WHITE PAPER

BUDGET FY 2026-27

FINANCE DEPARTMENT
Govt of Balochistan

Message from the
CHIEF MINISTER

I am pleased to present the Budget White Paper 2026-27 for the upcoming financial year in Balochistan province. This budget reflects our commitment to promoting economic growth and improving the quality of life for all our citizens. We have allocated resources to key sectors such as education, healthcare, infrastructure development, and agriculture to ensure sustainable development across the province. Our focus is on enhancing public services and creating opportunities for employment and entrepreneurship.

I am confident that this budget will help us address the challenges facing Balochistan and pave the way for a brighter future for our province. We remain committed to fiscal prudence and transparency in our financial management to ensure that every rupee is spent effectively and efficiently.

I would like to thank all the team of Finance Department for their input and support in shaping this budget. Together, we can work towards a prosperous and inclusive Balochistan for all." Their commitment and expertise have been instrumental in formulating a comprehensive roadmap for Balochistan's progress.

Mir Sarfaraz Ahmed Bugti

Message from the
FINANCE MINISTER

While formulating the budget, we exerted every possible effort to ensure the efficient allocation of resources, rationalize non-development expenses, and allocate more funds towards development projects that would have a significant positive impact on a large portion of the population. We are implementing institutional reforms aimed at strengthening our own revenue sources, particularly through the improvement of tax collection mechanisms. These initiatives are anticipated to enhance the management of public finances, enhance service delivery, and contribute to the surplus budget.

Exercising control over operational expenses is of utmost importance to us. We are mobilizing our finest talent, devoting substantial time, and putting in diligent efforts to effectively manage the increase in salary and pension expenditures. We have identified viable opportunities to generate savings in these areas and are actively working towards their realization.

I extend my sincere appreciation to the Secretary of Finance and their team for their unwavering dedication in the preparation of this budget and White Paper.

Mir Shoaib Nosherwani

Message from the
FINANCE SECRETARY

The White Paper provides a comprehensive analysis of the government's revenue and expenditure estimates for the fiscal year 2026-27. Our aim is to improve the well-being of our people, especially the most vulnerable, through careful fiscal management.

The budget demonstrates a customized strategy that optimizes spending while considering the unique requirements of every department and industry. Even though the federal government provides a sizable portion of our money, we are committed to increasing our own revenue streams through both tax and non-tax initiatives.

We have set aside the most money for the advancement of the law and order, health, and education sectors in order to offer the best services possible to every community member while working with constrained resources. Additionally, several new projects have been implemented to provide the province's needy areas with the best education and health care. In addition, we have made strategic investments in healthcare and education a priority, guaranteeing fair access to these vital services.

Owing to our limited resources, we are steadfast in our resolve to use public funds as sparingly, effectively, and economically as possible for the good of our people.

Muhammad Jehangir Kakar

BUDGET HIGHLIGHTS

DESCRIPTION:		PKR in Million		
		B.E 2025-26	R.E 2025-26	B.E 2026-27
A.	REVENUE RECEIPTS:			
(a)	**RECEIPTS FROM FEDERAL**	**801,665.848**	**786,210.34**	**834,446.89**
	Divisible Pool	713,621.874	713,621.874	771,390.094
	Straight Transfers	29,543.974	22,297.199	23,743.440
	Non-Dev Grants	18,000.000	13,000.00	39,313.353
	Development Grants	40,500.000	37,291.270	
(b)	**PROVINCIAL OWN RECEIPTS**	**124,879.288**	**82,468.201**	**170,093.266**
	Provincial Tax Receipts	55,843.894	48,734.091	72,410.00
	Provincial Non-Tax Receipts	44,435.394	33,366.421	63,683.266
	Provincial Non-Tax Receipts (Lease Extension Bonus)	24,600.000	367.688	34,000.000
(c)	**FOREIGN PROJECT ASSISTANCE (FPA) - GRANTS**	5,514.350	7,745.109	14,492.928
B.	**CAPITAL RECEIPTS**	**65,653.28**	**10,301.741**	**85,284.207**
	Recoveries of Loans, Advances/Investments	33,376.277	32.200	38,750.405
	Foreign Project Assistance - Loan	32,277.000	10,269.541	16,533.802
	Project Financing	0.00	0.00	30,000.000
C.	**STATE TRADING**	4,205.401	0.00	0.00
D.	Cash – Carried Over (FPA)	0.000	0.00	0.00
	Cash – Carried Over (FDG)	26,000.00	0.00	20,66.942
E.	**TOTAL RECEIPTS (A+B+C+D)**	**1,028,278.163**	**886,725.394**	**1,126,986.231**
F.	**CURRENT REVENUE EXPENDITURE**	**614,253.26**	**607,631.86**	**772,204.36**
	A01-Employees Related Expenditure	344,003.044	274,575.539	384,848.111
	A03-Operating Expenditure	37,351.224	49,312.264	45,538.001
	A04-Employees Retirement Benefit	90,235.940	86,004.630	107,808.754
	A05-Grants and Subsidies	117,110.572	148,791.384	184,657.273
	A06-Transfers	1,861.979	4,798.978	2,913.722
	A07-Interest Payment	12,935.304	13,383.350	20,479.509
	A08-Loans & Advances	0.000	0.000	8,000.000
	A09-Expenditure on Acquiring Assets	6,409.980	18,766.478	12,700.919
	A12-Civil Works	158.170	2,367.053	68.170
	A13-Repair & Maintenance	4,687.051	9,632.181	5,189.898
G.	**CAPITAL EXPENDITURE - NON-FOOD**	**25,622.86**	**22,326.811**	**25,604.477**
	A10-Repayment of Loan	12,522.864	9,261.811	12,117.116
	A11-Investments	13,100.000	13,065.000	13,487.361
H.	STATE TRADING - FOOD	0.000	0.000	0.000
I.	**TOTAL NON-DEVELOPMENT EXPENDITURE (F+G+H)**	**639,876.128**	**629,959.670**	**797,808.834**
J.	**DEVELOPMENT EXPENDITURE**	**336,576.045**	**352,601.053**	**291,550.187**
	Public Sector Development Program	249,450.290	287,321.174	206,609.290
	Foreign Project Assistance	30,148.868	17,924.473	40,383.600
	Federal Funded Projects (outside PSDP)	56,976.887	47,355.406	44,557.297
K.	**TOTAL BUDGET OUTLAY (I+J)**	**976,452.174**	**982,560.723**	**1,089,359.022**
L.	**BUDGET SURPLUS / DEFICIT (E-(I+J))**	**51,825.990**	**-95,835.329**	**45,568.267**

KEY INITIATIVES OF BUDGET 26-27

Total Budget: Rs. 1,089.359 Billion

Budget Preparation Methodology:
on the basis of expenditure trends, actual spending patterns, and analysis of savings/surrenders and excess expenditures, rather than applying a uniform increase or decrease across departments.

Creation of New Posts:
(i) School Education Department: 3,000 posts;
(ii) Newly Created Districts/Divisions: 1,000 posts
(iii) Health Deptt- 500 Posts;
(iv) Other Departments: 500 posts

Purchase of New Assets: Rs. 12.700 Billion

Medicines Budget: Rs. 8.5 Billion

Health Sector Allocation: Rs. 86.77 Billion

Education Sector Budget: Rs. 157 Billion

Microfinance, Housing and Solar Financing:
Rs. 5.00 Billion, through Akhuwat Islamic Microfinancing

Public Sector Universities:
Grant-in-Aid Rs. 8.00 Billion and Rs. 2.00 Billion allocated for Performance based funding through KPI assessment

NUST Grant-in-Aid: Rs. 200.00 Million

Grant for PPHI
Rs. 8.8 Billion

Balochistan Health Card: Rs. 6.0 Billion

Trauma Centre Quetta: Rs. 1.3 Billion

Nawab Ghaus Bakhsh Memorial Hospital:
Rs. 735 Million

Mines Labor Welfare Hospital Kharan:
Rs. 500.00 Million

Sheikh Mohammed Bin Zayed Al Nahyan Institute of Cardiology Quetta
Rs. 2.824 Billion

CASVAB Centre, University of Balochistan:
Rs. 320.00 Million

Balochistan Bank: Rs. 10.00 Billion

Operationalization of 2100 Schools through Balochistan Education Foundation Rs. 2.50 Billion

Solarization of Agricultural Tube Wells
Rs. 3.8 Billion

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CHAPTER 1

NATIONAL FISCAL OUTLOOK

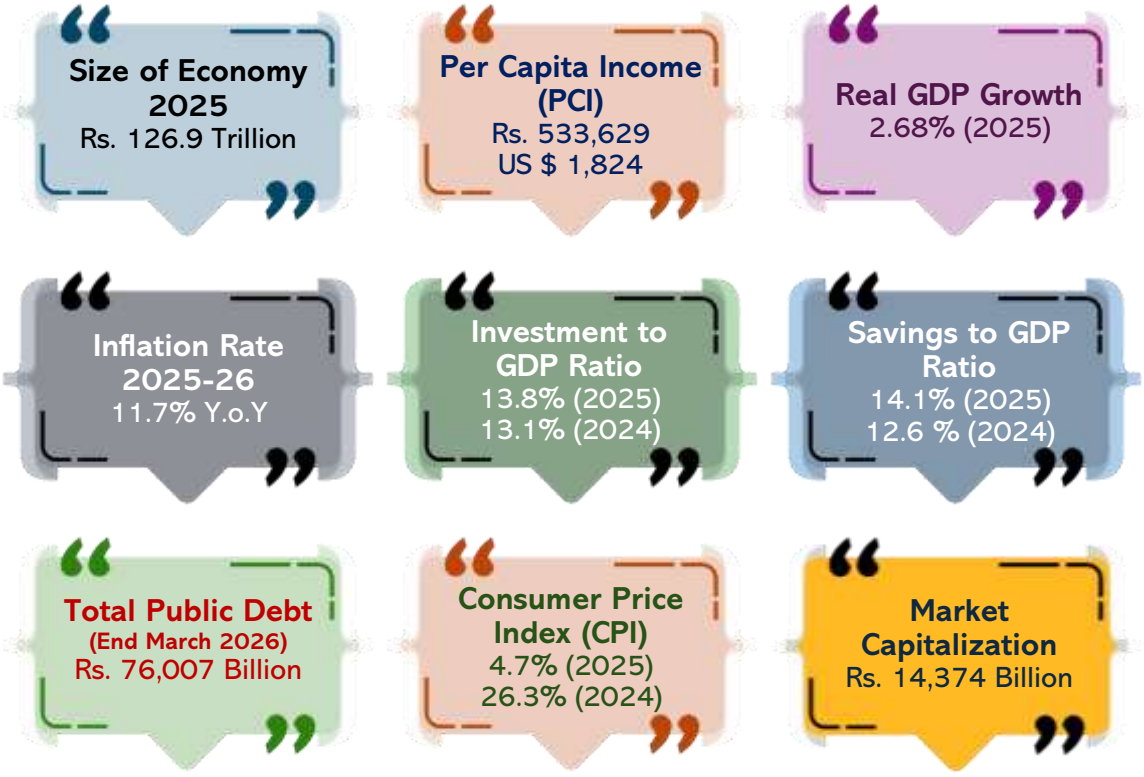
NATIONAL FISCAL OUTLOOK

GLOBAL OUTLOOK:

- Global economic growth is estimated at 3.3 percent in 2024. It is projected to moderate to 2.8 percent in 2025, before recovering slightly to 3.0% in 2026;
- In 2024, global inflation is noted at 5.7 percent. It is expected to fall to 4.3% in 2025 and 3.6% in 2026, aided by decreasing commodity prices. Cost pressures continue to exist because of new trade tensions and ongoing structural issues.
- The IMF reported that global trade volume increased by 3.8 percent in 2024. It is expected to slow to 1.7 percent in 2025 due to uncertainty related to tariffs, then bounce back to 2.5 percent in 2026.
- New policy changes are transforming global trade dynamics, heightening uncertainty and presenting obstacles to the resilience of the worldwide economy.

NATIONAL ECONOMIC PERFORMANCE AND OUTLOOK:

The National Economy in FY 2026 has demonstrated significant advancement in sustaining macroeconomic stability to create the basis for growth momentum to increase. The National GDP, based on prevailing market rates, amounts to Rs. 126,870 billion for FY 2025-26, representing a growth rate of 3.70%. The fiscal year 2025-26 was vital for Pakistan's economic recovery, as the national economy shrank in FY 2022-23, experiencing negative growth worsened by the catastrophic floods of 2022.



The current account deficit is projected to reach 1.2 percent of GDP in FY26 and 1.1 percent in FY27, as elevated oil prices and softer remittance inflows from Gulf states add to pre-existing pressures from subdued goods exports. Over the medium term, the current account deficit is expected to remain close to 1 percent of GDP amid steady demand. The fiscal deficit is projected to narrow to 4.3 percent of GDP in FY26, contingent on sustained fiscal consolidation amid subdued revenue performance, increasing yields and spending pressures from the commodity shock. During FY27–28, the fiscal balance is projected to remain around 4.4 percent, supported by modest revenue growth, and restrained primary spending.

RECENT DEVELOPMENTS:

Economic activity gained momentum in Q1 FY26, with real GDP expanding by 3.7 percent y-o-y, compared to 1.6 percent in FY25. Agriculture, employing 33 percent of the labor force, grew by 2.9 percent, as strong livestock performance offset flood-related damage to crop production. Industry, employing 26 percent of the workforce, grew by 9.4 percent, driven by a rebound in large-scale manufacturing. Services, employing 41 percent of the workforce, expanded by 2.4 percent, reflecting positive spillovers from commodity-producing sectors.

> ***The current account registered a US$1.2 billion deficit in H1FY26, from a surplus of US$1.0 billion in H1FY25. This reflected a decline in food exports (-35.5 percent y-o-y), following India's resumption of rice exports and Pakistan's sugar export ban. Eased import controls and stronger domestic demand raised goods imports by 12 percent y-o-y. Services exports sustained double-digit growth (16.5 percent y-o-y), driven by the Information and Communication Technologies (ICT) sector. Nevertheless, a 15.8 percent increase in services imports from a higher base more than offset these gains.***

KEY CONTRIBUTION IN PAKISTAN'S ECONOMY:

National Tariff Policy 2025-30:

Government of Pakistan has announced National Tariff Policy (NTP) 2025-30 which aims to rationalize tariffs and simplify the complex concessionary regime to provide a conducive environment that encourages export led growth, consumer welfare and employment generation along with positive impact on other relevant economic indicators. The Policy also aims to attract investment, stimulate higher productivity, enhance competitiveness, improve trade in value-added manufacturing, discourage anti-export bias and encourage trade in green and emerging technology products.

Other Initiatives:

- In line with the National Export Development Board (NEDB) and the National Priority Sectors Export Strategy (NPSES), the work on the Services Export Enhancement Roadmap during FY2026 started. The roadmap focuses on boosting exports from non-traditional service sectors such as transport, logistics and warehousing, IT and e-commerce, and tourism and hospitality.

- On 5th November 2025 Assan Karobar Bill passed to facilitate ease of doing business.
- Following the B2B Investment Conference held in China, promotion of China–Pakistan industrial cooperation under CPEC continued.

Pakistan's First-ever Skills Impact Bond (PSIB):

Launched Pakistan's first-ever Skills Impact Bond (PSIB) worth Rs. 1 billion has been introduced on a results-based financing model. It links private investment to measurable outcomes such as job placement and sustained employment, aiming to improve youth employability and labor market relevance of skills training.

Preliminary Assessment of 2025 Flood Damages on the Economy of Pakistan:

Following the catastrophic floods of 2022, Pakistan has once again faced devastation as the 2025 monsoon unleashed the worst flooding in the nation's history. The 2025 floods, following intense heatwave, with rainfall surging up to 50% above monsoon averages (nearly doubling in some regions) the floods submerged vast areas across Punjab, Sindh, and Khyber Pakhtunkhwa, claiming lives, displacing communities and eroding livelihoods. By the end of September 2025, the disaster caused 1,039 people dead and 1,067 injured, while more than 229,763 houses were damaged or destroyed. At least 6.5 million people across 70 districts were affected, including around 4.0 million temporarily displaced as waters receded and families assessed the wreckage.

CHAPTER 2

INTRODUCTION TO BUDGET FY 2026-27

INTRODUCTION

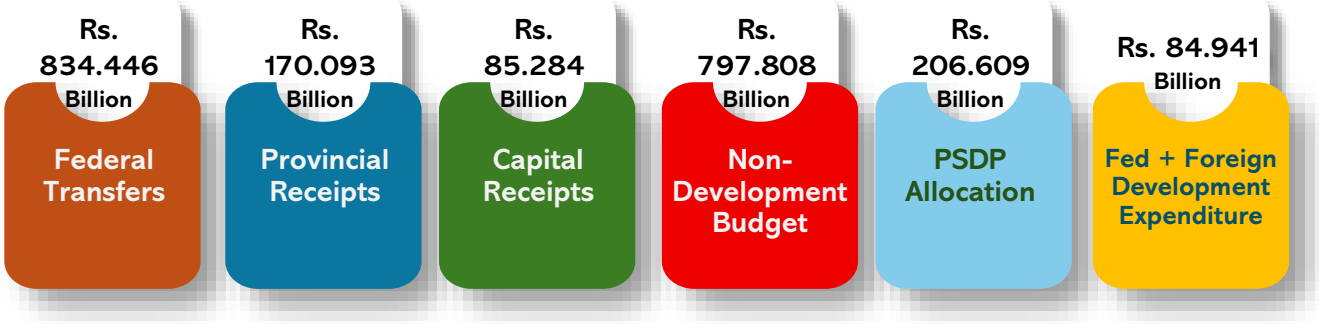
OVERVIEW OF BUDGET FY 2026-27:

The total estimated budget for financial year 2026-27 tolls to Rs. 1,089.359 billion including a surplus of **Rs. 45.568 Billion** which encompasses all planned expenditures and resource allocations. The total source of the budget comes from a combination of federal assignment, own resources, grant and foreign assistance in terms of loans amounting to Rs. 1,104.317 Billion. A detailed breakdown shows that Rs. 772.204 billion has been allocated towards Current Expenditure including personnel, technology, and administrative expenses, while the remaining funds have been allocated towards capital expenditure Rs. 25.604 Billion, Investment Rs. 13.400 billion and Development activities Rs. 291.550 billion. The detail of expenditure is provided in further chapters ahead with in-depth review and analysis.

Cash Carry-Forward:

Sum of funds that are committed for some assignments and couldn't be utilized by the end of a financial year are protected and carried-forward to next financial year for same assignments.

The breakdown of total resources reveals an estimated sum of Rs. 1,104.317 Billion encompassing the receipts from Federal Government i.e. Federal Divisible Pool Rs. 771.390 billion, Straight Transfers Rs. 23.743 Billion Federal Development & Non-Dev Grants Rs. 39.313 Billion while the Provincial Revenues estimated at Rs. 170.093 Billion consisting of Tax Revenue Rs. 72.410 Billion, Non-Tax Revenue Rs. 63.683 Billion and Capital Receipts Rs. 85.284 Billion for the FY 2026-27 with an inclusion of Rs. 22.668 Billion as Cash Carried Forward. This budget is designed to ensure the efficient utilization of resources, supporting the achievement of key milestones and strategic objectives. Transparency and accountability are central to financial planning of the province, with regular monitoring and reporting mechanisms in place to track expenditure against the approved budget.



BUDGET REVIEW FY 2025-26:

The Government of Balochistan had presented budget with surplus of Rs. 51.83 billion for the FY 2025-26 with estimated receipts of Rs. 1,002.28 billion and expenditure of Rs. 976.45 billion having an additional resource of cash carry-over amounting to Rs. 26.00 billion, received from Federal Government against Federal Funded Development Projects and from International Lenders as Foreign Project Assistance. The estimated receipts broadly

consisted of Rs. 713.62 billion as share from the divisible pool, Rs. 29.54 billion Straight Transfers, Rs. 58.5 billion and Rs. 124.88 billion as provincial tax and non-tax receipts respectively. Similarly, the budget estimates on the expenditure side consists of Rs. 639.88 billion for meeting revenue and capital recurrent expenditures, while Rs. 249.45 is estimated for development expenditure (PSDP), Rs. 56.98 billion for Federally Funded Projects and Rs. 30.15 billion for foreign funded projects. During the FY 2025-26 Govt of Balochistan utilized Rs. 982.560 Billion against estimated budget of Rs. 976.452 Billion with a deficit sum of Rs. 95.835 Billion altogether for Non-Development & Development expenditure. The table below briefly describes an overview of the Revised Estimates against estimated Receipts and Expenditure for FY 2025-26:

Table 1: Revenue and Expenditure Budget 2025-26 (PKR Billion)

RECEIPTS AND EXPENDITURE	B.E 2025-26	R.E 2025-26
TOTAL REVENUE AND CAPITAL RECEIPTS	1,002.28	886.725
Federal Transfers:	801.665	786.210
Share from Divisible Pool	713.621	713.621
Straight Transfers (FED, Royalty on Natural Gas & Crude Oil)	29.543	22.297
Federal Development & Non-development Grants	58.50	50.291
Provincial Revenues:	124.879	82.468
Provincial Receipts - Tax Receipts	55.843	48.734
Provincial Receipts - Non-tax Receipts	44.435	33.366
Gas Lease Extension Bonus	24.600	0.367
Foreign Funded Projects:	37.791	18.014
State Trading - Sale of Wheat:	4.205	0.00
Recoveries of Loans and Investments:	33.376	0.032
TOTAL EXPENDITRUE	976.45	982.561
NON-DEVELOPMENT (CURRENT) EXPENDITURE	639.88	629.959
Current Revenue Expenditure	614.253	607.633
Current Capital Expenditure	25.622	22.326
TOTAL DEVELOPMENT EXPENDITURE	336.576	352.601
Provincial PSDP	249.45	287.321
Foreign Project Assistance	30.15	17.924
Federal Projects	56.98	47.355

REVENUES:

During the Financial Year 2025-26, GoB received a total sum of Rs. 786.210 Billion from Federal Government in terms of Federal Transfers which broadly includes Divisible Pool of Taxes Rs. 713.621 Bn, Straight Transfers Rs. 22.297 Billion, Development Grants Rs.50.291 Billion and Gas Lease Extension Bonus Rs. 0.367 Billion.

