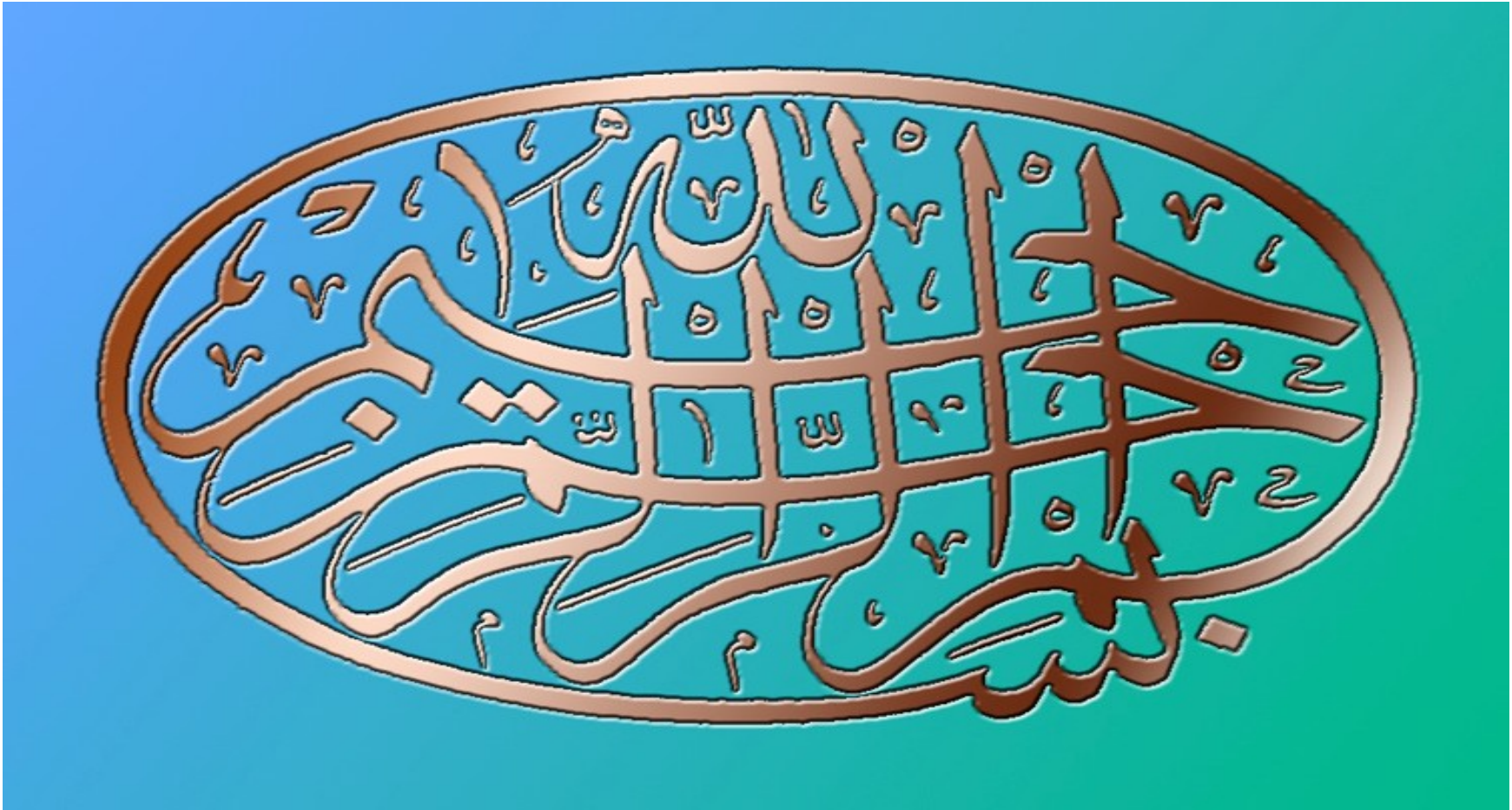


In the name of Allah, the merciful  
the most beneficent



# Provincial Budgets: Shares and Trends

(6<sup>th</sup> August, 2010)

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&

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Pakistan Institute of Development Economics

Islamabad

# Outline

- Provincial Budget Allocations
- Grants and Loans
- Financing of Deficit
- Provincial Transfers
- Provincial Revenues
- Provincial Expenditures
- Budget Making-Post NFC
- Source of Data
  1. Ministry of Finance Web-site
  2. State Bank Annual Report (2009)
  3. Combined Finance and Revenue Accounts of the Federal, Provincial and District Governments (Various issues)

# Provincial Budget Allocations

## Budget Allocation in PUNJAB (Rs In Million)

<b>Heads/Years</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Total Revenue/Grants</b>	<b>159,945</b>	<b>221,818</b>	<b>234,969</b>	<b>327,002</b>	<b>364,377</b>
<b>Provincial Own Receipts</b>	<b>18.13</b>	<b>21.56</b>	<b>19.84</b>	<b>18.72</b>	<b>20.60</b>
Tax Revenue	12.52	9.19	8.34	6.19	6.06
Non-Tax Revenue	5.61	12.37	11.49	12.53	14.55
<b>Federal Transfers</b>	<b>81.87</b>	<b>78.44</b>	<b>80.16</b>	<b>81.28</b>	<b>79.40</b>
Provincial Share	80.47	66.97	81.50	69.73	72.78
Federal Grants	1.39	11.47	-1.34	11.55	6.62
<b>Total Expenditure</b>	<b>182,312</b>	<b>236,103</b>	<b>315,548</b>	<b>340,464</b>	<b>383,306</b>
Current	72.42	67.10	65.27	65.12	72.14
Development	27.58	32.90	34.73	34.88	27.86
<b>Balance</b>	<b>(22,367)</b>	<b>(14,285)</b>	<b>(80,579)</b>	<b>(13,462)</b>	<b>(18,929)</b>
Own Receipts/Expenditure	15.91	20.26	14.77	17.98	19.58
Total Receipts/Expenditure	87.73	93.95	74.46	96.05	95.06
Balance/Expenditure	(12.27)	(6.05)	(25.54)	(3.95)	(4.94)

## Budget Allocation in SINDH (Rs In Million)

<b>Heads/Years</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Total Revenue/Grants</b>	<b>103,392</b>	<b>129,803</b>	<b>146,811</b>	<b>188,804</b>	<b>209,959</b>
<b>Provincial Own Receipts</b>	<b>15.57</b>	<b>14.83</b>	<b>13.03</b>	<b>15.00</b>	<b>12.83</b>
Tax Revenue	11.42	10.36	9.56	9.08	10.01
Non-Tax Revenue	4.15	4.47	3.48	5.92	2.82
<b>Federal Transfers</b>	<b>84.43</b>	<b>85.17</b>	<b>86.97</b>	<b>85.00</b>	<b>87.17</b>
Provincial Share	76.94	74.20	89.44	75.70	76.97
Federal Grants	7.49	10.97	-2.48	9.30	10.20
<b>Total Expenditure</b>	<b>104,650</b>	<b>136,020</b>	<b>161,853</b>	<b>181,520</b>	<b>220,340</b>
Current	77.71	76.54	78.30	74.99	78.18
Development	22.29	23.46	21.70	25.01	21.82
<b>Balance</b>	<b>(1,258)</b>	<b>(6,217)</b>	<b>(15,042)</b>	<b>7,284</b>	<b>(10,381)</b>
Own Receipts/Expenditure	15.39	14.15	11.82	15.60	12.22
Total Receipts/Expenditure	98.80	95.43	90.71	104.01	95.29
Balance/Expenditure	(1.20)	(4.57)	(9.29)	4.01	(4.71)

### Budget Allocation in Khyber Pukhtoon Khawa (Rs in Million)

	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Total Revenue/Grants</b>	<b>47,618</b>	<b>68,267</b>	<b>63,904</b>	<b>99,841</b>	<b>111,934</b>
<b>Provincial Own Receipts</b>	<b>21.52</b>	<b>23.35</b>	<b>21.21</b>	<b>25.77</b>	<b>21.52</b>
Tax Revenue	4.04	3.23	3.72	2.57	1.92
Non-Tax Revenue	17.47	20.13	17.49	23.21	19.59
<b>Federal Transfers</b>	<b>78.48</b>	<b>76.65</b>	<b>78.79</b>	<b>74.23</b>	<b>78.48</b>
Provincial Share	64.27	52.01	72.04	56.56	58.57
Federal Grants	14.21	24.63	6.75	17.66	19.91
<b>Total Expenditure</b>	<b>46,909</b>	<b>76,854</b>	<b>72,813</b>	<b>84,181</b>	<b>103,157</b>
Current	74.83	77.70	67.55	66.86	69.08
Development	25.17	22.30	32.45	33.14	30.92
<b>Balance</b>	<b>709</b>	<b>(8,587)</b>	<b>(8,909)</b>	<b>15,660</b>	<b>8,777</b>
Own Receipts/Expenditure	21.84	20.74	18.61	30.57	23.35
Total Receipts/Expenditure	101.51	88.83	87.76	118.60	108.51
Balance/Expenditure	1.51	(11.17)	(12.24)	18.60	8.51

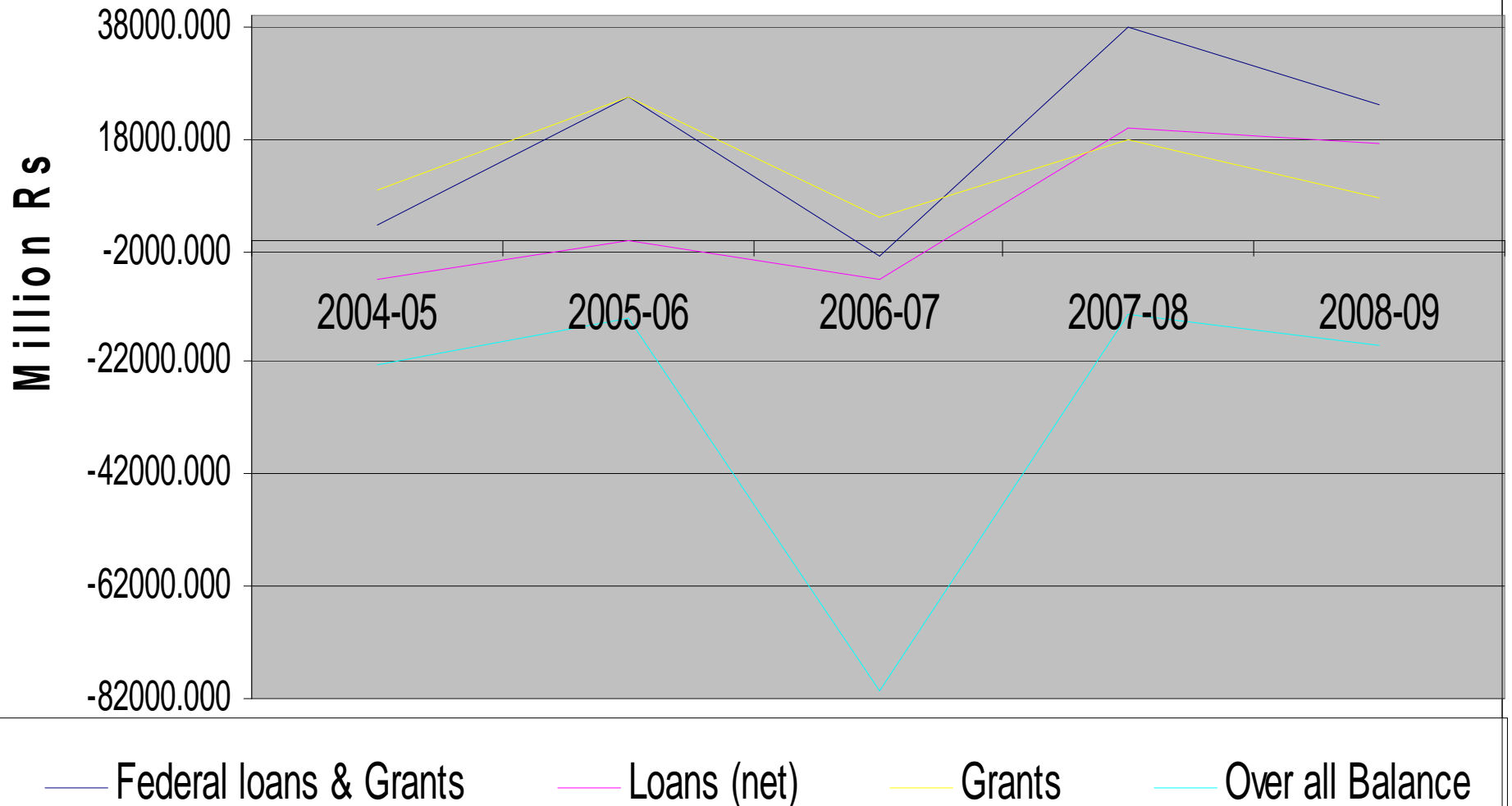
### Budget Allocation in Baluchistan (Rs In Million)

