehat Sahulat Card provides free health insurance to families in KP. Cardholders can access medical treatment at selected public and private hospitals, including surgeries, emergency services, and hospital stays, without out-of-pocket expenses.

The card protects families from the financial impact of medical emergencies and provide access to quality healthcare. This initiative supports the goal of universal health coverage in the province.



Annexure-I

Growth in Revenue Receipts & Current Revenue Budget Since 1975/76 (In Million)												
Year	Provinci al Tax Receipts	Provinci al Others Receipts	Total Provincial Own Receipts	Federal Tax Assign		Net Profits	Grants from Federal Govt.	Total Provincial Receipts	Current Revenue Expenditu r e	Deficit/Sur plus Revenue Account	Non- Obligat ory Grant	PKR in Min
												Receiva ble as per Arbitrat ion Award
75-76												
B.E	51.6	104.9	156.5	7.1	305.3	---	110.7	579.6	699.5	(-) 119.9	---	119.9
RE	72.2	113.1	185.3	7.9	329.3	---	151.3	673.8	705.4	(-) 31.6	31.6	---
76-77												
B.E	74.5	120.1	194.6	6.9	367.7	---	104.8	674	862.2	(-) 188.2	138.2	50
RE	83.7	93.1	176.8	2.2	373.6	---	123.3	675.9	955.9	(-) 280.0	223.6	56.4
77-78												
B.E	88.7	127.2	215.9	(-) 6.8	401.1	---	104.8	715	1,149.10	(-) 434.1	398.7	35.4
RE	93.4	119.4	212.8	14.8	426.9	---	107.6	762.1	1,137.00	(-) 374.9	352.6	22.3
78-79												
B.E	96.8	135.5	232.3	12.7	461.8	---	104.8	811.6	1,314.30	(-) 502.7	456.8	45.9
RE	96.6	201.3	297.9	(-)10.8	512.3	---	108.5	907.9	1,391.20	(-) 483.3	468.4	14.9
79-80												
B.E	101.3	162.8	264.1	11.2	562.8	---	104.8	942.9	1,557.10	(-) 614.2	566.9	47.3
RE	123	209.9	332.9	14.8	736.9	---	104.8	1,189.40	1,674.80	(-) 485.4	475	10.4
80-81												
B.E	127.4	250	377.4	12.3	881.3	---	104.8	1,375.80	1,877.60	(-) 501.8	445.8	56
RE	143.2	260.7	403.9	13.2	1,060.40	---	107.3	1,584.80	2,031.80	(-) 447.0	447	---
81-82												
B.E	154.4	276.6	431	12.3	1,203.10	---	104.7	1,751.10	2,292.90	(-)541.8	531.6	10.2
RE	174.7	282.6	457.3	37	1,132.60	---	106.4	1,733.30	2,538.90	(-) 805.6	805.6	---
82-83												
B.E	188.7	296.2	484.9	16.6	1,223.60	---	104.8	1,829.90	2,714.70	(-) 884.8	874.8	10
RE	212	308	520	24.8	1,223.60	---	105.4	1,873.80	2,989.70	(-) 1115.9	1,115.90	---
83-84												
B.E	212	340.2	552.2	16	1,364.30	---	104.8	2,037.30	3,454.30	(-) 1417.0	1,396.00	21
RE	238.3	374.6	612.9	50.7	1,374.60	---	116.6	2,154.80	3,705.20	(-) 1550.4	1,550.40	---
84-85												
B.E	257.5	375.4	632.9	66.8	1,537.40	---	104.8	2,341.90	4,334.70	(-)1992.8	1,992.80	---
RE	264.3	395.9	660.2	70.1	1,457.00	---	119.3	2,306.60	4,512.10	(-) 2205.5	2,205.50	---
85-86												
B.E	288.9	412.3	701.2	75	1,622.00	---	104.7	2,502.90	5,201.00	(-) 2698.1	2,698.10	---
RE	284.1	414.1	698.2	51.8	1,622.00	---	130.7	2,502.70	5,453.70	(-) 2951.0	2,951.00	---
86-87												
B.E	307.2	430.2	737.4	52.8	1,622.00	---	104.8	2,517.00	6,466.30	(-) 3949.3	3,949.30	---
RE	303.6	434.5	738.1	34.6	1,615.60	---	130.3	2,518.60	6,811.80	(-) 4293.2	4,293.20	---
87-88												
B.E	309.3	466.1	775.4	34.6	1,831.30	---	104.7	2,746.00	7,382.90	(-) 4636.9	4,636.90	---
RE	338.6	619.5	958.1	72.5	1,988.60	---	111.4	3,130.60	7,997.10	(-) 4866.5	4,866.50	---
88-89												
B.E	369.2	531.1	900.3	74.6	2,204.50	---	104.8	3,284.20	8,685.10	(-) 5400.9	5,400.90	---
RE	374.7	556.3	931	174.8	3,030.50	---	136.9	4,273.20	8,607.40	(-) 4334.2	4,022.60	311.6
89-90												
B.E	369.3	581.8	951.1	159.6	3,330.20	---	104.8	4,545.70	9,291.20	(-) 4745.5	3,735.80	1,009.70
RE	405.6	714.5	1,120.10	197.4	3,934.00	---	134.8	5,386.30	9,385.60	(-) 3999.3	3,574.70	424.6
90-91												
B.E	391.6	691.6	1,083.20	202.4	4,356.00	---	104.8	5,746.40	10,558.70	(-) 4812.3	3,475.60	1,336.70
RE	430.5	759.8	1,190.30	72.8	4,301.60	---	132	5,696.70	10,281.70	(-) 4585.0	4,029.70	555.3
91-92												
B.E	440.3	799.7	1,240.00	25.4	6,582.40	5,987.50	204.8	14,040.10	12,732.30	(+) 1307.8	---	---
RE	435.7	864.3	1,300.00	20.7	6,444.10	5,999.90	402.5	14,154.80	12,737.30	(+) 1417.5	---	926.4
92-93												
B.E	527.2	972.8	1,500.00	19.6	7,304.00	6,800.00	204.8	15,828.40	14,370.80	(+) 1457.6	---	---
RE	688.8	958.8	1,647.60	19.7	7,366.00	5,680.00	205.2	16,038.50	14,579.00	(+) 1459.5	---	1,938.90