Accordingly, the Provincial Revenue Generating Departments could manage to Revise their annual targets from Rs. 124.879 Billion to Rs. 82.468 Billion, which further broke into BSTS Rs. 34.009 Billion and BIDC Rs. 10.168 Billion, Provincial Excise Rs. 2.713 Billion, Agriculture Income Tax Rs. 0.101 Billion and so on. Overall, the revenue performance during FY 2025–26 broadly reflects normal trends slight improvement in second half of the year.

NON-DEVELOPMENT EXPENDITURE:

The non-development (current) expenditure for FY 2025–26 estimated at Rs. 639.88 billion and Revised at Rs. 630.121Billion. There is generally a concentration of expenditure towards the latter part of the financial year, primarily due to factors such as the completion of budget releases, finalization of procurement processes, and settlement of payments to suppliers and service providers. While salary and pension expenditures are incurred relatively evenly throughout the year, other components of non-development expenditure tend to increase during the second half as operational and contractual obligations materialize. Following table reflects the major object-wise Revised Estimates for FY 2025-26:

Table 2: Major Object-wise Non-Development Expenditure FY 2025-26 (PKR Billion)

MAJOR OBJECTS	B.E 2025-26	R.E 2025-26
Pay and Allowances	344.003	274.575
Project Pre-Investment Analysis	0.000	0.001
Pension and Retirement Benefits	90.235	86.004
Operating Expenses	37.351	49.312
Purchase of Assets	6.409	18.766
Repairs and Maintenance	4.687	9.632
Grants and Subsidies	116.610	148.791
Entertainment, Gifts, Cash Awards, Scholarships	1.861	4.798
Principal Repayment of Loan	12.522	9.261
Interest Payments	12.935	13.383
Civil Works	0.158	2.367
Investments	13.100	13.065
Total Non-Development Budget	639.876	629.959

DEVELOPMENT EXPENDITURE:

The total development expenditure of the province budgeted at Rs. 249.45 billion for the year and Revised at Rs. 287.321 Billion. A major progress in the development side is the addition of a strategic programme titled “Balochistan Special Development Initiative (BSDI)” costing Rs. 23 billion, introduced by the Government to ensure provision of services to the public at community level, which was originally budgeted on the non-development side. However, while finalizing its execution modalities, it was decided to shift it to the development side by making it part of provincial PSDP, resulting in an increase of the overall size of PSDP from Rs.249.45 billion to Rs. 287.321 billion. At the same time, the Government has also enhanced the allocation of various fast-moving projects and approved new projects for inclusion in the PSDP, thus further rationalizing the overall size of the PSDP 2025-26 by enhancing Rs.37.87 billion by the end of the year.

In addition to the PSDP expenditure, the allocations under the Federal Funded Projects and Foreign Projects Assistance stood revised to Rs. 47.355 Billion and Rs. 17.924 Billion respectively. Following the national austerity measures sparked by the America-Iran conflict, the Government of Balochistan implemented a "smart lockdown" strategy. This included

reducing staff presence by half and slashing fuel allowances to 50% of the standard ceiling for the fiscal year's final quarter. These proactive steps successfully cut expenditures by millions before costs could escalate.

UPCOMING BUDGET OBJECTIVES AND PRIORITIES:

This year, Govt of Balochistan has significantly emphasized resource mobilization and optimum allocation of budget towards key expenditures. Keeping in view high dependence on the Federal assignment, the finance department has assigned novel target to Balochistan Revenue Authority (BRA) for ensuing year 2026-27 with aim to enhance its tax base. On the other hand, Government of Balochistan with objective of engaging spending units in formation of budget, has invited DDOs of priority sectors, namely Health, Education and Police deptt to prepare their budget demands as per actual needs under Zero Based Budgeting framework.

Besides, this budget too has prioritized efficient allocation of resources toward achieving the core objectives that include:

Operational Excellence: sufficient funds to support seamless day-to-day operations (including contingencies) has been allocated up to Rs. 45.538 Billion, along with broad-concerning expenditure that covers salaries Rs. 384.848 Billion, Pension Rs. 107.808 Billion, Purchase of Assets Rs. 12.700 and creation of core 5,000 vacancies in the priority sectors for public interest.

Rationalization of Grants: unlike every year, billions of rupees have been allocated towards grant-in-aid recipients with continuous grant seeking approach; however, for ensuing year, the corporate governance unit of finance department has reviewed fiscal data of autonomous, semi-autonomous and government owned bodies. Complying with the provisions contained in Balochistan Grant-in-Aid Rules 2023, the grant recipients have been asked for detailed budget demands revealing their utilization and revenue generation to ease fiscal burden of the government. This exercise has also saved escalation of millions of rupees from going into GIA.

Financial Sustainability: the finance department has discouraged all vague heads of accounting, draining the bigger chunk of funds every year. Line departments have been restricted to raise budget demands under the prescribed detailed object heads instead of “Others”. In order to rationalize operational costs of different departments serving in parallel with the administrative department, has been abolished and their operational costs have been either reduced or merged with the administrative department.

REVENUE RECEIPTS

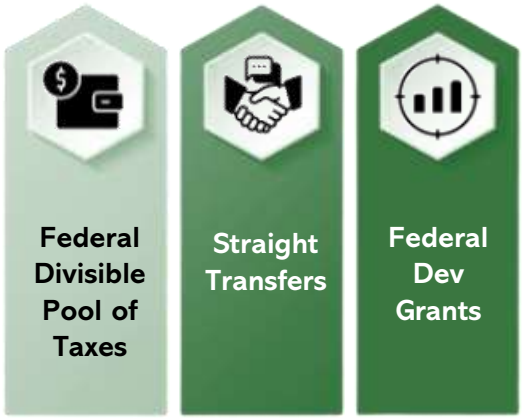
REVENUE STRUCTURE

Govt of Balochistan's revenue majorly depends on the receipts received from the Federal Govt in terms of NFC Award and other un-conditional grants for non-development and/or development projects. Approximately, (80%) of the overall receipts are transferred to Balochistan from the federal government and (20%) are earned from the Own Source Revenue (OSR) altogether Tax, Non-Tax sources and Capital Receipts.

All the Revenue Receipts received from any source mention in Fig-1makes part of Non-Food Account-I maintained with the State Bank of Pakistan and then utilized for the series of expenditure out of the allocated budget for a financial year. The Receipts related to Food Commodities i.e. Wheat etc are deposited into Food A/C-II and are dealt separately from the Account-I. The detailed structure of all the Receipt's component is described as under:

A- FEDERAL TRANSFERS:

Fig-1 Components of Federal Transfer



The bigger part of overall revenue is received from this source that makes up approximately 78-80% of the total receipts of Balochistan province. It consists of the receipts from Federal divisible pool (NFC Award share, whatever is projected, is protected for the province), Straight Transfers and Federal Grants (development + non-development). It is essential to mention that Govt of Balochistan heavily depends on federal Transfers for its Current expenditure at first, the remaining part of the receipts is allocated / left for development related tasks. The receipts of federal grants received for development purposes cannot be utilized for current / non-development expenditure. Any left-over part of the federal grants that could not be utilized during the currency of a fiscal year is protected and carried forward to next financial year as such.

- **Federal Divisible Pool:** Major portions of provincial receipts come from the Federal Divisible Pool in accordance with the 7th National Finance Commission (NFC) Award which include Income Taxes, the Capital Value Taxes, Sales Tax on Goods and Wealth Taxes. On the basis of revenue targets set by the Federal government 9.09 % of provincial share of revenues come into the pocket of Balochistan Government.

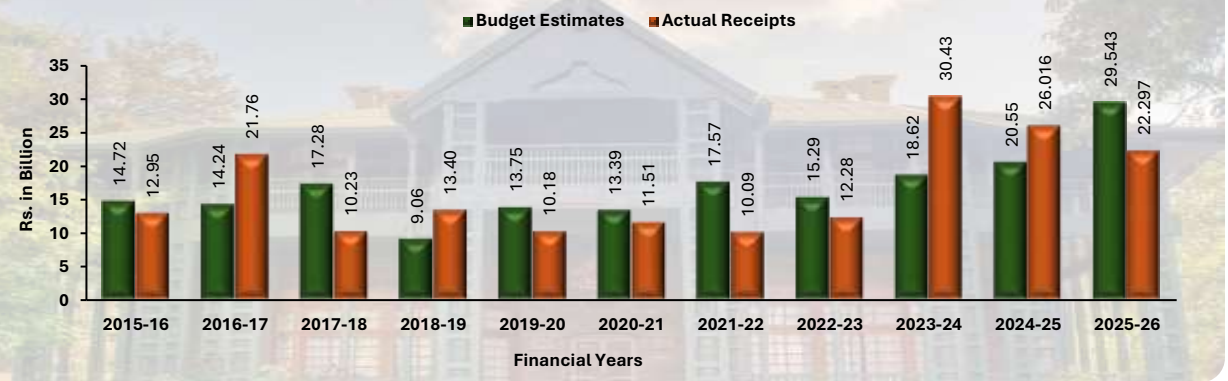
Fig-2: Trend of Actual Receipts under Federal Divisible Pool of Taxes FY 2015-16 to 2026-27

- **Straight Transfer:**
  Another category of federal transfers is Straight Transfers. It is distributed among the provinces under the provision of Article 161 of the Constitution and 7th NFC Award against the royal es on Crude Oil and Natural Gas, and net proceeds of the Federal Excise Duty on natural gas and Gas Development Surcharge. Earlier, the well-head price of Sui gas was amongst the lowest in the country. However, with the efforts of the government it was enhanced to PKR 163.13 MMBTU during the year 2009-10 which resulted in increased receipts under this head.

KEY INFO:

Gas Development Surcharge is the difference between consumer price and prescribed price. Consumer price is paid by the end-user while prescribed price comprises elements including cost of gas, Excise Duty of PKR 5.09 per MMBTU, transmission and distribution expenditure, depreciation on fixed assets and minimum return to gas companies etc. GDS is being collected by gas companies under Natural Gas (Development Surcharge) Rules, 1996. As recommended through NFC Award, net proceeds of GDS are being distributed to the provinces in accordance with their percentage share in the total production of gas a er deduction of collection charges.

Fig-3: Trend of Budget Estimates and Actual Receipts of Straight Transfer FY 2015-16 to 2026-27



- **Federal Development Grants:** the Government of Balochistan receives grants from Federal PSDP as well as budget support from the foreign development partners. These grants do not have any impact on the revenues of the province except for increase in the overall volume of the total revenues and expenditure position of provincial government

as the grants are received for committed projects on the expenditure side. For the FY 2026-27, the volume of Federal Development Grants is estimated to Rs. 47.193 Bn.

Fig-4: Trend of Federal Development Grants received from FY 2015-16 to 2025-26

B – PROVINCIAL REVENUE RECEIPTS:

The second component of the General Revenue Receipts is Provincial Own Revenues, broadly divided into Tax and Non-Tax Receipts. The government collects different types of Direct and Indirect Taxes through its own departments / authorities. The pool of Provincial Tax Revenues largely comprises Balochistan Sales Tax on Services (BSTS), Balochistan Infrastructure Development Cess (BIDC), Motor Vehicle Tax and Property Tax while the regulatory functions performed by the Provincial Government and rates and fees charged for the provision of certain social and economic services constitute the Non-Tax Revenue. The total revenues of provincial own receipts for the year 2025-26 were estimated to Rs. 124.879 billion making around 13% of the overall receipts of the province which were revised to Rs. 82.100 billion. The provincial revenue target for next financial year 2026-27 is estimated to Rs. 136.093 billion which makes 12.38% of the overall budgeted receipts.

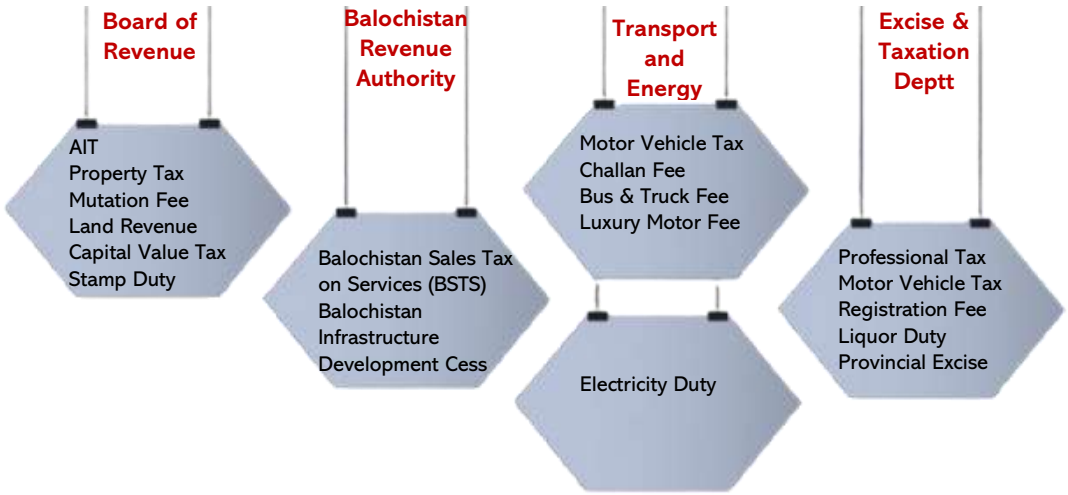


Fig-5: Trend of Provincial Revenue Earned from FY 2015-16 to 2025-26

TAX REVENUE TRENDS AND PROJECTIONS

The tax estimates by the government estimated for FY 2025-26 was comparatively on higher side at Rs. 55.84 billion as compared with budget Estimates of 2024-25 of Rs. 47.68 billion due to improved performance of Balochistan Revenue Authority by surpassing targets at the close of financial year. A growth of 59% has been observed in the last 3 year's provincial tax collection from PKR 30.609 billion in the FY 2023-24 to PKR 48.734 in FY 2025-26. This positive trend of the provincial own tax collections over the year is a very healthy sign for the struggling provincial economy. Keeping in view the positive trend of the provincial tax collections and couple of measures taken regarding automation and transparency in tax collection target for the upcoming year 2026-27 is estimated to be PKR 72.41 billion with an enormous increase of 18.2% compared to estimates of PKR 55.903 billion in FY 2025-26. Following department plays pivotal role in generation & collection of provincial taxes:

Balochistan Revenue Authority (BRA):

BRA is currently collecting the major part of the overall provincial taxes from different service providers. Given the positive trend, the government intends to increase target of BRA for the upcoming financial year by expanding its tax base, easing up the payment method of tax and focusing on capacity enhancement of BRA simultaneously. For the FY 2026-27 the target for BRA is raised by 23.5%, earmarking the estimate at PKR 59.858 billion against the estimates of PKR 48.464 billion of FY 2025-26. The allocation of targeted amount for financial year 2026-27 includes PKR 44.809 billion for Sales Tax on Services and PKR 15.049 billion against collections from Balochistan Infrastructure Development Cess. Previous year's performance of BRA is depicted as under:

BRA Collection	FY 2025-26 B.E	FY 2025-26 R.E	FY 2026-27 B.E
Balochistan Sales Tax on Services	40.482 **Billion**	34.009 **Billion**	44.809 **Billion**
Balochsitan Infrastructure Development Cess	8.000 **Billion**	10.168 **Billion**	15.049 **Billion**
Total Target	48.464 **Billion**	44.177 **Billion**	59.858 **Billion**

Board of Revenue:

BOR collects Agriculture Income Tax, Property Tax, Land Revenue, Capital Value Tax on Immoveable Property and Stamp Duty. In the financial year 2025-26 the total target estimate for Board of Revenue was PKR 6.019 billion which was 4.8% of the total provincial revenues. Considering its performance in the previous financial year and so far, collection for the year 2025-26, the target has been raised to PKR 8.460 billion for the financial year 2026-27 which is 40% higher than FY 2025-26. The majority of the Board of Revenue's (BOR) income is derived from the sale of stamp duty and land revenue, which includes fees and charges for mutations), Property Tax, and Capital Value Tax. Due to the undocumented nature of the agrarian economy and the practical challenges of implementing assessment-based taxes on regime, the Agricultural Income Tax still presents challenges.

BoR	FY 2025-26 B.E	FY 2025-26 R.E	FY 2026-27 B.E
Total Target	6.019 **Billion**	3.830 **Billion**	8.460 **Billion**

Excise & Taxation:

Professional taxes, motor vehicle taxes, provincial excise, and other indirect taxes are collected by the Excise and Taxation Department. Although the E&T Department's collection has consistently fallen short of the projected goals, there has been some variation in the department's collection trends over time, both positive and negative. Trend of E&T Collection is depicted below:

E&T Department	FY 2025-26 B.E	FY 2025-26 R.E	FY 2026-27 B.E
Total Target	1.738 **Billion**	2.713 **Billion**	4.062 **Billion**

Transport and Energy:

The Energy and Transport departments are assigned with responsibility to collect indirect taxes, on account of electricity duty and motor vehicle tax. Though the volume of collected taxes are meagre, both collectively making less than one percent of the total provincial receipts. The provincial government is committed to introducing reforms and applying checks in the collection process. The collection and target set for the Energy and Transport Deptt is displayed below:

Transport Deptt	FY 2025-26 B.E	FY 2025-26 R.E	FY 2026-27 B.E
Total Target	257.450 **Million**	562.756 **Million**	33.059 **Billion**

The tax collection over every single year is improving, however, it couldn't achieve significant rise from one year to another. Following graph shows a trend of tax collection against set targets from FY 2015-16 onwards:

Fig-6: Trend of Provincial taxes collected during FY 2015-16 to FY 2025-26.

NON-TAX REVENUE SOURCES

Non-Tax Revenue is the recurring income earned by the government from sources other than taxes. The Provincial Non-Tax Receipts are categorized as Receipts from Civil Administration and other functions, income from publicly owned property and enterprises, Miscellaneous receipts from Toll, Fee, Cess etc. collected by the departments of provincial government (excluding Federal Grants, Development Surcharges and royal es). Following shows a trend of Non-Tax Collection against set target for the past 10 years:

Fig-7: Trend of Provincial Non-Tax Receipts collected during FY 2015-16 to FY 2025-26.