<b>Heads/Years</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Total Revenue/Grants</b>	<b>27,126</b>	<b>30,453</b>	<b>37,737</b>	<b>51,552</b>	<b>64,205</b>
<b>Provincial Own Receipts</b>	<b>6.13</b>	<b>4.76</b>	<b>7.74</b>	<b>6.81</b>	<b>5.90</b>
Tax Revenue	3.12	2.67	2.12	1.64	1.33
Non-Tax Revenue	3.00	2.09	5.62	5.18	4.57
<b>Federal Transfers</b>	<b>93.87</b>	<b>95.24</b>	<b>92.26</b>	<b>93.19</b>	<b>94.10</b>
Provincial Share	68.18	66.73	82.87	58.21	51.82
Federal Grants	25.69	28.52	9.39	34.98	42.29
<b>Total Expenditure</b>	<b>37,612</b>	<b>47,620</b>	<b>52,726</b>	<b>64,939</b>	<b>59,175</b>
Current	81.24	70.08	72.97	66.05	74.57
Development	18.76	29.92	27.03	33.95	25.43
<b>Balance</b>	<b>(10,486)</b>	<b>(17,167)</b>	<b>(14,989)</b>	<b>(13,387)</b>	<b>5,030</b>
Own Receipts/Expenditure	4.42	3.04	5.54	5.41	6.40
Total Receipts/Expenditure	72.12	63.95	71.57	79.39	108.50
Balance/Expenditure	(27.88)	(36.05)	(28.43)	(20.61)	8.50

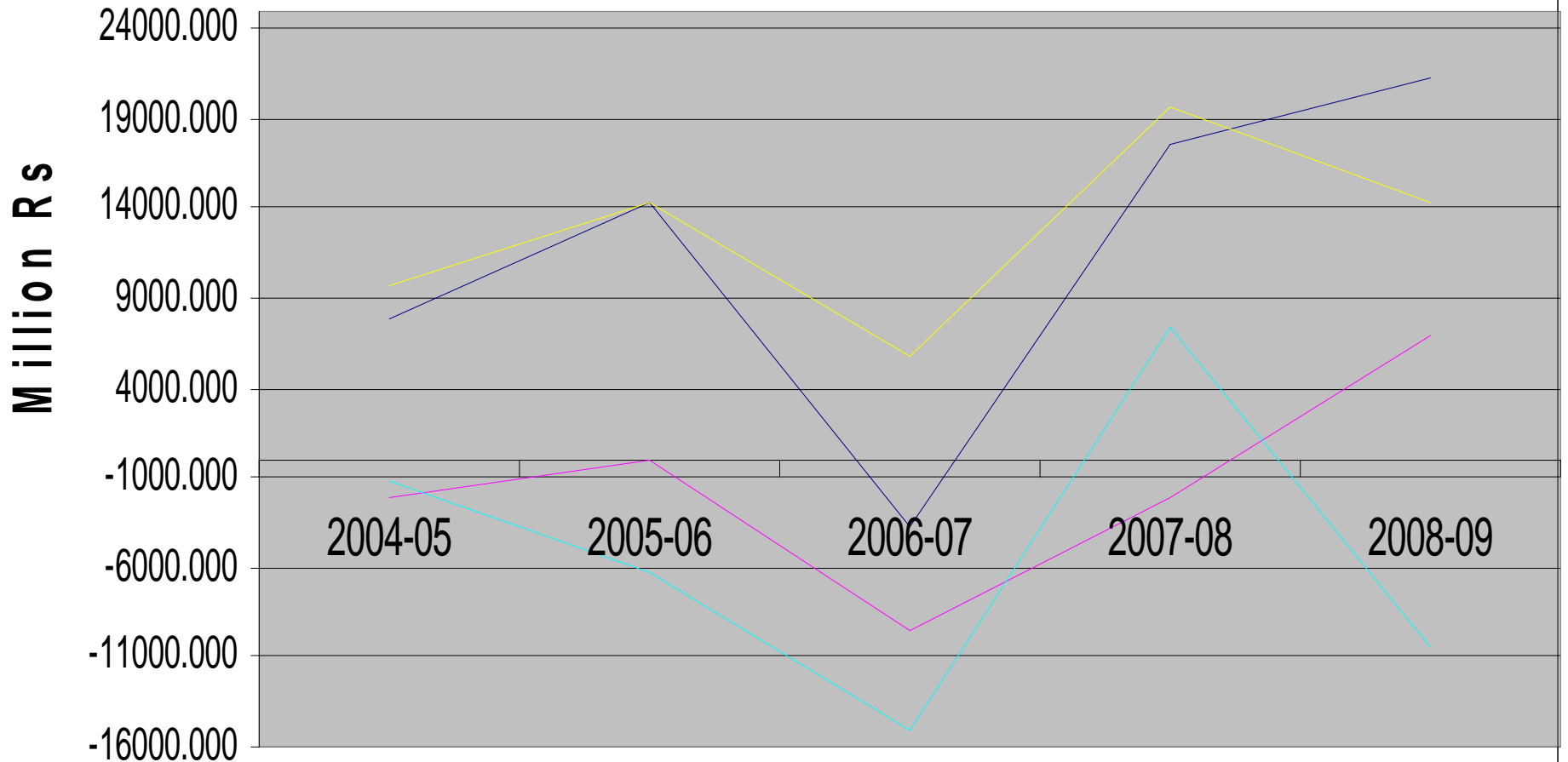


# Federal Grants and Loans

# Federal Loans and Grants-Punjab

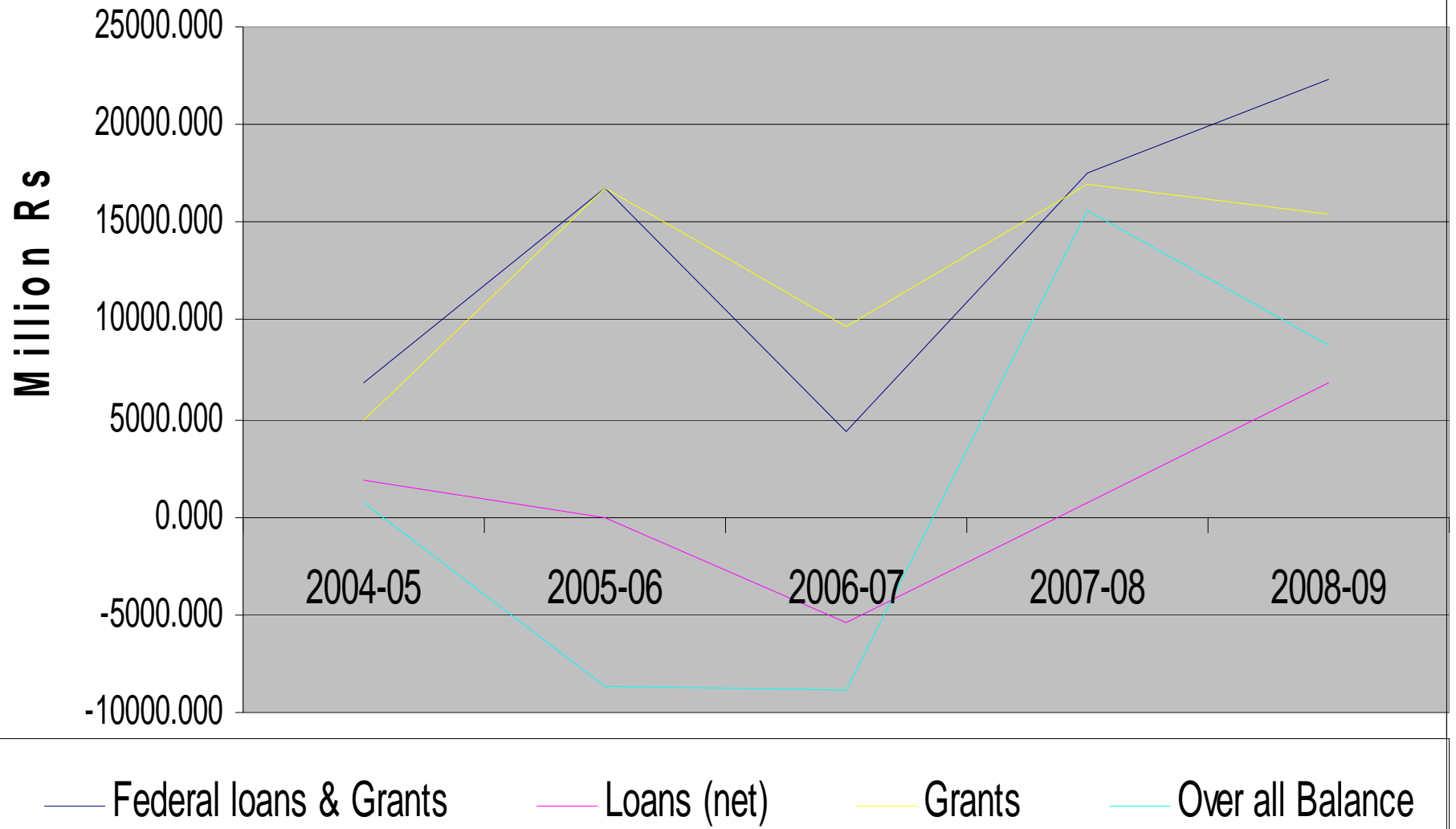


# Federal Loans and Grants-Sindh

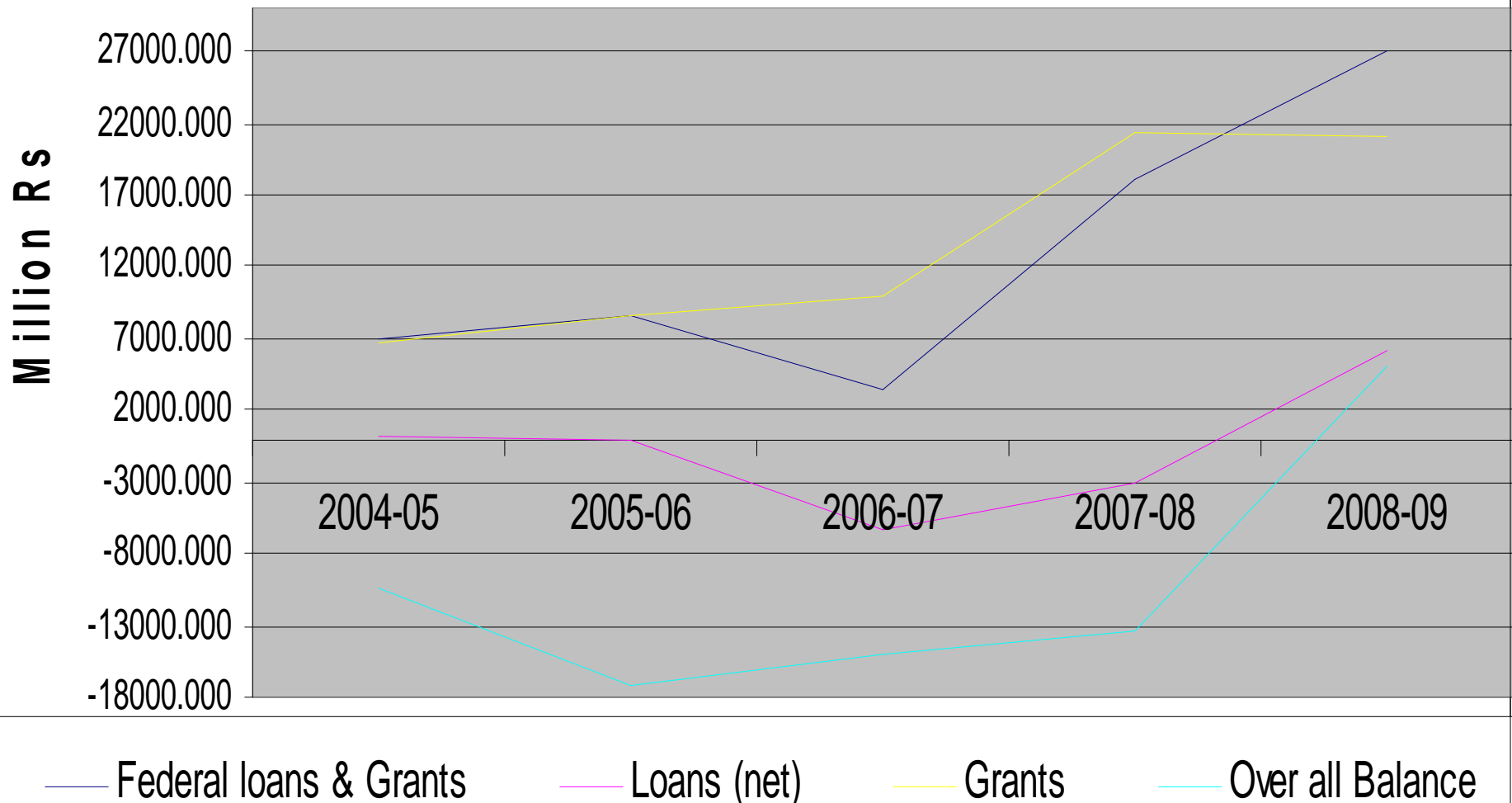


— Federal loans & Grants      — Loans (net)      — Grants      — Over all Balance