93-94													
B.E	639	1,031.00	1,670.00	9.3	8,277.20	7,500.00	204.8	17,661.30	16,511.30	(+) 1150.0	---	---	---
R.E	634.2	1,040.80	1,675.00	9.3	9,392.10	5,482.00	209.5	17,785.90	16,635.90	(+) 1150.0	---	---	2,898.80
94-95													
B.E	686.4	1,128.00	1,814.40	11.7	11,139.00	7,800.00	4.8	20,769.90	19,189.90	(+) 1580.0	---	---	---
R.E	724.3	1,272.70	1,997.00	17.6	11,454.70	6,500.00	10	21,279.30	19,404.50	(+) 1874.8	---	---	2,718.90
95-96													
B.E	875.8	1,236.00	2,111.80	12.8	13,873.10	7,970.00	4.7	23,972.40	21,972.40	(+) 2000.0	---	---	---
R.E	810.2	1,487.30	2,297.50	13.9	14,345.10	6,000.00	4.8	24,631.30	23,564.00	(+) 1067.3	---	---	4,140.80
96-97													
B.E	803.3	1,596.30	2,399.60	15.2	16,226.70	8,500.00	4.8	27,146.30	26,862.00	(+) 284.3	---	---	---
R.E	1,006.70	1,754.10	2,760.80	629.1	16,134.50	6,000.00	4.8	28,029.10	25,800.00	(+) 2229.1	---	---	5,154.90
97-98													
B.E	1,407.90	1,867.10	3,275.00	(-) 775.0	15,064.00	9,423.00	3,310.00	30,297.00	30,058.50	(+) 238.5	---	---	---
R.E	1,167.70	1,714.10	2,881.80	(-) 381.8	14,086.40	6,000.00	3,327.60	29,337.00	29,451.00	(-) 114.0	---	---	6,270.40
98-99													
B.E	1,472.80	2,124.90	3,597.70	(-) 752.3	16,018.60	10,466.00	3,674.00	33,004.00	33,004.00	---	---	---	---
R.E	1,389.30	2,262.80	3,652.10	(-) 646.6	14,579.50	6,000.00	3,675.30	31,726.30	32,004.00	(-) 277.7	---	---	7,497.40
99-2000													
B.E	1,705.40	2,336.50	4,041.90	(-) 830.2	16,867.70	11,624.00	4,078.00	35,781.40	35,493.00	(+) 288.4	---	---	---
R.E	1,582.70	2,336.00	3,928.70	(-) 827.9	16,613.60	6,000.00	4,057.30	35,395.70	35,263.50	(+) 132.2	---	---	8,847.20
2000-01													
B.E	1,740.90	2,509.10	4,250.00	(-) 955.0	21,227.50	12,899.00	4,310.70	41,732.20	39,132.20	(+) 2600.0	---	---	---
R.E	1,381.80	2,207.70	3,589.50	(-) 648.2	19,217.80	6,000.00	3,827.60	31,986.70	33,673.30	(-) 1038.4	---	---	10,331.90
2001-02													
B.E	1,862.30	2,096.10	3,958.40	(-) 776.2	21,552.20	14,328.00	4,258.60	44,067.30	45,040.40	(-) 973.13	---	---	---
R.E	2,020.10	1,943.40	3,963.50	(-) 953.5	19,411.80	6,000.00	3,898.00	32,323.20	34,623.00	(-) 559.845	---	---	1,195.10
2002-03													
B.E	1,987.90	2,089.90	4,077.90	(-) 1262.9	22,728.30	15,904.00	3,898.00	46,767.10	48,564.00	(-) 1796.9	159	---	---
2003-04													
B.E	2,140.40	2,103.40	4,243.80	1,047.00	22,872.20	6,000.00	3,898.00	37,039.30	36,171.60	(+) 867.7	221	---	13,761.60
2003-04													
B.E	2,148.50	2,009.80	4,158.30	1,788.00	25,750.40	17,653.00	3,898.00	51,459.70	47,114.70	(+) 4345.1	---	---	---
R.E	2,019.10	1,999.80	4,018.90	3,125.00	25,660.30	6,000.00	3,898.00	39,577.20	38,400.00	(+) 1177.2	---	---	15,737.70
2004-05													
B.E	2,278.70	2,149.40	4,428.10	2	29,344.10	8,000.00	4,500.00	46,272.20	42,650.00	(+) 3622.2	---	---	---
R.E	2,339.80	2,210.70	4,550.50	0	30,215.00	6,000.00	45,000.00	45,265.50	42,650.00	(+) 2615.5	---	---	17,911.50
2005-06													
B.E	2,528.50	2,365.50	4,894.00	3,132.00	35,458.20	8,000.00	10,000.00	58,352.20	51,062.00	(+) 7290.2	---	---	---
R.E	2,633.90	2,555.20	5,189.10	0	36,805.10	6,000.00	5,000.00	65,462.80	60,693.00	(-) 8799.6	2	---	20,302.60
2006-07													
B.E	3,053.60	2,741.40	5,795.00	---	44,034.50	8,000.00	9,712.50	67,542.00	54,500.00	(+) 13042.0	---	---	---
R.E	3,049.50	2,682.30	5,731.80	---	44,645.10	6,000.00	9,765.30	66,142.20	55,173.60	(+) 10968.5	---	---	22,932.90
2007-08													
B.E	3,809.10	3,172.70	6,981.80	---	55,690.10	6,000.00	11,907.80	80,579.70	61,000.00	(+) 19579.7	---	---	---
R.E	3,904.60	3,075.20	6,979.80	---	55,954.20	6,000.00	11,349.10	80,283.10	61,450.00	(+) 18833.1	0.5	---	25,826.20
2008-09													
B.E	4,737.30	3,473.40	8,210.70	---	71,445.80	6,000.00	14,432.20	100,088.70	67,300.00	(+) 32788.7	---	---	---
R.E	3,749.20	3,425.50	7,174.70	---	69,965.70	6,000.00	13,183.30	96,323.70	75,600.00	(+) 20723.7	1,682.00	---	29,008.80
2009-10													
B.E	5,991.90	3,655.70	9,647.60	---	83,218.50	6,000.00	14,822.50	113,688.60	80,000.00	(+) 33688.6	---	---	---
R.E	3,497.00	4,711.80	8,208.80	---	93,998.70	16,000.00	15,207.40	133,414.90	109,000.00	(+) 24414.9	6	---	32,509.00
2010-11													
B.E	15,559.50	3,155.20	19,556.70	---	173,033.60	31,000.00	---	198,590.30	127,958.00	(+) 70632.3	---	---	---
R.E	4,135.60	5,583.20	9,718.80	182.29	155,939.50	31,000.00	4,047.00	200,705.30	139,500.00	(+) 61205.3	---	---	---
2011-12													
B.E	4,529.20	6,014.40	10,543.60	---	191,245.00	31,000.00	---	232,788.30	149,000.00	(+) 83788.3	---	---	---
R.E	12,571.50	6,345.70	18,917.20	---	189,058.40	31,000.00	2,264.30	241,239.90	161,000.00	(+) 80239.9	---	---	---
2012-13													
B.E	13,862.50	6,238.50	20,101.00	---	228,391.00	31,000.00	---	279,492.00	191,600.00	(+) 87892.0	---	---	---
R.E	8,164.90	6,235.30	14,400.20	---	231,525.40	31,000.00	---	245,925.60	195,000.00	(+) 50925.6	---	---	---
2013-14													
B.E	10,287.60	6,632.90	16,920.50	---	250,065.60	31,000.00	---	297,986.10	211,000.00	(+) 86986.1	---	---	---
R.E	12,637.80	8,007.50	20,645.30	---	243,076.10	31,000.00	---	294,721.40	222,000.00	(+) 72721.4	---	---	---