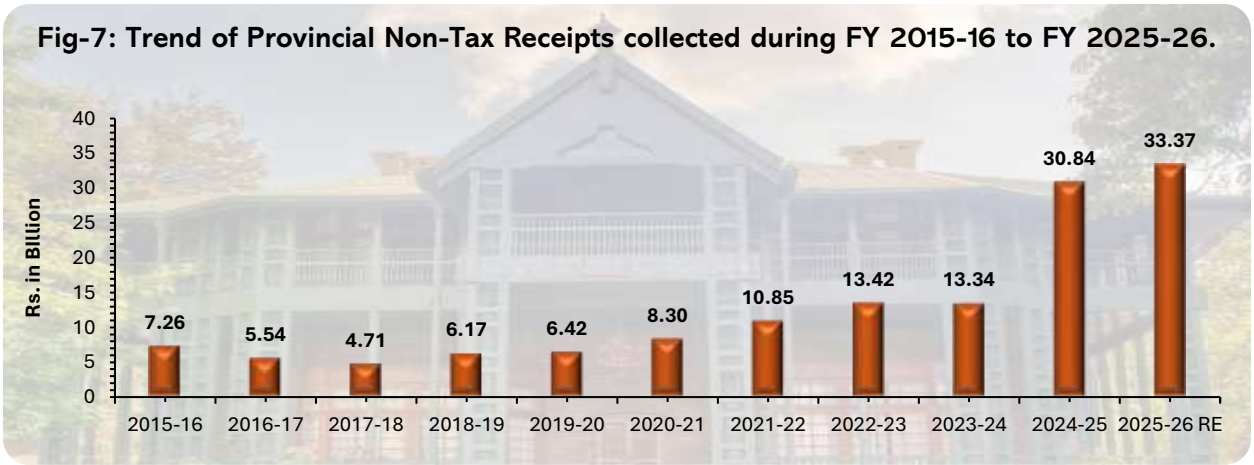


Fig-7 above shows a trend of "Non-Tax Collection", however a detailed breakup of the significant receipts pooling in the Non-Tax collection with their projection (Rs. in million) for the next financial year 2026-27 is detailed below table:

Particular of Capital & Non-Tax Receipts	2025-26 B.E	2025-26 R.E	2026-27 B.E
C011-Sale Proceeds	00.00	1.000	3.500
C018-Interest on Loan -Others	18,000.00	8,245.433	17,490.994
C019 Dividends	4,162.788	5,000.00	6,500.00
C021 General Administration Receipts - State	99.953	89.015	107.560

C022 General Administration Receipts - Fiscal Administration	273.891	1,056.000	703.615
C023 General Administration Receipts Economic Regulation	14.302	12.740	25.173
C026 Law & Orders Receipts	779.877	683.785	5,748.548
C027 Community Services Receipts	270.054	212.569	217.667
C028 Social Services Receipts	650.496	581.860	897.695
C029 Social Services Miscellaneous	7.527	4.498	8.256
C031 Economic Services Receipts Food & Agriculture	671.207	141.732	751.171
C032 Economic Services Receipts Fisheries & Animal	261.508	123.131	305.723
C033 Economic Services Receipts Forest	261.437	123.219	336.098
C034 Economic Services Receipts - Cooperatio. Irrigation	250.255	141.960	239.286
C035 Economic Services Receipts – Others	1,513.127	2,622.031	2,813.119
C037 Extra-Ordinary Receipts	27,635.00	2,179.355	6,029.473
C038 Others	1,206.550	531.065	2,695.004
C039 Development Surcharge and Royalties	12,977.121	11,617.023	18,810.378
TOTAL:	**69,035.39**	**33,366.421**	**63,683.266**

TAX REFORMS AND INITIATIVES

1. To enhance owned source revenues and to eliminate human intervention; the Government has decided to automate/ digitize all governmental revenues including revenues of autonomous bodies.
2. To ensure and implement a mechanism of "Treasury Single Account", the Government has decided to introduce a Centralized Management & Investment Mechanism for idle funds of autonomous bodies controlled or established by the Government of Balochistan.
3. In order to increase the owned source revenues, the Government has decided to conduct a detailed survey under the title of "Legal Assessment Gap" of all tax and non-tax statutes.
4. In order to increase the owned source revenues, the Government has decided to conduct a detailed "Revenue Assessment Gap". Wherein, new and potential avenues would be identified for generating revenue.
5. Repeal of section 12 of the Balochistan Finance Act, 1965 regarding hotel tax and enactment of new law i.e., Balochistan Hotel Tax Act, 2026.

6. Mandate of levy, charging and collection of Hotel Tax is given to Balochistan Revenue Authority. Previously, this tax was collected by Excise, Narcotics and Taxation Department.
7. Repeal of section 11 of the Balochistan Finance Act, 1964 (W.P. Act XXXIV of 1964), section 5, 6 and 9 of Balochistan Finance (Act IV), 1996 and Serial No 15 Part III of the Second Schedule of the Balochistan Local Government Act 2010 are hereby repealed and a new law (statute) Balochistan Professions, Trades, Callings And Employment Tax Act, 2026 has been enacted.
8. Mandate of levy, charging and collection of Professions, Trades, Callings And Employment Tax is given to Balochistan Revenue Authority. Previously, this tax was collected by Excise, Narcotics and Taxation Department.

RELIEF TO PUBLIC:

1. No new tax is imposed, i.e., a tax-free budget.
2. In order to provide a relief to the general public owing to the rising fuel prices, the Government has exempted Sales Tax upon "Public Passenger Transport".
3. In order to compensate death, injury, or property damage to, any person including a passenger caused due to road accidents, a third-party liability motor insurance has been made mandatory to get its vehicle insured with any insurance company.
4. To promote green environment and to counter the hazards of climate change, the Government has announced 100% waiver from Motor Vehicle Tax (both registration and annual tax) in respect of Motor Vehicle Tax applied on New Energy Vehicles (NEVs)/Electric Vehicles (EVs) until 30th June 2030.
5. To facilitate the low earning section of the society at large, those individuals owning Motorcycles including all two wheeled, three wheeled, and tractors registered for agriculture purposes shall be exempted from the mandatory requirement of insurance under section 94 of the Motor Vehicles Act, 1939
6. In order to promote real estate business in the province, the Government reduced the rates of such taxes (capital value tax on Immovable Property and stamp duty) related to transfer of immovable property from 2% to 1% each.

PROJECTED TARGET FOR REVENUE GENERATING DEPARTMENTS:

Every year, Finance Department in consultation with line departments issues revenue target for respective departments to be achieved in a financial year. For FY 2026-27, following target is set for revenue generating department:

Table-3: Department-wise Revenue Targets for FY 2026-27

	Department's Name	R.E 2025-26	B.E 2026-27
1	BC21001-General Administration (Voted)	180.233	180.530
2	BC21002-Provincial Excise	2,713.168	4,062.573
3	BC21006-Pensions	1,056.000	703.615

4	BC21007-Administration of Justice (Voted)	132.056	141.344
5	BC21008-Police & Balochistan Constabulary	535.755	5,596.550
6	BC21010-Jails & Detention Places	10.476	15.803
7	BC21011-Civil Defense	0.280	0.590
8	BC21013-CWP&H Department	176.499	171.491
9	BC21014-Public Health Services	49.000	49.856
10	BC21016-Higher Education	52.639	59.226
11	BC21017-Archives	11.873	28.681
12	BC21018-Health Department	382.319	588.813
13	BC21019-Population Welfare	17.187	4.700
14	BC21020-Manpower & Labor Management	16.239	32.110
15	BC21021-Admn. Sports & Recreation Facilities	1.229	1.340
16	BC21022-Social Security & Social Welfare	6.650	7.570
17	BC21024-Religious Affairs Department	2.132	3.542
18	BC21025-Commodity Management Department	1.710	4.228
19	BC21026-Agriculture & Cooperatives	147.645	752.018
20	BC21027-Land Revenue	0.457	0.312
21	BC21028-Livestock & Dairy Development	102.281	217.890
22	BC21029-Forestry	134.572	337.999
23	BC21030-Fisheries	42.892	144.803
24	BC21032-Irrigation	145.315	243.052
25	BC21033-Rural Development	11.700	7.600
26	BC21034-Industries	119.000	416.551
27	BC21036-Mineral Resources (Scientific Depts.)	14,108.245	21,161.607
28	BC21038-Prosecution	0.823	0.990
29	BC21039-Transport Department	177.461	1,111.586
30	BC21041-School Education Department	212.276	365.951
31	BC21044-Legal Services & Law Affairs	0.849	0.750
32	BC21046-Women Development Department	0.510	0.720
33	BC21049-Energy Department	385.296	36,947.677
34	BC21050-Information Technology	2.500	3.800
35	BC21051-Climate Change & Environment Department	21.551	80.985
36	BC21052-Provincial Ombudsman	0.520	0.610
37	BC21053-Chief Minister Secretariat	20.285	2.610
38	BC21054-Home Department	122.953	120.174
39	BC21055-Board of Revenue & Administration	3,830.112	8,460.768
40	BC21056-Finance Department	861,758.622	1,022,260.150
41	BC21057-Urban Planning & Development Department	6.800	9.000
42	BC21058-Planning & Development Department	10.165	3.000
43	BC21059-Information Department	1.000	2.100
44	BC21060-Inter Provincial Coordination Department	0.550	0.600
45	BC21061-Chief Minister's Inspection Team	1.215	0.530
46	BC21062-Governor Secretariat (Voted)	0.045	0.150
47	BC21063-Provincial Assembly (Voted)	0.230	0.680
48	BC21064-Minorities Affairs Department	0.050	0.180
49	BC24007-Administration of Justice (Charged)	7.915	4.965
50	BC24062-Governor Secretariat (Charged)	0.165	0.270

51	BC24063-Provincial Assembly (Charged)	5.950	4.650
	Grand Total:	**886,725.394**	**1,104,317.289**

CAPITAL RECEIPTS:

The Capital Receipts of the government of Balochistan include all those receipts credited into Account-I received from all loans borrowed or raised by the provincial government, recoveries of loans granted to provincial entities / authorities / financial institution / or provincial employees and receipts received from withdrawal of an investment. The Budget estimates for the financial year 2025-26 was PKR 37.581 billion which included PKR 33.700 billion Loans raised by the government on account of foreign aided projects (as pass through amount for committed projects).

Another type of Capital Receipts of government of Balochistan are the transactions relating to state trading in food commodities by the Food Department which are credited into Account-II (Food Account). The Cash Credit Accommodation / interest free loan lent to the food department from provincial A/C-I for food commodity operations also makes the part of these receipts. Food Account of the Province is maintained with the State Bank of Pakistan as Food Account-II. During FY 2025-26, an amount of PKR 4.205 billion was estimated to be received for commodity operations compared to the amount of PKR 3.676 billion realized during FY 2024-25. A breakup of capital receipts (Rs. in million) is provided as under:

Particular of Capital Receipts	2025-26 B.E	2025-26 R.E	2026-27 B.E
Recoveries of Loans and Advances from Govt employees + Project Financing	33,376.277	32,200.00	68,750.405
Loans raised from Foreign Aided Projects	32,277.00	10,269.541	16,533.802
Food A/C-II State Trading Receipts	4,205.401	0.00	0.00
TOTAL:	**69,858.678**	**42,469.541**	**85,284.208**

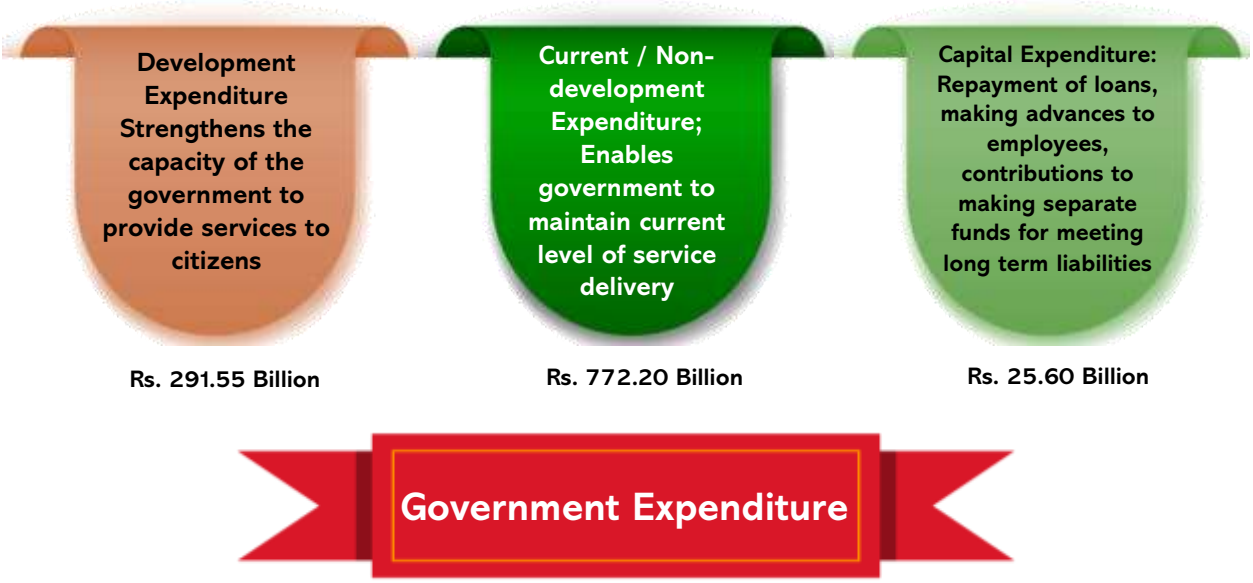
CHAPTER 4

EXPENDITURE MANAGEMENT

EXPENDITURE MANAGEMENT

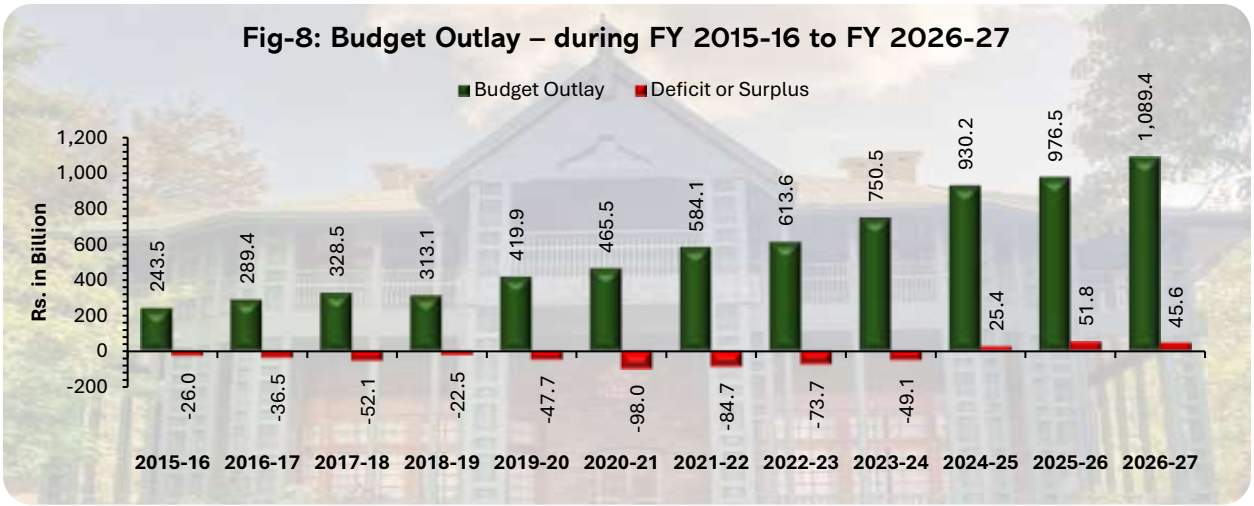
ESTIMATES OF EXPENDITURE:

The Estimate of expenditure sets out details of the government's annual formal requests for the operating and capital spending which requires approval of the Legislature. Under Article 118 of the Constitution of Pakistan 1973, the total expenditures of the Provincial Government are classified as Provincial Consolidated Fund and Public Account. Further, the expenditures (broadly divided into Development and Current / Non-Development Expenditure) incurred under the Consolidated Fund are defined in Article 121 of the Constitution of Pakistan 1973. The Current Expenditure is further sub-classified into Current Revenue Expenditure and Current Capital Expenditure, and the remaining balance is the net surplus available for Development Expenditure.

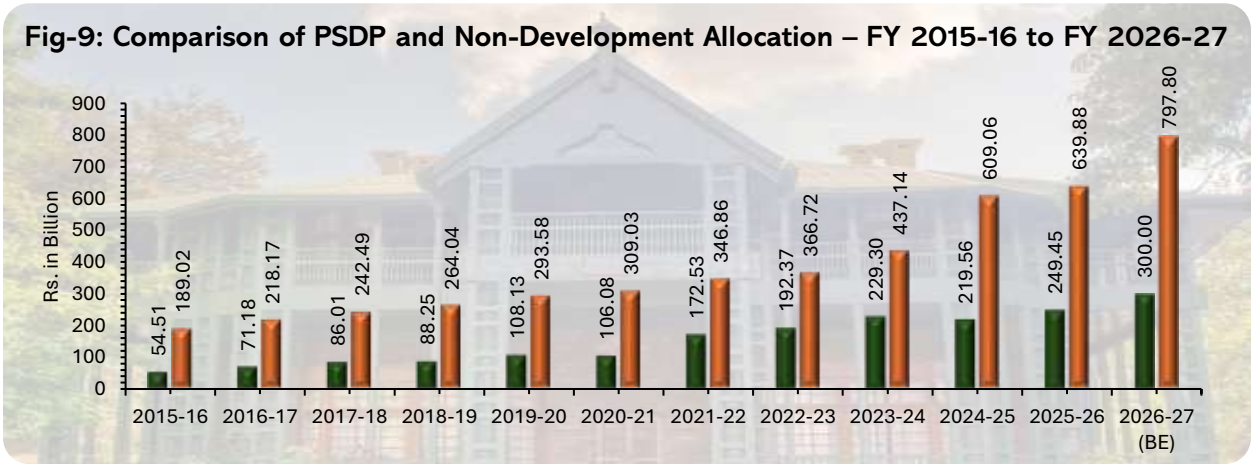


This chapter provides an overview of Balochistan's expenditures for the financial year 2025-26 and predicts expenditures for the financial year 2026-27. During the previous financial year 2025-26 overall budget outlay was revised at Rs 982.560 billion against the total allocation of Rs. 976.452 billion. Further breakup reveals that overall non-development budget revised at Rs. 629.959 billion against allocation of Rs. 639.876 billion; whereas Development Budget revised at Rs. 352.601 billion against B.E Rs. 336.576 billion.

The estimated allocations under non-development budget demand for the FY 2026-27 are pitched at Rs. 797.808 billion which constitutes Rs. 772.204 billion for current revenue expenditure and Rs. 25.604 billion for capital expenses of the provincial government including operations of food account. Moreover, the development budget for the FY 2026-27 is set at Rs. 291.550 billion with the break-up of Rs. 206.609 billion provincial PSDP, Rs. 44.557 billion, and Rs. 40.383 billion for projects reflected in Federal PSDP and for foreign aided projects respectively. Below shows a trend of rise in the overall budget outlay from past some financial years:

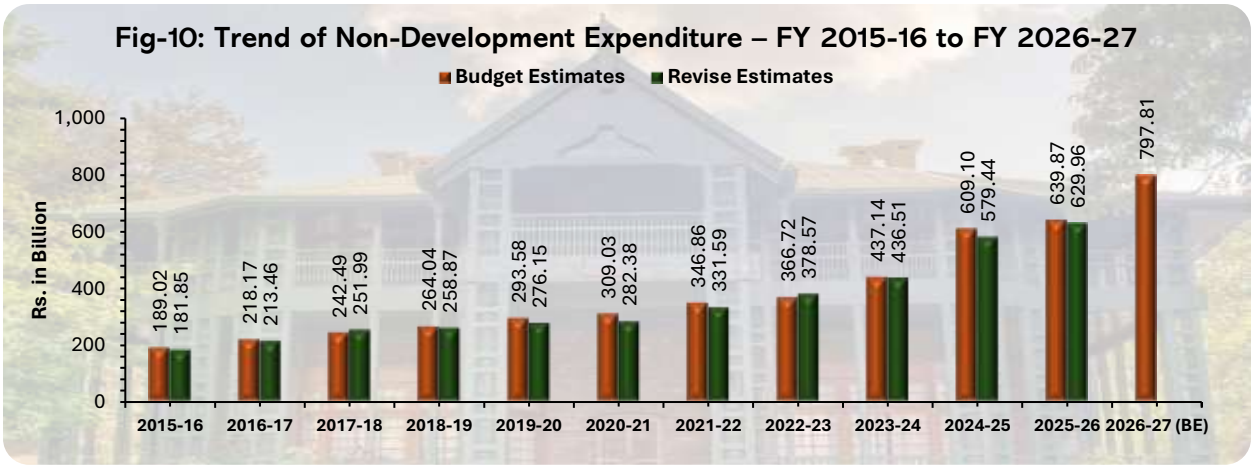


Further Fig-9 ahead shows a comparison of Development and Non-Development (Current + Capital) Expenditure of Balochistan for past 10 years, reflecting that the volume of Non-Development Expenditure is still high and no significant difference in the allocation of Development expenditure is observed from the last few years.



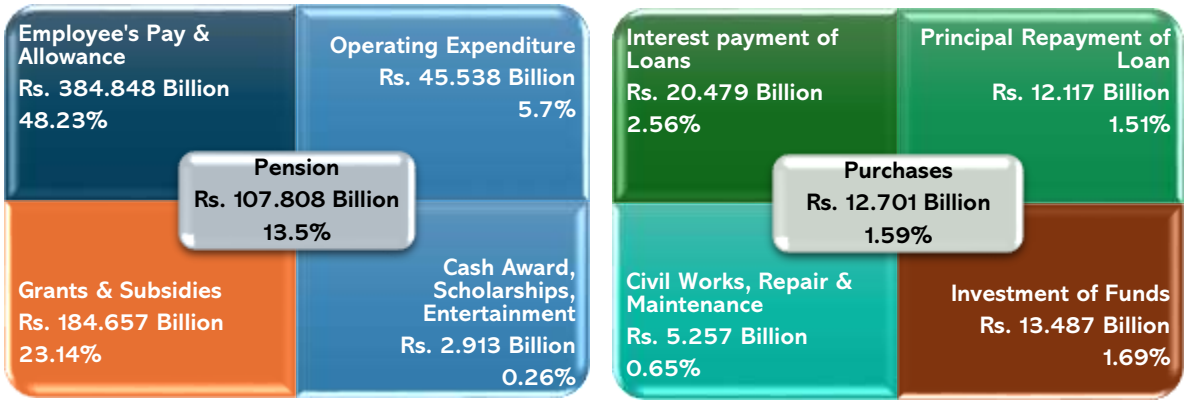
NON-DEVELOPMENT EXPENDITURE:

Non-Development Expenditure comprises of Current Revenue Expenditure and Current Capital Expenditure. A major part of the budget is allocated towards non-development budget which caters for the need for employee-related expenditure, purchases and operating expenditure required to run the day-to-day business of an office. During the financial year 2025-26, GoB has allocated Rs. 639.876 billion for Non development budget which revised at Rs. 629.959 Billion. Considering the rise in the inflation and demands of the line departments, the allocation for financial year 2026-27 reflects sum of Rs. 797.808 Billion allocated for altogether non-development expenditure. Fig-10 shows a trend of allocation set for the non-development budget for the last ten financial years, which is steadily rising at average growth of 14% every year.