## Federal Loans and Grants-Khyber Pakhtoon Khawa



# Federal Loans and Grants-Baluchistan



# Financing of Deficits

**Financing of Budget Deficits-Punjab (Million RS)**

	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Over all Balance</b> (Total Revenue- Exp)	-22368.000	-14285.000	-80579.000	-13463.000	-18928.000
<b>1. Financing</b>	-12023.000	-23680.000	-20889.000	-4788.000	29962.000
<b>1.1.Domestic</b>	-12023.000	-23680.000	-20889.000	-4788.000	29962.000
<b>1.1.1.Bank</b>	-12023.000	-23680.000	-20889.000	-4788.000	35151.000
<b>1.1.2.Non Bank</b>	-	-	-	-	-5189.000

### Financing of Budget Deficits-Sindh (Million Rs)

	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Over all Balance</b> (Total Revenue- Exp)	-1258.000	-6217.000	-15042.000	7284.000	-10381.000
<b>1. Financing</b>	-4836.000	-9525.000	-8635.000	-1980.000	-7941.000
<b>1.1.Domestic</b>	-4836.000	-9525.000	-8635.000	-1980.000	-7941.000
<b>1.1.1.Bank</b>	-4836.000	-9525.000	-8635.000	-1980.000	-5779.000
<b>1.1.2.Non Bank</b>	-	-	-	-	-2162



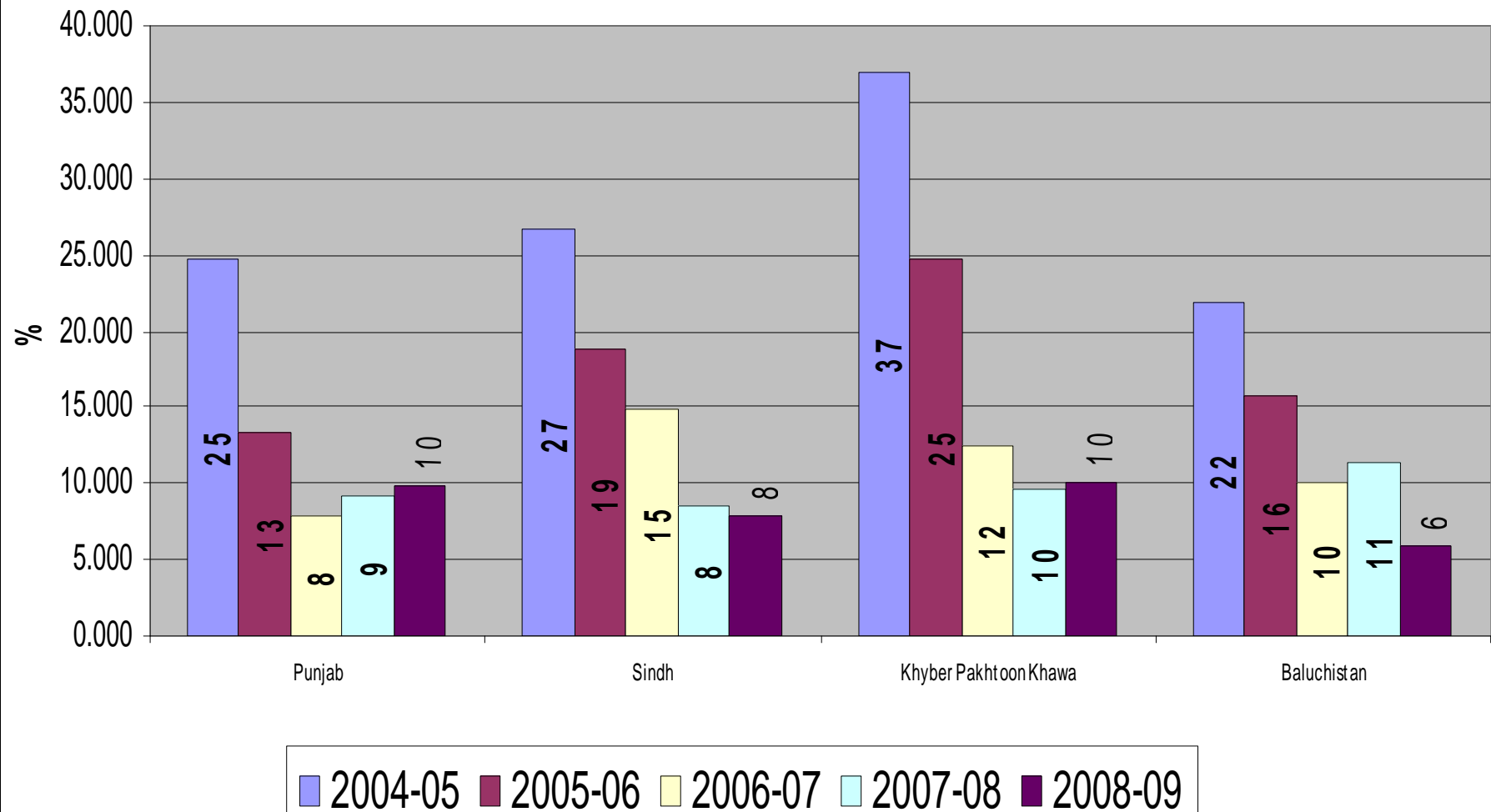
**Financing of Budget Deficits-Khyber Pakhtoon Khawa (Million Rs)**

	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>Over all Balance</b> (Total Revenue- Exp)	709.000	-8586.000	-8909.000	15660.000	8776.000
<b>1. Financing</b>	-2813.000	-5540.000	-5033.000	-1154.000	8426.000
<b>1.1.Domestic</b>	-2813.000	-5540.000	-5033.000	-1154.000	8426.000
<b>1.1.1.Bank</b>	-2813.000	-5540.000	-5033.000	-1154.000	8534.000
<b>1.1.2.Non Bank</b>	-	-	-	-	-108

### Financing of Budget Deficits-Baluchistan (Million Rs)

	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Over all Balance</b> (Total Revenue- Exp)	-10485.000	-17167.000	-14989.000	-13387.000	5030.000
<b>1. Financing</b>	-1101.000	-2168.000	-1861.000	-427.000	6264.000
<b>1.1.Domestic</b>	-1101.000	-2168.000	-1861.000	-427.000	6264.000
<b>1.1.1.Bank</b>	-1101.000	-2168.000	-1861.000	-427.000	7475.000
<b>1.1.2.Non Bank</b>	-	-	-	-	-1211

# Cost of the Debt (Interest Payment as % of Development Expenditures)



# Provincial Transfers

## Transfers to Provinces from the Divisible Pool

<b>Receipts</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Revenue Receipts</b>	<b>875.30</b>	<b>1022.70</b>	<b>1214.00</b>	<b>1402.90</b>	<b>1783.60</b>
<b>Less Transfers to Provinces</b>	<b>245.20</b>	<b>301.40</b>	<b>391.00</b>	<b>457.10</b>	<b>559.80</b>
<b>% among Sources</b>					
Taxes on Income	25.19	25.25	30.44	32.09	32.57
Sales Tax	34.28	33.46	30.90	32.64	33.51
Excise Duty & Royalties	9.46	10.37	8.49	8.71	9.16
Surcharges on Gas	5.87	7.24	8.34	4.51	4.61
Custom Duties	16.55	16.11	13.51	12.82	10.58
Capital Value Tax	0.33	0.47	0.51	0.50	0.45
Federal Excise ( Net on Gas )	7.13	6.01	6.65	7.55	8.16
G.S.T ( Provincial )	1.14	1.23	1.18	1.18	0.96

# Budgeted Federal Transfers to Provinces

	Rs. Million		
	Budget 2009-10	Revised 2009-10	Budget 2010-11
<b>Gross Total revenues</b>	2007206	2051944	2410994
<b>Provincial Share</b>	655217	655277	1033644(58%)
<b>%</b>	32.64	31.93	42.87

	<b>Rs. Million</b>		
	<b>Budget 2009-10</b>	<b>Revised 2009-10</b>	<b>Budget 2010-11</b>
<b>Total PSDP</b>	646000	510000	663000
Financing of PSDP by Provinces	172987	183957	341615
%	26.78	36.07	51.53

	<b>Rs. Million</b>		
	<b>Budget 2009-10</b>	<b>Revised 2009-10</b>	<b>Budget 2010-11</b>
<b>Change in the Provincial Cash Balance</b>	<b>72911</b>	<b>77568</b>	<b>166925</b>
<b>Repayments to Federal Government</b>	<b>37219</b>	<b>42721</b>	<b>42501</b>
Recovery of Loans from Provinces	20400	23975	25863
Interest payments	16819	18746	16638



Resources available for Provinces to Decide

Net Resource transfer from Revenues	<b>1033644</b>	Punjab	230766	47%
Financing of PSDP by Provinces	<b>341615</b>	Sindh	130557.8	
Change in Provincial Cash Balance	<b>166925</b>	KPK	74870.78	
Repayment to Federal Government	<b>42501</b>	Baluchistan	46408.41	
Left over for own Decision	<b>482603</b>			

## **Resource availability for Provinces**

Net Resource transfer increase from Revenues	378367
Increase in PSDP	157658
Increase in Provincial Cash Balances	89357
Increase in Repayment to Federal Government	-220
Net Resource transfer increase	131572

**Inter-Provincial Revenue Distribution under various NFC Awards  
(Percentage)**

<i>Years</i>	<i>Fed : Prov.</i>	<i>Punjab</i>	<i>Sindh</i>	<i>Khyber Pakht oonkh wa</i>	<i>Balochist an</i>	<i>Total</i>
<b>1974</b>	20:80	60.25	22.5	13.39	3.86	100
<b>1979</b>	20:80	57.97	23.34	13.39	5.3	100
<b>1984</b>			Interim award			
<b>1991</b>	20:80	57.87	23.29	13.54	5.3	100
<b>1997</b>	62.5:37.5	57.88	23.28	13.54	5.3	100
<b>2000</b>			Interim award			
<b>2010</b>	56:44	51.74	24.55	14.62	9.09	100

*Source: Ministry of Finance, Pakistan*

7th NFC resource transfers (vertical share is 56% this year and 57% next years)

Province-Wise Share	Budget 2009-10	Revised 2009-10	Budget 2010-11
Punjab	51.04	50.60	47.82
Sindh	29.62	30.41	27.05
KPK	13.02	13.57	15.51
Baluchistan	6.32	5.42	9.62
Total Transfer from Revenue of Federal	655217	655277	1033644

## Actual Disbursement as Percentage of Total Projected Transfers Under Different NFCs

Receipts	2005	2006	2007	2008	2009
Revenue Receipts	875.3	1,022.7	1,214.0	1,402.9	1,783.6
Transfers to Provinces	28.01	29.47	32.21	32.58	31.39
<b>Committed Vertical Distribution of Resources</b> (Government of Punjab White Paper on the Budget, 2009-10)	39.5	40.5	41.5	42.5	43.75
<b>Actual Transfers as a Percentage of Committed</b>	70.92	72.77	77.61	76.66	71.74