2014-15												
B.E	19,452.80	9,327.90	28,780.70	---	284,152.00	44,272.30	---	357,205.00	250,000.00	(+) 107205.0	---	---
RE	19,832.00	10,573.00	30,405.00	---	264,548.10	9,400.00	3,021.60	307,374.70	255,000.00	(+) 52374.7	---	---
2015-16												
B.E	22,594.50	31,830.30	54,424.80	---	315,452.20	68,873.00	2,000.00	425,750.00	298,000.00	(+) 127750.0	---	---
RE	14,319.90	11,161.10	25,481.00	---	301,262.20	34,000.00	7,401.70	368,144.90	280,903.80	(+) 87241.2	---	---
2016-17												
B.E	18,171.10	31,335.90	49,507.00	---	346,183.80	33,704.00	300	429,694.80	333,000.00	(+) 96694.8	---	---
RE	18,204.30	14,263.70	32,468.00	---	343,547.20	33,704.00	50	409,769.20	338,601.00	(+) 71168.2	---	---
2017-18												
B.E	22,306.90	22,908.10	45,215.00	---	389,854.50	35,785.00	---	470,854.50	388,000.00	(+) 82854.5	---	---
RE	19,405.00	14,852.00	34,257.00	---	381,031.90	63,050.90	---	478,339.80	389,000.00	(+) 89339.8	---	---
2018-19										(+)102635.		
B.E	23,823.00	17,439.00	41,262.00	---	426,095.50	65,277.90	---	532,635.30	430,000.00	3	---	---
RE	19,765.00	14,875.00	34,640.00	---	403,958.60	54,491.80	---	493,090.40	410,000.00	(+) 83,090.4		
2019-20												
B.E	33,022.60	20,381.50	53,404.10	---	533,261.50	55,674.80	79,000.00	721,340.40	526,300.00	(+) 195,040.4	---	---
RE	27,583	19,238	46,821	---	379,097.30	512,70	66,000	543,188.30	532,550	(+)10,638.3		
2020-21												
B.E	28,147	21,087	49,234.00	---	477,518.60	58,288.40	88,000.00	673,019.00	593,129			
RE										(+)79,890	---	---
	31,779	20,623	52,402	---	456,129	58,266	83,800	650,597	619,345	(+)		
										31,252	-----	-----
2021-22												
B.E	43,189	31,811	75,000	---	559,257	74,701	99,000	807,958	747,240	(+)		
RE										60,718	----	-----
	44,580	32,420	77,000	---	591,512	42,220	94,590	805,322	894,090	(-)88,768		
2022-23												
B.E	52,667	32,333	85,000	---	670,451	61,800	124,000	941,251	913,843	(+)27,408		
RE	53,148	42,147	95,295		699,170	4,900	60,000	859,365	1,017,070			
2023-24												
B.E	56,490	28,510	85,000		895,145	84,961	116,867	1,181,973	1,059,276			
RE	56,040	28,960	85,000		895,145	84,961	116,867	1,181,973	1,062,176			
2024-25												
B.E	63,188	30,312	93,500		1,100,735	111,303	144,628	1,450,166	1,237,716	(+)212,450		
RE	70,020	26,400	96,420		1,182,489	113,710	175,343	1,567,962	1,386,795	(+)181,167		
2025-26												
BE	83,500	45,500	129,000		1,400,939	105,990	160,000	1,795,929	1,415,000	(+)380,929		



Annexure-II

Annual Development Programme Since 1973/74

Year	Size of ADP	PKR in Million
		Revised Size of ADP
1974-75	400	500
1975-76	576.7	601.4
1976-77	546.8	640.9
1977-78	617	687.6
1978-79	669	720.6
1979-80	767	702.9
1980-81	818	838.4
1981-82	980.9	1,002.30
1982-83	1,228.00	1,174.30
1983-84	1,176.50	1,191.50
1984-85	1,244.70	1,245.40
1985-86	1,697.00	1,912.80
1986-87	2,131.30	2,131.30
1987-88	2,472.30	2,471.10
1988-89	2,164.20	2,164.20
1989-90	2,197.60	2,198.60
1990-91	2,506.20	2,851.40
1991-92	4,813.70	4,881.60
1992-93	6,575.40	5,002.90
1993-94	4,959.00	4,764.60
1994-95	6,964.00	7,349.20
1995-96	7,665.60	8,081.90
1996-97	8,711.50	5,659.10
1997-98	4,884.70	5,498.20
1998-99	6,072.40	7,771.70
1999-00	5,745.20	8,057.50
2000-01	9,212.50	7,272.10
2001-02	7,986.20	8,710.10
2002-03	13,673.30	11,289.20
2003-04	14,696.00	12,883.00
2004-05	16,195.00	15,365.20
2005-06	21,000.00	24,397.40
2006-07	26,630.40	26,542.10
2007-08	39,462.40	32,913.90
2008-09	41,544.90	39,000.60
2009-10	51,157.00	46,330.50
2010-11	69,283.70	64,977.50
2011-12	85,141.00	84,473.60
2012-13	97,458.00	88,130.60
2013-14	118,000.00	104,847.60
2014-15	139,805.00	134,737.30
2015-16	174,884.00	135,098.60
2016-17	161,000.00	172,096.40
2017-18	208,000.00	150,158.80
2018-19	180,000.00	175,599.56
2019-20	319,000.00	220,130.70
2020-21	317,857.00	249,992.00
2021-22	371,074.60	420,907.00
2022-23	418,157.50	220,283.92
2024-25	416,284.00	447,210.00
2025-26*	547,000.00	
Includes PSDP of PKR 3,290 Million		