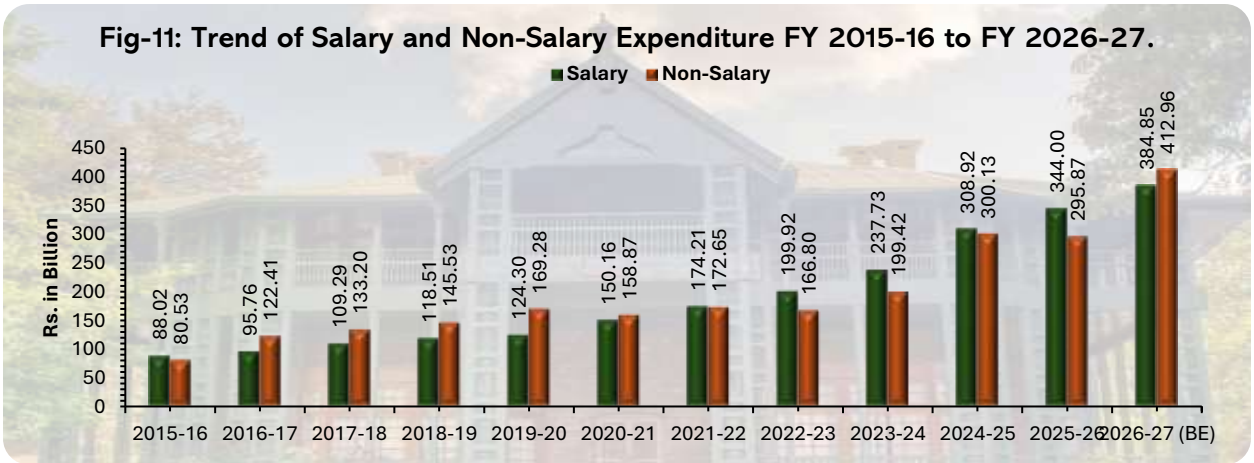
Major Object-wise Non-Development Expenditure:

The overall non-development budget for FY 2026-27 has been broadly divided into following major objects, which makes it easy to understand the proportion of a particular object in the total budget followed by detailed explanation ahead:



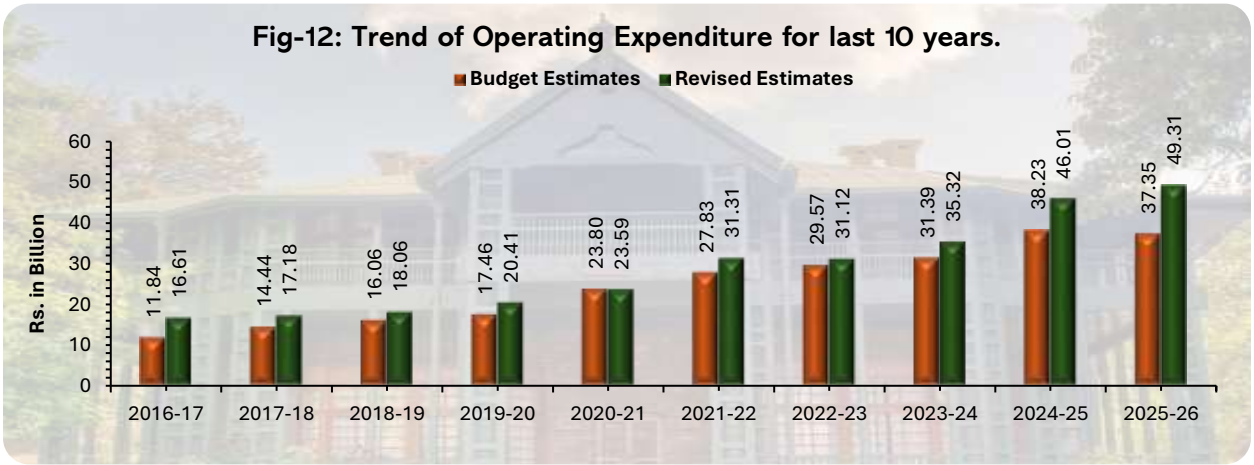
Employee-Related Expenditure:

This includes overall expenditure related to sanctioned and working strength of the province in terms of pay & allowances. This is biggest part of all the objects pooled in non-development budget. During financial year 2025-26, Rs. 344.003 billion were allocated for employees-related expenditure that revised at Rs. 274.575 For coming FY 2026-27, a sum of Rs.384.848 billion has been allocated under this major object which makes 48.23% of the overall Non-Development component. It is essential to mention that Salary (Employee related pay & allowances) are increasing with a constant growth of 11.6% annually. Fig-11 ahead shows a comparison of budget estimates and revised expenditure of salary for the past 10 years, which is abruptly rising without any austerity approach in hand.



Operational Expenditure:

This refers to all routine recurring & non-recurring expenditures required to run an office. It broadly includes expenditure on building rent, stationery, utilities (P.o.L, Gas, Electricity, Water, Telephone, Courier and Communication charges) and other relevant heads. The operating expenditure for FY 2025-26 accounts for Rs. 37.351 billion (5.84%) of the total non-development budget and stood revised at Rs. 49.312 billion, which is Rs. 12.124 billion higher than its actual allocation for the year. During the next financial year, a comprehensive exercise of rationalizing different heads was conducted through the team of CFOs hired by Finance Department on some sectoral subject. In a result of rationalization, right allocation for right demand in consultation with all line departments and priority sectors was ensured. Picture ahead depicts allocation of operating expenditure during last 10 financial years.



Post Retirement Liabilities:

This term refers to expenditures related to employee's pension, and post-retirement payments (i.e. gratuity, commutation, monthly pension and medical allowance). During the previous financial year 2025-26, allocation for Pension was revised at Rs. 86.004 billion against the original allocation of Rs. 90.235 Billion, reporting a reduction of Rs. 4.231 billion by the end of FY 2025-26. Govt of Balochistan, during 2025 has introduced contributory pension scheme, curtailing the future pension liabilities and sharing its burden with the

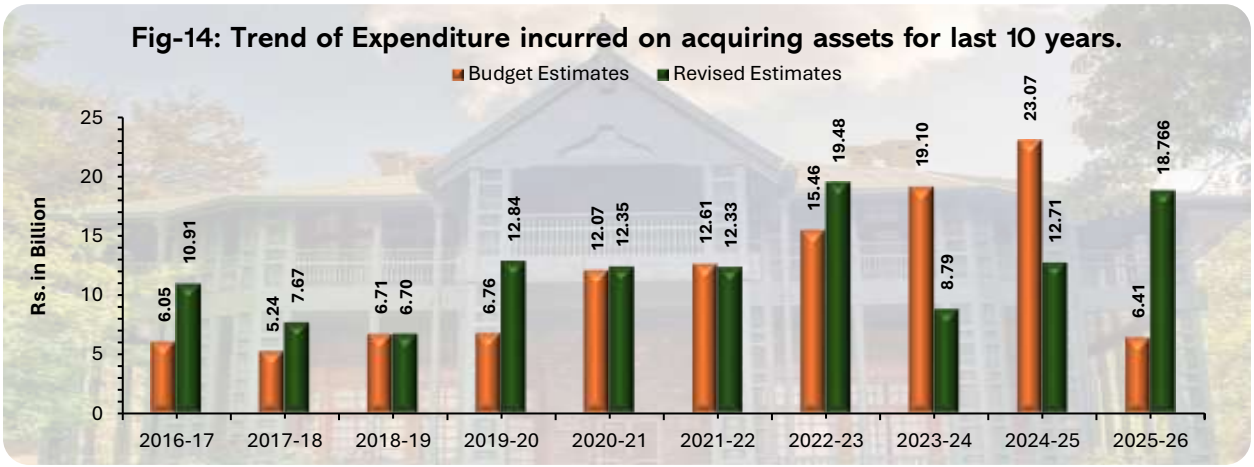
beneficiaries. For the next financial year, pensionary expenditure is estimated at Rs. 107.808 Billion that constitutes 13.63% to the overall non-development allocation.

Fig-13: Trend of Pension Liabilities paid for last 10 years.

Purchase of Physical Assets:

The budget estimates on Purchases for FY 2025-26 for different Departments was set to PKR 6.409 billion initially, which revised to PKR 18.766 billion. For the forthcoming FY 2026-27, the estimates under this object are set at PKR 12.701 billion including Rs. 2.900 Billion for wheat procurement; a trend of allocations for last 10 years is given below:

Fig-14: Trend of Expenditure incurred on acquiring assets for last 10 years.



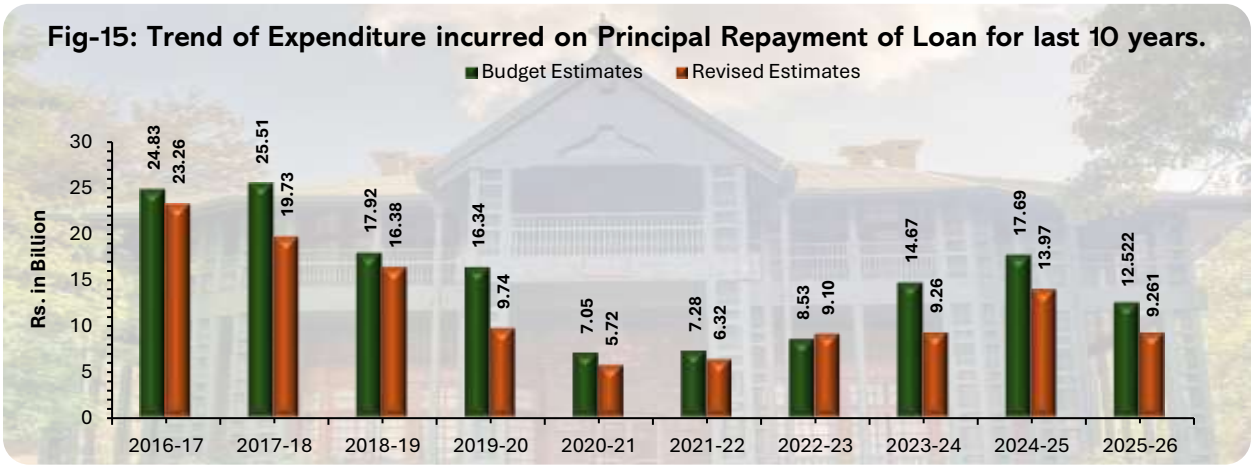
Besides above, Govt's major part of expenditure is incurred on Grant-in-Aid, Public Debt and Investment. These subjects are separately covered in Chapter 6, 7 and 9 ahead.

Principal Repayment of Loan:

Government of Balochistan acquires 62 Total loans comprising of Cash Domestic Loans lent from Federal Govt (01) and Foreign Exchange Loan (FEL) borrowed through donor agencies (61) in numbers. Every year, the provinces who have acquired these loans, pay its principal repayment to federal government for further passing on to lending agencies/donors. Due to un-usual depreciation in Pakistani Rupee, the total portfolio of FEL has changed from Rs. 108.123 Billion in 2025-26 to Rs. 103.609 Billion in ensuing year 2026-27. The amount of Rs. 9.522 billion was allocated in 2025-26 for Principal Repayment of Loan which has

been revised to Rs. 9.261 billion due to currency fluctuation. Trend from 2016-17 to 2019-20 in the below graph represents a reflection of 7.00 Billion as "Ways & Means" facility to avail overdraft of Cash Balance from the State Bank of Pakistan which discontinued from later years. A glimpse of trends of allocation and revised funds for principal repayment of loans for the past 10 years is shown in the Fig-15 below:

Fig-15: Trend of Expenditure incurred on Principal Repayment of Loan for last 10 years.



DEMAND FOR GRANT-WISE BUDGET:

Article 122 of the Constitution of Islamic Republic of Pakistan 1973 makes it mandatory for the Provincial Government to get the budget estimates approved by the provincial legislation. Subsequently, Article 123 of the Constitution of Islamic Republic of Pakistan requires the authentication of Schedule of Authorized Expenditure. Each demand for grants falls under various major functions depending on departmental workings and nature of expenditure. Table below shows department-wise comparison of allocation for previous financial year 2025-26 and forthcoming financial year 2026-27 in million rupees.

Table-4: Department-wise Non-Development Budget Estimates for FY 2026-27

	Name of Department	PKR Million		
		B.E 2025-26	R.E 2025-26	B.E 2026-27
1	BC1300F-State Trading (Voted)	16.50	0.000	686.000
2	BC13048-Investment	13,000.00	13,065.000	13,400.000
3	BC1600C-Public Debt (Discharged)	9,522.86	9,261.811	9,217.116
4	BC1600F-State Trading (Charged)	3,180.00	0.000	3,079.000
5	BC21001-General Administration (Voted)	5,987.64	7,397.738	6,533.505
6	BC21002-Provincial Excise	2,787.22	2,554.164	3,316.186
7	BC21006-Pensions	90,235.94	85,784.439	102,808.754
8	BC21007-Administration of Justice (Voted)	5,192.75	4,915.723	5,547.471
9	BC21008-Police & Balochistan Constabulary	63,067.40	61,355.293	87,181.550
10	BC21009-Balochistan Levies	23,657.79	13,883.429	0.000
11	BC21010-Jails & Detention Places	2,535.25	2,122.197	2,803.286
12	BC21011-Civil Defense	445.22	296.391	0.000
13	BC21013-CWP&H Department	18,287.85	21,696.394	19,905.184
14	BC21014-Public Health Services	11,201.90	10,573.898	12,478.753
15	BC21016-Higher Education	24,020.31	23,549.842	28,717.027

16	BC21017-Archives	1,619.28	1,640.920	1,811.124
17	BC21018-Health Department	71,024.12	76,428.107	86,772.573
18	BC21019-Population Welfare	2,019.58	1,830.085	2,315.630
19	BC21020-Manpower & Labor Management	3,516.57	3,095.098	5,536.612
20	BC21021-Admn. Sports & Recreation Facilities	2,346.96	2,422.681	2,629.576
21	BC21022-Social Security & Social Welfare	5,470.76	4,107.389	6,394.703
22	BC21023-Natural Calamities & Other Disasters	10,379.74	22,957.921	5,704.523
23	BC21024-Religious Affairs Department	1,543.54	884.308	1,718.484
24	BC21025-Commodity management department	1,192.18	928.683	1,318.038
25	BC21026-Agriculture & Cooperatives	16,778.45	14,931.842	19,201.507
26	BC21027-Land Revenue	581.99	354.051	658.534
27	BC21028-Livestock & Dairy Development	6,663.95	6,103.361	8,016.957
28	BC21029-Forestry	3,316.18	2,170.578	3,764.846
29	BC21030-Fisheries	2,196.32	2,514.859	2,274.719
30	BC21032-Irrigation	5,309.89	5,437.467	5,793.361
31	BC21033-Rural Development	42,014.22	40,909.218	41,388.176
32	BC21034-Industries	4,291.85	4,473.402	4,767.900
33	BC21036-Mineral Resources (Scientific Depts.)	3,566.19	1,492.090	4,730.173
34	BC21037- Loans & Subsidies	0.00	0.000	8,000.000
35	BC21038-Prosecution	2,135.42	681.399	1,191.323
36	BC21039-Transport Department	463.59	700.479	1,298.946
37	BC21041-School Education Department (M+F)	101,797.24	90,558.731	115,318.445
38	BC21044-Legal Services & Law Affairs	1,529.30	1,493.253	1,643.573
39	BC21046-Women Development Department	563.99	457.825	579.464
40	BC21049-Energy Department	727.84	29,079.530	4,614.509
41	BC21050-Information Technology	2,673.85	4,716.361	1,417.479
42	BC21051-Environment Control Department	862.09	699.156	1,048.282
43	BC21052-Provincial Ombudsman	745.49	838.802	847.939
44	BC21053-Chief Minister Secretariat	1,314.72	4,003.360	2,486.691
45	BC21054-Home Department	11,849.94	10,721.483	7,066.805
46	BC21055-Board of Revenue & Administration	6,778.98	9,323.236	8,156.980
47	BC21056-Finance Department	8,565.08	9,718.937	30,280.565
48	BC21057-Urban Planning & Development	812.73	762.368	629.080
49	BC21058-Planning & Development	5,220.42	4,675.830	2,885.530
50	BC21059-Information Department	1,609.27	1,480.386	1,688.929
51	BC21060-Inter Provincial Coordination Deptt	107.95	96.283	111.650
52	BC21061-Chief Minister's Inspection Team	999.22	329.226	418.669
53	BC21062-Governor Secretariat (Voted)	108.87	94.405	122.996
54	BC21063-Provincial Assembly (Voted)	277.39	352.971	0.000
55	BC21064-Minorities Affairs Department	507.48	483.848	1,574.376
56	BC21099-Miscellaneous	24,000.00	0.000	95,500.000
57	BC24007-Administration of Justice (Charged)	1,961.87	1,797.448	1,924.250
58	BC2400A-Debt Servicing & Other Obligations	4,737.72	4,965.021	5,612.221
59	BC24062-Governor Secretariat (Charged)	517.96	744.267	600.267
60	BC24063-Provincial Assembly (Charged)	2,043.39	2,046.686	2,318.596
	Grand Total:	**639,882.21**	**629,959.670**	**797,808.835**

DEVELOPMENT PORTFOLIO:

The Development budget of the province is composed of three major components namely Public Sector Development Programme (PSDP), Federal Development Grants and Foreign Project Assistance (FPA). Every year Federal government allocates a portion of funds under the title of Federal PSDP schemes for all the provinces, which are either fully funded or co-funded by the federal government and fall under federal development grants. Along with Federal funding, Govt of Balochistan also receives sum of support in terms of Foreign Projects acquired through concessional loans to perform certain development activities in the province. There are certain development projects that are funded by federal, foreign and provincial governments altogether. From last 5 years, government of Balochistan has been actively utilizing development funds for completion of core projects and reducing the un-necessary schemes prolonged over decades. For the next financial year 2026-27, altogether, 5,701 schemes have been introduced to be executed with Rs. 291.550 billion as compared to its allocation of previous year Rs. 336.576 billion. Allocation of development budget makes the 26.7% of the total budget outlay set for financial year 2026-27.

Sector-wise development allocation reveals highest portion towards BSDI (Special Initiatives) Rs. 32.929 Billion (16%), followed by Roads & Communication sector Rs. 27.62 Billion (13%), Information Technology sector Rs. 15.9 Billion (8%) and Water Sector, School Education Sector and Law & Order Improvement with allocation of more than Rs. 35 Billion altogether (6% for each sector). A glimpse of break-up of development funds into Provincial PSDP, Federal PSDP and Foreign Project Assistance is detailed ahead.