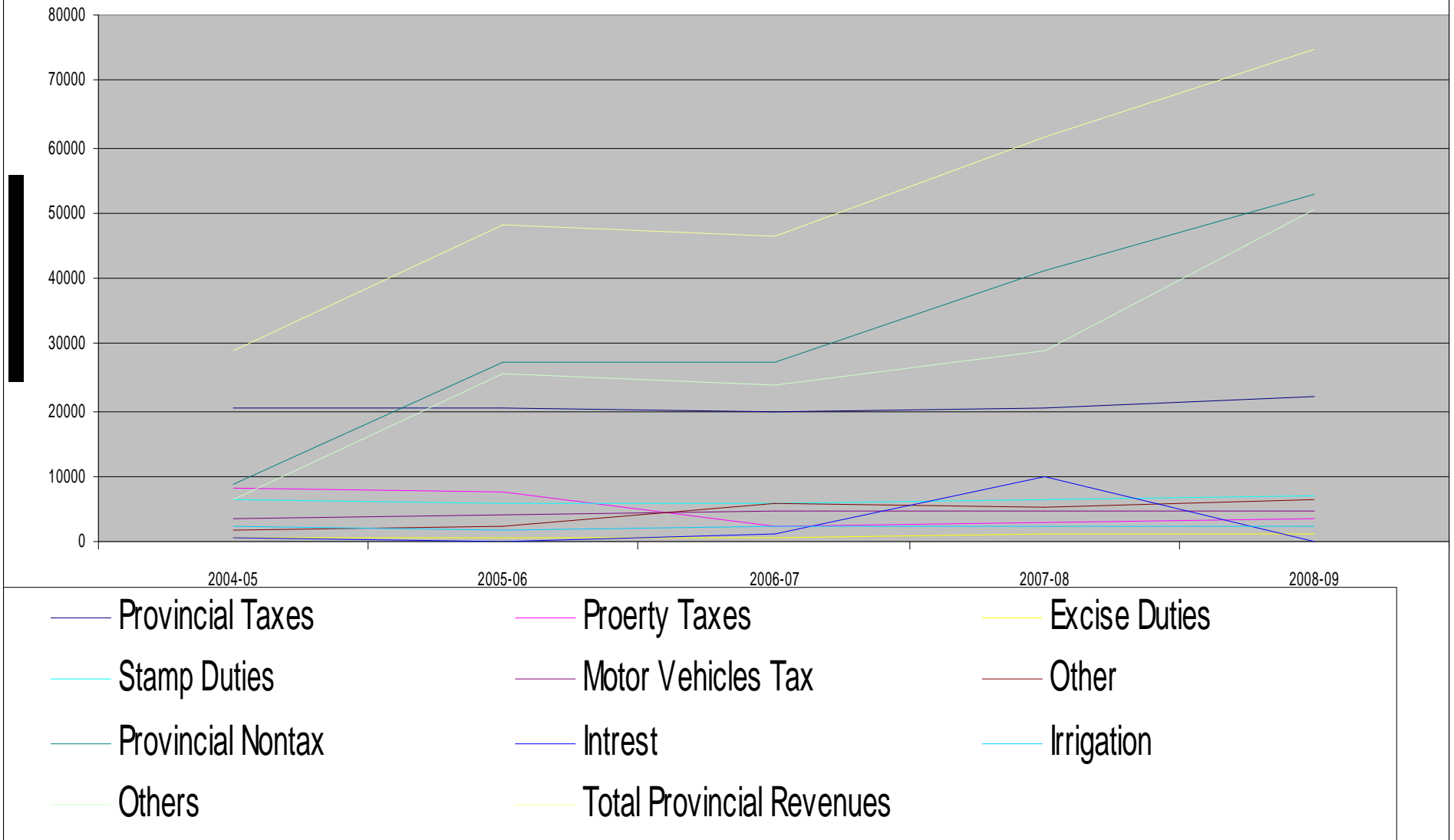
## Actual Disbursement as Percentage of Total Projected Transfers Under Different NFCs

Year	Total	Punjab	Sindh	NWFP	Baluchistan
1997-1998	79.79	76.96	97.11	52.41	125.9
1998-1999	73.71	66.99	81.66	62.73	117.23
1999-2000	74.75	66.04	89.77	59.42	119.78

Source: Ahmad Nuzhat & Syed Ashraf Wasti in ADB report: Intergovernmental Fiscal Transfer in Asia: Current Practice and Challenges for the Future, 2002

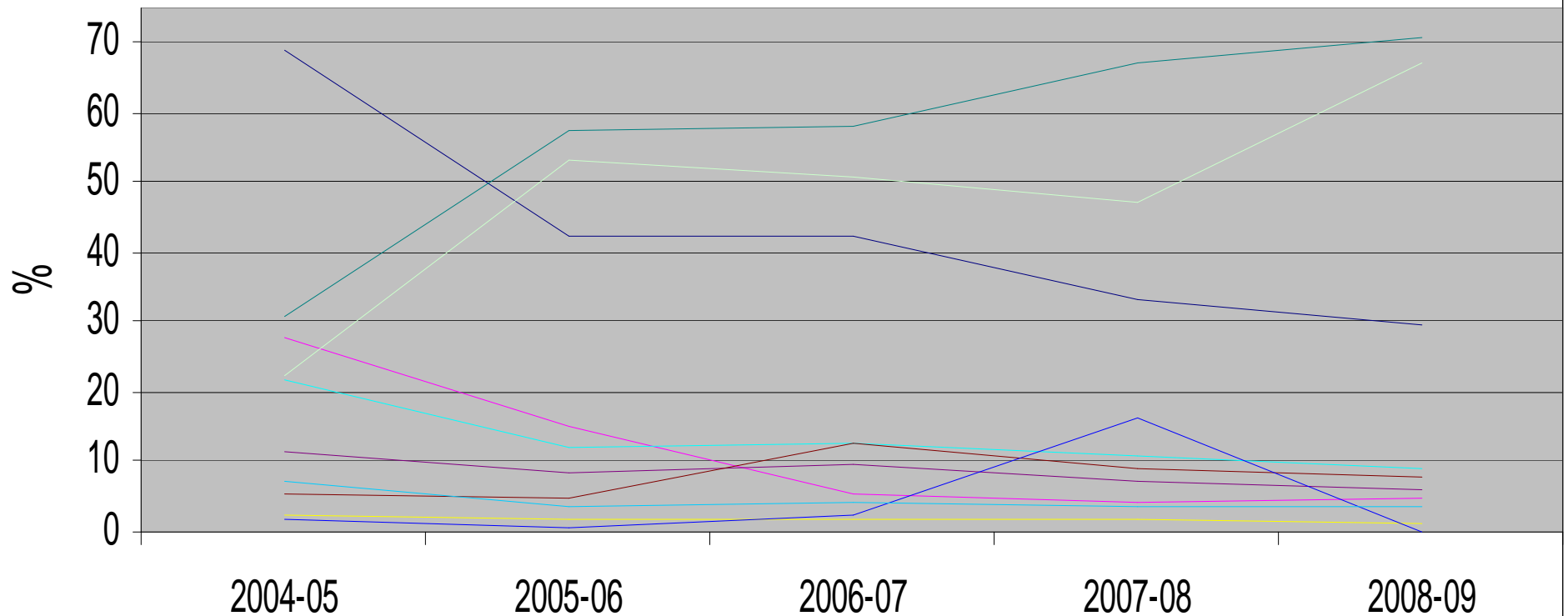
# Provincial Revenues

# Provincial Revenues-Punjab



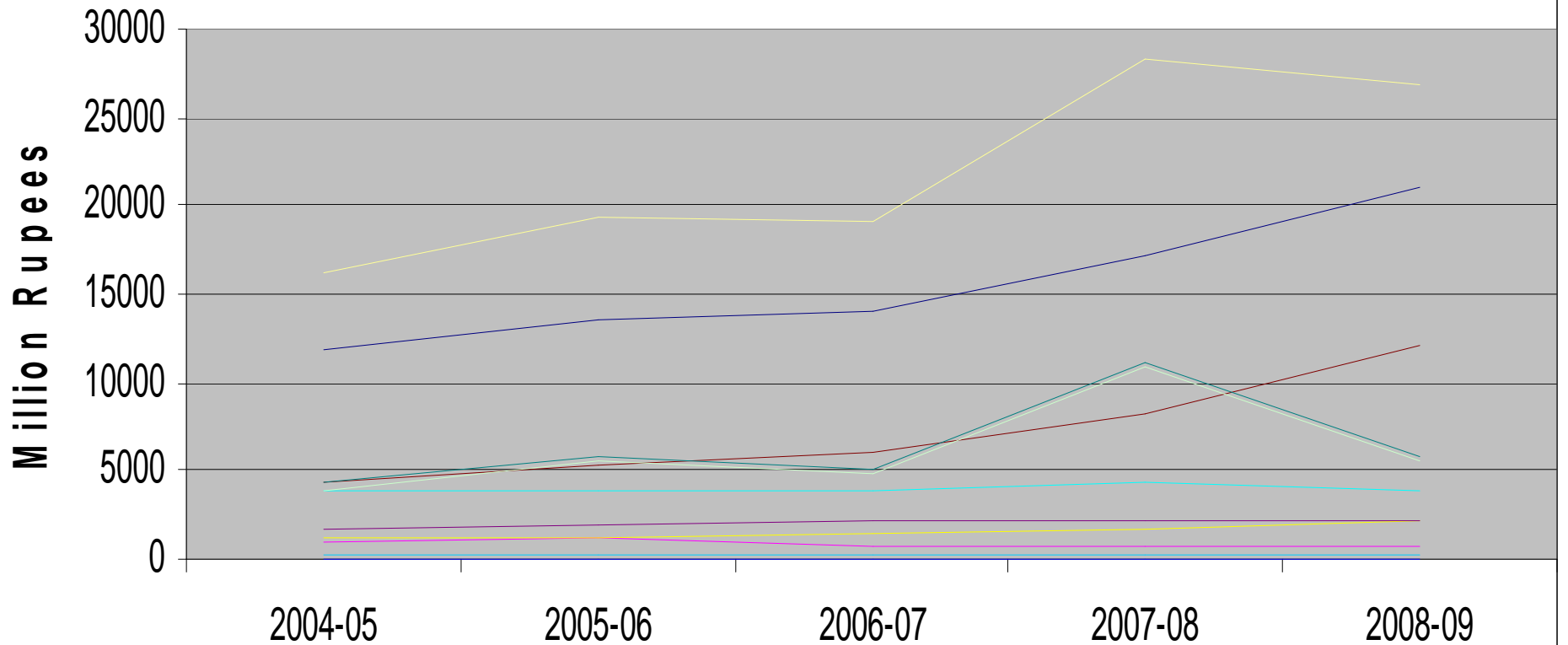


# Provincial Revenues Shares-Punjab



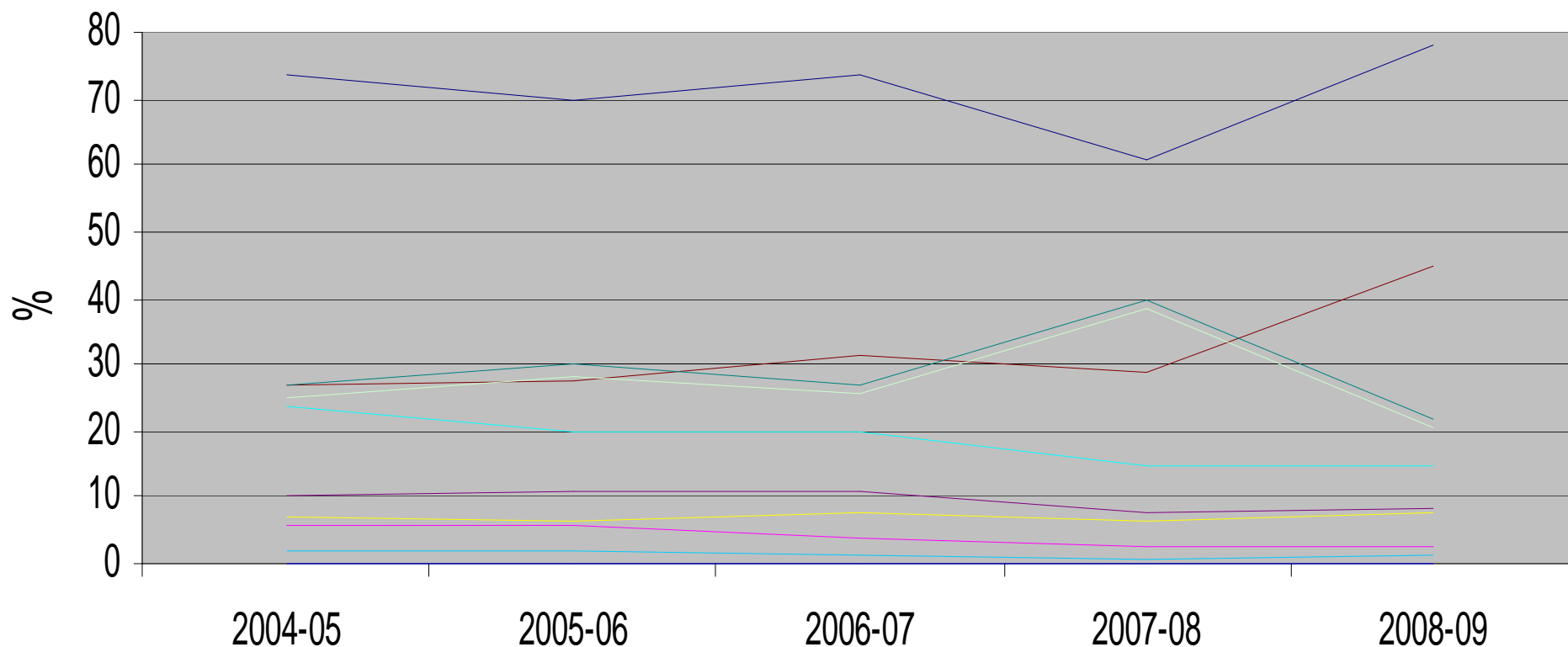
- Provincial Taxes
- Property Taxes
- Excise Duties
- Stamp Duties
- Motor Vehicles Tax
- Other
- Provincial Nontax
- Interest
- Irrigation
- Others