Annexure-III

Budget Estimates 2025-26 (Current Expenditure)

GENERAL ABSTRACT OF BUDGET ESTIMATES CURRENT EXPENDITURE							
DEMAND NO	DEPARTMENTS	BUDGET ESTIMATES 2024-25	REVISED ESTIMATES 2024-25	POSTS 2025-26	BUDGET ESTIMATES 2025-26		
					SALARY	NON SALARY	TOTAL
1	PROVINCIAL ASSEMBLY	3,006,090,000	3,108,092,000	713	2,990,900,000	1,277,055,000	4,267,955,000
2	GENERAL ADMINISTRATION	7,920,725,000	9,375,910,000	3,121	4,936,631,000	4,614,731,000	9,551,362,000
3	FINANCE, TREASURIES AND LOCAL FUND AUDIT	3,784,966,000	3,591,338,000	1,562	2,233,931,000	2,132,231,000	4,366,162,000
4	PLANNING & DEVELOPMENT AND BUREAU OF STATISTICS	1,193,831,000	1,257,894,000	706	1,125,894,000	265,881,000	1,391,775,000
5	INFORMATION TECHNOLOGY	1,654,938,000	1,676,474,000	143	181,643,000	2,391,238,000	2,572,881,000
6	REVENUE & ESTATE	2,256,630,000	2,123,013,000	1,491	1,691,514,000	908,953,000	2,600,467,000
7	EXCISE, TAXATION & NARCOTICS CONTROL	1,673,058,000	1,565,064,000	1,623	1,594,769,000	308,133,000	1,902,902,000
8	HOME & TRIBAL AFFAIRS	2,774,751,000	3,041,918,000	1,911	2,406,055,000	1,229,408,000	3,635,463,000
9	JAILS & CONVICTS SETTLEMENT	6,951,888,000	8,540,458,000	6,468	4,594,549,000	4,287,160,000	8,881,709,000
10	POLICE	96,157,481,000	96,410,490,000	101,680	98,884,055,000	22,121,348,000	121,005,403,000
11	ADMINISTRATION OF JUSTICE	15,118,275,000	17,854,195,000	9,330	13,428,605,000	2,645,217,000	16,073,822,000
12	HIGHER EDUCATION, ARCHIVES & LIBRARIES	28,530,519,000	30,470,493,000	19,732	26,865,668,000	13,536,620,000	40,402,288,000
13	HEALTH	181,453,955,000	174,022,802,000	61,884	72,753,538,000	138,347,923,000	211,101,461,000
14	COMMUNICATION & WORKS	5,524,391,000	5,456,488,000	6,355	5,619,255,000	968,121,000	6,587,376,000
15	ROADS HIGHWAYS & BRIDGES (REPAIR) AND BUILDINGS & STRUCTURES (REPAIR)	6,134,600,000	9,068,886,000	-		7,837,000,000	7,837,000,000
16	PUBLIC HEALTH ENGINEERING	14,633,054,000	15,728,992,000	12,494	9,377,564,000	7,409,742,000	16,787,306,000
17	LOCAL GOVERNMENT *	7,785,337,000	10,657,605,000	198	498,667,000	13,103,005,000	13,601,672,000
18	AGRICULTURE	6,001,035,500	5,655,632,000	3,948	3,975,006,000	2,892,910,000	6,867,916,000
19	ANIMAL HUSBANDRY	3,915,886,500	4,020,277,000	2,856	2,667,854,000	2,014,353,000	4,682,207,000
20	CO-OPERATION	71,619,000	53,105,000	45	56,407,000	26,324,000	82,731,000
21	ENVIRONMENT & FORESTRY	4,811,558,000	5,276,970,000	6,989	4,633,445,000	591,070,000	5,224,515,000
22	FORESTRY (WILDLIFE)	1,539,700,000	1,766,168,000	1,708	1,352,400,000	333,027,000	1,685,427,000
23	FISHERIES	431,859,000	385,983,000	511	374,347,000	121,951,000	496,298,000
24	IRRIGATION	8,534,216,000	9,355,126,000	8,172	6,631,977,000	3,296,023,000	9,928,000,000
25	INDUSTRIES	968,129,000	856,195,000	740	805,083,000	1,135,037,000	1,940,120,000
26	MINERAL DEVELOPMENT AND INSPECTORATE OF MINES	1,687,460,000	2,098,395,000	1,404	1,094,271,000	978,738,000	2,073,009,000
27	STATIONERY AND PRINTING	340,485,000	330,702,000	235	184,314,000	198,604,000	382,918,000
28	POPULATION WELFARE	828,704,000	799,012,000	357	497,435,000	421,867,000	919,302,000