(A) Federal Development Grants:

The National Economic Council (NEC) sanctioned the National Development Outlay to fulfill the Government's commitment to attain sustainable growth via skill enhancement, digitization, fostering a knowledge economy, governance reforms, sustaining development momentum, enhancing livelihoods, addressing water scarcity, revolutionizing social services delivery, and eliminating regional inequalities. The allocation of Federal Development Grants for Balochistan province has been estimated to Rs. 44.557 billion for the upcoming financial year to complete the ongoing projects and initiate new projects as demanded by the province. A glimpse of key projects funded by the Federal Govt is depicted as under:

Table-5: Key Projects funded by Federal Government for FY 2026-27

S.No	Name of the Project	Allocation FY 2026-27 (Mn)
1	SOCIO ECONOMIC CHALLENGES IN BALOCHISTAN (BSDI)	4,000.00

2	REMODELLING OF PAT FEEDER CANAL SYSTEMIN BALOCHISTAN	3,356.19
3	DUALIZATION OF QUETTA ZIARAT ROAD (LENGTH 106 KMS) VIA KHANI CROSS TOZIARAT (70 KMS) AND SARAGHURGHI (36 KMS)	3,300.00
4	CONSTRUCTION OF AWARAN DAM (SB)	2,845.90
5	CONSTRUCTION OF PANJGUR STORAGE DAM (SB)	2,660.00
6	GARUK STORAGE DAMDISTRICTKHARAN(QA-9056)	1,972.69
7	EX-PAK-PWD 59 NOS OF UMBRELLA SCHEMES (DEVOLVED PAK PWD) 01 TO 57 PD PMU (PWD PROJECTS), AND 58 TO 59 SECRETARY, C&W, FOR FY, 2024-25	1,830.52
8	CONSTRUCTION OF GISH KAUR STORAGE DAM, KECH (SB)	1,806.31
9	CONSTRUCTION OF 100 DAMS (PACKAGE -IV) QUETTA	1,800.00
10	RECONSTRUCTION OF TURBAT MAND ROAD FROM M-8 TILL IRANIAN BORDER REDDEK 115 KM (SB)	1,350.00
11	FEASIBILITY STUDY FOR CONSTRUCTIONOFBORDER TERMMINAL AT PAK AFGHAN BORDER BADINI WITH BLACK TOP ROADFROMOBSHTI TO K	1,134.69
12	CONSTRUCTION OF WINDER DAM DISTRICT LASBELA	925.83
13	CONSTRUCTION OF SUNNI GAR DAM	903.15
14	CONSTRUCTION OF BLACKTOP ROAD FROM DUKI TO CHAMALAN VIA NANA SAHIBZIARAT GUMBAZ LANDI MIR KHAN KHOSRI DISTRICT DUKI (LENGTH 115.000 KMS)	900.00
15	"CONSTRUCTION OF SHENZEK DAM, DASHT(SB)"	880.29
16	CONSTRUCTION OF PANIGUR GICHAN AWARAN ROAD, DISTRICT PANJGUR / AWARAN (LENGTH 228.00KM) (SB)	800.00
17	CONSTRUCTION/ UP-GRADATION OF DIRGISHABOZAI (N-70) TO TAUNSA (N-55) ROAD BALOCHISTAN. (QA-0643)	800.00
18	CONSTRUCTION OF ROAD FROM NAAG TO GICHAK (SB)	741.40
19	CON.OF 100 DAMS IN BALOCHISTAN (PACKAGE- III) (QA-9021)	732.86
20	CONSTRUCTION OF ROAD FROM MIAN DUK ROAD TO KHARSHANG VIA BAGHAWAND SHINLIAZ SINJAWI DISTRICT ZIARAT	670.61
21	CONSTRUCTION OF ROAD FROM BULEDA TO PROOM (60 KM) (SB)	625.00
22	CONSTRUCTION OF ROAD FROM SIBI-TALLI (20KM) AND KOHLU-RAKHNI (80KM)	613.48
23	BLACK TOP ROAD FROM SUI TO KASHMOOR (53KMS)	550.00
24	CONSTRUCTION OF PROVINCIAL ASSEMBLY BUILDING, QUETTA	500.00
25	CONSTRUCTION OF ROAD FROM PROOM TO JALGAI (84.4 KM) (SB)	500.00
26	CONSTRUCTION OF ROAD FROM PROOM TO CHEDGI (SB)	500.00
27	SUSTAINABLE DEVELOPMENT GOALSACHIEVEMENT PROGRAMME (SAP). 2025-26	488.43
28	DEVELOPMENT OF ZIARAT TOWN	482.94
29	CONSTRUCTION OF MARA TANGI DAM DISTRICTLORALAI	450.00
30	COMPLETION OF NIHENG BRIDGE AT RODBUN, DISTRICT KECH (SB)	444.83
31	GWADAR DEVELOPMENT AUTHORITY (BUSINESSPLAN)(GR 0047)	425.00
32	ACTION TO STRENGTHEN PERFORMANCE FOR INCLUSIVE AND RESPONSIVE EDUCATION (ASPIRE)	401.19
33	CONSTRUCTION OF BLACK TOP ROAD FROM RCDTO HINAMI BENT TEHSIL WADH DISTRICT KHUZDAR	354.55
34	IMPROVEMENT/ WIDENING OF SPERA RAGHA ROAD FROM KHANOZAI CROSS TO LORALAI KILLASAIFULLAH ROAD (50-50)	350.00
35	NECESSARY FACILITIES OF FRESH WATERTREATMENT WATER SUPPLY & DISTRIBUTION GWADAR. (GR 9003)	333.65
36	CONSTRUCTION OF FLYOVERS AT VARIOUS LAOCATIONS OF QUETTA CITY TO MITIGATE TRAFFICCONGESTION	329.00

(B) Public Sector Development Program (PSDP):

The Public Sector Development Program (PSDP) has been focused on sectors having potential to contribute in socio economic uplift of the province. The Government remained cautious of wastage of funds and tried to launch small, medium and long-term projects/ schemes for effective utilization of development funds for the betterment of general masses according to their needs with special focus to trigger the production sector of the economy. An amount of Rs. 206.609 has been allocated for the Public Sector Development Program for the coming Financial Year 2026-27 with break-up of schemes as follows:

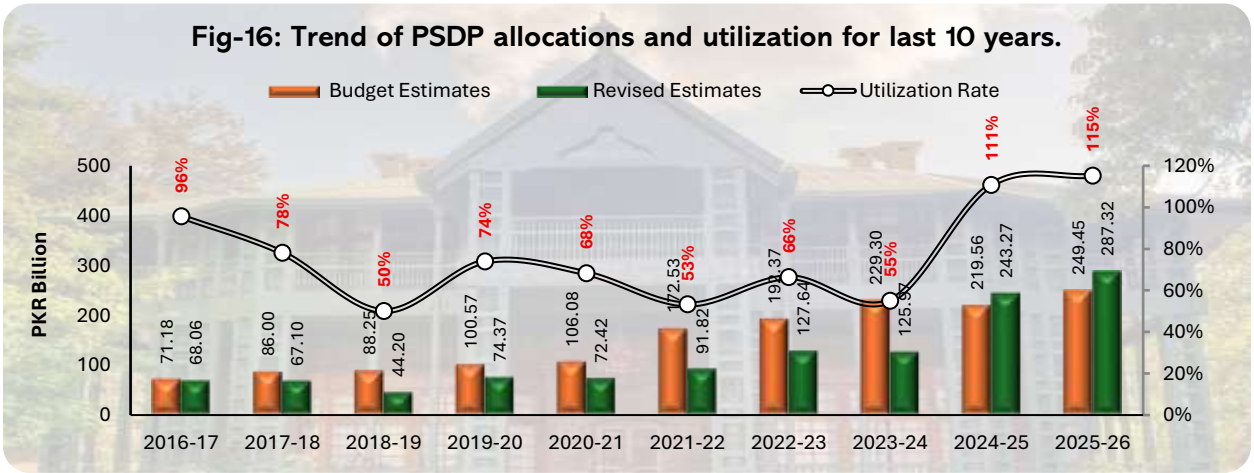
Scheme Type:	No. of Schemes	Allocation FY 2026-27
New Schemes:	1,857	106.608 Billion
On-going Schemes:	3,761	100.00 Billion
Total Schemes:	5,618	206.609 Billion

The large amount of throw forward creates fiscal pressure on the government's performance as more and more will always be needed to complete all the projects. This shrinks the fiscal space available with the province. The PSDP to throw forward ratio has increased over the years. However, during the period between 2020 to 2026 the overall throw forward to PSDP ratio has reduced from 29.22% in to 26.9%, indicating a more vibrant approach of the government towards planning development schemes. The government is making further efforts to reduce the number of new schemes and complete the ongoing ones on a priority basis so that the economic pressure in terms of large throw forward is reduced to minimum.

(C) Revised PSDP:

The revised development outlay of the government shows a rise in the receipt of additional funds for newly introduced projects during the financial year 2025-26. The funds projected at Rs. 249.450 billion at the start of FY 2025-26 stood revised to Rs. 287.321 billion with addition of Rs. 9.978 billion.

Fig-16: Trend of PSDP allocations and utilization for last 10 years.



(D) Priority Schemes in PSDP FY 2026-27 Allocations and Scheme Cost:

BSDI SPECIFIC PROJECTS (Special Initiatives)
Allocation FY 2026-27
Rs. 25.00 Billion

POLICING NEED - CONVERSION OF B TO A AREA
Allocation FY 2026-27: **Rs. 5.00 Billion**

MASHKEL DAM AT WASHUK (SP)
Allocation FY 2026-27:
Rs. 4.00 Billion

CONSTRUCTION OF WSS TO GWADAR TOWN FROM MIRANI DAM
Allocation FY 2026-27: Rs. 8.00 Billion

ESTABLISHMENT OF DISASTER MANAGEMENT AND RESCUE 1122 SERVICES AT DISTRICT LEVEL IN BALOCHISTAN PHASE-III
Total Cost Rs. 4.107 Billion

BALOCHISATAN SPECIAL DEVELOPMENT INITIATIVE
Allocation FY 2026-27:
Rs. 7.929 Billion

MIDDLE SCHOOL PROGRAM (UPGRADATION OF 1000 PRIMARY SCHOOLS TO MIDDLE STANDARD) IN BALOCHISTAN (PHASE-I).
Total Cost Rs. 4,000.00 Million

CHIEF MINSITER'S DISTRICT SPECIFIC LIVELIHOOD PROGRAM
Total Cost Rs. 5.00 Billion

QUETTA GREEN DIGITAL CORRIDOR (EXPANSION, MODERNIZATION AND INTEGRATION OF SAFE CITY PROJECT)
Allocation FY 2026-27: Rs. 6.00 Billion

Establishment of Safe Cities in Various Cities (Phase-II)
Allocation FY 2026-27:
Rs. 5.00 Billion

ESTABLISHMENT OF SAFE CITIES IN VARIOUS DISTRICTS OF BALOCHISTAN PHASE I
Allocation FY 2026-27:
Rs. 4.397 Billion

Police Transitional Security in 10 Districts (Quetta, Mastung, Noshki, Kalat, Pishin, West Dera Bugti, Barkhan, Kohlu, Hub and Barshore)
Allocation FY 2026-27:
Rs. 5.00 Billion

LIVELIHOOD PROMOTION PROGRAMME PHASE-II
Allocation FY 2026-27:
Rs. 4.00 Billion

(E) Foreign Project Assistance (FPA):

Apart from provincial and national resources, the Government of Balochistan seeks Foreign Assistance for the socio-economic uplift of the provincial economy. These funds can bridge investment gaps, stimulate economic growth, and address critical development needs that might otherwise be unattainable due to budgetary limitations.

The foreign funded projects in Balochistan are being implemented in various sectors

such as Irrigation, Agriculture, Livestock, Forest, Watershed Management and others. Such funding is received through grants and loans from various international donor agencies. In some cases, Government of Balochistan shares the cost as a counterpart funding, whereas in other cases, the funding is fully borne by the donor. In 2025-26 the quantum of foreign funded projects remained at PKR 28.942 billion. For the upcoming year 2026-27 the expenditure for Foreign Project Assistance is estimated at PKR 40.38 billion, out of which Loans Rs. 24.609 billion and Grants Rs. 15.775 billion.

Fig-17 List of Major FPA allocations for FY 2026-27

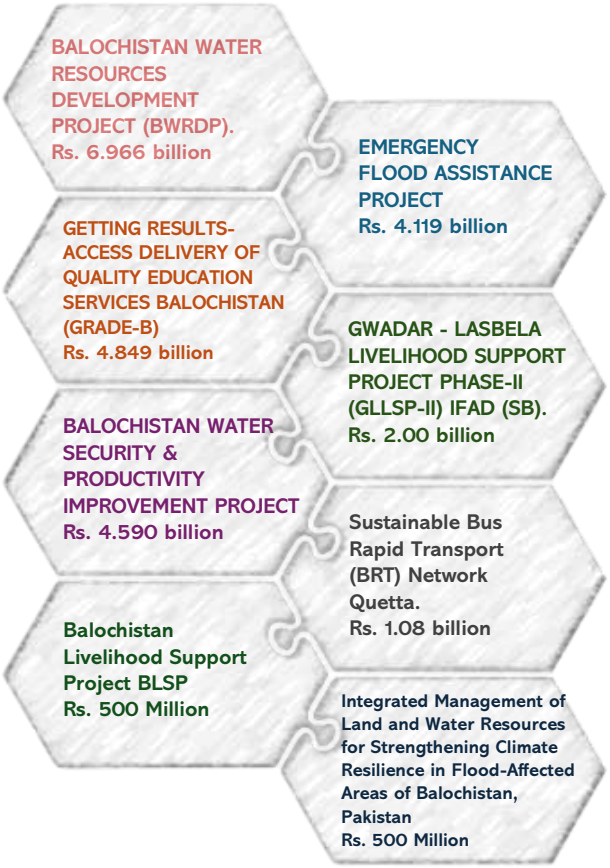


Table-6: Key Foreign Funded Projects (Grant Component) allocated for FY 2026-27

S.No	Name of the Project	Allocation FY 2026-27 (Mn)
1	POST-FLOOD 2022 RECONSTRUCTION PROGRAM: RESILIENCE ENHANCEMENT AND LIVELIHOOD DIVERSIFICATION IN BALOCHISTAN (IRRIGATION	2,000
2	REVIVAL OF BALOCHISTAN WATER RESOURCES PROGRAMME (EU).	2,000
3	ESTABLISHMENT OF SULTAN QABOOS RESIDENTIAL HIGHER SECONDARY SCHOOL FOR GIRLS IN GWADAR CITY (OMANI GRANT) BRIDGE FINANCING	1,601
4	UPGRADATION OF INFRASTRUCTURE OF EXISTING SCHOOLS & STRENGTHENING OF SCHOOL EDUCATION SECTOR IN DISTRICT GWADAR (OMANI)	1,429
5	POST-FLOOD 2022 RECONSTRUCTION PROGRAM: RESILIENCE ENHANCEMENT AND LIVELIHOOD DIVERSIFICATION IN BALOCHISTAN (ROAD INFRA	1,360
6	ACTIONS STRENGTHEN PERFORMANCE FOR INCLUSIVE & RESPONSIVE EDUCATION (WB).	1,282
7	RECONSTRUCTION OF PERMANENT HOUSES IN AWARAN, BALOCHISTAN (SFD GRANT).	1,041
8	SUPPORT TO DIS-LOCATED PEOPLE IN PAKISTAN (KFW) GERMAN GRANT.	1,000

CHAPTER 5

PRIORITY SECTORS

PRIORITY SECTOR'S AND FUNCTIONS

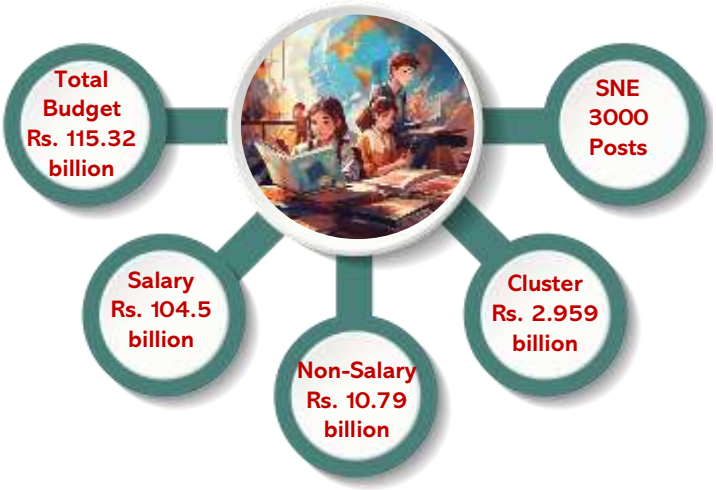
EDUCATION:

School Education Department (SED) and the Colleges, Technical & Higher Education Department operate as two separate administrative and financial pillars under the provincial government for Education Sector. They differ fundamentally by their target demographic, structural scale, funding mechanisms, and organizational mandates. The SED is the largest department in any province by headcount, infrastructure footprint, and budget allocation. It focuses on delivering foundational and basic literacy.

During the Financial year 2025-26 Rs. 137.547 billion were allocated for overall education sector (i.e. School Education and Colleges & Higher Education Deptt), which revised to Rs. 125.146 billion by the end of Financial Year 2025-26. Considering the inflation and department needs arose during the previous financial years, an amount of Rs. 157.288 has been allocated for Education Sector for the FY 2026-27 with further details ahead.

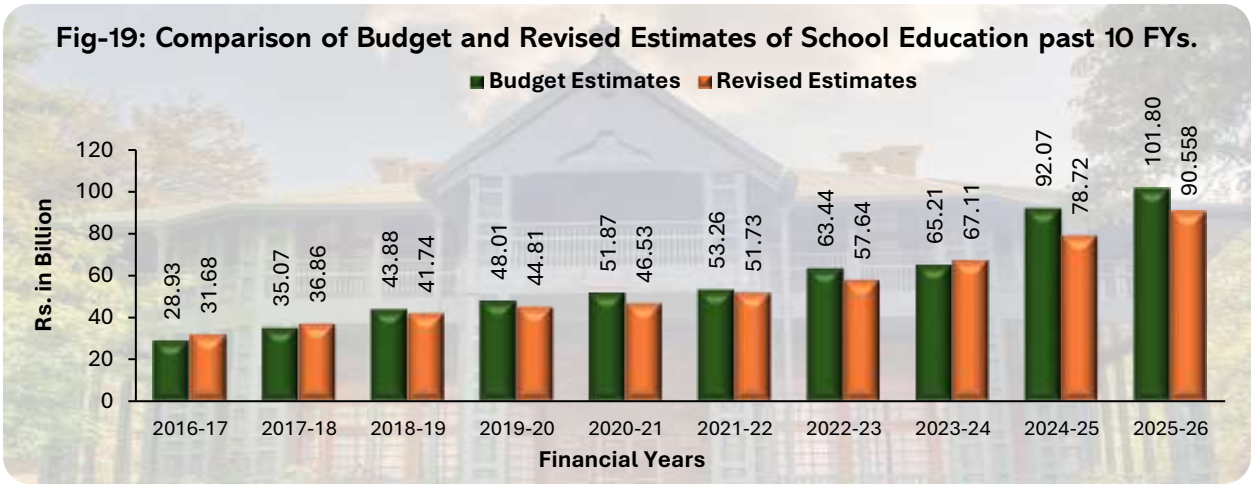
School Education Department:

Fig-18: Education in Brief FY 2026-27



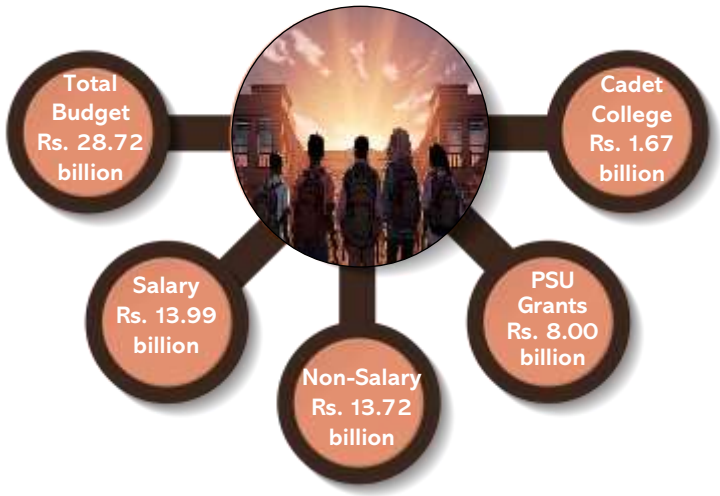
During the Financial year 2025-26 Rs. 101.797 billion were allocated for School Education Department that revised to Rs. 90.558 billion, out of which major part of the expenditure incurred on Salary component. Presently more than 55 thousand regular employees are working in the School Education Department with further 18,000 contractual employees. For the next financial year 2026-27 total allocation is set to Rs. 115.318 billion which is an increase of 13.8% as compared to previous financial year, with major enhancement in the Salary component from Rs. 90 billion in FY 2025-26 to Rs. 104 billion in FY 2026-27 as well as more than 15% enhancement in Cluster Budget amounting from Rs. 2.5 billion to Rs. 2.95 billion. There has been flat reduction on the Exhibition and Entertainment Component of the School Education Deptt, except a reasonable allocation is reflected for Administrative DDO of School Education Deptt. Moreover, the component of "Books & Periodicals" has also been set to zero allocation owing to fact that "Cluster Budget" itself provides for the arrangement of Reading & Writing material for Feeder and Feeding Schools. School Education Deptt has also created almost 15,000 plus DDOs at primary school level liberalizing the salaries of staff to be disbursed and paid from the cost centre of Primary School level. Below is a trend graph showing the Budget & Revised Estimate of School Education Deptt for past 10 years.

Fig-19: Comparison of Budget and Revised Estimates of School Education past 10 FYs.



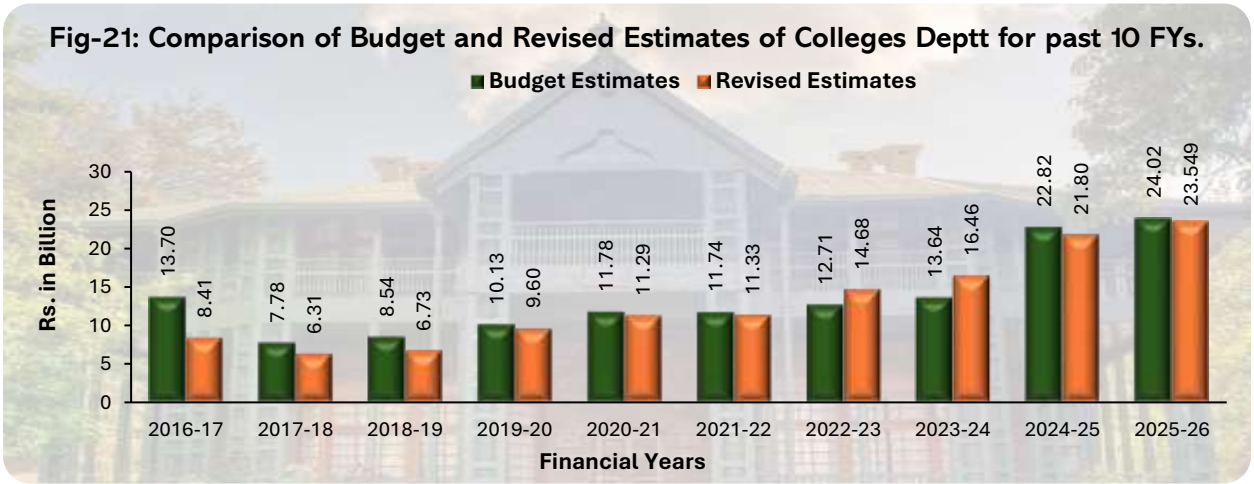
Colleges, Technical & Higher Education Department:

Fig-20: Higher Education in Brief FY 2026-27



During the Financial year 2025-26 Rs. 24.020 billion were allocated for Colleges, Technical & Higher Education Department that revised to Rs. 23.549 billion, out of which major part of the expenditure incurred on Salary component. The crucial component of this department is allocation of grants for Public Sector Universities (11 Universities are running with HEC and GoB's grant), whereas the next biggest grant recipient is Cadet Colleges for whom **Rs. 1.673 billion** has been allocated for next financial year. Overall budget of Colleges, Technical & Higher Education Department has enhanced from Rs. 23.54 billion to Rs. 28.72 billion (21%) from FY 2025-26 to FY 2026-27. Following graph shows budgetary trends for the past 10 years.