# Provincial Revenues-Sindh



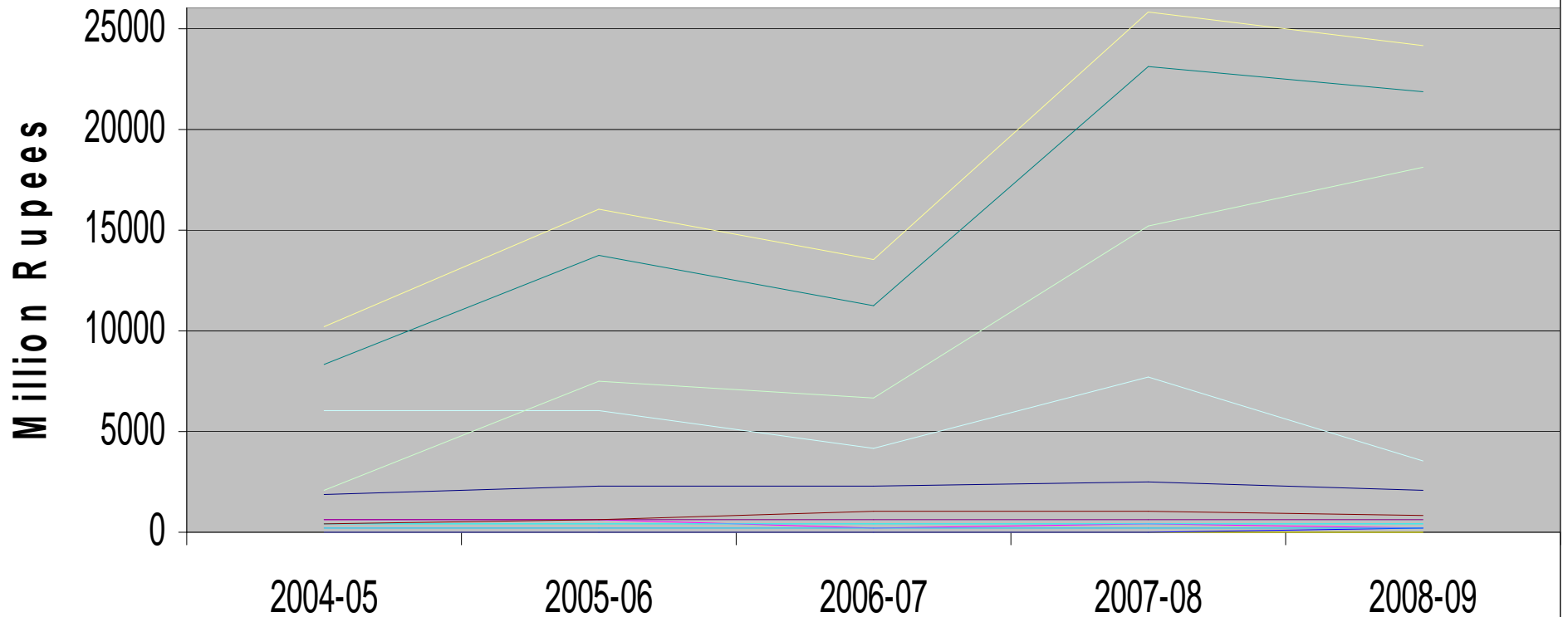
- Provincial Taxes
- Stamp Duties
- Provincial Nontax
- Others
- Property Taxes
- Motor Vehicles Tax
- Intrest
- Total Provincial Revenues
- Excise Duties
- Other
- Irrigation

# Provincial Revenues Shares-Sindh



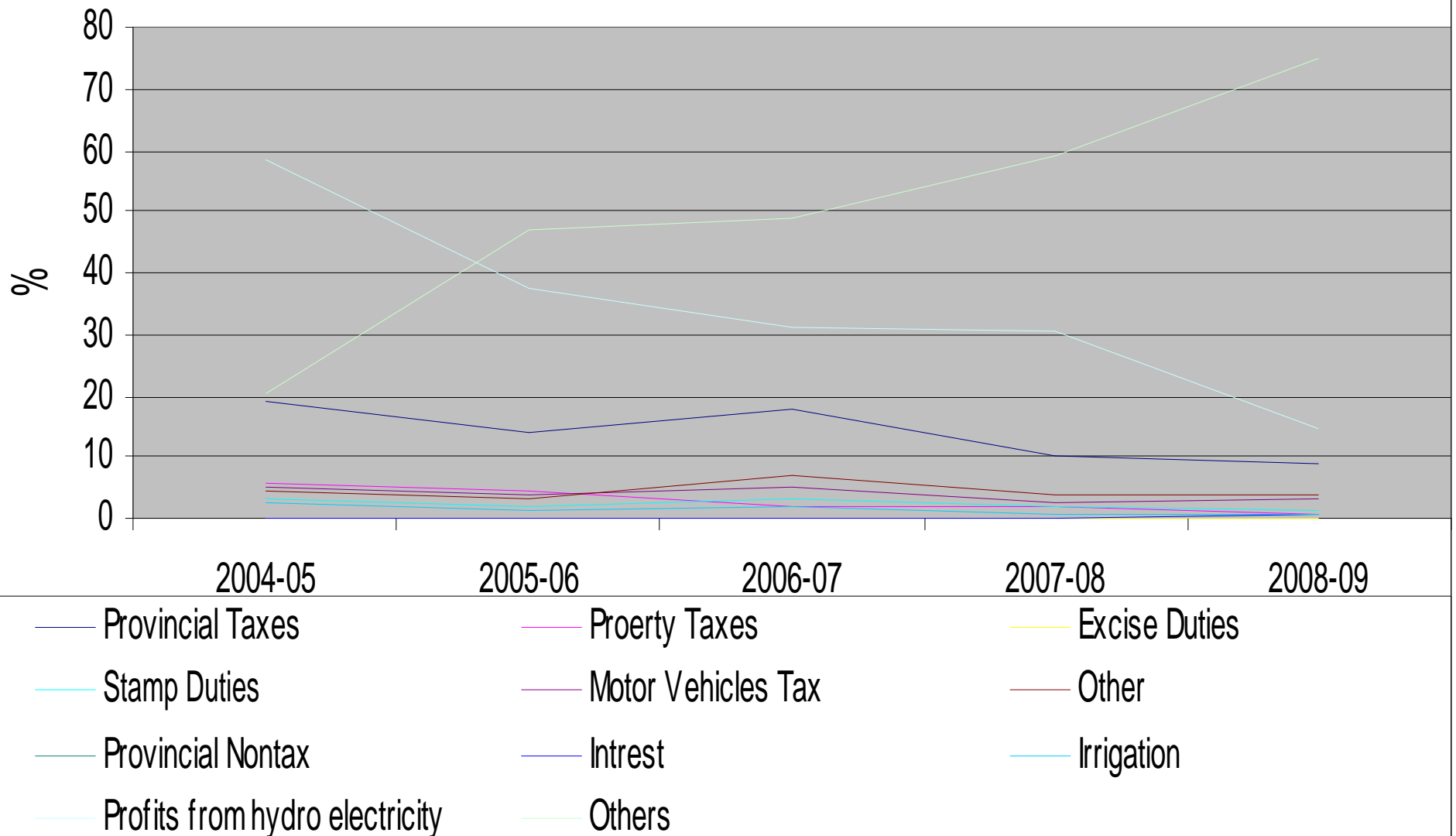
- Provincial Taxes
- Property Taxes
- Excise Duties
- Stamp Duties
- Motor Vehicles Tax
- Other
- Provincial Nontax
- Intrest
- Irrigation
- Others

# Provincial Revenues-Khyber Pakhtoon Khawa

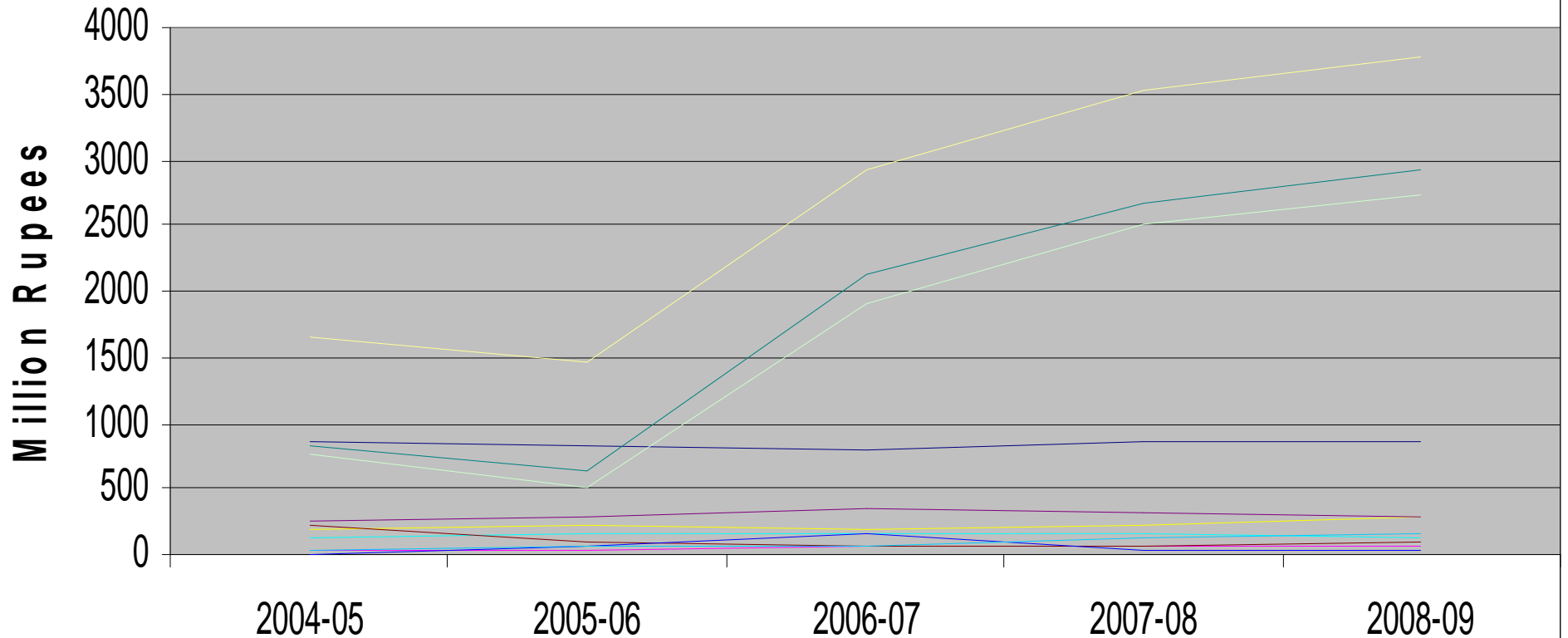


- Provincial Taxes
- Stamp Duties
- Provincial Nontax
- Profits from hydro electricity
- Property Taxes
- Motor Vehicles Tax
- Excise Duties
- Other
- Interest
- Irrigation
- Total Provincial Revenues

# Provincial Revenues Shares-Khyber Pakhtoon Khawa



# Provincial Revenues-Baluchistan



— Provincial Taxes

— Property Taxes

— Excise Duties

— Stamp Duties

— Motor Vehicles Tax

— Other

— Provincial Nontax

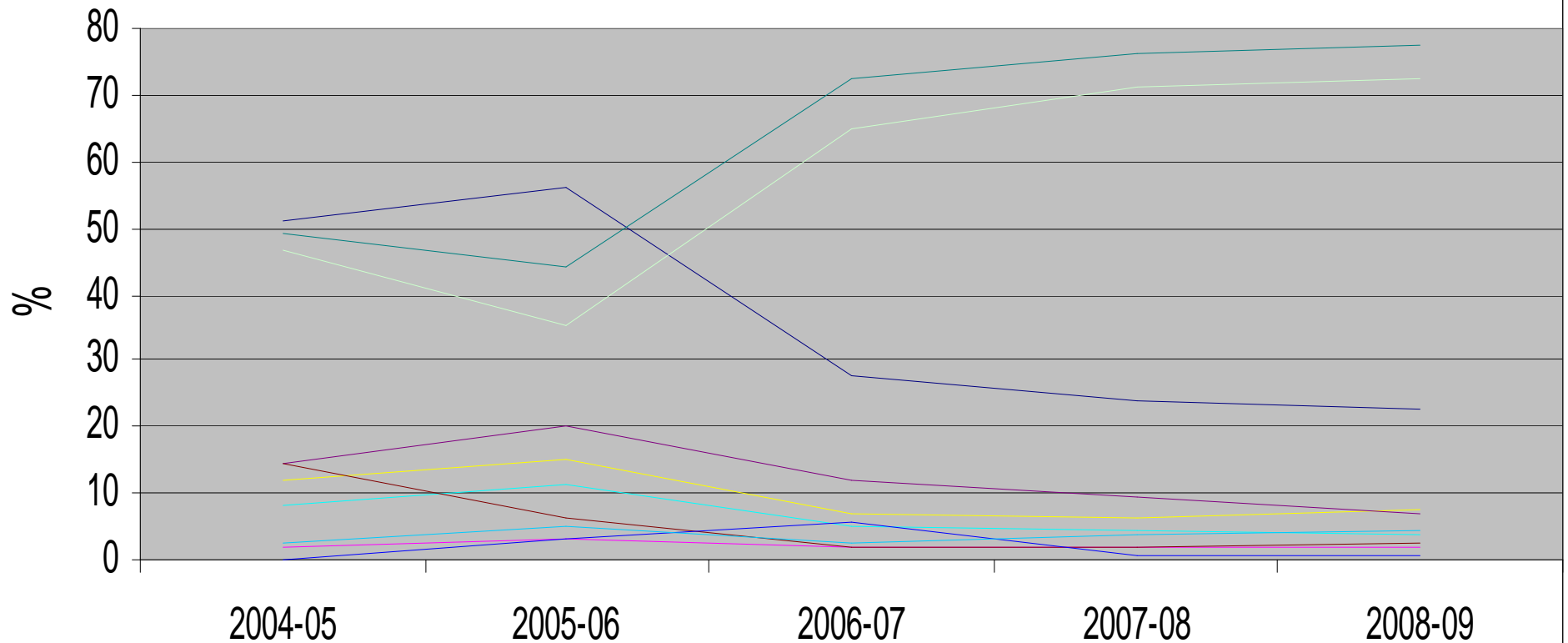
— Intrest

— Irrigation

— Others

— Total Provincial Revenues

# Provincial Revenues Shares-Baluchistan



- Provincial Taxes
- Motor Vehicles Tax
- Irrigation
- Property Taxes
- Other
- Others
- Excise Duties
- Provincial Nontax
- Stamp Duties
- Intrest