29	TECHNICAL EDUCATION AND MANPOWER	3,552,090,000	3,596,216,000	2,360	2,490,522,000	1,607,995,000	4,098,517,000
30	LABOUR	778,205,000	738,689,000	695	667,061,000	249,266,000	916,327,000
31	INFORMATION & PUBLIC RELATIONS	665,862,000	1,170,709,000	375	435,460,000	410,466,000	845,926,000
32	SOCIAL WELFARE, SPECIAL EDUCATION & WOMEN EMPOWERMENT	3,608,588,000	14,476,152,000	1,450	1,831,524,000	12,283,073,000	14,114,597,000
33	ZAKAT & USHER	480,041,000	461,375,000	375	459,000,000	103,469,000	562,469,000
34	PENSION	162,402,956,000	162,889,197,000	-		190,296,832,000	190,296,832,000
35	SUBSIDIES	25,199,013,000	25,799,008,000	-		10,600,012,000	10,600,012,000
36	GOVERNMENT INVESTMENT & COMMITTED CONTRIBUTION	23,000,000,000	173,000,000,000	-		42,000,000,000	42,000,000,000
37	AUQAF, RELIGIOUS, MINORITY & HAJJ AFFAIRS	2,550,583,000	2,646,905,000	49	86,121,000	2,420,321,000	2,506,442,000
38	SPORTS, CULTURE, TOURISM & MUSEUMS	741,241,000	1,370,792,000	548	651,428,000	415,746,000	1,067,174,000
39	TEHSIL GOVERNMENT NON SALARY	29,587,390,000	29,587,390,000	-		37,545,000,000	37,545,000,000
40	GRANT TO LOCAL COUNCILS	11,065,551,000	11,065,551,000	-		12,686,662,000	12,686,662,000
41	HOUSING	198,120,000	110,604,000	49	100,268,000	1,329,625,000	1,429,893,000
42	TEHSIL GOVERNMENT SALARY	263,072,910,000	263,072,910,000	298,349	288,608,933,000	-	288,608,933,000
43	INTER PROVINCIAL COORDINATION	98,135,000	103,899,000	56	93,328,000	21,390,000	114,718,000
44	ENERGY AND POWER	381,706,000	365,952,000	225	299,976,000	134,067,000	434,043,000
45	TRANSPORT & MASS TRANSIT	3,689,026,000	4,739,454,000	661	619,395,000	8,170,569,000	8,789,964,000
46	ELEMENTARY & SECONDARY EDUCATION	17,447,106,000	18,742,446,000	1,281	3,581,130,000	14,685,131,000	18,266,261,000
47	RELIEF REHABILITATION AND SETTLEMENT	11,335,664,000	11,265,956,000	7,442	5,180,129,000	6,966,169,000	12,146,298,000
62	COVID-19 CONTINGENCIES	300,000,000	300,000,000	-		330,000,000	330,000,000
64	VIABILITY GAP FUND	10,000,000	-	-	-	-	-
65	TOURISM	1,278,096,000	1,479,118,000	787	563,244,000	1,577,241,000	2,140,485,000
--	DEBT SERVICING (INTEREST PAYMENT)	44,300,000,000	41,300,000,000	-		48,300,000,000	48,300,000,000
TOTAL (REVENUE BUDGET)		1,021,427,424,000	1,192,830,000,000	571,078	577,123,296,000	627,526,704,000	1,204,650,000,000
CAPITAL EXPENDITURE							
48	LOANS AND ADVANCES	360,000,000	3,465,000,000	-	-	350,000,000	350,000,000
--	DEBT SERVICING (LOAN FROM FEDERAL GOVT.DISCHARGED)	71,300,000,000	47,500,000,000	-	-	50,000,000,000	50,000,000,000
TOTAL (Capital Budget)		71,660,000,000	50,965,000,000	-	-	50,350,000,000	50,350,000,000
GRAND TOTAL (Revenue + Capital)		1,093,087,424,000	1,243,795,000,000	571,078	577,123,296,000	677,876,704,000	1,255,000,000,000
NEWLY MERGED AREAS (MDs)							



61	PROVINCIAL	89,955,983,000	88,327,552,000	68,921	56,842,044,000	43,806,556,000	100,648,600,000
61	DISTRICT	52,524,448,000	52,524,448,000	47,540	46,864,877,000	10,338,578,000	57,203,455,000
61	GRANT TO LOCAL COUNCILS	2,148,000,000	2,148,000,000	-	-	2,147,945,000	2,147,945,000
TOTAL NMAs		144,628,431,000	143,000,000,000	116,461	103,706,921,000	56,293,079,000	160,000,000,000
GRAND TOTAL (Provincial + MDs)		1,237,715,855,000	1,386,795,000,000	687,539	680,830,217,000	734,169,783,000	1,415,000,000,000
CAPITAL EXPENDITURE - FOOD (ACCOUNT-II)							
49	STATE TRADING IN FOOD GRAINS AND SUGAR	102,973,118,000	102,804,084,000	1,447	1,032,132,000	112,072,642,000	113,104,774,000
66	STATE TRADING IN FOOD GRAINS AND SUGAR	353,776,000	263,542,000	120	113,134,000	257,773,000	370,907,000
TOTAL Capital Budget (Account-II)		103,326,894,000	103,067,626,000	1,567	1,145,266,000	112,330,415,000	113,475,681,000
* Local Government Department is Administrative Department by service delivery institutions like TMA, VCS/NCs etc. These institutions are funded from multiple funding such as PFC Award, Grant to Local Councils and UIPT share.							



Annexure-IV

Loan Annexures:

S. No	Loan Projects ID	Outstanding Debt	Outstanding Debt
		FC in million	PKR in million
		2024-2025	2024-2025
1	ADB3470 Pehur High level Canal Ext. Project	54.86	15,362
2	ADB3476 Access to Energy	145.68	40,789
3	ADB3601 KP Provincial Roads Improvement	108.99	30,517
4	ADB3756 Additional financing for KP Provincial Roads Improvement Project-Dualization of Mardan Swabi Road	60.86	17,041
5	ADB4057 Balakot Hydropower Project	93.79	26,262
6	ADB4160 Cities Improvement Project	122.20	38,818
7	ADB4222 Health Systems Strengthening Project	32.50	9,100
8	ADB6015 KP Cities Improvement Project	4.48	1,253
9	ADB6042 Cities Improvement Project Preparation	3.08	861
10	ADB6049 KP Water Resource Development Project	1.41	396
11	ADB4279 Emergency Flood Assistance	18.82	5,269
12	ADB4412 KP Food Security Project	2,380.55	4,630
13	ADB4482 Rural Roads Development Project	-	-
14	ADB4483 Rural Roads Development Project	-	-
15	AIIBBalakot8397 Balakot Hydropower Project	23.14	6,479
16	AIIB8412 Cities Improvement Project	58.62	18,620
17	IDA5786 National Immunization Support Project	3.00	839
18	IDA6421 KP Revenue Mobilization and Public Resource Management	93.18	26,091
19	IDA6456 KP Irrigated Agriculture	140.18	39,251
20	IDA6462 KP Integrated Tourism Development Project	46.58	13,041
21	IDA6872 Spending Efficiently for Enhanced Development	245.48	68,733
22	IDA6779 KP Hydropower and Renewable Energy Development	11.97	3,351
23	IDA6714 KP Human Capital Investment Project	33.55	9,394
24	IDA6590 Pandemic response effectiveness in Pakistan (Federal loan with KP Share)	5.00	1,400
25	IDA6270 KP Economic Corridor (KPEC)	2.66	745
26	IDA7149 National Health Support Project	28.14	7,880
27	IDA7143 KP Rural Accessibility Project	13,025.90	25,335
28	IDA7348 KP Rural Investment & Institutional Support Project	21.09	5,905
29	IBRD9164 KP Hydropower and Renewable Energy Development Project	2.94	824
30	IFAD4111 KP Rural Economic Transformation Project (RETP)	6.10	1,936
31	AFD1045 Additional Financing for BRT Peshawar	121.32	38,539
32	ADB3543 Peshawar Sustainable Bus Rapid Transit	295.67	82,787
33	ADB3602 KP Provincial Roads Improvement	16.19	4,533
34	ADB758 Farm to Market Roads Project	0.05	14
35	ADB759 Science Education for Secondary School Project	0.03	10
36	ADB838 Chitral Area Dev. Project	1.73	483
37	ADB1146 Chasma Right Bank Irr: Project Stage III	5.34	1,494
38	ADB1179 Barani Area Dev: Project	2.91	815
39	ADB1185 Provincial Highway Project	1.22	341
40	ADB1200 Healthcare Dev: Project	0.38	108
41	ADB1209 Flood Damages Restoration Sectors Project	1.89	530
42	ADB1210 Teacher Training Project	0.75	210
43	ADB1278 Middle School Project	2.73	764
44	ADB1294 Pehur High Level Canal Project	22.33	6,252
45	ADB1301 Social Action Program-I	2.74	766
46	ADB1373 Technical Edu: Project	0.83	232
47	ADB1401 Rural Access Road Project	7.19	2,013
48	ADB1403 Forestry Sector Project	11.72	3,280
49	ADB1454 Primary Education Girls Project-II	1.18	330
50	ADB1493 Social Action Program-II	8.15	2,283
51	ADB1534 Second Science Education Project	3.07	861
52	ADB1671 Women's Health Project	1.63	456
53	ADB1672 Malakand Rural Dev. Project	16.72	4,683
54	ADB1787 Barani Areas Dev. Project	16.25	4,550
55	ADB1854 NWFP Urban Dev Sector Project	1.65	463
56	ADB1877 Agriculture Sector Program II	0.30	83
57	ADB1900 Reproductive Health Project	0.12	33
58	ADB2103 Pak WFP Road Dev. Project	4,904.17	9,539
59	ADB2104 KP Road Development Structural Credit	1.11	311



60	ADB2135 Restructuring of the Technical and Vocational Training System Project	0.93	260
61	ADB2286 Renewable Energy Dev Sector Investment Program project	2,267.78	4,411
62	ADB2287 Renewable Energy Development Sector Investment Program Project-1	1.59	444
63	IDA678 3rd Education Project	0.03	9
64	IDA683 Flood damages restoration Project	0.12	32
65	IDA755 Hazara Forestry Project	0.03	8
66	IDA877 Salinity Control & Reclamation Project Mardan	2.33	652
67	IDA892 4th Primary Education Project	0.14	41
68	IDA1113 Bannu Leather goods services control Project	0.16	44
69	IDA1163 On-Farm Water Management Project	0.37	103
70	IDA1239 Irrigation System Rehab: Project	0.57	159
71	IDA1487 Command Water Management Project	0.86	240
72	IDA1499 Small Industries Dev. Board Project	0.04	12
73	IDA1602 2nd Primary Education Project	3.75	1,050
74	IDA1603 On-Farm Water Management Project	0.90	251
75	IDA2240 Family Health Project	0.71	199
76	IDA2245 On-Farm Water Management Project	0.23	64
77	IDA2383 Environmental Protection and resource conservation Project	0.31	87
78	IDA2468 1992 Flood Damages Restoration Project	0.31	88
79	IDA2593 Social Action Program	1.02	285
80	IDA2687 Primary Education Project	22.22	6,222
81	IDA2829 KP Community Infrastructure Project	5.00	1,400
82	IDA2999 National Drainage Programme	0.60	169
83	IDA3050 Social Action Program II	2.87	804
84	IDA35161 Investment Programme-I)/KP water farm management project	7.69	2,154
85	IDA3516 NWFP Emergency Rehabilitation Project	10.93	3,059
86	IDA3687 KP Structural Adjustment SAC I	3,426.70	3,427
87	IDA3776 Provincial HIV AIDS Control	2.16	605
88	IDA3906 Second KP Community Infrastructure Project	26.14	7,319
89	IDA39321 KP Structural Adjustment Credit SAC II	35.00	9,800
90	IDA3932 KP Structural Adjustment Credit SAC II	63.00	17,640
91	IDA4177 Development Policy Credit-I	72.11	20,190
92	IDA4316 Development Policy Credit-II	103.49	28,977
93	IBRD3327 On-Farm Water Mgt. Project Phase-III	0.12	32
94	IFAD18 4th Agriculture Dev. Project	0.09	27
95	IFAD83 On-Farm Water Mgt: Project	0.09	25
96	IFAD558 NWFP Barani Area Development Project	4.97	1,392
97	G7528 Hospital Equipment in KP- German	1.15	186
98	G7585 Drinking Water Supply in Refugees Camps in KP-German	1.69	274
99	PK62 KP Emergency Road Rehabilitation Project	12,398.61	24,115
	Total		723,139