Fig-21: Comparison of Budget and Revised Estimates of Colleges Deptt for past 10 FYs.



HEALTH:

The Health Department of Balochistan is the principal institutional pillar responsible for the delivery of curative, preventive, and promotive health services across the province. The Health Sector operates a tiered service delivery network that forms the backbone of Balochistan's public health system. This network spans Basic Health Units (BHUs) at the community level, Rural Health Centres (RHCs), Tehsil Headquarters Hospitals (THQs), District Headquarters Hospitals (DHQs), and tertiary-level teaching hospitals in the provincial capital and major urban centers. Each tier serves a defined catchment population and plays a distinct role in the continuum of care, from preventive outreach and primary consultation to specialist treatment and emergency services.

During the Financial Year 2025-26, Rs. 71.024 billion (non-development budget) were allocated for the Health Department, which was subsequently revised to Rs. 76.428 billion by the close of the financial year. The dominant share of expenditure, consistent with prior years, was incurred on the Salary component, reflecting the department's substantial and geographically dispersed workforce. In addition, a significant number of contractual health workers, including Lady Health Workers (LHWs) and Community Midwives, are deployed under vertical programmes.

For the Financial Year 2026-27, a total allocation of Rs. 86.772 billion has been approved for the Health Department, representing an increase of 22% over the previous financial year. This enhancement is guided by the Government's commitment to strengthening primary healthcare, upgrading secondary-level facilities, and ensuring the availability of essential medicines and diagnostics, particularly in underserved and remote communities. The Salary component has been meaningfully enhanced to accommodate the more health staff and the operationalization of newly constructed facilities being brought into active service delivery across the province. A strategic priority for the Financial Year 2026-27 is the operationalization of non-functional Basic Health Units and Rural Health Centres.

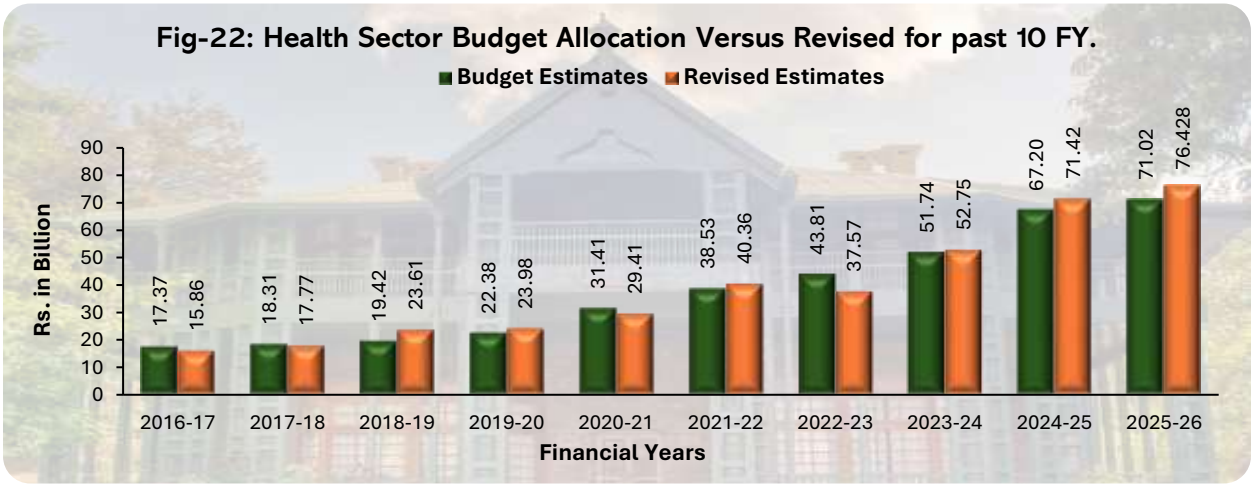


Fig-22: Health Sector Budget Allocation Versus Revised for past 10 FY.

The development budget of the Health Department for FY 2026-27 stands at PKR 6.219 billion, spread across several schemes encompassing ongoing and new initiatives in all 34 districts of the province.

Among the flagship ongoing projects during FY 2025-26, the Establishment of the Balochistan Institute of Cardiovascular Diseases (BICVD) at Quetta commands the single largest allocation of PKR 5.055 billion, underscoring the Government's commitment to bringing advanced cardiac care within reach of the province's population. The Construction of the Liver Transplant Institute at Naseerabad, with a total project cost of PKR 9.424 billion and a current-year allocation of PKR 1.500 billion, is another landmark initiative that will position Balochistan as a regional hub for specialized medical care. Equally significant are the 200-Bedded Teaching Hospital at Turbat and the 500-Bedded Teaching Hospital at Loralai continue to receive substantial allocations of PKR 465.97 million and PKR 300 million respectively, extending tertiary care capacity to Balochistan's southern and northern regions.

AGRICULTURE:

The Agriculture & Cooperatives Department is one of the priority sectors of the Government of Balochistan and plays a vital role in ensuring food security, rural livelihood support, agricultural productivity, and economic development across the province. Agriculture remains a major source of income and employment for a significant portion of the population, particularly in rural areas.

Presently, a total of 13,495 employees are working under the department across various Agriculture Directorates, Agriculture Research Wings, Agriculture Engineering formations, On-Farm Water Management setups, Agriculture Training Institutes, Agriculture Colleges, Adaptive Research Farms, Agriculture Model Farms, Plant Protection units, Soil & Water Testing Laboratories, Crop Reporting Services, Cooperative formations, and district-level field offices. During 2023-24, the province reported total cultivated area of approximately 2.97 million hectares, with major crops as follows:

WHEAT
529.4 thousand hectares

FRUITS
183.4 thousand hectares

RICE
162.5 thousand hectares

COTTON
117.7 thousand hectares

OIL SEEDS
110.1 thousand hectares

During the Financial Year 2025-26, Rs. 16.778 billion were allocated for the Agriculture & Cooperatives Department, which revised to Rs. 14.931 billion by the end of the financial year. Major portion of the expenditure remained concentrated under Salary component due to extensive field operations and technical service delivery mechanisms operational throughout the province. For the Financial Year 2026-27, an amount of Rs. 19.201 billion has been allocated, reflecting an increase of 14% as compared to the previous financial year.

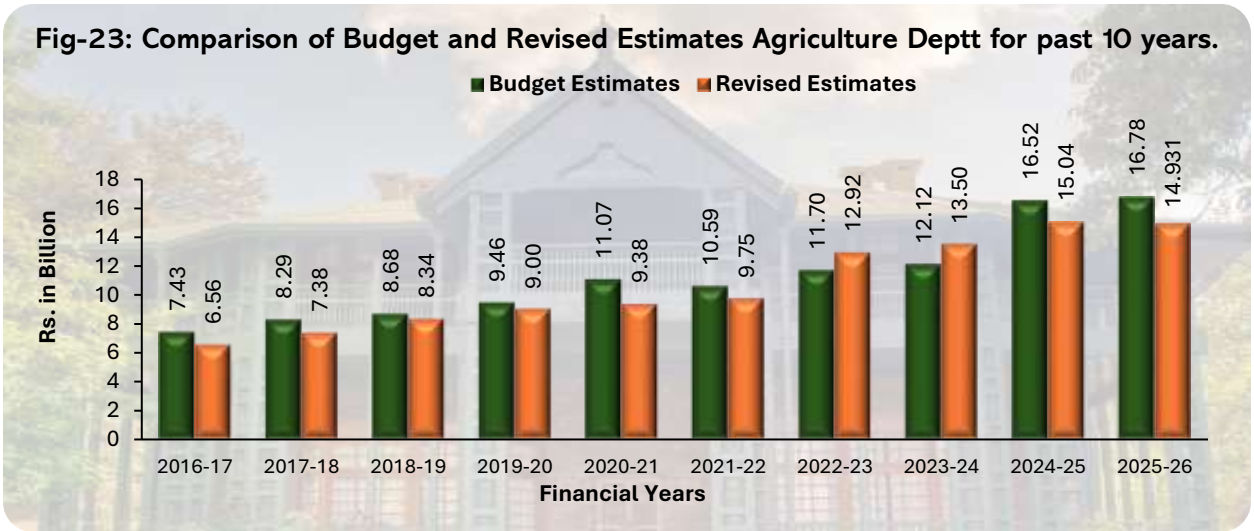


Fig-23: Comparison of Budget and Revised Estimates Agriculture Deptt for past 10 years.

LAW AND ORDER:

In Balochistan, law and order is maintained through a combination of the provincial Home & Tribal Affairs Department, Balochistan Constabulary, Balochistan Police, and the Balochistan Levies Force. The provincial government has merged the Levies into the Police force to unify command and improve security across the province. Following the merger, the operational and administrative scope of the Police Department has expanded significantly, resulting in increased establishment strength, wider deployment coverage, enhanced mobility requirements, and additional operational responsibilities across the province.

The Government is also focusing on institutional modernization and technology-driven policing reforms to improve transparency, operational efficiency, accountability, and citizen facilitation. Various digital initiatives including Human Resource Management Information System (HRMIS), Police Station Record Management System (PSRMS), Criminal Record Management System (CRMS), Complaint Management System (CMS), Tenant Registration System, Hotel Eye Monitoring System, and Police Khidmat Markaz initiatives have been introduced to strengthen policing systems and improve public service delivery.

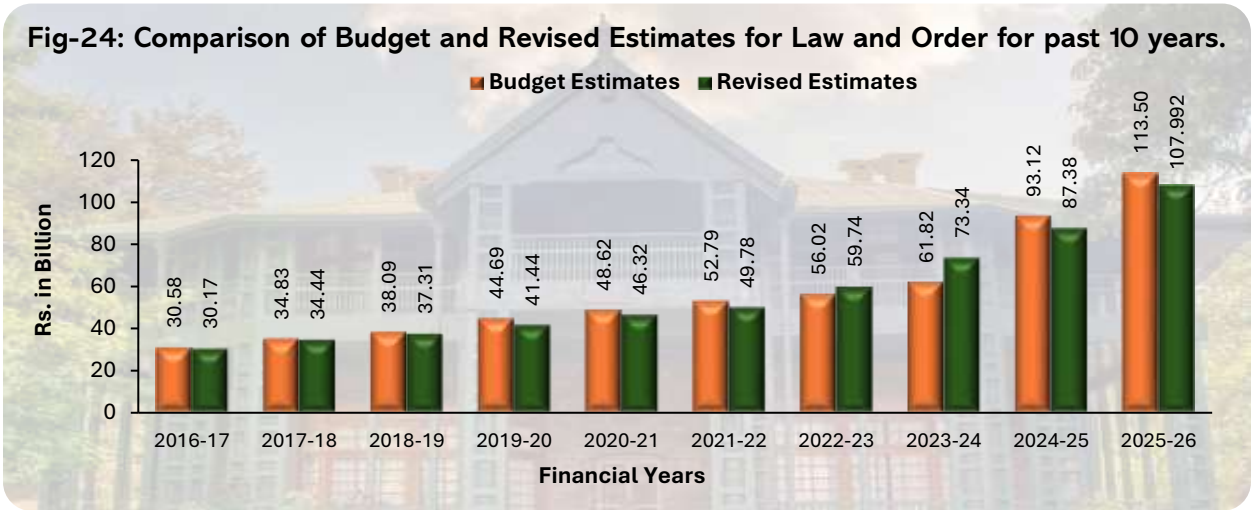


Fig-24: Comparison of Budget and Revised Estimates for Law and Order for past 10 years.

Every year, billions of rupees are spent on the improvement of services, mostly on hiring force, training & capacity building, acquiring latest digital weapons as well as improved security vigilance for the safety of masses. Around 85,099 employees are sanctioned for this function altogether in above cited departments. For the coming financial year, Govt of Balochistan has also approved creation of few new positions for the purpose. Yearly comparison reveals that funds allocated during FY 2025-26 have rationalized to Rs. 107.992 billion in FY 2026-27 from Rs. 113.500 billion.

Creation of New posts

Total Budget Outlay
Rs. 107.992 billion

Salary Allocation
Rs. 79.111 billion

Non-Salary Allocation
Rs. 28.881 billion

Besides above quoted law & order core departments, public rights & safety is also ensured through Harassment Cells of Women Development Deptt, Provincial Ombudsman Offices, Anti-Corruption Courts and Balochistan Service Tribunal administered by Services & General Administration Department.

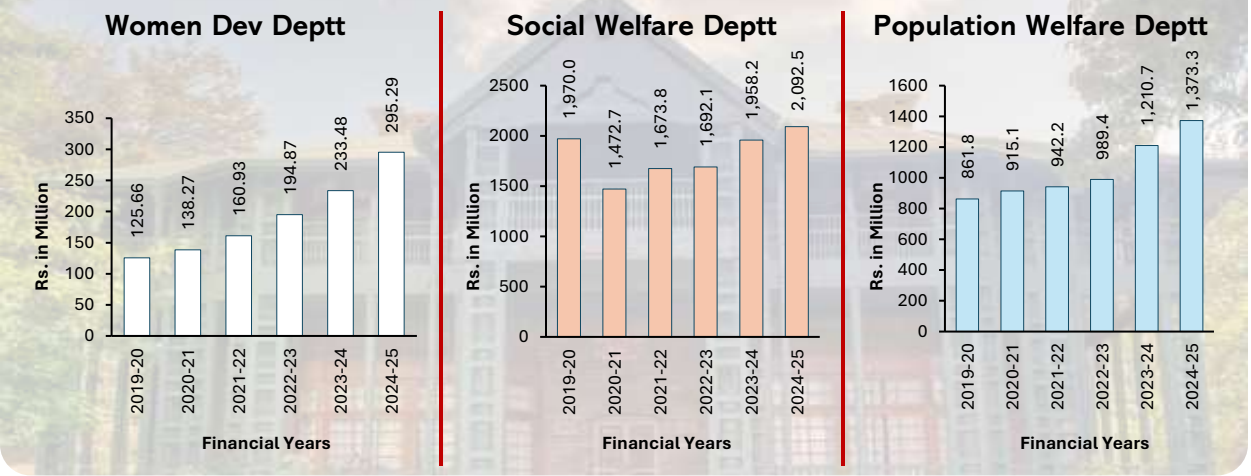
Table-7: Budgetary Allocation for Law & Order Function in Major Deptts

S.No	Departments	Allocation FY 2026-27 (Mn)
1	Police, Levies and Balochistan Constabulary	87,181.550
2	Jails & Detention Places	2,803.286
3	Home Department	7,066.805
	Total:	**97,051.640**

POVERTY REDUCTION AND SOCIAL DEVELOPMENT

Balochistan province like other provinces is engaged in elevating the living standards of society and providing the best services to masses. Women Development Deptt, Social Development Department, Population Welfare Department, PDMA, and Religious Affairs make part of this function. The overall allocation for this sector makes up around 2% of the total Non-Development Budget every year. Adopting the optimum framework of budgeting, this finance department has merged a few departments of this sector namely PDMA and Religious Affairs Deptt. Total allocation for the sector has rationalized by (19%) from Rs. 18.780 billion to Rs. 15.135 billion from FY 2025-26 to FY 2026-27.

Fig-25: Govt of Balochistan's Actual Spending on Social Development Sector



A glimpse of budgetary allocation for next financial year for social development sector is delineated below:

Table-8: Budgetary Allocation for Social Security

S.No	Departments	Allocation FY 2025-26 (Mn)	Revised Est: FY 2025-26 (Mn)	Allocation FY 2026-27 (Mn)
1	BC21019 Population Welfare Deptt	2,019.58	1,830.08	2,315.63
2	BC21022 Social Welfare Deptt	5,470.76	4,103.56	6,394.70
3	BC21023 PDMA	10,379.74	22,823.68	5,704.52
4	BC21024 Religious Affairs Deptt	1,543.54	884.31	1,718.48
5	BC21046 Women Development Deptt	563.99	457.82	579.46
6	BC21055 Board of Revenues	6,778.98	9,323.24	8,1586.98
Total:		**26,756.59**	**39,422.69**	**98,299.77**

CHAPTER 6

GRANT-IN-AID

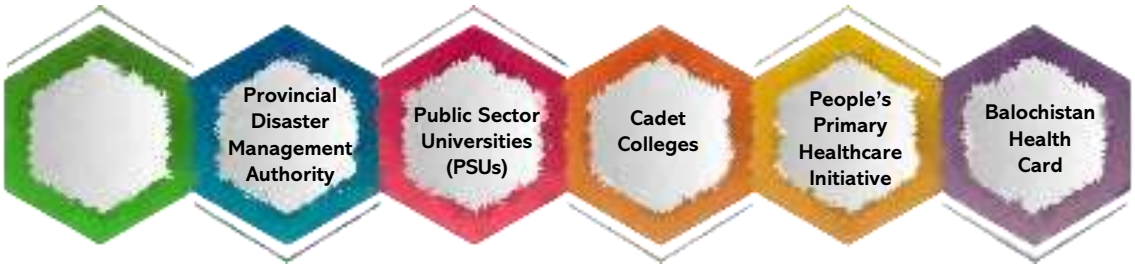
GRANT-IN-AID

OVERVIEW OF GRANTS:

Grant-in-aid is a non-repayable transfer of funds from the government to public/private entities (i.e. autonomous/semi-autonomous bodies), NGOs, or individuals for specific public welfare purposes, such as education, research, or poverty reduction. These funds, aimed at achieving policy objectives, are distinct from donations and are authorized through approved budget demands for entities like universities, societies, or local bodies. Every year billions of rupees are allocated and released to grant-recipients with aim of strengthening their functions until they become self-sufficient. Apart from individual grant recipients, there are several departments seeking grants from the government for specialized nature of assignment. Finance Department, in pursuance of Grant-in-Aid Rules 2023, receives demands, enhances and reduces grants for departments and individuals as per the case situation.