# Provincial Expenditures



**Share of Major Function among Expenditures from Consolidated Funds-  
2005-06**

	<b>Federal</b>	<b>Punjab</b>	<b>Sindh</b>	<b>Khyber Pakhtoon Khawa (some unallocable amount is mentioned)</b>	<b>Baluchistan</b>
<b><u>Revenue Expenditures</u></b>					
<b>General Public Service</b>	58.14	49.79	44.87	24.67	11.44
<b>Defence</b>	23.81	0.00	0.00	0.00	0.00
<b>Public Order and Safety Affairs</b>	2.27	8.36	10.55	8.17	16.33
<b>Economic Affairs</b>	11.35	10.20	15.63	7.62	31.96
<b>Environment Protection</b>	0.02	0.84	0.04	0.07	2.20
<b>Housing and Community Amenities</b>	0.43	4.45	0.26	2.02	2.07
<b>Health</b>	1.18	5.69	6.14	6.01	8.72
<b>Recreation, Culture and Religion</b>	0.34	0.49	0.32	0.29	1.12
<b>Education Affairs and Services</b>	2.16	19.36	21.38	26.96	25.82
<b>Social Protection</b>	0.31	0.81	0.81	18.62	0.34

**Share of Major Function among Expenditures from Consolidated Funds-  
2005-06**

<b><u>Capital Expenditures</u></b>	<b>Federal</b>	<b>Punjab</b>	<b>Sindh</b>	<b>Khyber Pakhtoon Khawa</b>	<b>Baluchistan</b>
<b>General Public Service</b>	72.39	0.00	0.09	6.53	0.07
<b>Defence</b>	0.00	0.00	0.00	0.00	0.00
<b>Public Order and Safety Affairs</b>	0.00	0.00	0.00	0.00	3.19
<b>Economic Affairs</b>	27.61	96.40	70.65	67.25	64.60
<b>Environment Protection</b>	0.00	0.00	0.00	1.81	4.40
<b>Housing and Community Amenities</b>	0.00	0.36	12.43	16.41	14.50
<b>Health</b>	0.00	0.00	2.70	0.00	1.14
<b>Recreation, Culture and Religion</b>	0.00	0.00	0.38	0.63	0.42
<b>Education Affairs and Services</b>	0.00	0.01	9.49	0.99	4.71
<b>Social Protection</b>	0.00	3.23	4.27	2.05	6.98

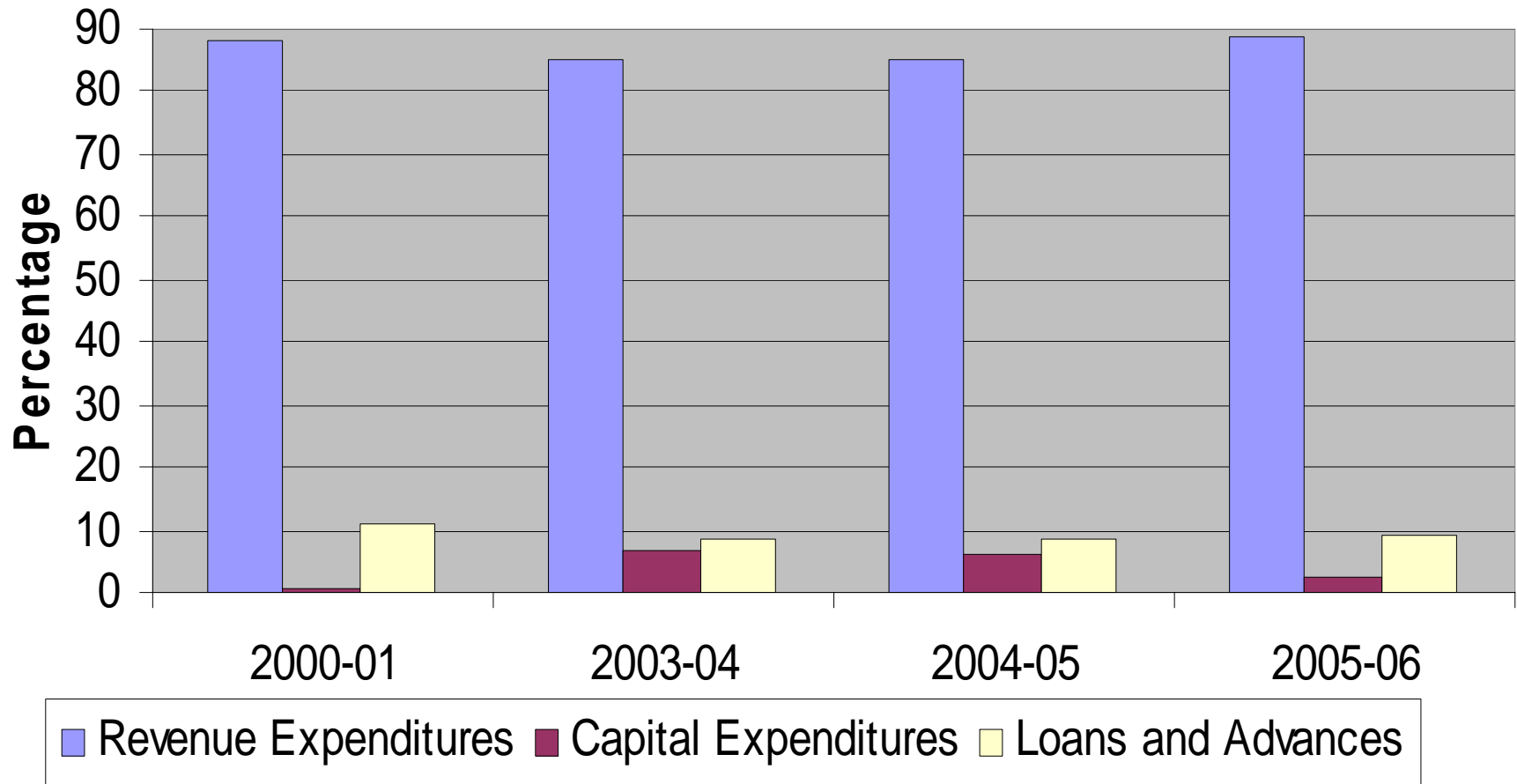
**Share of Governments for Major Function among Total Expenditures from Consolidated Funds-2005-06**

	<b>Federal</b>	<b>All Provinces</b>
<b><u>Revenue Expenditures</u></b>	67.865	32.135
<b>General Public Service</b>	73.851	26.149
<b>Defence</b>	100.000	0.000
<b>Public Order and Safety Affairs</b>	33.865	66.135
<b>Economic Affairs</b>	65.909	34.091
<b>Environment Protection</b>	4.927	95.073
<b>Housing and Community Amenities</b>	23.204	76.796
<b>Health</b>	29.166	70.834
<b>Recreation, Culture and Religion</b>	60.994	39.006
<b>Education Affairs and Services</b>	17.555	82.445
<b>Social Protection</b>	16.735	83.265

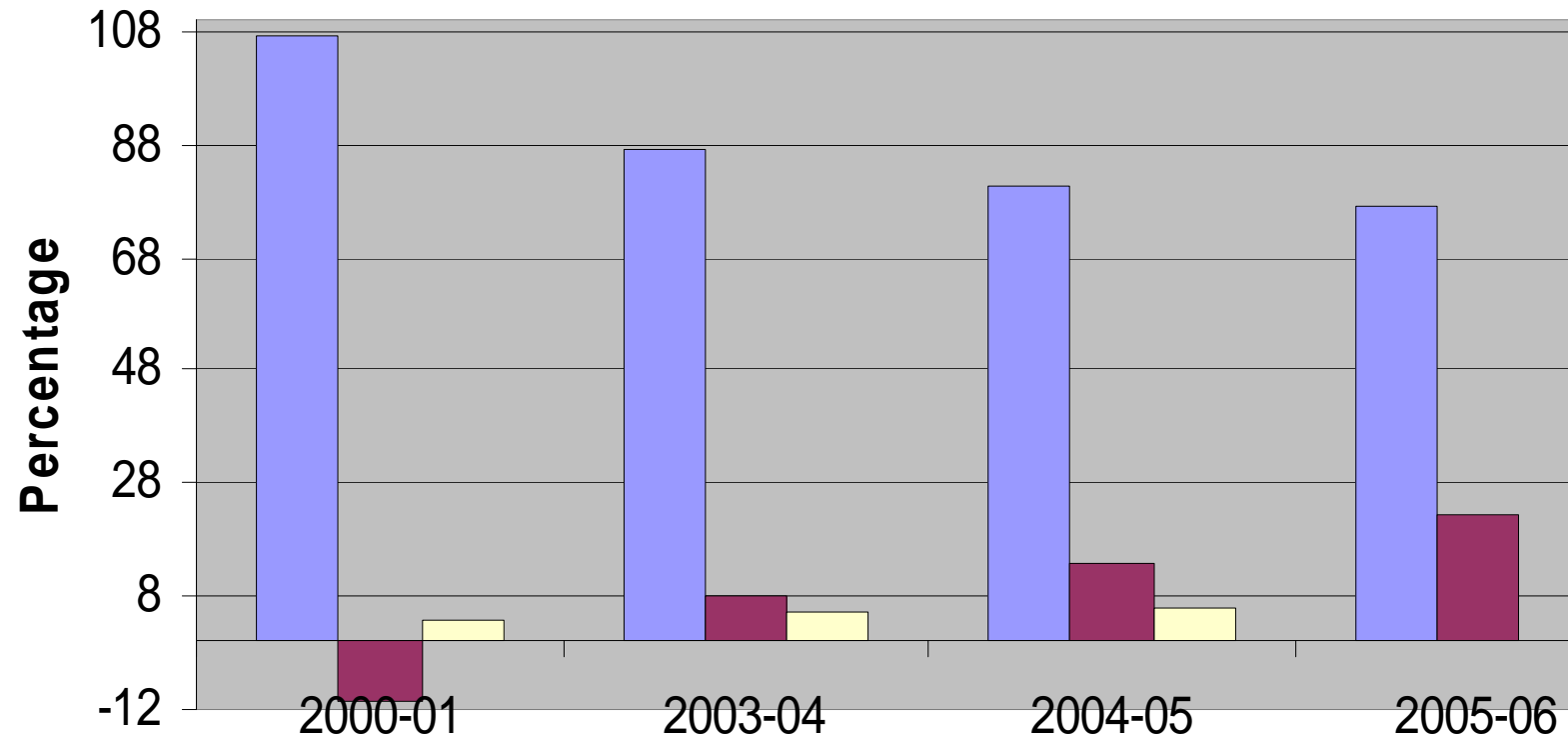
**Share of Governments for Major Function among Total Expenditures from Consolidated Funds-2005-06**

	<b>Federal</b>	<b>All Provinces</b>
<b><u>Capital Expenditures</u></b>	17.83	82.17
<b>General Public Service</b>	94.65	5.35
<b>Defence</b>	0.00	100.00
<b>Public Order and Safety Affairs</b>	0.00	100.00
<b>Economic Affairs</b>	6.84	93.16
<b>Environment Protection</b>	0.00	100.00
<b>Housing and Community Amenities</b>	0.00	100.00
<b>Health</b>	0.00	100.00
<b>Recreation, Culture and Religion</b>	0.00	100.00
<b>Education Affairs and Services</b>	0.00	100.00
<b>Social Protection</b>	0.00	100.00