Annexure-V

List of Public Sector Companies and Autonomous Bodies

Public Sector Companies (PSCs)		
S. No.	Entity Name	Department Name
1	Khyber Pakhtunkhwa Oil and Gas Company Limited	Energy & Power
2	Bank of Khyber	Finance
3	Khyber Pakhtunkhwa Economic Zones Development and Management Company	Industries, Commerce, Technical Education
4	Sarhad Mineral (Private) Limited	Industries, Commerce, Technical Education
5	Water and Sanitation Services Company Peshawar	Local Government, Elections and Rural Development
6	Water and Sanitation Services Company Mardan	Local Government, Elections and Rural Development
7	Water and Sanitation Services Company Swat	Local Government, Elections and Rural Development
8	Water and Sanitation Services Company Kohat	Local Government, Elections and Rural Development
9	Water and Sanitation Services Company Dera Ismail Khan	Local Government, Elections and Rural Development
10	Water and Sanitation Services Company Abbottabad	Local Government, Elections and Rural Development
11	Water and Sanitation Services Company Bannu	Local Government, Elections and Rural Development
12	Trans Peshawar Company	Transport and Mass Transit
13	Khyber Pakhtunkhwa Skills Development Fund	Industries, Commerce, Technical Education
14	Khyber Pakhtunkhwa Transmission and Grid System Company (KPT&GSC)	Energy & Power



Annexure-VI

AUTONOMOUS BODIES (ABS)

S. No.	Entity Name	Department Name
1	Khyber Pakhtunkhwa Highway Authority	Communication & Works
2	Khyber Pakhtunkhwa Text Book Board	Elementary & Secondary Education
3	Board of Intermediate and Secondary Education Peshawar	Elementary & Secondary Education
4	Board of Intermediate and Secondary Education Mardan	Elementary & Secondary Education
5	Board of Intermediate and Secondary Education Bannu	Elementary & Secondary Education
6	Board of Intermediate and Secondary Education Kohat	Elementary & Secondary Education
7	Board of Intermediate and Secondary Education D.I Khan	Elementary & Secondary Education
8	Board of Intermediate and Secondary Education Swat	Elementary & Secondary Education
9	Board of Intermediate and Secondary Education Abbottabad	Elementary & Secondary Education
10	Board of Intermediate and Secondary Education Malakand	Elementary & Secondary Education
11	Elementary and Secondary Education Foundation, Khyber Pakhtunkhwa	Elementary & Secondary Education
12	Abbottabad Public School	Elementary & Secondary Education
13	Akram Khan Durrani College Bannu	Elementary & Secondary Education
14	Bacha Khan Model School	Elementary & Secondary Education
15	Bacha Khan Model School	Elementary & Secondary Education
16	Jandool Model School	Elementary & Secondary Education
17	Swabi Model School	Elementary & Secondary Education
18	Mufti Mehmood Public School	Elementary & Secondary Education
19	Mansehra Model School	Elementary & Secondary Education
20	Peshawar Public School and College (Boys)	Elementary & Secondary Education
21	Peshawar public School and College (Girls)	Elementary & Secondary Education
22	Langland's School and College	Elementary & Secondary Education
23	Excelsior College	Elementary & Secondary Education
24	Fazl e Haq College Mardan	Elementary & Secondary Education
25	Residential Girls Primary-cum-Secondary Model School (Ecole Fatima Al Fehri)	Elementary & Secondary Education
26	Cadet College Kohat	Elementary & Secondary Education
27	Garrison Cadet College Kohat	Elementary & Secondary Education
28	Cadet College Swat	Elementary & Secondary Education
29	Kernal Sher Khan Cadet College Swabi	Elementary & Secondary Education
30	Girls Cadet College Mardan	Elementary & Secondary Education
31	Cadet College Razmak	Elementary & Secondary Education
32	Wapda Cadet College Tarbela	Elementary & Secondary Education
33	Pakistan Scouts Cadet College Batrasi Mansehra	Elementary & Secondary Education
34	Manjanbazam Cadet College Tarbela	Elementary & Secondary Education
35	Manjanbazam Cadet College Cherat	Elementary & Secondary Education
36	Khyber Pakhtunkhwa Private Schools Regulatory Authority	Elementary & Secondary Education
37	Khyber Pakhtunkhwa Education Monitoring Authority	Elementary & Secondary Education
38	Cadet College Warsak Peshawar	Elementary & Secondary Education
39	Bacha Khan Model School	Elementary & Secondary Education
40	Pakhtunkhwa Energy Development Organization	Energy & Power
41	Khyber Pakhtunkhwa Provincial Services Academy	Establishment & Administration
42	Right to Public Services Commission	Establishment & Administration
43	Khyber Pakhtunkhwa Right to Information Commission	Establishment & Administration
44	Khyber Pakhtunkhwa Public Procurement Regulatory Authority	Finance
45	Khyber Pakhtunkhwa Revenue Authority	Finance
46	Khyber Pakhtunkhwa Forest Development Corporation	Forestry, Environment & Wild Life
47	Khyber Pakhtunkhwa Environmental Protection Agency	Forestry, Environment & Wild Life
48	Khyber Pakhtunkhwa Food Safety and Halal Food Authority	Health
49	Post Graduate Medical Institute	Health
50	Lady Reading Hospital	Health
51	Khyber Teaching Hospital	Health
52	Hayatabad Medical Complex	Health
53	Ayub Teaching Hospital	Health
54	Mardan Medical Complex	Health
55	Qazi Hussain Ahmad Medical Complex	Health
56	Khalifa Gul Nawaz Teaching Hospital	Health
57	Mufti Mehmood Memorial Teaching Hospital	Health
58	Bacha Khan Medical Complex	Health
59	Peshawar Institute of Cardiology	Health
60	Saidu Medical College	Health
61	Timergara Medical College	Health
62	Pakistan Institute of Prosthetic & Orthotic Sciences	Health
63	Paraplegic Centre	Health