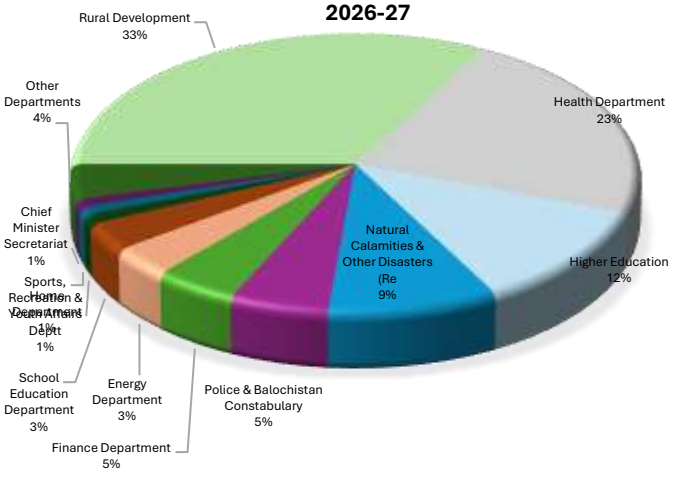
> Recurring Grants are allocated every-year to Departments who have no other source of earning and are solely dependent on Government funding

INSTITUTIONS AND BODIES SEEKING MAJOR PART OF GRANT-IN-AID FROM GOVT



Every year a lump sum value in billions of rupees is allocated for grantees. For FY 2025-26, Govt of Balochistan had allocated Rs. 117.110 billion for Grant-in-Aid that revised to Rs. 148.791 Billion meaning by (26.4%) enhancement in its original allocation during the year. Considering the need of department and after detailed rationalization of grant-in-aid component, Finance Department has allocated a sum of Rs. 184.65 billion for coming FY 2026-27 that accounts for 57% (enhancement) in the previous year's allocation. The bigger parcel of grant-in-aid is devoted towards Local Govt & Rural Development Deptt to Rs. 36.882 Billion followed by Health Department Rs. 26.892 Billion, Higher Education including Universities & Cadet Collet component Rs. 13.481 billion and Natural Calamities including Provincial Disaster Management Authority (PDMA)

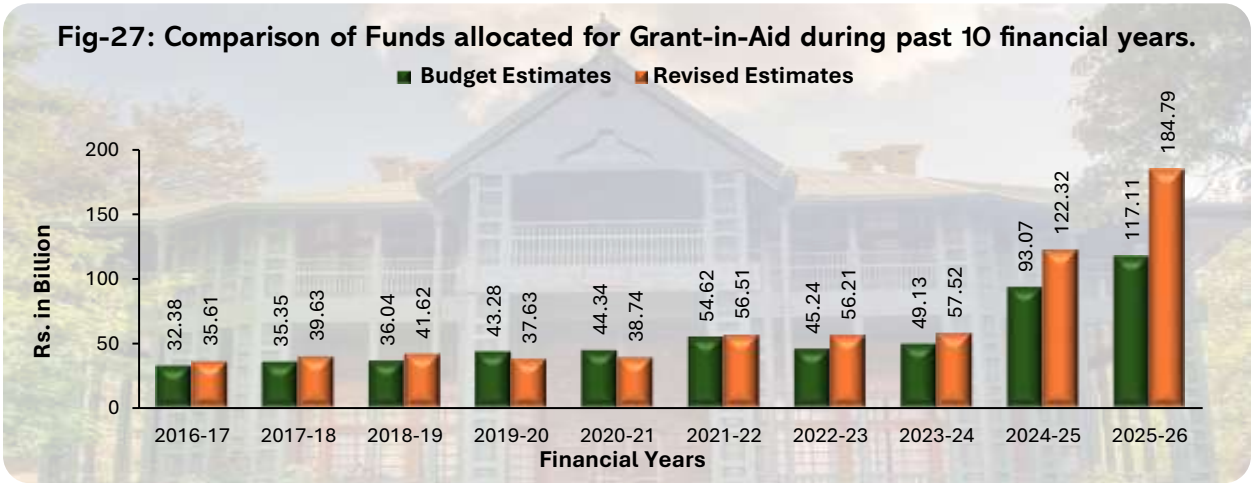
Fig-26: Deptt-wise share in Grants-in-aid FY 2026-27



component Rs. 5.379 billion for the coming financial year 2026-27. A glimpse of major grant recipients is shown below:

- **Local Councils Grants** Rs. 36.882 billion
- **Grants to Public Sector Universities** Rs. 8.002 billion
- **Provincial Disaster Management Authority** Rs. 5.00 billion
- **Strengthening & Management of PPHI** Rs. 8.81 billion
- **Strengthening of CTD** Rs. 5.00 billion
- **Balochistan Health Card Insurance** Rs. 6.00 billion
- **Solarization of tubewells** Rs. 3.812 billion
- **Grant-In-Aid - Sheikh Muhammad Bin Zayyed Al Nayan Institute Of Cardiology Quetta** Rs. 2.500 billion

Fig-27: Comparison of Funds allocated for Grant-in-Aid during past 10 financial years.



Finance Department is focusing on curtailing the unnecessary use of money for grant-related activities and discourage the grantees from depending on the government. A detailed exercise on scrutiny of grant-in-aid was conducted during the year and an amount of Rs. 184.657 billion was finally allocated for the purpose. Following table shows the details of major grants allocated for the next financial year 2026-27.

Table-9: Detail of New projects included in Grant-in-Aid for FY 2026-27

S.No	Particulars	Allocation FY 2026-27
1	Grant in Aid for Local Councils	35,000,000,000
2	Miscellaneous	10,000,000,000
3	Grant in Aid for PPHI	8,818,302,626
4	Grant in Aid for Public Sector Universities	8,002,000,000
5	Grant-In-Aid Balochistan Health Card Program (Insurance)	6,000,000,000

6	Grant for Strengthening of CTD	5,000,000,000
7	Financial Assistance to Families of Government Servants of all Departments (Shifted to FD)	4,903,400,000
8	Grant for tube wells solarization	3,812,353,000
9	Contingent Grant (Health)	3,500,000,000
10	Grant in Aid for Pay, Allowances and operations of PDMA and 1122	3,379,737,000
11	Miscellaneous Grants for Associations, Academies etc.	3,083,749,000
12	CHTE Department Admn Secretariat (Parked by FD)	3,000,000,000
13	Grant-In-Aid - Sheikh Muhammad Bin Zayyed Al Nayan Institute Of Cardiology Quetta	2,824,890,000
14	Grants for various institutions, centers and hospitals	2,198,850,000
15	Contingent Grant for PDMA	2,000,000,000
16	Grant in Aid for Municipal Services	1,855,335,000
17	Grant in Aid for New Trauma Center	1,300,000,000
18	Grant in Aid for CM's E-bike and Establishment of Balochistan Infrastructure & Ma	1,200,000,000
19	Grant for Death Compensation, Emerging Needs, Conv of A into B areas, PIFTAC etc.	1,100,000,000
20	Grants and Financial Assistance to players and Sports Events	1,000,000,000
21	Grant in Aid for Hinglaj Mata Mandir	1,000,000,000
22	Grant in Aid for Balochistan Aviation Company Pvt Ltd	1,000,000,000
23	Grant in Aid for GDA, BPPA, BDA etc.	868,280,000
24	Grant in Aid for various Items - GDA Pak China Center	837,240,000
25	50 Bedded Hospital Sui	782,600,000
26	Grant-in-Aid NGBMH Mastung	735,080,000
27	Grant for BMEC (Rs. 200 M and BLZ Project (Rs. 700 M)	700,000,000
28	Death Compensation of Police (Previously clubbed in Financial Assistance)	550,000,000
29	Grant-in-Aid Balochistan revenue authority BRA	535,996,000
30	Mines Labor Welfare Hospital Kharan	500,000,000
31	Implementation Cost of Team of Experts	500,000,000
32	Grant in AID for BINUQ	500,000,000
33	Death Compensation of Levies (Now Shifted to Police)	500,000,000
34	Contingent Grant (23 X)	500,000,000
35	Grant in Aid for BMRL	490,000,000
36	Contingent grant for (NCHD/BECS)	435,000,000
37	Grant in Aid for King Fahad Hospital	400,000,000
38	Grant for Burn Unit	400,000,000
39	Grant-in-Aid Bacha Khan Hospital	360,228,000
40	Grant-In-Aid Balochistan Institute Of Child Health	350,000,000
41	Grand in aid for Balochistan Board of Investment	350,000,000
42	MCRKU - Sub Campus Sui	333,530,000
43	Grant in Aid for GIEDA, LIEDA and LIEDA Infrastructure Development	310,000,000
44	Contingent Grant (BMEC)	300,000,000
45	CASVAB - Vaccine Production	300,000,000
46	Grant-in-Aid Pak Oman Hospital Pasni	279,000,000
47	Fund for Home based workers and TTC Kharan PPP Mode	245,414,384
48	Grant-in-aid for Welfare of Minority Communities in Balochistan	205,000,000
49	Grant for Indus Hospital Oncology Unit and Al Ibrahim Eye Hospital Kharan	202,000,000
50	Third Party Validation for quality & design	200,000,000

CHAPTER 7

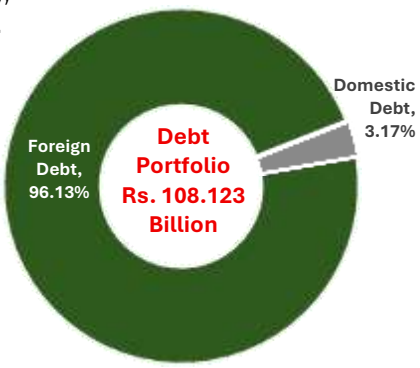
DEBT MANAGEMENT

DEBT MANAGEMENT

DEBT COMPOSITION AND TRENDS

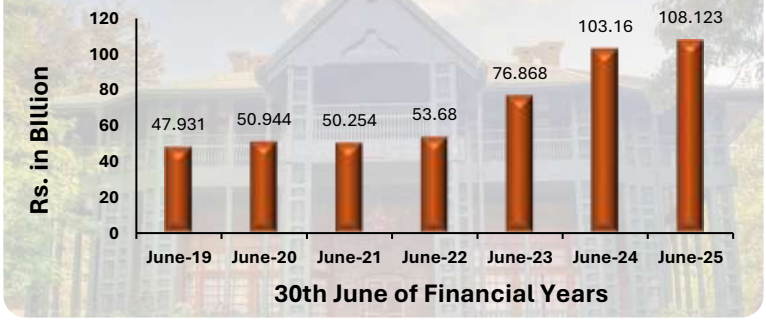
The provinces obtain external loans through the Economic Affairs Division (EAD), Government of Pakistan, from various international multilateral and bilateral development partners. Accordingly, the debt portfolio of the province comprises borrowings from the following sources:

a) International Development Association-IDA (World Bank);
b) International Bank for Reconstruction and Development-IBRD (World Bank);
c) Asian Development Bank (ADB);
d) International Fund for Agriculture Development (IFAD);
e) Canadian International Development Agency (CIDA);
f) Germany;
g) Japan; and
h) Federal Government of Pakistan (CDL)



As of June 30, 2025, the total public debt portfolio of the province stands at Rs. 108,123.34 million. Foreign debt accounts for 96.13% of the total portfolio, indicating a high level of exposure to exchange rate fluctuations. This composition underscores the province's reliance on external financing for development initiatives.

Fig-28: Debt Portfolio position last 7 financial years.



The loans obtained by the Government of Balochistan over the years have been utilized to support projects included in the Provincial Public Sector Development Programme (PSDP) as Foreign Project Assistance (FPA), based on the specific needs of various sectors. Distribution of loans over the sectors is given below:

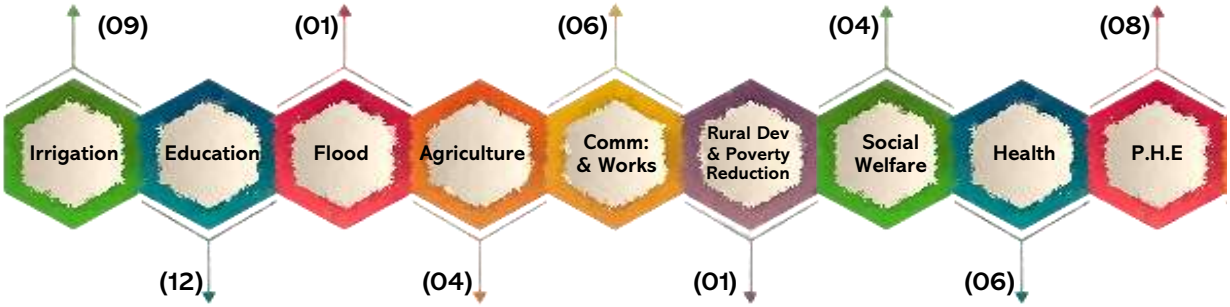
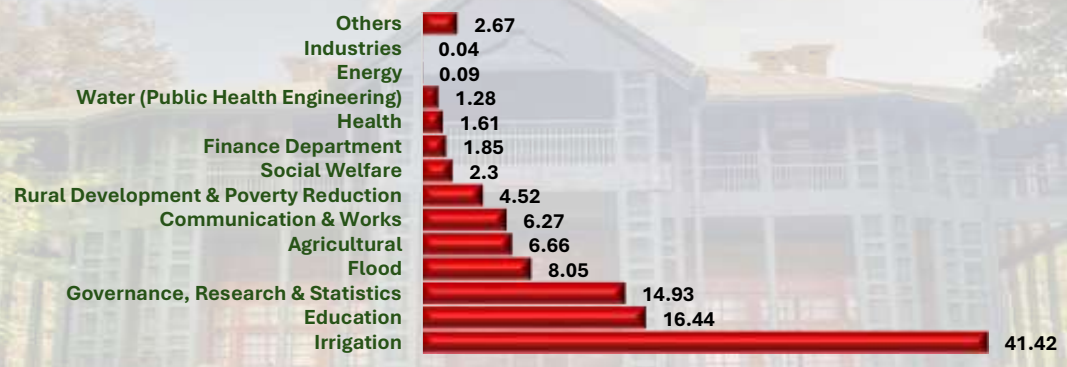


Fig-29: Sector-wise Outstanding Debt as on 30.06.2025



All loans in the province's debt portfolio carry an interest rate, which is interest-free. The portfolio comprises loans contracted at both fixed and floating interest rates. Out of 62, only one loan is lent on floating rate i.e. from Asian Development Bank (ADB), calculated at LIBOR+0.6% as interest. As essential to mention, the status of a loan reflects whether it is classified as closed or active. Closed loans refer to those for which all disbursements have been completed, and repayment of the principal amount is ongoing in accordance with the agreed amortization schedule. In contrast, active loans are those under which disbursements are still being received, are expected to commence during the current fiscal year, or for which the repayment schedules have not yet been finalized with the Economic Affairs Division (EAD). As on 30th June 2025, Govt of Balochistan reveals (09) active loans with outstanding Balance of Rs. 73.034 Billion and other 53 loans as closed loan with outstanding balance of Rs. 35.089 Billion.

Table-10: Detail of Active Loans with Outstanding Balances on 30.06.2025

Name of Active Loan / Project	Lender	Outstanding Balances (In million)	
♣ Balochistan Human Capital Investment Project	IDA	$ 20.41	Rs. 5,715.80
♣ Balochistan Integrated Water Resources Management and Development Project	IDA	$ 64.85	Rs. 18,156.79
♣ Balochistan Livelihood & Entrepreneurship Project	IDA	$ 16.16	Rs. 4,523.66
♣ Balochistan Water Resources Development Sector Project	ADB	$ 60.95	Rs. 17,064.80
♣ Emergency food Assistance Project	ADB	$ 28.76	Rs. 8,053.60
♣ Gwadar Lasbela Livelihood Support Project I	IFAD	$ 21.82	Rs. 6,110.41
♣ Gwadar Lasbela Livelihood Support Project II	IFAD	$ 31.19	Rs. 8,732.49
♣ National Immunization Support Project	IDA	$ 1.76	Rs. 493.76
♣ Cash Development Loan	Federal Govt		Rs. 4,182.72
Total Outstanding of Active Loans			Rs. 73,034.03

FOREIGN EXCHANGE RATES FLUCTUATION:

An important factor affecting the province's debt portfolio is the fluctuation in foreign exchange rates. The exchange rate parity of the Pakistani Rupee against various borrowing currencies is communicated annually to the province by the Economic Affairs Division (EAD)/Finance Division, based on which the loan portfolio is adjusted. A significant portion of the Government of Balochistan's debt—primarily IDA and IBRD loans—is denominated in Special Drawing Rights (SDRs) owing to their favorable terms and conditions, including concessional service (interest) rates, commitment charges, and extended maturity profiles ranging from 20 to 40 years with grace periods of 5 to 10 years. As per the financing agreements, repayments are to be made in US dollars; therefore, at the time of repayment, SDRs are converted into US dollars, and corresponding adjustments are reflected in the debt portfolio. Presently, (04) Base Currencies are used for conversion of PKR before making any repayment. These base currencies have steady fluctuation in exchange rates compared to PKR over the years. A glimpse of same is depicted below:

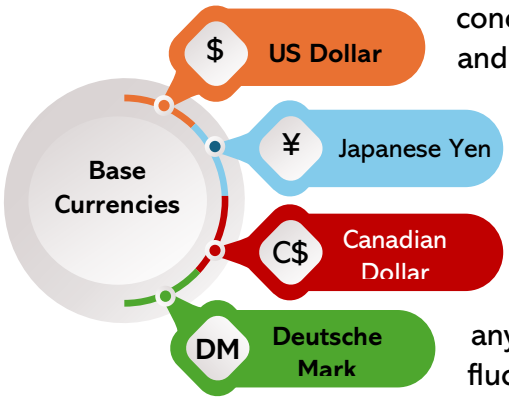


Table-11 Comparison of Base Currencies to PKR for borrowing & Repayment

Financial Years	US Dollar ($)	Japanese Yen ¥	Deutsche Mark	Canadian Dollar (C$)
2026 -27 (Budgeted)	290.00	1.82	171.92	210.68
2025-26 (Final)	280.00	1.76	166.41	203.41
2024-25 (Final)	280.00	1.95	161.72	202.93
2023-24 (Final)	285.00	1.81	157.85	208.56
2022-23 (Final)	249.00	1.78	136.37	183.11
2021-22 (Final)	175.00	1.36	93.21	134.29
2020-21 (Final)	161.00	1.47	99.09	132.71
2019-20 (Final)	156.00	1.55	93.30	119.97

DEBT SUSTAINABILITY ANALYSIS

Debt sustainability analysis is crucial because it provides the province with a medium to long-term perspective on its debt burden. Maintaining debt at a sustainable level ensures that debt service does not adversely affect recurrent and development expenditures, and that the debt-to-revenue ratio remains low over time. Debt sustainability can be assessed through various indicators, which are used to measure the level of indebtedness of a province. Common indicators include solvency/vulnerability (debt-bearing capacity) and liquidity/fiscal indicators (debt servicing capacity).

Table-12: Debt Sustainability Indicators

Indicator	Description	FY 2023-24	FY 2024-25

Solvency/Vulnerability Indicators	Outstanding debts to the Federal Transfer including FPA	17.71%	13.78%
	Outstanding debts to the provincial own receipts (Tax and Non-Tax Receipts)	230.40%	102.05%
Liquidity/Fiscal Indicators	Principal Repayment to Revenue Expenditure	2.11%	1.59%
	Principal Repayment to Revenue Receipt	1.44%	1.01%
	Interest payment to Revenue Expenditure	0.33%	0.42%
	Interest payment to Revenue Receipt	0.23%	0.26%

DEBT RISK ANALYSIS

A range of indicators is used to monitor and manage the risks associated with government debt. The key challenge lies in achieving a debt structure that maintains an optimal balance between cost and risk. These indicators assess the exposure of the debt portfolio to maturity, interest rate, and currency risks, serving as important benchmarks for formulating future borrowing strategies. The risk indicators are presented below.

Table-13 Risk Indicators associated with Debt

Indicator	Factors Risk	30 June 2025
Cost of Debt (Range)	Fixed Rate Debts (Foreign)	2.30%-0.75%
	Variable Rate Debts (Foreign)	LIBOR+0.6%
	Domestic Debts	6.62%-13.80%
Refinancing Risk	No of Loan maturing in year	08
	Debt Maturing in 1 year (% of total)-Domestic Debt	0.00%
	Average Time to Maturity [4](ATM) Foreign Debts-Years	11.78 Years
	Average Time to Maturity (ATM)-Domestic Debts -Years	12.17 Years
	No of Loan maturing in year	08
Interest Rate Risk	Fixed rate debt (% of total)	96.02%
	Debt Re-fixing in 1 Year (% of total)	1.33%
	Average Time to Re-fixing 5(ATR) Years	11.76 Years
Foreign Exchange Risk	Foreign Currency Debt as % of Total Debt	96.13%

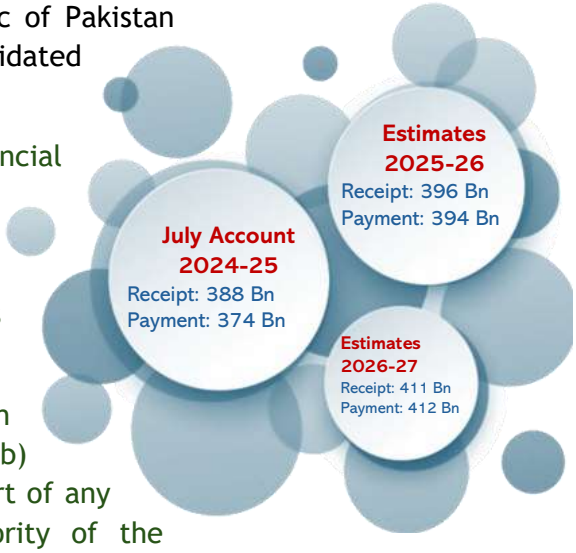
CHAPTER 8

PUBLIC ACCOUNTS

PUBLIC ACCOUNTS

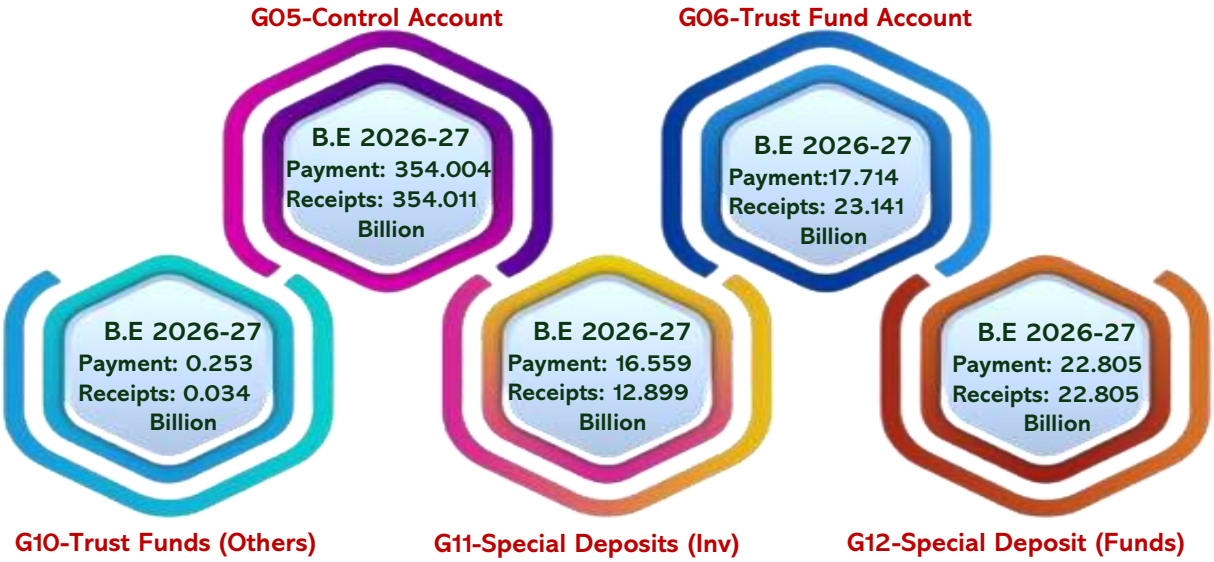
Public Account consists of Trust, Special Deposits, Security Funds, Bid Securities, and Contributory Funds etc. This may include but not limited to Savings bank account, National Deposit Accounts, Revenue Deposits, Court Deposits and Personal Deposits.