## Expenditures from Consolidated Funds-Federal

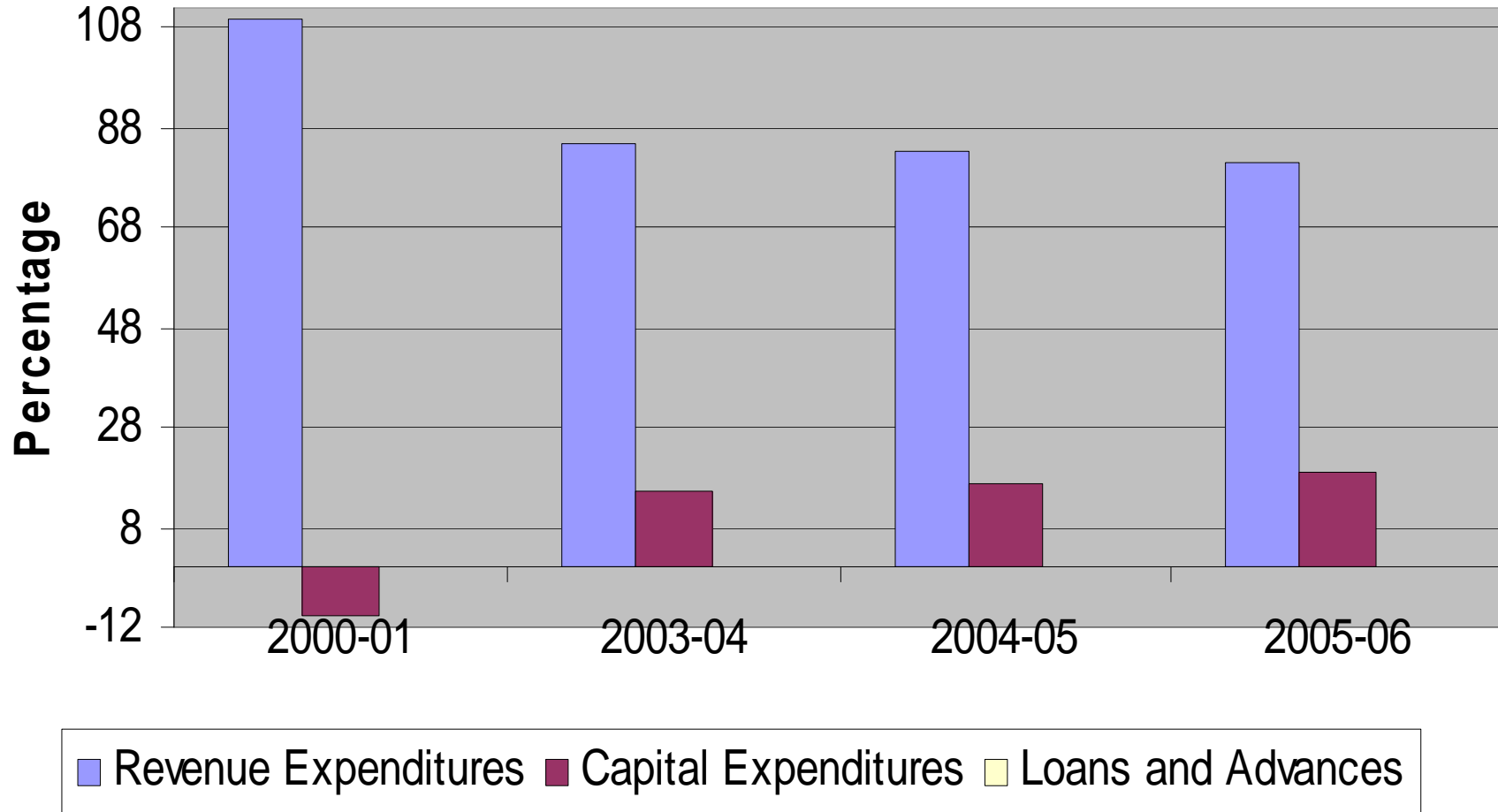


## Expenditures from Consolidated Funds-Sindh

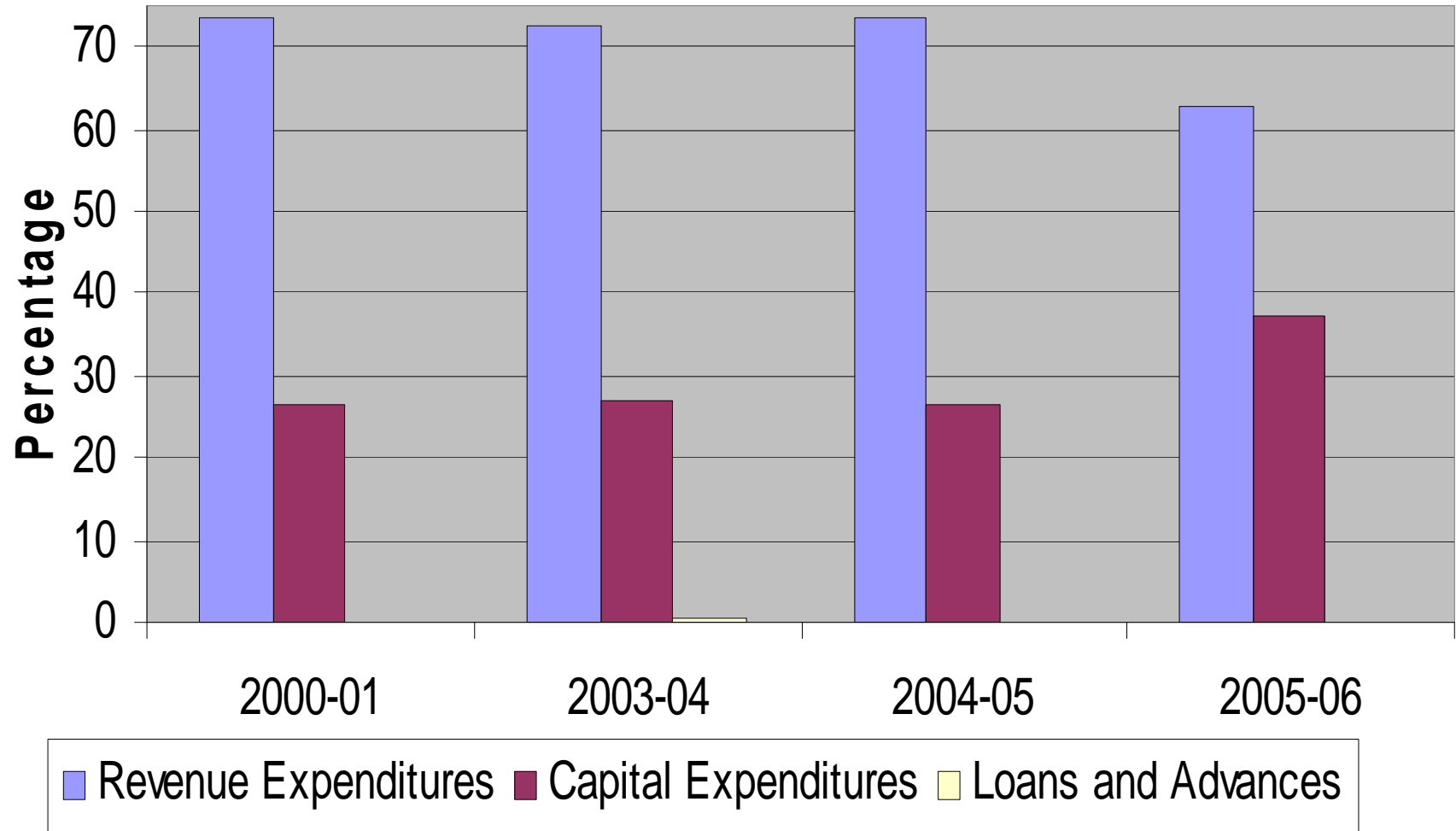


■ Revenue Expenditures ■ Capital Expenditures ■ Loans and Advances

## Expenditures from Consolidated Funds-Khyber Pakhtoon Khawa

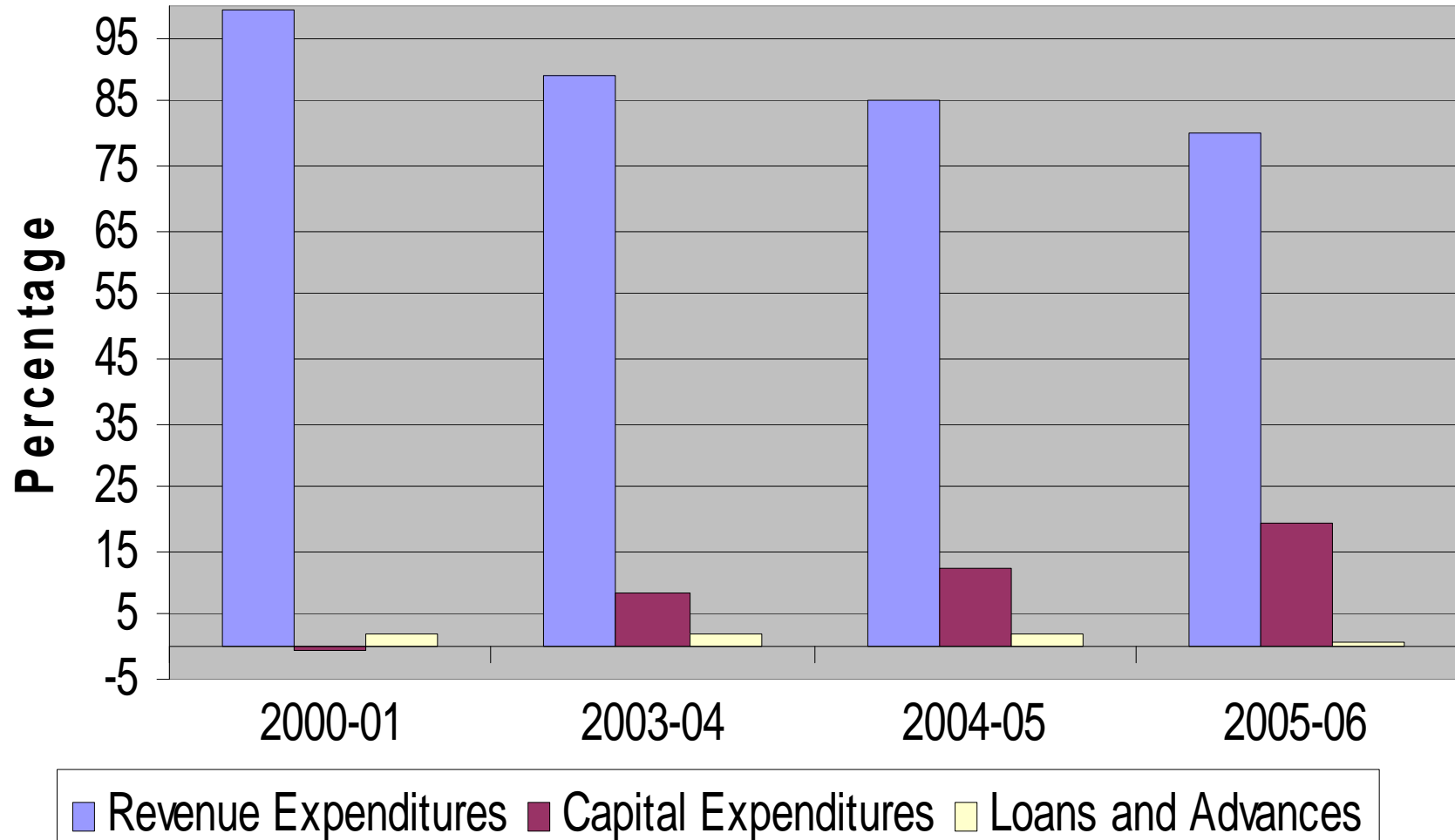


## Expenditures from Consolidated Funds-Baluchistan

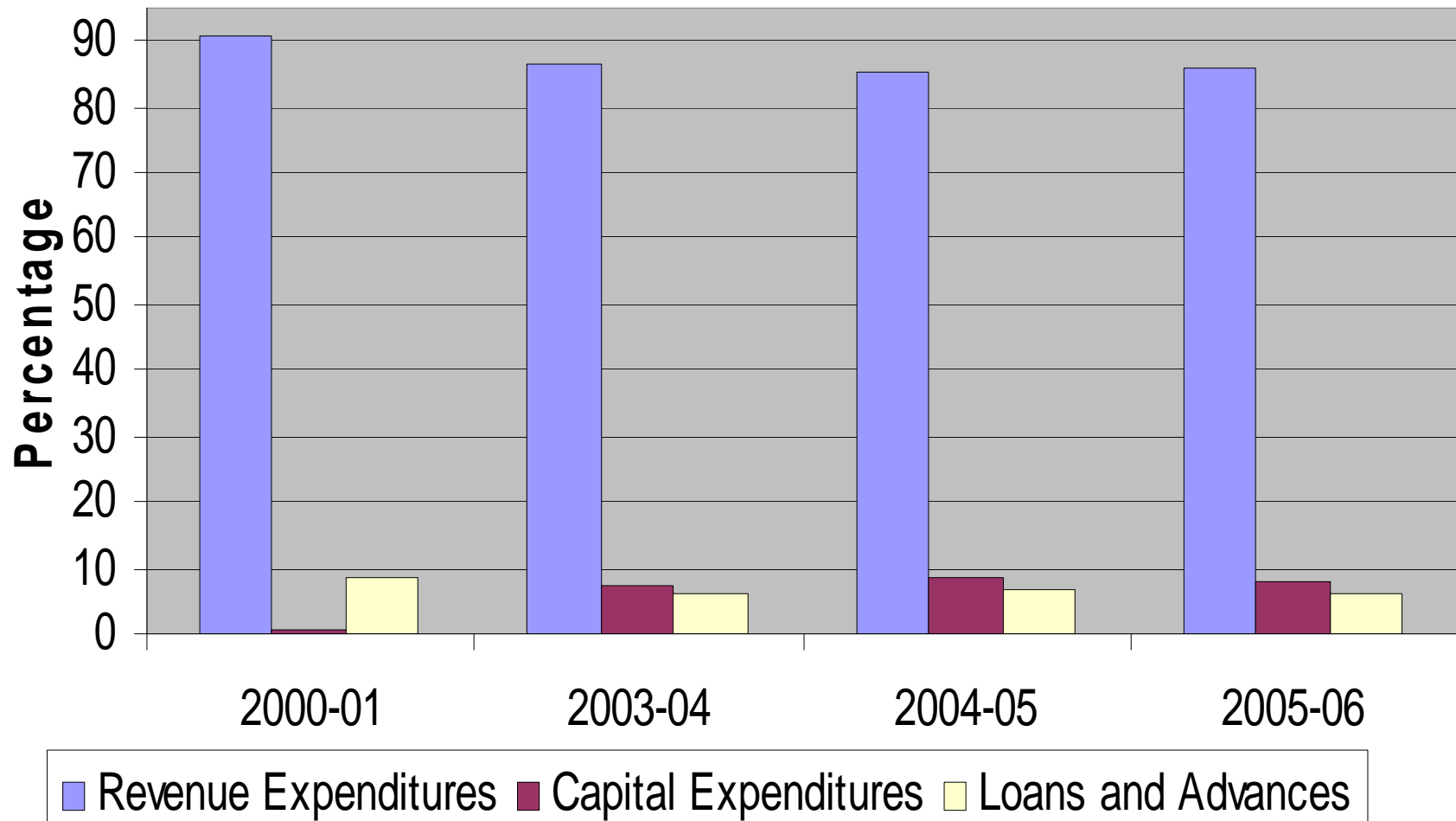




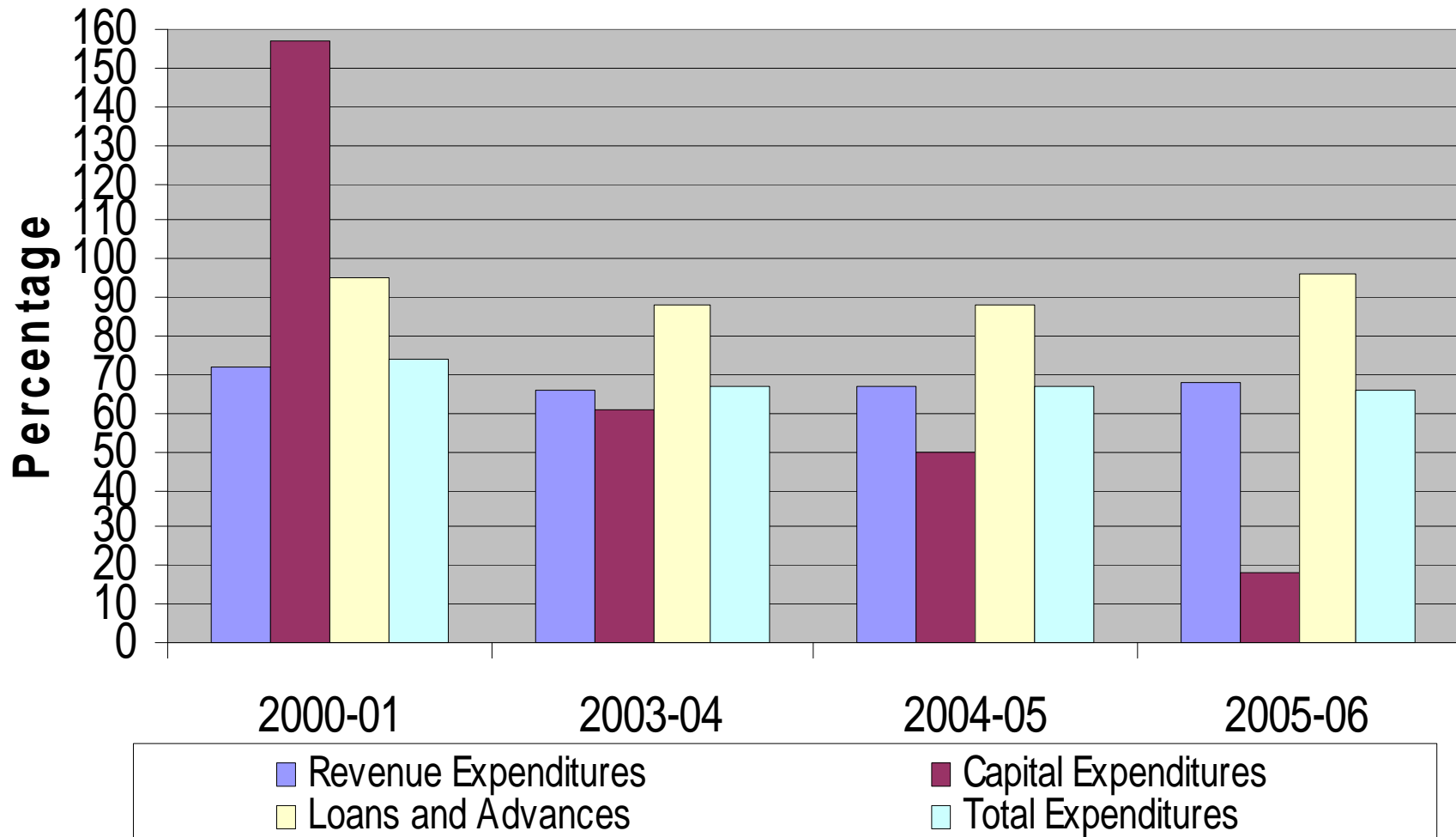
## Expenditures from Consolidated Funds-All Provinces



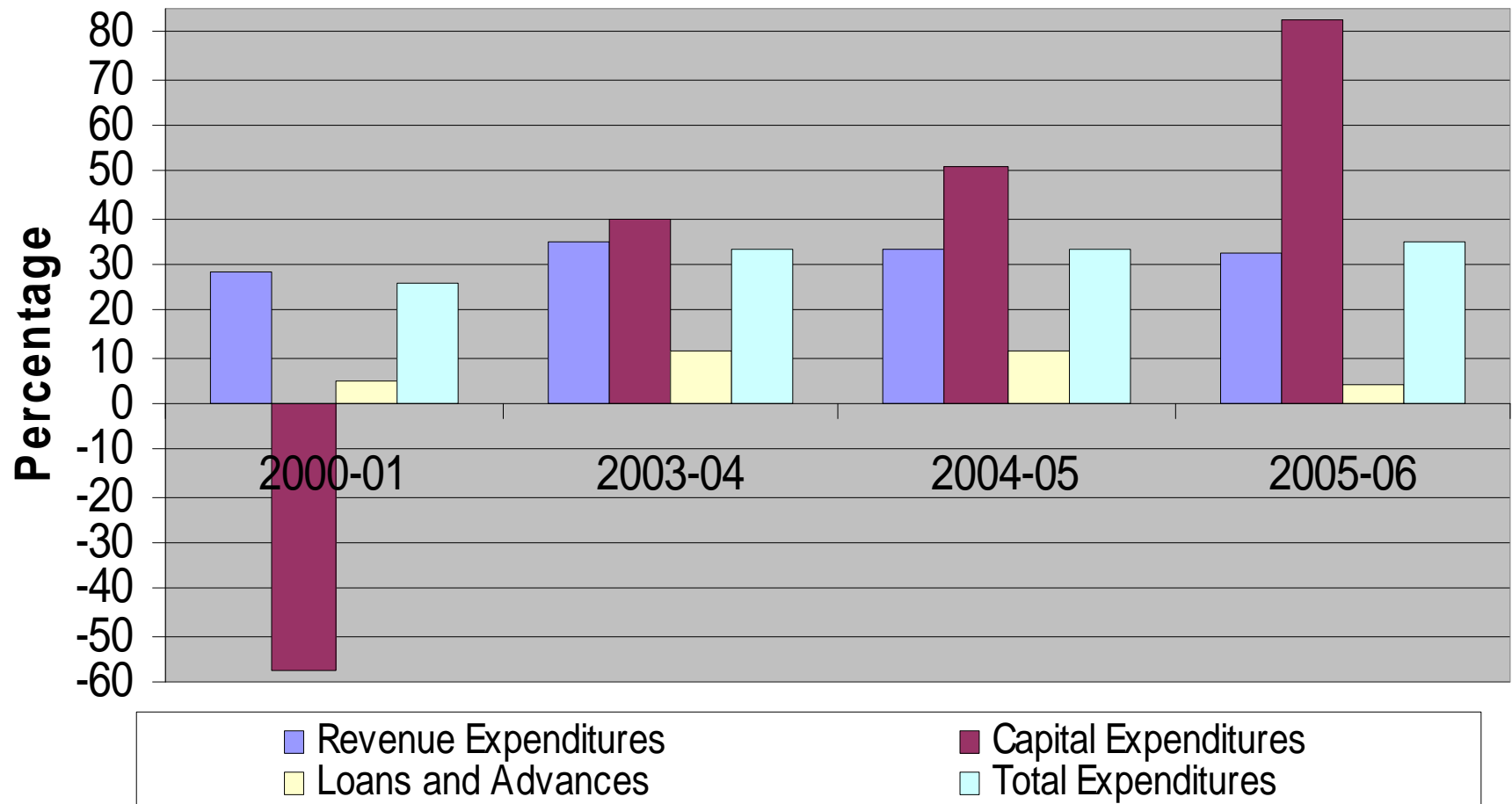
## Expenditures from Consolidated Funds-All Governments



## Expenditures Shares Among total from Consolidated Funds-Federal



## Expenditures Shares Among total from Consolidated Funds- All Provinces



Budget making Post 7<sup>th</sup> NFC

		Punjab	Sindh	KPK	Baluchistan	All Provinces
		Budget Change (2009-10 - 2010-11)				
Budget components		Budget Change (2009-10 - 2010-11)				
1	<b>Total Receipts</b>	5.23	29.87	56.67	119.86	23.91
1.1	<b>Total Revenue Receipts</b>	30.68	30.86	48.85	95.63	37.66
1.11	Total Federal Transfer	24.37	38.00	51.84	101.05	38.38
1.111	Federal Share of Taxes	35.25	100.14	76.63	184.20	62.86
1.112	Subventions/Grants	-86.88	-58.68	-42.99	-14.14	-54.87
1.113	Direct Transfers	-38.12	-4.72	79.84	34.10	12.03
1.12	Total Own Revenue	61.81	2.35	-2.18	13.29	33.69
1.121	Total Own Tax Revenue	144.50	23.80	20.92	8.59	90.73
1.121 1	Own Direct Taxes	15.74	139.66	26.60	-	30.91
1.121 2	Own In-Direct Taxes	224.07	13.94	18.39	-	113.69
1.122	Own Non-Tax Revenues	-21.03	-15.99	-15.06	15.40	-17.37
1.2	<b>Total Capital Receipts</b>	-28.52	20.67	75.83	328.42	-5.69