64	Khyber Pakhtunkhwa Health Care Commission	Health
65	Khyber Medical University	Health
66	Institute of Medical Sciences	Health
67	Khyber Pakhtunkhwa Medical Transplantation Regulatory Authority	Health
68	Khyber Pakhtunkhwa Health Foundation	Health
69	Khyber Pakhtunkhwa Faculty of Paramedical and Allied Health Sciences	Health
70	University of Peshawar	Higher Education, Archives and Library
71	Gomal University	Higher Education, Archives and Library
72	University of Engineering and Technology Peshawar	Higher Education, Archives and Library
73	Agriculture University	Agriculture
74	Kohat University of Science and Technology	Higher Education, Archives and Library
75	University of Malakand	Higher Education, Archives and Library
76	Hazara University	Higher Education, Archives and Library
77	Shaheed Benazir Bhutto Women University	Higher Education, Archives and Library
78	University of Engineering and Technology	Higher Education, Archives and Library
79	Islamia College University	Higher Education, Archives and Library
80	Abdul Wali Khan University	Higher Education, Archives and Library
81	Shaheed Benazir Bhutto University Sheringal	Higher Education, Archives and Library
82	University of Swat	Higher Education, Archives and Library
83	Bacha Khan University	Higher Education, Archives and Library
84	Khushal Khan Khattak University	Higher Education, Archives and Library
85	University of Haripur	Higher Education, Archives and Library
86	University of Swabi	Higher Education, Archives and Library
87	Abbottabad University of Science and Technology	Higher Education, Archives and Library
88	Women University Mardan	Higher Education, Archives and Library
89	Women University Swabi	Higher Education, Archives and Library
90	Shuhada-e- APS University of Technology	Industries, Commerce, Technical Education
91	University of Buner	Higher Education, Archives and Library
92	University of Chitral	Higher Education, Archives and Library
93	University of Engineering & Technology Mardan	Higher Education, Archives and Library
94	University of Agriculture D.I. Khan	Agriculture
95	University of Lakki Marwat	Higher Education, Archives and Library
96	Higher Education Regulatory Authority	Higher Education, Archives and Library
97	Edwardes College Peshawar	Higher Education, Archives and Library
98	Khyber Pakhtunkhwa Educational Testing and Evaluation Agency	Higher Education, Archives and Library
99	IMSciences	Higher Education, Archives and Library
100	Khyber Pakhtunkhwa Housing Authority	Housing
101	Khyber Pakhtunkhwa Board of Investment and Trade	Industries, Commerce, Technical Education
102	Khyber Pakhtunkhwa Board of Technical Education	Industries, Commerce, Technical Education
103	Khyber Pakhtunkhwa Technical Educational and Vocational Training Authority	Industries, Commerce, Technical Education
104	Khyber Pakhtunkhwa Child Protection and Welfare Commission	Social Welfare
105	Khyber Pakhtunkhwa Judicial Academy	Law, Parliamentary Affairs & Human Affairs
106	Peshawar Development Authority	Local Government, Elections and Rural Development
107	Galiyat Development Authority	Culture, Tourism, Archaeology & Museums Department
108	Bannu Development Authority	Local Government, Elections and Rural Development
109	Kohat Development Authority	Local Government, Elections and Rural Development
110	Dera Ismail Khan Development Authority	Local Government, Elections and Rural Development
111	Swat District Development Authority	Local Government, Elections and Rural Development
112	Kaghan Development Authority	Culture, Tourism, Archaeology & Museums Department
113	Abbottabad Development Authority	Local Government, Elections and Rural Development
114	Mansehra Development Authority	Local Government, Elections and Rural Development
115	Mardan Development Authority	Local Government, Elections and Rural Development



116	Swabi Development Authority	Local Government, Elections and Rural Development
117	Karak Development Authority	Local Government, Elections and Rural Development
118	Provincial Disaster Management Authority	Relief & Rehabilitation Department
119	Khyber Pakhtunkhwa Information Technology Board	Science & Technology and Information Technology
120	Khyber Pakhtunkhwa Culture and Tourism Authority	Culture, Tourism, Archaeology & Museums Department
121	Khyber Pakhtunkhwa Urban Mobility Authority	Transport and Mass Transit
122	Urban Area Development Authority (UADA) Haripur	Local Government, Elections and Rural Development
123	Upper Swat Development Authority	Culture, Tourism, Archaeology & Museums Department
124	Special Purpose Kumrat Development Authority	Culture, Tourism, Archaeology & Museums Department
125	Special Purpose Kalash Valleys Development Authority	Culture, Tourism, Archaeology & Museums Department
126	Merged Area, Elementary and Secondary Education Foundation	Elementary & Secondary Education
127	Fatima Jinah Model School Mansehra	Elementary & Secondary Education
128	Bacha Khan Model School Pabbi Nowshera	Elementary & Secondary Education
129	Cadet College Spinkai, South Waziristan	Elementary & Secondary Education
130	Cadet College Wana South Waziristan	Elementary & Secondary Education
131	Cadet College Mamad Gat Mohmand	Elementary & Secondary Education
132	Governer's Model School (Boys) Khar Bajaur	Elementary & Secondary Education
133	Governer's Model School (Girls) Khar Bajaur	Elementary & Secondary Education
134	Governer's Model School for (Boys) Ghallanai Mohamand	Elementary & Secondary Education
135	Governer's Model School for (Boys) Mamad Gat Mohmand	Elementary & Secondary Education
136	Governer's Model School for (Boys & Girls) Parachinar Kurram	Elementary & Secondary Education
137	Governer's Model School for (Boys&Girls) Sadda Kurram	Elementary & Secondary Education
138	Governer's Model School for (Boys) Miransha North Waziristan	Elementary & Secondary Education
139	Governer's Model School for (Boys) South Waziristan at Tank	Elementary & Secondary Education
140	Governer's Model School for (Boys) Wana South Waziristan	Elementary & Secondary Education
141	Small Industries Development Board	Industries, Commerce, Technical Education
142	Provincial Transport Authority Peshawar	Transport and Mass Transit
143	University of Engineering & Applied Sciences Swat	Higher Education, Archives and Library
144	University of Shangla	Higher Education, Archives and Library
145	FATA University	Higher Education, Archives and Library
146	Pak-Austria Fachhochschule Institute of Applied Sciences and Technology	Higher Education, Archives and Library
147	University of Agriculture Swat	Agriculture
148	University of Veterinary & Animal Sciences Swat	Livestock, Fisheries and cooperative department
149	Khyber Pakhtunkhwa Education Foundation	Higher Education, Archives and Library
150	Employees Education Foundation	Higher Education, Archives and Library
151	Khyber Pakhtunkhwa Center of Excellence on Countering Violent Extremism	Higher Education, Archives and Library
152	Khyber Pakhtunkhwa Trade Testing Board	Industries, Commerce, Technical Education
153	Employees Social Security Institution (ESSI)	Labour
154	Workers Welfare Board	Labour
155	Workers Children Education Board (WCEB)	Labour
156	Emergency Rescue Service (Rescue-1122)	Relief & Rehabilitation Department

For more information and feedback:

FINANCE DEPARTMENT

Government of khyber Pakhtunkhwa



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