Article 118 of the Constitution of Islamic Republic of Pakistan 1973 differentiates between the provincial consolidated fund and Public Account stating that,



> "All the Revenue received by the Provincial government; all the loan raised by the government and all the money received by it in repayment of any loan shall form part of a Consolidated Fund, to be known as **Provincial Consolidated Fund**" and
>
> "All other moneys received, (a) by or on behalf of the Provincial Government, or (b) received by or deposited with the high court of any other court established under the authority of the province shall be credited to **Public Account** of the province"

SUMMARY OF TRUST & LIABILITIES:



DETAILED OBJECT-WISE PUBLIC ACCOUNT FY 2024-25:

1) A05 – CONTROL ACCOUNT (PKR Million)

	Description	Receipt	Payment	Net
A05105	Wages Clearance Account	314,588.893	314,584.440	4.453
A05107	Adjusting Account B/W F&P	4.508	4.508	0.000

G05125	Inter Provincial Set	6.802	6.802	0.000
G05126	Inter Provincial Set	4.600	4.600	0.000
G05127	Inter Provincial Set	10.475	10.475	0.000
G05128	Inter Provincial Set	58.962	0.000	58.962
G05134	Settlement B/W F&P	581.546	487.843	93.703
Sub Total A05 – Control Account		315,255.786	315,098.668	157.118

2) A06 – TRUST FUND ACCOUNT (PKR Million)

	Description	Receipt	Payment	Net
G06103	General Provident Funds (Civil)	11,817.509	13,872.098	-2,054.589
G06214	Provincial Govt: Employees Benevolent Fund	5,170.000	5,578.000	-408.000
G06304	Workers Welfare Fund	0.000	29.252	-29.252
G06308	Staff Welfare Fund Balochistan Police	281.272	316.161	-34.889
G06320	Balochistan Levies Fund	248.991	391.505	-142.514
G06324	Workers Profit Participation Fund	125.103	0.000	125.103
G06408	Provincial Govt: Employees Group Insurance Fund	2,151.000	2,317.000	-166.000
Sub Total A06 – Trust Fund Account		19,793.875	22,504.016	-2,710.141

3) A10 – TRUST FUND ACCOUNT (OTHERS) (PKR Million)

	Description	Receipt	Payment	Net
G10107	Deposits of Department of Mineral Development	38.048	0.000	38.048
G10113	Public Works / Pakistan PWD Deposits	916.567	638.997	277.570
G10304	Zakat Collection Account	967.794	152.160	815.634
Sub Total A10 – Trust Fund Account (Oth)		1,922.409	791.157	1,131.252

4) A11 – SPECIAL DEPOSIT INVESTMENT ACCOUNT (PKR Million)

	Description	Receipt	Payment	Net
G11216	Civil and Criminal Court Deposits	3,447.111	2,821.852	625.259
G11238	Security Deposits of Supply Cell	210.202	262.247	-52.045
G11290	Securities Deposits from Contractor / Suppliers	18,020.530	9,754.697	8,265.833
G11291	Unclaimed Money Account	5,998.260	0.000	5,998.260
Sub Total A11 – Special Deposit (Invstt)		27,676.103	12,838.796	14,837.307

5) A12 – SPECIAL DEPOSIT FUND ACCOUNT (PKR Million)

	Description	Receipt	Payment	Net
G12152	Balochistan Flood Relief	0.018	0.000	0.018
G12166	PM Relief Fund	0.184	0.000	0.184
G12224	Balochistan Police Foundation Fund	6.817	8.801	-1.984
G12713	Income Tax Deduction from Salaries	9,758.770	9,758.690	0.080
G12714	Income Tax Deduction from Contractor	12,743.430	12,852.060	-108.630
G12777	Sales Tax	1,187.150	1,173.570	13.580
Sub Total A12 – Special Deposit (Fund)		23,696.369	23,793.121	-96.752
GRAND TOTAL:		388,344.542	375,025.758	13,318.784

DETAILED OBJECT-WISE PUBLIC ACCOUNT ESTIMATES FOR FY 2025-26:

1) A05 – CONTROL ACCOUNT (PKR Million)

Description	Receipt	Payment	Net

A05105	Wages Clearance Account	340,042.990	339,806.476	236.514
A05107	Adjusting Account B/W F&P	17.370	17.370	0.000
G05125	Inter Provincial Set	14.826	14.826	0.000
G05126	Inter Provincial Set	0.951	0.951	0.000
G05127	Inter Provincial Set	5.585	5.585	0.000
G05128	Inter Provincial Set	0.002	0.002	0.000
G05134	Settlement B/W F&P	486.865	486.865	0.000
Sub Total A05 – Control Account		340,568.589	340,332.075	236.514

2) A06 – TRUST FUND ACCOUNT (PKR Million)

	Description	Receipt	Payment	Net
G06103	General Provident Funds (Civil)	8,941.627	10,129.379	-1,187.752
G06214	Provincial Govt: Employees Benevolent Fund	4,952.540	4,932.470	20.070
G06304	Workers Welfare Fund	0.000	0.000	0.000
G06308	Staff Welfare Fund Balochistan Police	288.532	288.532	0.000
G06320	Balochistan Levies Fund	221.542	221.542	0.000
G06324	Workers Profit Participation Fund	65.351	65.351	0.000
G06408	Provincial Govt: Employees Group Insurance Fund	2,056.001	2,047.041	8.960
Sub Total A06 – Trust Fund Account		16,525.593	17,684.315	-1,158.722

3) A10 – TRUST FUND ACCOUNT (OTHERS) (PKR Million)

	Description	Receipt	Payment	Net
G10107	Deposits of Department of Mineral Development	31.748	31.748	0.000
G10113	Public Works / Pakistan PWD Deposits	3,725.484	3,725.484	0.000
G10304	Zakat Collection Account	116.298	0.000	116.298
Sub Total A10 – Trust Fund Account (Oth)		3,873.530	3,757.232	116.298

4) A11 – SPECIAL DEPOSIT INVESTMENT ACCOUNT (PKR Million)

	Description	Receipt	Payment	Net
G11216	Civil and Criminal Court Deposits	1,005.266	1,300.511	-295.245
G11238	Security Deposits of Supply Cell	0.000	0.000	0.000
G11290	Securities Deposits from Contractor / Suppliers	14,704.934	11,116.771	3,588.163
G11291	Unclaimed Money Account	0.000	0.000	0.000
Sub Total A11 – Special Deposit (Invstt)		15,710.200	12,417.282	3,292.918

5) A12 – SPECIAL DEPOSIT FUND ACCOUNT (PKR Million)

	Description	Receipt	Payment	Net
G12152	Balochistan Flood Relief	0.014	0.000	0.014
G12166	PM Relief Fund	0.099		0.099
G12224	Balochistan Police Foundation Fund	7.882	7.882	0.000
G12713	Income Tax Deduction from Salaries	7,517.668	7,517.668	0.000
G12714	Income Tax Deduction from Contractor	11,600.208	11,600.208	0.000
G12777	Sales Tax	923.476	923.476	0.000
Sub Total A12 – Special Deposit (Fund)		20,049.347	20,049.234	0.113
GRAND TOTAL:		396,727.259	394,240.138	2,487.121

DETAILED OBJECT-WISE PUBLIC ACCOUNT ESTIMATES FOR FY 2026-27:

1) A05 – CONTROL ACCOUNT (PKR Million)

	Description	Receipt	Payment	Net
A05105	Wages Clearance Account	353,380.148	353,380.148	0.000
A05107	Adjusting Account B/W F&P	34.250	34.250	0.000
G05125	Inter Provincial Set	20.015	27.020	-7.005
G05126	Inter Provincial Set	1.542	1.542	0.000
G05127	Inter Provincial Set	7.545	7.545	0.000
G05128	Inter Provincial Set	0.015	0.015	0.000
G05134	Settlement B/W F&P	561.250	561.250	0.000
Sub Total A05 – Control Account		354,004.765	354,011.770	-7.005

2) A06 – TRUST FUND ACCOUNT (PKR Million)

	Description	Receipt	Payment	Net
G06103	General Provident Funds (Civil)	9,120.677	14,547.718	-5,427.041
G06214	Provincial Govt: Employees Benevolent Fund	5,918.964	5,918.964	0.000
G06304	Workers Welfare Fund	0.000	0.000	0.000
G06308	Staff Welfare Fund Balochistan Police	294.302	294.302	0.000
G06320	Balochistan Levies Fund	225.973	225.973	0.000
G06324	Workers Profit Participation Fund	66.659	66.659	0.000
G06408	Provincial Govt: Employees Group Insurance Fund	2,087.981	2,087.981	0.000
Sub Total A06 – Trust Fund Account		17,714.556	23,141.597	-5,427.041

3) A10 – TRUST FUND ACCOUNT (OTHERS) (PKR Million)

	Description	Receipt	Payment	Net
G10107	Deposits of Department of Mineral Development	34.250	34.250	0.000
G10113	Public Works / Pakistan PWD Deposits	0.000	0.000	0.000
G10304	Zakat Collection Account	219.371	0.000	219.371
Sub Total A10 – Trust Fund Account (Others)		253.621	34.250	219.371

4) A11 – SPECIAL DEPOSIT INVESTMENT ACCOUNT (PKR Million)

	Description	Receipt	Payment	Net
G11216	Civil and Criminal Court Deposits	1,560.613	1,560.313	0.300
G11238	Security Deposits of Supply Cell	0.000	0.000	0.000
G11290	Securities Deposits from Contractor / Suppliers	14,999.033	11,339.106	3,659.927
G11291	Unclaimed Money Account	0.000	0.000	0.000
Sub Total A11 – Special Deposit (Investment)		16,559.646	12,899.419	3,660.227

5) A12 – SPECIAL DEPOSIT FUND ACCOUNT (PKR Million)

	Description	Receipt	Payment	Net
G12152	Balochistan Flood Relief	0.000	0.000	0.000
G12166	PM Relief Fund	0.000	0.000	0.000
G12224	Balochistan Police Foundation Fund	8.039	8.039	0.000
G12713	Income Tax Deduction from Salaries	9,021.202	9,021.202	0.000
G12714	Income Tax Deduction from Contractor	12,760.229	12,760.229	0.000
G12777	Sales Tax	1,015.824	1,015.824	0.000
Sub Total A12 – Special Deposit (Fund)		22,805.294	22,805.294	0.000
GRAND TOTAL:		411,337.882	412,892.330	-1,554.448

CHAPTER 9

INVESTMENT AND FUND MANAGEMENT

FUND MANAGEMENT

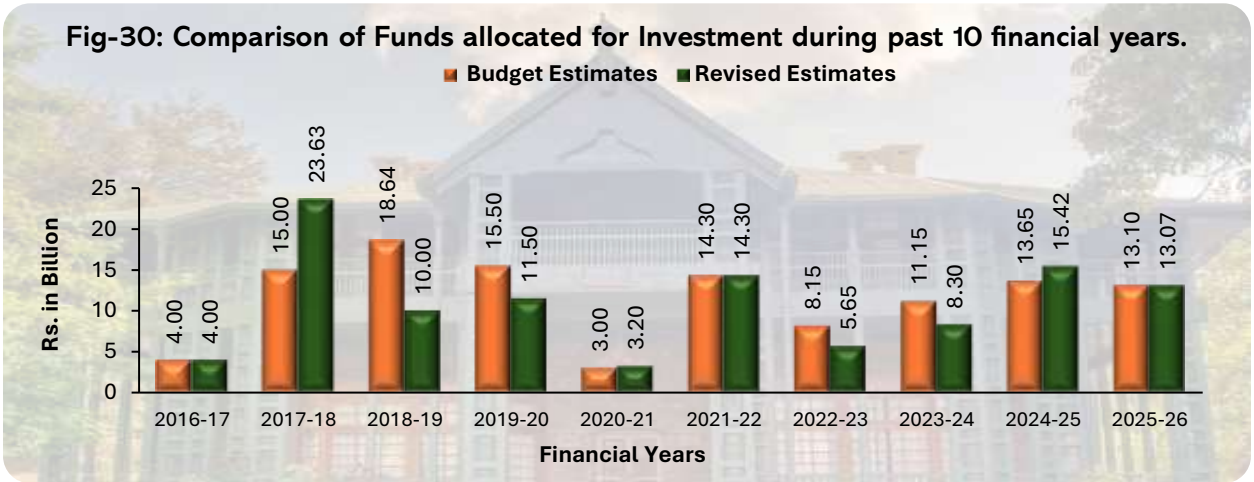
OVERVIEW OF INVESTMENT AND FUNDS

Investing strategically shields most individuals from future uncertainties. In finance, an investment refers to a financial asset purchased with the anticipation that it will appreciate in value and be sold at a profit, or it will generate income over time. The difference between developed, developing, and poor countries is primarily influenced by investment. By creating funds, the Balochistan government has made several investments aimed at boosting its income through capital gains and ensuring savings for future expenses.

> Investment Portfolio by the end of FY 2025-26
> **Rs. 153.06 billion**

With aim to support the government, Finance Department has been allocating funds each year since 2014–2015. Despite the challenges posed by increasing development and non-development costs, this measure has been implemented. Investment portfolio has reached Rs. 153.06 Billion by the end of FY 2025-26, whereas during the financial year 2025-26 an investment of Rs. 13.065 Billion was also executed solely for Departmental Funds while no investment could be made for employees related funds. Pension, group insurance, general provident, Awami endowment, and education endowment funds were the first recipients/sectors of the funds; however, over the years, investments increased and annually, a significant portion of the budget is designated for these funds. A glimpse of Investment Budget Estimates and Revised Estimates is shown in the graph below:

Fig-30: Comparison of Funds allocated for Investment during past 10 financial years.



Investment is broadly categorized into (02) groups, i.e. employee-related investment and departmental investment. Employee-related investment is created to meet the future liabilities to be paid to employees by the government at the time of their retirement/death in service. Currently, (04) funds are in place for the purpose, holding 52.83% of the total investment share comprising of seed money mentioned in the following picture, whereas department's related investment is expanded over 30 funds summing to Rs. 72.203 billion that accounts to 47.17% of the total capital investment. The progressive investment made so far by the Employee's related funds is reflected hereunder.

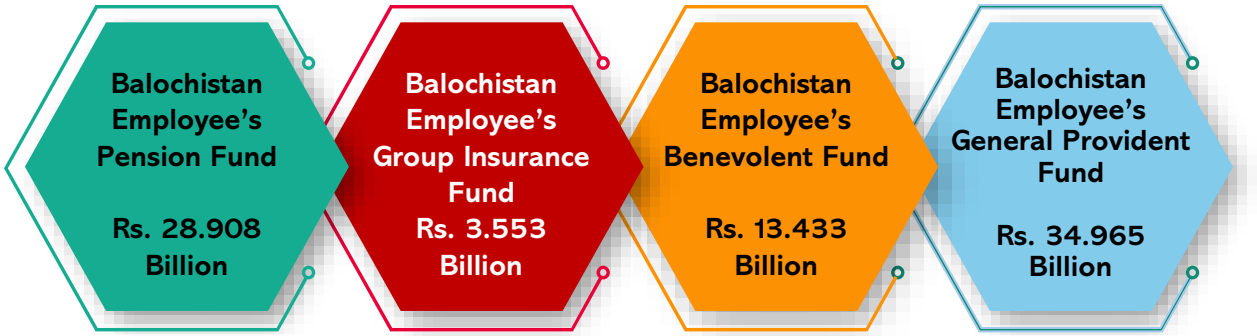
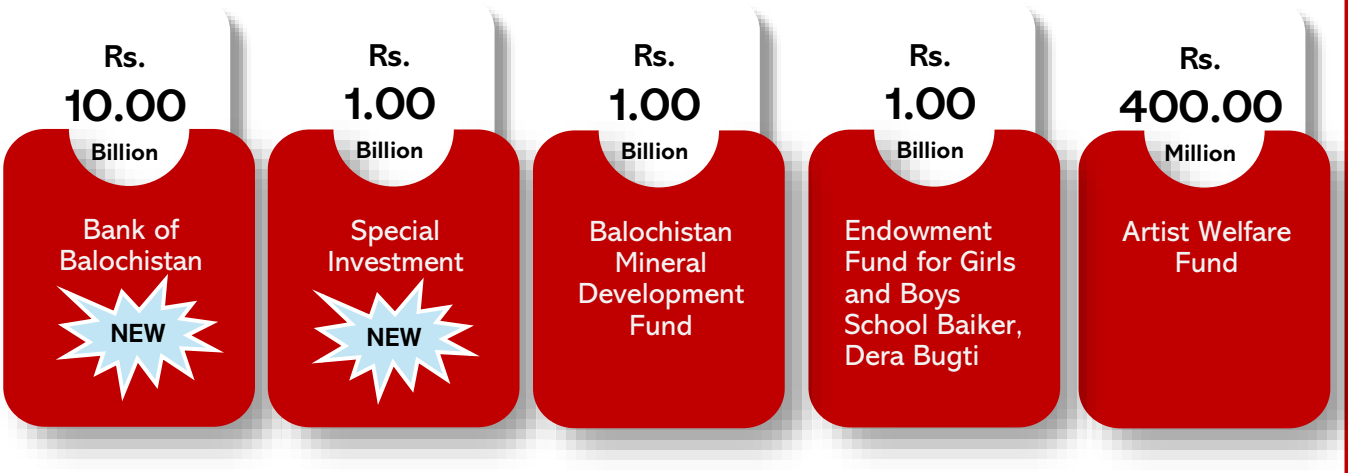


Table No – 14: List of Department's related funds created and invested by the end of FY 2025-26

S.No	Funds Title	Seed Money	Profit Earned
		PKR Million by 30.06.2026	
1	Balochistan Education Endowment Fund	22,500.00	2,694.25
2	Balochistan Awami Endowment Fund	7,500.00	784.81
3	Balochistan Special Person Support Fund (KUMAK)	3,000.00	600.92
4	Provincial Disaster Management Fund	2,000.00	218.74
5	Artist Welfare Fund	450.00	42.83
6	Hawkers Welfare Fund	22.00	2.41
7	Journalists Welfare Fund	500.00	48.84
8	Balochistan Skill Development Fund	5,495.76	524.36
9	Viability Gap Fund	3,000.00	306.88
10	Project Development Fund	1,000.00	81.38
11	Offender Rehabilitation and Social Integration Fund	500.00	76.54
12	Professional Development Fund	2,000.00	447.46
13	Balochistan Employees Housing Finance Fund	3,483.00	447.95
14	Food Security Fund	5,525.00	340.76
15	Balochistan Enterprise Development Fund **(merged in S.No 8)**	0.00	270.26
16	Balochistan Out of School Children Support Fund	2,000.00	284.94
17	Fishermen Welfare Endowment Fund	1,414.00	368.42
18	Balochistan Minorities Welfare Fund	500.00	130.24
19	Balochistan Women Economic Empowerment Fund	500.00	130.24
20	Balochistan Lawyers' Welfare Endowment Fund	300.00	32.79
21	PPHI Balochistan	750.00	106.85
22	LIEDA Employees Pension Support Fund	250.00	22.54
23	Shaheed Ayub Buledi Secondary School	500.00	44.17
24	Public Private Partnership Authority Operational Support	500.00	44.07
25	Balochistan Education Foundation	1,000.00	81.37
26	Balochistan Climate Fund	500.00	40.69
27	Balochistan Mineral Development Fund	1,000.00	81.37
28	BTEVTA Special Scheme	5,000.00	399.86
29	Endowment Fund for Girls and Boys School Baiker, Dera Bugti	1,000.00	55.15
30	Endowment Fund for Allama Muhammed Umer Din Puri Digital Library Khuzdar	15.00	0.00
Total Department-related Investment		**72,203.756**	**8,711.092**

NEW INVESTMENT AND FUNDS

For the forthcoming financial year 2026-27, (03) new funds are proposed to be established namely (i) Special Investment (ii) Bank of Balochistan and (iii) Endowment Fund for Girls and Boys School Baiker, Dera Bugti. These three new funds will consume altogether 12.00 Billion in its initial proposed investment and will continue for extended investment as per the need of time in the future. Altogether for Financial Year 2026-27, Govt of Balochistan has proposed an investment of Rs. 13.400 billion storing over (05) funds, whereas no funds are proposed for employees' related investment for next financial year. A glimpse of proposed allocation for financial year 2026-27 is depicted as under.



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