1.21	Recoveries (Loans and Advances)	-89.53	878.67	-	31.57	-77.16
1.22	State Trading	-0.59	-	-	-	11.76
1.23	Un-funded Debt	-35.99	-	-	462.37	-30.66
1.24	Others	18.53	0.48	-	95.73	16.91

		Punjab	Sindh	KPK	Baluchistan	All Provinces
	<b>Budget components</b>	<b>Change (2009-10 - 2010-11)</b>				
2	<b>Total Expenditures</b>	5.97	31.22	44.83	104.75	23.02
2.1	<b>Current Expenditures</b>	-1.95	20.53	43.44	124.85	16.28
2.11	Current Revenue Expenditures	21.54	19.32	17.39	57.20	22.87
2.111	Debt Servicing	5.46	-	19.14	151.99	17.65
2.12	Current Capital Expenditures	-26.61	40.77	102.80	1490.74	3.60
2.2	<b>Development Expenditures</b>	38.85	61.75	49.54	44.33	47.28
2.21	Development Revenue Expenditures	23.93	81.75	49.54	347.93	56.91
2.22	Development Capital Expenditures	56.40	30.35		-100.00	31.69
3	<b>Surplus/Deficit</b>	117.91	57.17	-100.0	-14.80	-3.29

# Conclusions

- Provincial Budgeting Process is underpinned by Fiscal authority
- Over all the provinces own revenue base is low and stagnant
- Fiscal Transfers play a key role in cost of debt and debt servicing for the provinces
- There are different expenditure menus for each province representing its political/governance economy
- There has to be a constitution barring provinces to go over and above a threshold level of fiscal deficit
- Provincial capacity building in public financial management is required. However it should not just be in accounts keeping rather linking it with targets and achievements should be done.
- All the federal planning documents should now also incorporate the provincial public-finance aspects as well



- Thanks for the Patience